

Are you ready for the 1 July, 2019 implementation of Single Touch Payroll?

The Australian Taxation Office (ATO) initiative for Single Touch Payroll (STP) will come into effect from 1 July 2019 for employers with less than 20 employees.

The new STP process will report payroll and superannuation data electronically every time your staff are paid instead of the current annual reporting.

This allows the ATO to have real time information and will eventually eliminate the requirement for annual employee Payment Summaries as well as enabling the ATO to monitor the PAYG withholding and superannuation guarantee obligations of all employers in real time.

Whilst the legislation to enact STP for employers with less than 20 employees was passed by Senate in December 2018, the ATO are currently working on administrative practices and policies to reduce the burden on small business.

No announcements have yet been made, nor do we have a timeframe for when we can expect to have these matters announced, other than to say we hope it is as soon as possible.

We will be monitoring these developments over the coming weeks and will provide an update as soon as these announcements are made.

Whilst there remains uncertainty surrounding certain elements of STP for employers with less than 20 employees, we wish to provide the following information which has been announced:

- For employers currently using the current cloud and online versions of MYOB, Xero, Reckon and Intuit Quickbooks, these software solutions are or will be STP compliant by 1 July 2019 and the change should be relatively straight forward. If you are using an older version of these software packages, they may not be STP compliant and you may be required to upgrade your software to the latest version in order to have access to STP. Please contact the software provider or our office to check if your current software package is (or will be) STP compliant by 1 July 2019.

- For employers using other software packages not mentioned above, such as Cashflow Manager or industry specific accounting software solutions, please contact either the software provider or our office to determine whether they are STP compliant.
- The ATO have stated they wont force employers with 19 or less employees to immediately purchase payroll software if they don't currently use it. Different options will be available by 1 July 2019 to help small business meet their STP obligations, including low cost software options. Quite a number of the small business accounting software providers have developed low cost (less than \$10 per month) STP payroll solutions, including MYOB, Xero, Reckon, Intuit and Cashflow Manager.
- Micro employers (defined as businesses who employ one to four employees) will have the option of lodging STP information on a quarterly basis for the first two years of STP (up to 30 June 2021) through either a tax agent (being HW One) or a BAS agent.
- Exemptions from STP will be made available to employers where the business does not have access to an internet connect or the internet connection is unreliable or in cases where compliance with STP would cause hardship to the employer.

To enable the transition for your business to STP to be as seamless and least intrusive as possible, we wish to provide the following initial recommendations:

- If you currently use an accounting software platform, check with either the software provider or HW One if your accounting software is STP compliant. If it is, either the software provider or HW One can provide you with assistance and support to setup STP reporting before 1 July 2019.
- If you use an accounting software platform that is currently not STP compliant, you may wish to either upgrade your software to a software solution that is compliant or wait until the ATO release further details on small business STP compliance options.

Below is a link to a list of ATO compliant STP software providers:

https://www.ato.gov.au/business/single-touch-payroll/in-detail/low-cost-single-touch-payrollsolutions/?=redirected_STPsolutions

- If you wish to upgrade your accounting software or implement an accounting software solution, please contact our office so we can provide the most suitable recommendation for your business and should you require, assist with the implementation and transition to the new accounting system.
- Review your employee information to ensure it is both accurate and current, as this will be vital for STP reporting.
- Review your business compliance with current employer obligations (PAYG Withholding and superannuation) to ensure your business is currently compliant with these obligations.

Should you wish to discuss the above issues in further detail, please do not hesitate to contact HW One on 07 3360 9600 or connect@hwone.com.au

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