



Australian Government
Australian Taxation Office

Single Touch Payroll Product verification testing guide

Single Touch Payroll – Payroll Event

June 2018

Contents

STP: Product verification testing	3
General workflow	4
STP: PVT process	4
Artefacts: Payroll report examples	8

STP

Product verification testing

The ATO, as part of the terms of use of the Single Touch Payroll (STP) service, has a duty of care to ensure the data being submitted to us is true and technically correct. Product verification testing (PVT) is used to validate a digital service providers (DSPs) solution is accurately transmitting employer data in the production environment.

A DSP is anyone who develops or provides digital services to assist the Australian community (and business) in meeting their tax and super obligations. This may include:

- > **Commercial payroll software developer** – an entity which builds, tests and develops payroll software products to sell.
- > **In-house payroll software developer** – an entity which builds, tests and develops payroll software products for internal consumption. This includes **employers, registered agents** (tax/BAS) or **Payroll service providers** that develop their own STP enabled payroll software or modify commercial software.
- > **ebMS software developer** – an entity which builds, tests and develops ebMS compliant software products to sell. Product is whitelisted by ATO.

Other entities involved in the PVT process may include:

- > **Employer** - entity that is required to submit STP reports to the ATO.
- > **Registered Agent (Tax/BAS)** - entity that is registered with the Tax Practitioners Board to provide tax practitioner services. Sends STP reports to the ATO.
- > **Payroll service provider** – an entity which processes payroll on behalf of employers.

Throughout this document the term '**PVT applicant**' has been used to refer to the above entities.

Once submitted, we will work with the client(s) you have used and the DSP(s) involved in building and transmitting the data. This process aligns with the Service model for DSPs, and aims to maintain the integrity of the data being lodged, by providing technical assurance to the DSP.

Driver for PVT applicants

Through PVT we can identify any anomalies with the STP lodgment and work with you to rectify software related issues prior to rolling out your product to the rest of your client base.

Whilst some of the entities referenced above have an obvious trigger to enter PVT, others have specific criteria that would place them in scope of PVT. The criteria are currently being developed through internal and external consultation and will be provided soon.

General workflow

Figure 1 below outlines the general workflow of the on-boarding process for all PVT applicants.

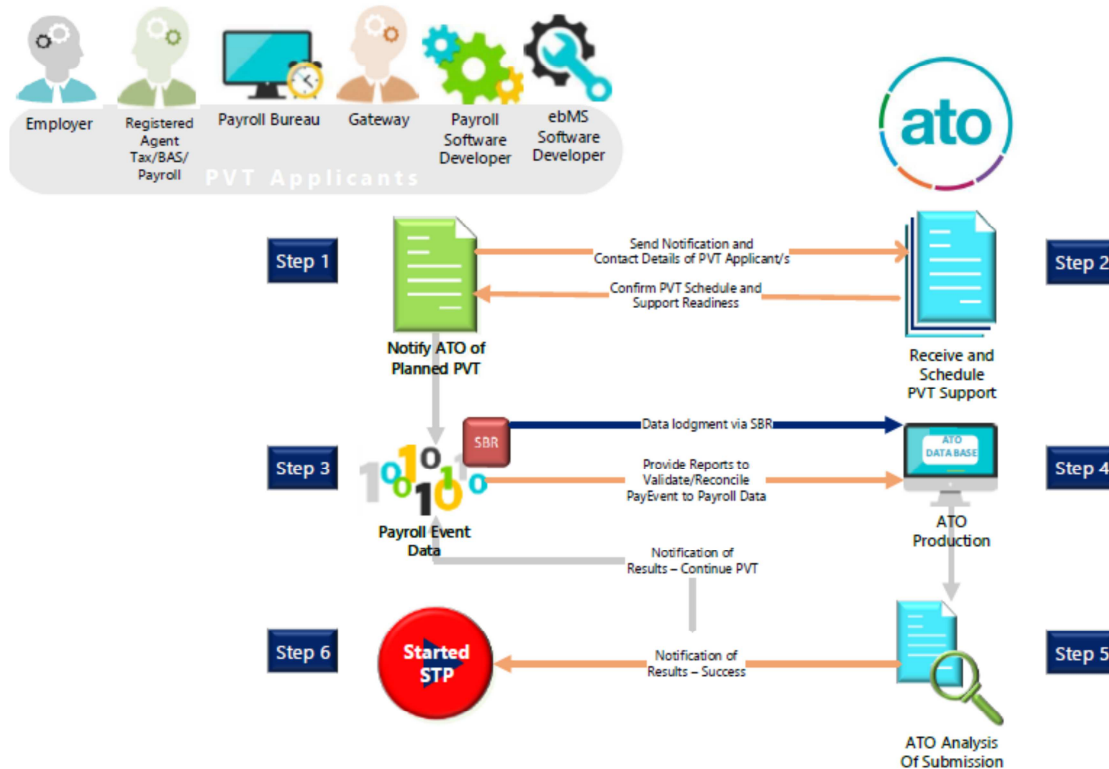


Figure 1: General workflow

STP PVT process

Pre-condition

A PVT applicant must have access to employer data that will be lodged into the ATO production system or has agreed with an employer or intermediary to do so.

