

Single Touch Payroll Design Working Group Update

Thursday 26 July, 2017



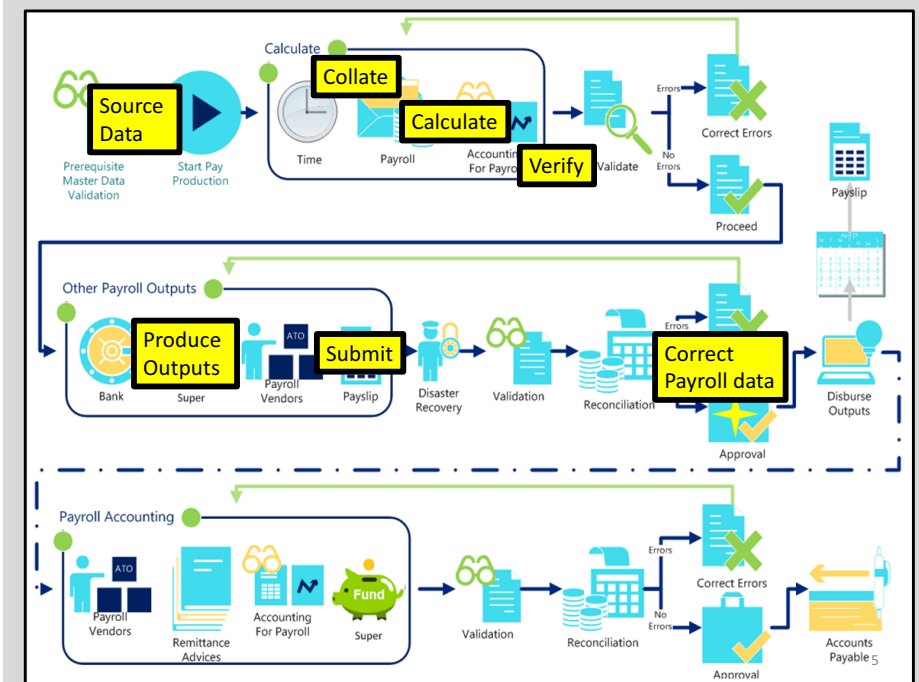
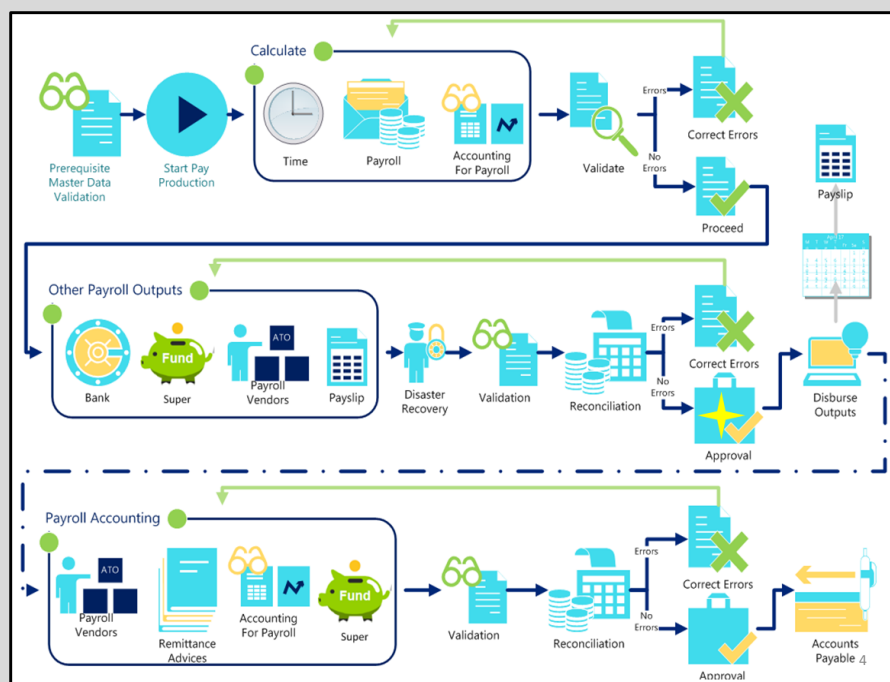
1

Design approach....

