



Australian Government
Australian Taxation Office

Single Touch Payroll - Phase 2 Digital Service Providers (DSP's)

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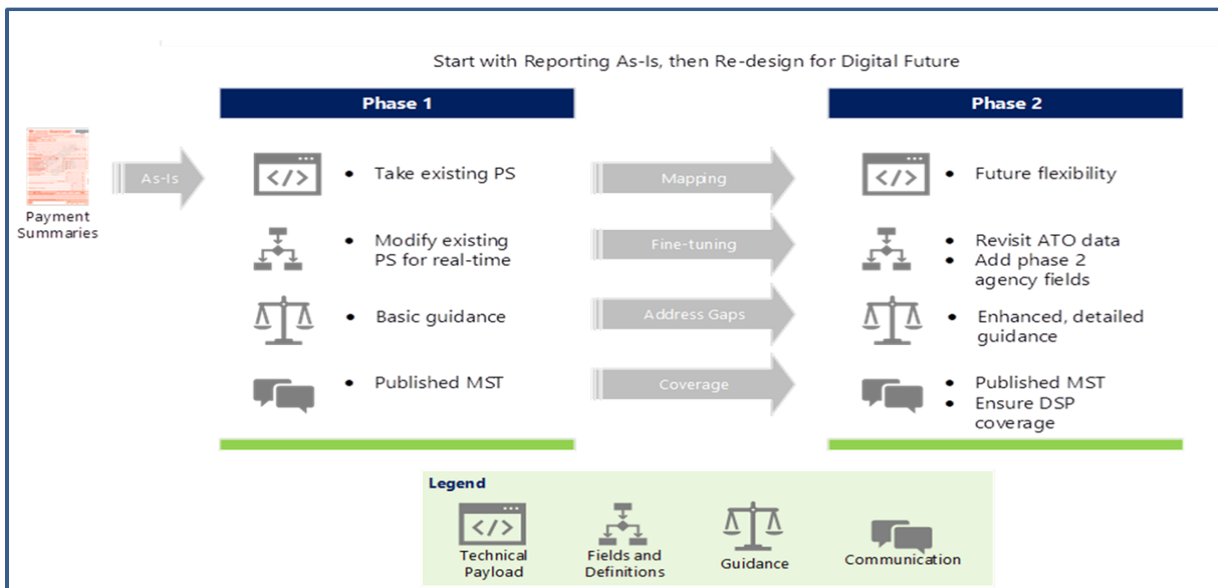
Single Touch Payroll Phase 2

Overview

New Data Structure

Pay Event Payload Journey Map

- Existing structure into design
- 'Minimum viable Product'



- Gaps identified in guidance
- Improvements to existing data fields
- Expanded data fields

Digital Service Provider Engagement Model

To deliver on Phase 2 Single Touch Payroll (STP), we will continue to consult and co-design with Industry.



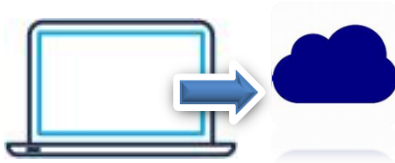
Source: Software Industry Engagement and consultation, DSP engagement model

Single Touch Payroll Phase 2

Phase 2 What's Changing

Key Changes

Additional Transition Fields



- Previous BMS Id (parent)
- Previous Payroll Id (child)

Income Realignment



Moving away from the payment summary categorisation of income, to reporting same data items (with validations) by income type (future proofing).

- SAW - Salary and Wages
- WHM - Working Holiday Makers
- FEI - Foreign Income
- JPDA - Joint Petroleum Development Area
- VOL - Voluntary Agreement
- LAB - Labour Hire
- PSI - Other Specified Payments
- SHD - Inpats (Shadow Payroll)
- SWP - Seasonal Worker Program
- LHW - Labour Hire Working Holiday Maker
- LHS - Labour Hire Seasonal Worker Program

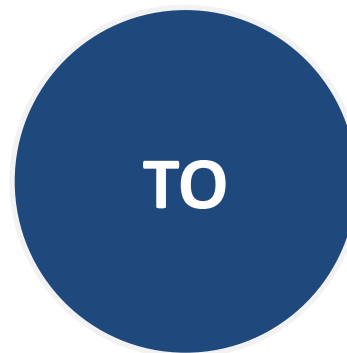
Key Changes

Disaggregation of Gross

Where the components that comprise gross and allowances across all income streams are further specified.



