

LEVESYS
SMARTER
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WHITE PAPER

Single Touch Payroll

An introduction to Single Touch Payroll

“Single Touch Payroll is mandatory from 1 July 2018 for employers with 20 or more employees”

What is Single Touch Payroll?

The Commonwealth Government has legislated Single Touch Payroll (STP) through the Budget Savings (Omnibus) Act 2016.

The passage of this legislation means that from 1 July 2018, employers with 20 or more employees will be obliged to report certain payroll-related information to the ATO with each pay event.

It is anticipated employers with less than 20 employees will be required to comply from 1 July 2019 subject to legislation being passed in parliament.

Electronic Reporting via Single Touch Payroll

The introduction of Single Touch Payroll means employers will electronically report payroll data to the ATO at the same time as they complete the payroll process for any given pay period. It is intended to streamline the reporting processes by transmitting key data with each pay process, and is designed to eliminate the financial year end process of producing Payment Summaries and sending Payment Summary Annual Reports to the ATO.

[Click here to view a short ATO video introduction to Single Touch Payroll.](#)

What information is reported with Single Touch Payroll?

The following mandatory information from the payroll will be reported:

- Salaries and wages
- PAYG withholding
- Ordinary Time Earnings (OTE) base for SGC; or
- Superannuation (SGC) liabilities

Optional information can be reported with the pay event, such as:

- Reportable Fringe Benefits
- Reportable Employer Superannuation Contributions
- Tax File Number Declaration Information
- Cessation of employment

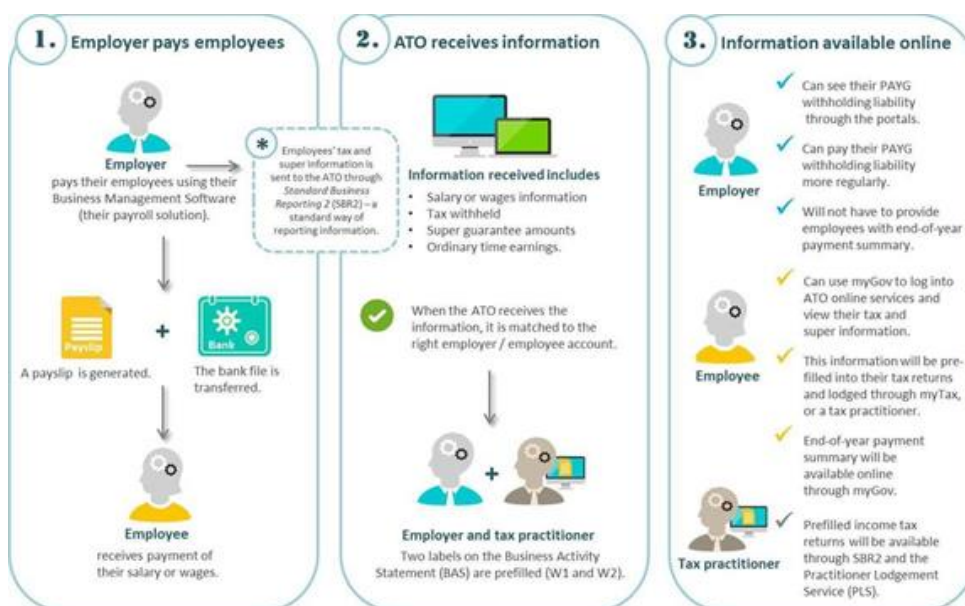


Fig. 1: Single Touch Payroll information flow

LEVESYS Single Touch Payroll Solution

LEVESYS was involved in the ATO's initial Single Touch Payroll industry consultation during 2014 – 2015. Through this involvement, LEVESYS undertook significant preparatory and development work and incorporated the necessary changes to database structures in Ver 3.7 and 3.8 upgrades in preparation for Single Touch Payroll readiness.