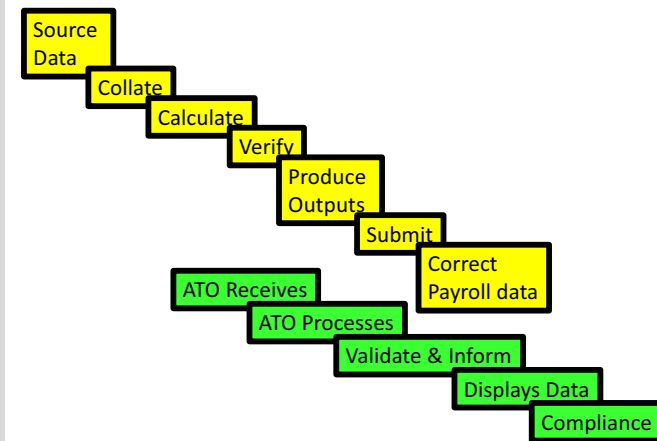
?	Idea / Concept / Issue Working Group	Recognised, Agreed (to be resolved) & Owned
!	Focus Group	Relevant people to validate the position
[]	Micro Group	Selected few to develop Position Paper

Institute of Certified Bookkeepers
Making you count

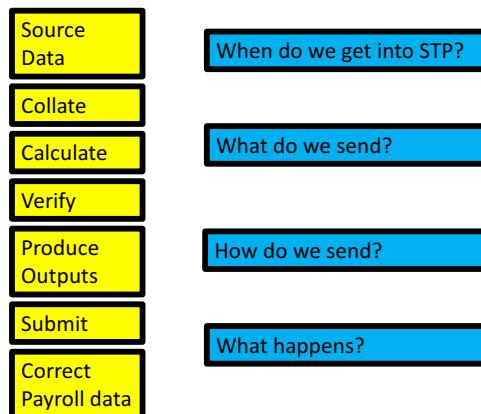
2



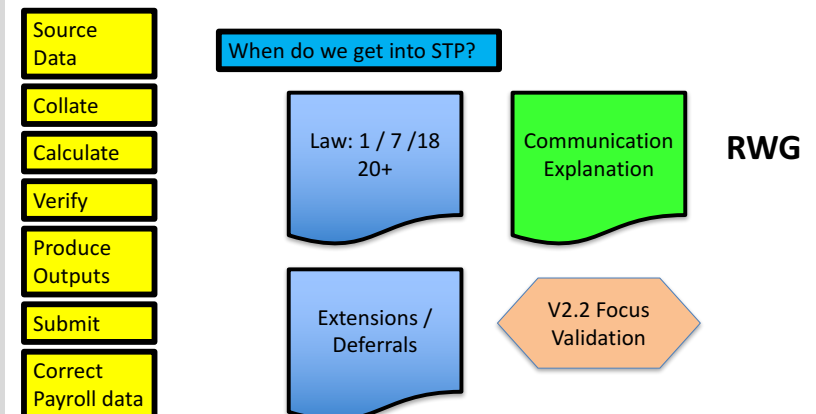
Payroll Process ..end to end



DWG Payroll Report'g 27/7/17



DWG Payroll Report'g 27/7/17



DWG Payroll Report'g 27/7/17

When do we get into STP?

Extensions /
Deferrals

V2.2 Focus
Validation

DSPs – ATO Account Managers – Implementation Plan “DEP”

DEP#

DSPs communication with Clients

Clients claim Extension based in DEP#

..... Then Employers implementation extension



Institute of Certified Bookkeepers
Making you count

10

DWG Payroll Report'g 27/7/17

Source
Data
Collate
Calculate
Verify
Produce
Outputs
Submit
Correct
Payroll data

What do we send ?

Transition in

Rules &
Scenarios

Focus
Validation

Payevent
Update event
Finalise

Rules &
Scenarios

Focus
Validation

Declarations &
Authorisation
to Lodge

Tech Docs

Published,
Change
requests



Institute of Certified Bookkeepers
Making you count

11

DWG Payroll Report'g 27/7/17

What do we send ?