A DSP undertaking initial PVT will need to have:

- completed both development and External Vendor Testing Environment (EVTE) testing
- demonstrated that they have tested against both the submit and update service actions
- [requested certification](#) via sbr.gov.au.
- met the [DSP requirements](#) as established through the DSP Operational Framework
- received a provisional production product ID.

This process transitions the employer into STP.

Step 1 – Notification and contact details

A PVT applicant will notify the [Digital Partnership Office \(DPO\)](#) of their intention to participate in PVT by emailing the following details to DPO@ato.gov.au:

- 1) Date and time of expected commencement of PVT.
- 2) PVT applicant contact details for primary point of contact for conducting PVT.
- 3) Contacts details, if applicable, of supporting third parties in this process e.g. Sending service providers.
- 4) Client details
 - a. Contact details and ABN of the participating client who is about to be transitioned into STP
 - b. The number of payees appearing in PayEvent.

Contact details for each entity above, including:

- Name
- Functional Role
- Business Name
- Email address
- Phone number

The contact name provided will be issued with a secure dropbox (SIGBOX) or Data Transfer Facility to securely send payroll reports. You will be notified when this secure mailbox is created and provided with instructions.

Step 2 – ATO scheduling and support

The ATO will contact you to schedule a PVT planning meeting. The purpose of this meeting is to work with you to streamline your PVT process and schedule your PVT date.

Step 3 - Production lodgment

During this step the first report of a DSP and their employer client is validated against supporting payroll reports.

At time of lodgment to production, the employer will provide, where available, the following reports to assist the ATO in assessing the lodgment:

- Detailed report(s) of the pay codes for the pay period (week/fortnight etc.) including pay period totals.
- Year to date report for all employees, including totals and values by employee per ABN/Branch that identify the assignment of the pay codes to the STP fields.
Including where possible:
 - employee payroll ID
 - gross wages
 - allowances
 - deductions
 - tax withheld
 - superannuation guarantee

The above report(s) will assist the ATO in reviewing the Payroll Event lodgement.

These reports will be lodged to ATO via the Data Transfer Facility. Access will be established at the time of notification (Step 1).

Common errors

- **Parent forms** – gross payments / withholding
 - Amount reported includes year to date total rather than period total.
 - No amounts reported.
 - Reportable employer super contributions (RESC) included in amount reported.
- **Child forms**
 - Amounts reported for employees don't reconcile with supporting payroll reports.
 - Incorrect pay code setup / mapping.
 - Pay period start and end dates entered incorrectly.
 - Superannuation guarantee not reported.
 - RESC included in employee gross.
 - RESC not reported.
 - Payroll IDs not included.
 - Allowances not reported.

Useful tips

- Choose a client with complex data. This allows for issues to be identified and addressed now rather than later.
- Ensure supporting payroll reports are:
 - provided at the same time as the pay event is submitted
 - for the correct periods and in a useable format (eg an excel file with totals).

Step 4 – Receipt of lodgment

Payroll Event – Submit the Payroll Event via SBR to the ATO production end point. Provide your message ID and message status to DPO via DPO@ato.gov.au or your assigned DPO contact if applicable. Keep DPO up to date with any changes to the message status.

Step 5 – ATO assessment of lodgment

The ATO will verify the data in the payload matches the report information provided. This will provide a base level of assurance to the ATO and the PVT applicant.

Step 6 – Acknowledgment of outcome

Testing parties will be notified if the lodgment has been deemed a success. The product will then be allowed to continue with ATO production lodgments for other clients. Acknowledgment will come via email.

If the lodgment is unsuccessful, the ATO will continue to work with testing parties to monitor further lodgments of the Payroll Event.

The employer has now transitioned into STP.

