

# FREQUENTLY ASKED QUESTIONS

## Single Touch Payroll

### 1. What is Single Touch Payroll (STP)?

STP is an ATO initiative that requires employers to report salaries and wages each time they pay their employees (weekly, fortnightly or monthly) to the ATO.

### 2. When do employers need to become STP-compliant?

All employers must be STP-compliant by 01/07/2019.

### 3. What do JD's current payroll clients need to do?

They need to advise the payroll team, their employees' wages accurately (weekly, monthly or fortnightly).

### 4. What do JD's self-wage clients need to do?

They will need to contact payroll software providers, who will be able to find solutions to help them.

***There will be no more excel payroll.***

If they want JD to do the STP report to the ATO on their behalf, JD will set them up on Quickbooks and they will need to provide JD with all employee details (tax file number, address, DOB, super fund member number, super fund name, USI).

### 5. Do JD clients have to sign any authority if JD lodge on their behalf?

Yes, JD clients need to sign the STP engagement authorities for STP lodgments once a year instead of at each pay event.



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**6. Are there any transitional approaches for businesses to be STP-compliant?**

- Small employees (those with 19 or fewer): must start reporting from 01/07/2019 and the transition is until 30/09/2019. After this date, you will need to apply to the ATO for a deferral or an exemption (conditions apply) by portal.
- Micro employees (those with 1-4): agents can apply for concession electronically quarterly reporting arrangement same time as when BAS lodgments are due for two years until 30/06/2021 (conditions apply).

**7. Do IAS still submit monthly?**

Yes, businesses still need to submit as usual.

**8. Do employers have to issue payment summaries anymore?**

Once we start STP, we do not need to issue payment summaries at the end of the financial year anymore. The Employment Income Statement will be available via MyGov portal.

**9. Are there penalties for mistakes or late STP reports?**

No penalties for the first 12 months from 01/07/2019. ATO will use reminders via SMS and email to follow up unlodged or missed reports.



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## 10. How are JD fees applied for STP report services?

- For current payroll clients – fees will be applied for:
  - Business payroll set up
  - Each employee and super set up
  - Amending wages and issuing paper payslips
  - Workers' compensation
  - Software subscription (monthly)
  - Wages and super preparation (each payrun)
- For self-wage clients – fees will be applied for:
  - New wage set up
  - Each employee set up
  - Software subscription (monthly)
- With STP now compulsory, JD will need to charge per payrun per employee – this means that weekly payruns will be more expensive than fortnightly payruns; and fortnightly payruns will be more expensive than monthly payruns.

Please click on the link for our most current STP fees:

<http://www.jannardang.com.au/wp-content/uploads/2019/06/STP-Fees-260619-1.pdf>