Transition in

Rules &
Scenarios

Focus
Validation

First submission

- Payevents, or
- Update (for all)

Start from \$Nil (Impact)
Start with YTD



Institute of Certified Bookkeepers
Making you count

12

DWG Payroll Report'g 27/7/17

What do we send ?

Payevent
Update event
Finalise

Rules &
Scenarios

Focus
Validation

Payevent:

Employer Period amounts for W1 & W2

Employee YTD Values for S&W, PAYGW, Super Accrued

Update event

No Employer values

Employee YTD values

Tech Docs

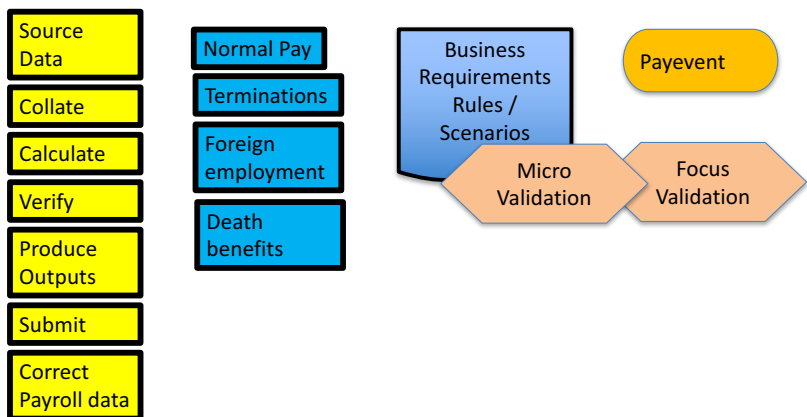
Published,
Change
requests



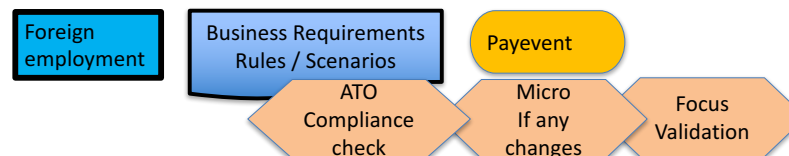
Institute of Certified Bookkeepers
Making you count

13

DWG Payroll Report'g 27/7/17



DWG Payroll Report'g 27/7/17



Methods of obtaining the right data in an STP world
 1/ Estimates: Employer sends employee overseas & guesses
 2/ Actual: Employer works it out when they qualify
 3/ Reconciliation: End of year

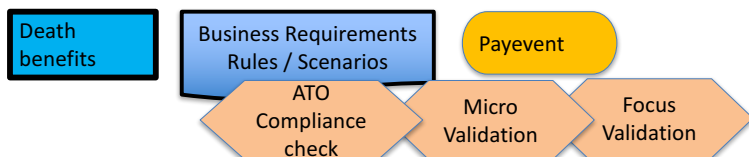
When & How

FE Gross / FE Tax paid / Aust Tax et al

In an STP context -> sending the right data



DWG Payroll Report'g 27/7/17



Methods of obtaining the right data in an STP world

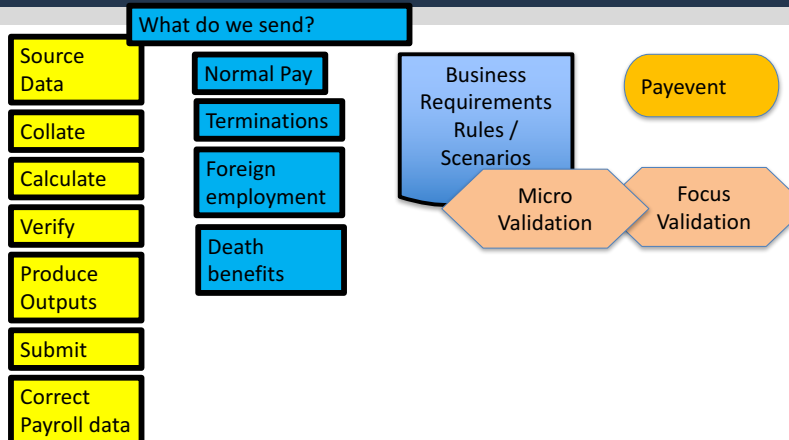
- 1/ Dependent
- 2/ Non-Dependent
- 3/ Trustee

When & How – Optional for STP

In an STP context -> sending the right data



DWG Payroll Report'g 27/7/17



What do we send?