Artefacts: Payroll report examples

ABN: 12312312312		Employee STP Payroll Event Details Report					Report: STPEEVD01		
Branch: 001		Company: Druid's Chemist					Date/Time: 3/03/2018 10:23		
BMS Id: 436a7641-62e8-429a-aed0-c6d9a0e61ace							Payroll Area: M1		
							Pay Period: 09/2017		
STP Field	Field Name	Sub-Field	Payroll Id	Surname	First Name	Pay Code	Pay Code Description	Period Amount	YTD Amount
PAYEVNTEMP47	Payee Gross Payments		7364	McDonald	Jules	1010	Ordinary Pay	10,000.00	80,000.00
PAYEVNTEMP47	Payee Gross Payments		7364	McDonald	Jules	2302	First Aid Allowance	100.00	900.00
PAYEVNTEMP47	Payee Gross Payments		7364	McDonald	Jules	2501	Higher Duties Allowance	1,000.00	9,000.00
PAYEVNTEMP47	Payee Gross Payments		7364	McDonald	Jules	4000	Annual Leave	0.00	10,000.00
PAYEVNTEMP47	Payee Gross Payments		7408	Jones	Marcus	1010	Ordinary Pay	12,500.00	75,000.00
PAYEVNTEMP47	Payee Gross Payments		7408	Jones	Marcus	2304	Super Salary Sacrifice	-2,000.00	-18,000.00
PAYEVNTEMP47	Payee Gross Payments		7408	Jones	Marcus	4150	Long Service Leave	0.00	37,500.00
PAYEVNTEMP130	Payee Total INB PAYGW Amount		7364	McDonald	Jules	/401	Income Tax	3,500.00	31,500.00
PAYEVNTEMP130	Payee Total INB PAYGW Amount		7408	Jones	Marcus	/401	Income Tax	4,000.00	36,000.00
PAYEVNTEMP200	Payee Working Holiday Maker Gross		7865	Schmidt	Jans	1100	Ordinary Hours	2,000.00	18,000.00
PAYEVNTEMP200	Payee Working Holiday Maker Gross		7865	Schmidt	Jans	2001	Casual Loading	500.00	4,500.00
PAYEVNTEMP201	Payee Working Holiday Maker PAYG ¹		7865	Schmidt	Jans	/401	Income Tax	375.00	3,375.00
PAYEVNTEMP7	Allowance Type	CAR	7408	Jones	Marcus	2708	Mileage < ATO Rate <5000km	467.65	935.87
PAYEVNTEMP7	Allowance Type	OTHER	7364	McDonald	Jules	2405	Tool Allowance	57.23	231.92
PAYEVNTEMP10	Deduction Type	UNION	7364	McDonald	Jules	6407	Union Fees - Pharmacists Union	-25.00	-225.00
PAYEVNTEMP84	Super Liability Amount		7364	McDonald	Jules	9501	Emplr Contrib - Default Exec Fund	1,054.50	9,490.50
PAYEVNTEMP84	Super Liability Amount		7408	Jones	Marcus	9504	Emplr Contrib - Choice Fund	997.50	8,977.50
PAYEVNTEMP84	Super Liability Amount		7865	Schmidt	Jans	9509	Emplr Contrib - Default Std Fund	237.50	2,137.50
PAYEVNTEMP61	OTE Amount		7364	McDonald	Jules	/175	OTE - Accum Exec	11,100.00	99,900.00
PAYEVNTEMP61	OTE Amount		7408	Jones	Marcus	/173	OTE - Accum Mngr	10,500.00	94,500.00
PAYEVNTEMP61	OTE Amount		7865	Schmidt	Jans	/172	OTE - Accum Std	2,500.00	22,500.00
PAYEVNTEMP111	Reportable Employer Super Contribution		7408	Jones	Marcus	9RES	Reportable Employer Super Contrib	2,000.00	18,000.00

Figure 2: Sample STP Pay Event Reconciliation report

Payment Summary Listing Report

ABN	ABN branch	Per No.	Full Name	PS Issued	LSA type	Override	Start Date	End Date	Tot Gross	Tot Union	Lump Sum A	Lump Sum B	Lump Sum D	Lump Sum E	Total Tax	Allowances	FBT Amount	WPlace Giv	CDEP	Other Inc	RESC	FE Inc.
12312312312	001	7364	McDonald Jules	N	N		01/07/2017	30/06/2018	99,900.00	225.00	0.00	0.00	0.00	0.00	31,500.00	231.00	0.00	0.00	0.00	0.00	0.00	0.00
12312312312	001	7408	Jones Marcus	N	N		01/07/2017	30/06/2018	94,500.00	0.00	0.00	0.00	0.00	0.00	36,000.00	935.00	0.00	0.00	0.00	0.00	18,000.00	0.00
12312312312	001	7865	Schmidt Jans	N	N		01/07/2017	30/06/2018	22,500.00	0.00	0.00	0.00	0.00	0.00	3,375.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
									216,900.00	225.00	0.00	0.00	0.00	0.00	70,875.00	1,166.00	0.00	0.00	0.00	0.00	18,000.00	0.00