- Gross Income
- Allowances (INB only)



- Gross
- Allowances (tuple)
- Overtime
- Paid Leave (tuple)
- Directors fees
- Salary sacrifice (tuple)
- Bonuses & Commissions

Key Changes

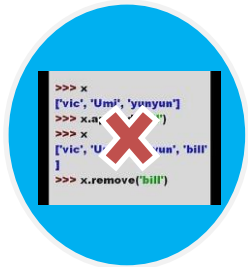
Lump Sum Tuple

- Introducing a tuple to report the various types of lump sums.
- With the addition of a financial year field for lump sum E amount allocation, to the financial year to which the payment relates.
- Removes the need to provide breakdown to employees.

Allowances

- Separately itemised allowances for Individual Non-Business – Salary and Wages are categorised.
- Other income stream allowances did not have concessional tax treatment and were included in gross.
- The allowances will now be expanded to include categories of allowances included in gross.

Key Changes

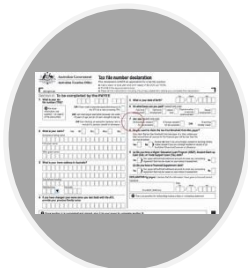


Remove On-boarding Tuple

The entire tuple and its fields will be removed from the submit service.



Add Cessation Reason



Replace TFND Services

By including these 4 additional child fields each pay event, that define the tax details that the employer uses to apply withholding rates to employees, the separate lodgement of the TFND is no longer required.

- **Employment Basis**

Currently in the onboarding tuple, reflecting full time, part time, casual, labour hire or pension/annuity.

- **Cessation Reason**

To replace the existing Lump Sum A Type field and the DHS Employment Separation Certificate reasons.

- **Tax Scale**

The package of tax treatment that may be defined by core tax tables and supplemented by other varying rates.

- **Offset Amount**

The offset amount claimed by the taxpayer to vary the amount of the withholding from that stipulated by the tax scales.

Key Changes



Adding CSA deductions

There are two types of child support deductions in payroll:

1. **Child Support Garnishee**
2. **Child Support Deduction.**

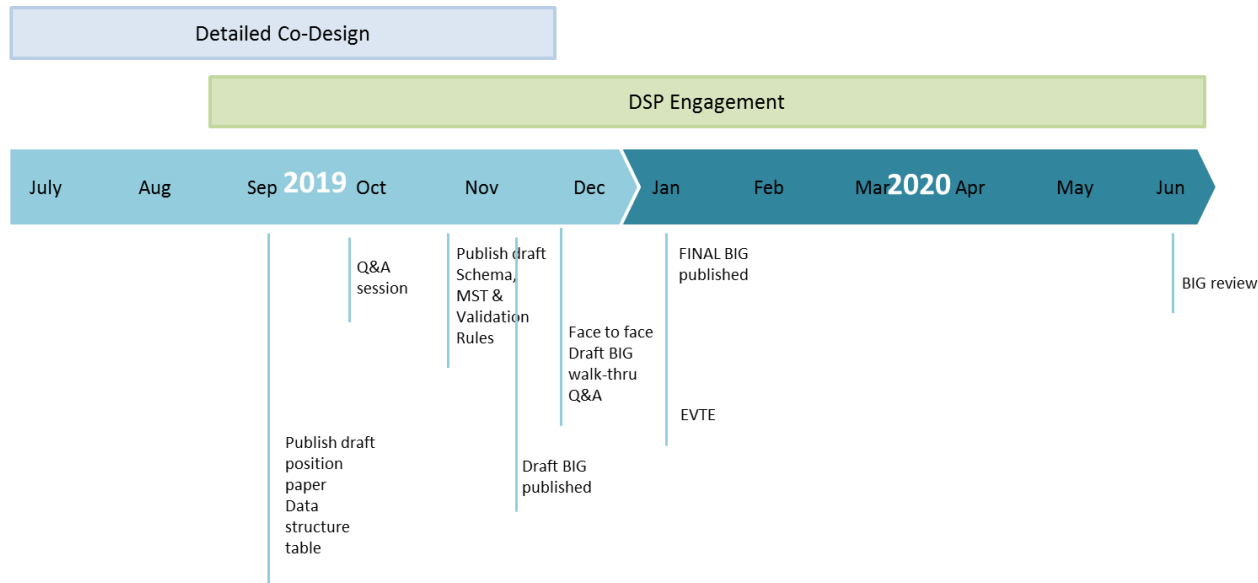
Parent period totals

Employee YTD totals

Next Steps

- Publish draft data structure and position paper
- Q&A WebEx
 - Send your questions and comments prior to the event to SingleTouchPayroll@ato.gov.au,
 - type phase 2 into your email subject

Key Actions



Single Touch Payroll Phase 2

Key Messages

Key Messages

Our priority right now is YOU!
Digital Service Providers and the required suite of documents.

High level messaging to employers and advocacies, as required.

The ATO and DHS will commence a co-ordinated communications and engagements approach with employers from February 2020.



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Thankyou

We will now answer some of the questions you have sent through.