DWG Payroll Report'g 27/7/17

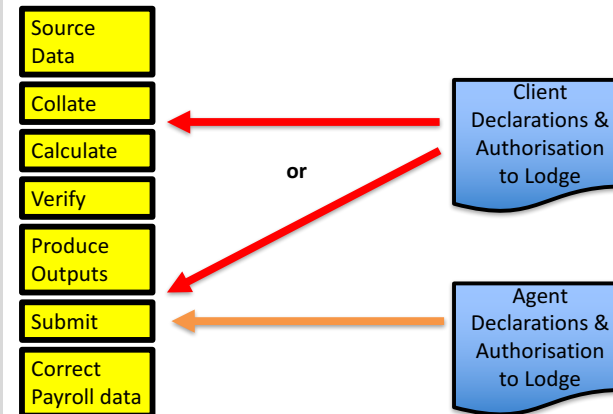
What do we send ?



1. Client Self prepares & lodges => "True & Correct reports" & "Authorised to Lodge"
2. Client provides data to Agent => "All information to enable True & Correct" & "You are authorised to Lodge"
3. Agent receives data, prepares & Lodges => "True & Correct based on information provided" & "Authorised to Lodge"
4. Client does #1 but uses a DSP "Cloud Authentication" Same & Access Manager
5. DSP uses a Sending Service Provider (SSP): Same & ATO whitelists SSP



DWG Payroll Report'g 27/7/17



DWG Payroll Report'g 27/7/17

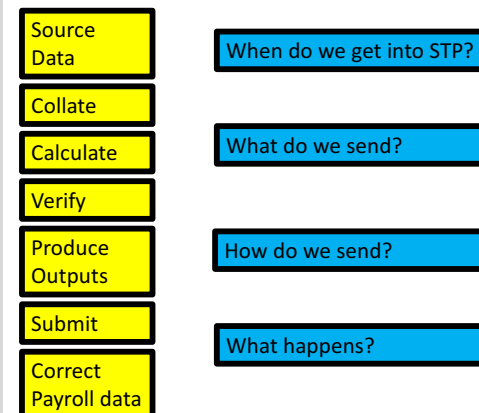
What do we send ?



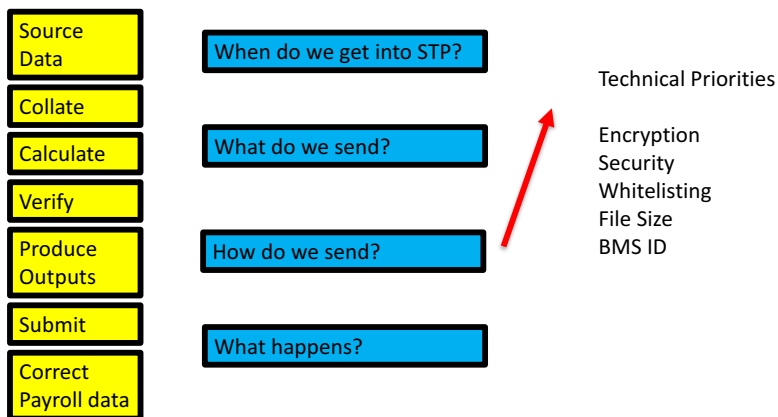
Concept that "Finalise" must be signed off by employer