Figure 3: Sample Payment Summary Listing report

ABN: 12312312312

Pay Details Report

Report: RPDETQ0

3/03/2018

Branch: 001

Company: Druid's Chemist

Date/Time: 10:23

BMS Id: 436a7641-62e8-429a-aed0-c6d9a0e61ace

Payroll Area: M1

Pay Period: 09/2017

Payroll Id	Surname	First Name	Pay Code	Pay Code Description	Period Amount
7364	McDonald	Jules	1010	Ordinary Pay	10,000.00
7364	McDonald	Jules	2302	First Aid Allowance	100.00
7364	McDonald	Jules	2405	Tool Allowance	57.23
7364	McDonald	Jules	2501	Higher Duties Allowance	1,000.00
7364	McDonald	Jules	6407	Union Fees - Pharmacists Union	-25.00
7364	McDonald	Jules	/175	OTE - Accum Exec	11,100.00
7364	McDonald	Jules	/401	Income Tax	3,500.00
7364	McDonald	Jules	9S01	Emplr Contrib - Default Exec Fund	1,054.50
7408	Jones	Marcus	1010	Ordinary Pay	12,500.00
7408	Jones	Marcus	2708	Mileage < ATO Rate <5000km	467.65
7408	Jones	Marcus	/173	OTE - Accum Mngr	10,500.00
7408	Jones	Marcus	/401	Income Tax	4,000.00
7408	Jones	Marcus	2S04	Super Salary Sacrifice	-2,000.00
7408	Jones	Marcus	9RES	Reportable Employer Super Contrib	2,000.00
7408	Jones	Marcus	9S04	Emplr Contrib - Choice Fund	997.50
7865	Schmidt	Jans	1100	Ordinary Hours	2,000.00
7865	Schmidt	Jans	2001	Casual Loading	500.00
7865	Schmidt	Jans	/172	OTE - Accum Std	2,500.00
7865	Schmidt	Jans	/401	Income Tax	375.00
7865	Schmidt	Jans	9S09	Emplr Contrib - Default Std Fund	237.50

Figure 4: Pay details report

Pay Code	Pay Code Description	STP Field	Field Name	Sub-Field
1010	Ordinary Pay	PAYEVNTEMP47	Payee Gross Payments	
1100	Ordinary Hours	PAYEVNTEMP200	Payee Working Holiday Maker Gross Payment	
2001	Casual Loading	PAYEVNTEMP200	Payee Working Holiday Maker Gross Payment	
2302	First Aid Allowance	PAYEVNTEMP47	Payee Gross Payments	
2405	Tool Allowance	PAYEVNTEMP7	Allowance Type	OTHER
2501	Higher Duties Allowance	PAYEVNTEMP47	Payee Gross Payments	
2708	Mileage < ATO Rate <5000km	PAYEVNTEMP7	Allowance Type	CAR
4000	Annual Leave	PAYEVNTEMP47	Payee Gross Payments	
4150	Long Service Leave	PAYEVNTEMP47	Payee Gross Payments	
6407	Union Fees - Pharmacists Union	PAYEVNTEMP10	Deduction Type	UNION
/172	OTE - Accum Std	PAYEVNTEMP61	OTE Amount	
/173	OTE - Accum Mngr	PAYEVNTEMP61	OTE Amount	
/175	OTE - Accum Exec	PAYEVNTEMP61	OTE Amount	
/401	Income Tax	PAYEVNTEMP130	Payee Total INB PAYGW Amount	
/401	Income Tax	PAYEVNTEMP201	Payee Working Holiday Maker PAYGW Amount	
2504	Super Salary Sacrifice	PAYEVNTEMP47	Payee Gross Payments	
9RES	Reportable Employer Super Contrib	PAYEVNTEMP111	Reportable Employer Super Contribution	
9S01	Emplr Contrib - Default Exec Fund	PAYEVNTEMP84	Super Liability Amount	
9S04	Emplr Contrib - Choice Fund	PAYEVNTEMP84	Super Liability Amount	
9S09	Emplr Contrib - Default Std Fund	PAYEVNTEMP84	Super Liability Amount	

Figure 5: Sample Paycode report