Now that technical specifications have been finalised by the ATO, our technical teams are designing and programming the processes and outputs.

Employers can opt in once their payroll solution is ready and can start reporting prior to the July 1 2018 deadline.

Your LEVESYS payroll processes will alter in the following ways:

- There will be added functionality to generate and transmit data to the ATO at the end of the pay run;
- There will be a concept of a pay event ID; this will be a transaction code to identify the pay run. This will permit more than one pay process in any given pay period (week, fortnight, month);
- Changes released in the 2016 year-end update expanded and distinguished the purpose of the pay date field. This was an essential pre-cursor to the implementation of Single Touch Payroll, as all pay event reporting will rely on this date. This has been in operation now for the generation of PAYG Payment Summaries and Super Contribution reporting, and will naturally evolve into the Single Touch Payroll processes.
- There will be amendment functions; changes made to payroll subsequent to a pay event being lodged will require an amendment event to be processed and lodged.

Rollout & Documentation

LEVESYS will be providing comprehensive documentation to guide you through the implementation of Single Touch Payroll and instructions on the processing of Single Touch Payroll.

Want to know more?

For further information on the impact of Single Touch Payroll for your business, please contact the LEVESYS Client Services team.

Additional Resources

For comprehensive information about the reporting processes, scenarios, obligations, and information requirements visit the [ATO website](#).

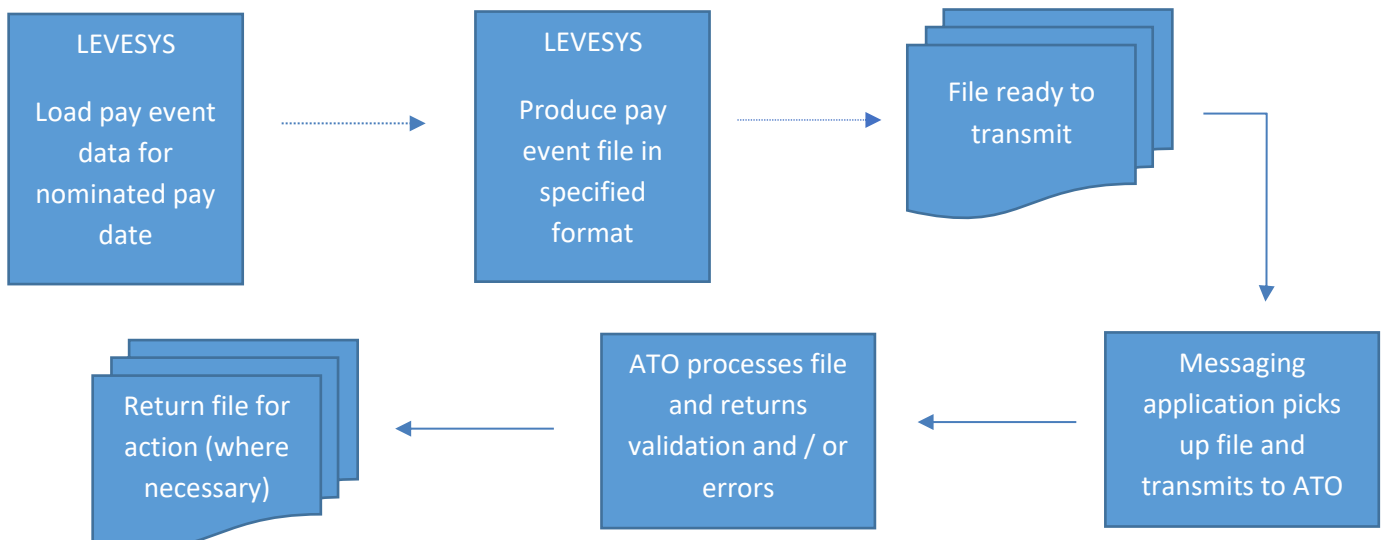


Fig. 2: LEVESYS Single Touch Payroll Process