DWG Payroll Report'g 27/7/17



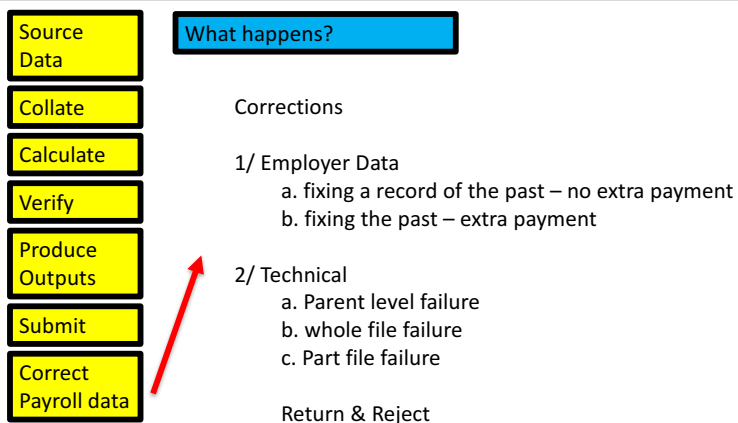
DWG Payroll Report'g 27/7/17



Technical Requirements

- STP Submission
 - Queued at BMS
 - Queued upon receipt by ATO
 - Cannot change the employers ability to pay and move on
- Technical receipt

DWG Payroll Report'g 27/7/17



Fix - Payroll Reporting

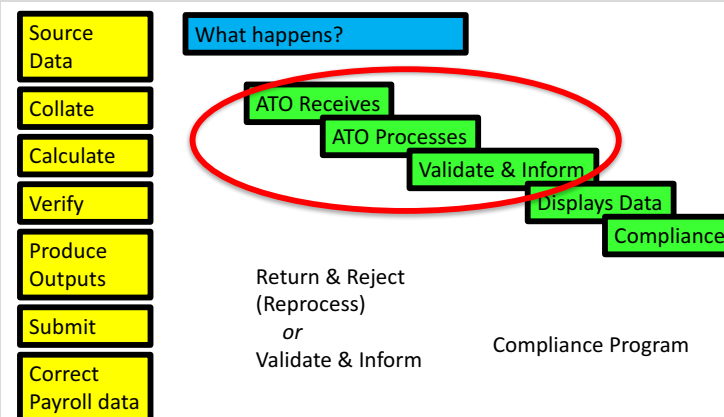
- Fix – technical
- Fix – to report previously submitted
 - BMS is the source of truth
 - fix it next time / update
- Fix – back pay (is just a payevent)
- Fix – Employee YTD
- Fix - Employer W1 & W2

Changes

Employee YTD information

- Out of cycle – is just another payevent
- Backdated payslip – fix and report next time
- Backpay is just another payevent
- Missed a payslip – fix and provide to employee

DWG Payroll Report'g 27/7/17



DWG Payroll Report'g 27/7/17

What Happens?

Displays Data

Micro
Development

Focus
Validation

1. What is being displayed where?
2. What is being provided back to PLS / Portals / BMS / myGov

DWG Payroll Report'g 27/7/17

What Happens?

Compliance

Micro
To start a
discussion
sometime

Focus
Validation

1. What
2. When
3. Who
4. How
5. Consequence

Compliance program

- Unknown
- What is the ATO going to do with the data?
- Soft touch enquiry



Outstanding

- Document Library
- Technical delivery / consideration / co-design
- Compliance Program
- BAS Prefill



Close (as in nearly)

- Rules & Requirements & Scenarios
- Return Messaging
- Foreign & Death
- Payevent & Update event
- Declarations



Parked

- Compliance – small group
- Return error messages – ATO
- BMS ID requirements – TWG
- Authorisation (by employer / technical)
 - TWG & ?
- Encryptions - TWG
- Technical Channel Security - TWG



Thanks

- Next slides are history



Employee Commencement

- Employer Direct: BMS > ATO > BMS
- Employee Direct: myGov > ATO > BMS
- Not yet – early design
 - ATO have document review / Concept
 - Industry to form Concept paper
 - Micro group to collaborate framework
 - Focus group to develop – Design to validate



What is STP?

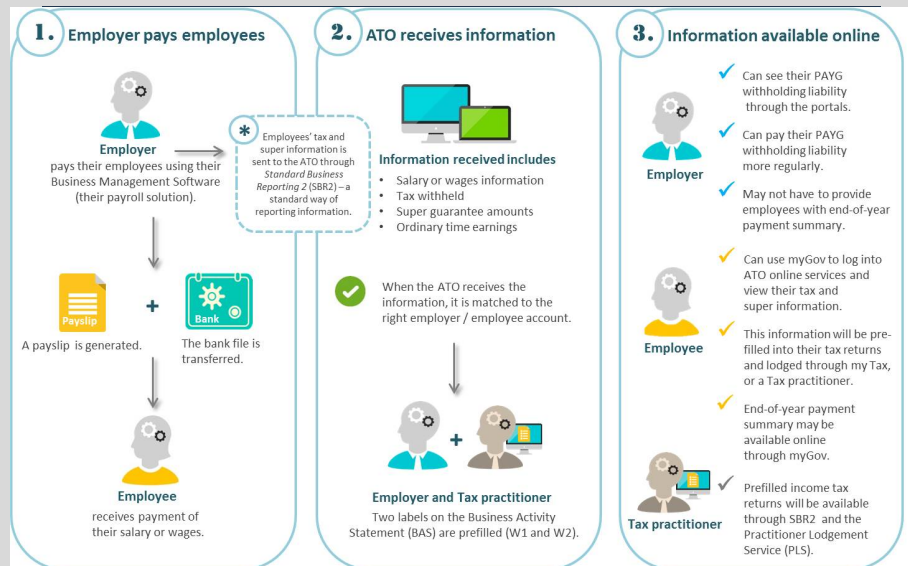
- Payroll Reporting
 - YTD Employee information each time
 - W1 & W2 values
- Super Payment Reporting
- Employee Commencement:
 - TFN Dec
 - SuperChoice



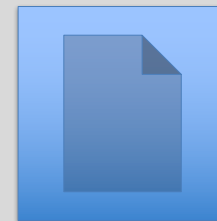
Agenda - Single Touch Payroll

- Introductory Recap
 - What?
 - When?
 - Who?
 - How?
- Impact on Business
 - Each Payevent
 - Payment Summaries
 - BAS's / PAYG W payment
 - Out of Cycle
 - Corrections
 - Authorisation





Business requirements

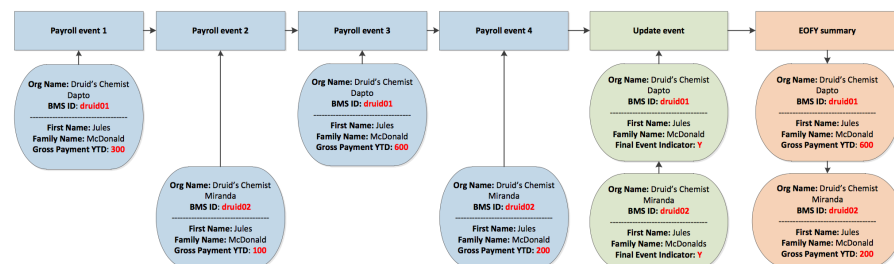


- Payroll Reporting
 - Regular
 - Out of Cycle
- Fix
 - With payment
 - Reporting errors
 - Full File Replacement
- Finalisation
 - End of Year
 - RFBA / RESC
 - Amended



20170509 Draft business requirements - Doc 3 scenarios

Scenario 1a - Employer uses multiple BMS where an employee works across different stores



- Payroll event 1** Jules works payroll period 1 at Dapto. A payroll event is provided to the ATO from Dapto with a BMS Identifier of 'druid01'.
- Payroll event 2** Jules works payroll period 2 at Miranda. A payroll event is provided to the ATO from Miranda with a BMS Identifier of 'druid02'.
- Payroll events 3 & 4** Payroll events 3 & 4 follow the fortnightly payment cycle.
- Update event** At the end of the financial year both Druid's Chemist stores finalise their financial year by providing the ATO with a Final Event Indicator as part of an update event.
- EOFY summary** Two end of financial year (EOFY) summaries will be available to Jules McDonald to print and view via myGov.



What is STP?

- myGov display of employee information
- Payment Summary
- BAS Prefill
- ATO visibility



Underlying Philosophy of STP

- No additional burden on employers
- YTD on each PayEvent – therefore no amendments of past payevents
- No change to payment cycles
- Hopefully catch the crooks



Implementation Timeline

