



**HOODSWEENEY**

# **SINGLE TOUCH PAYROLL**



join the journey

# THE BIGGEST PAYROLL REPORTING CHANGE IN AUSTRALIA'S HISTORY.

## What is Single Touch Payroll?

**Single Touch Payroll is an Australian government initiative that changes the way businesses report on employee payments such as salary or wages, pay as you go (PAYG) withholding and superannuation. It is the biggest payroll reporting change in Australia's history.**

Under Single Touch Payroll, employers will need to report employee payments electronically to the ATO with every pay run. It is this direct digital connection to the ATO that is new and requires all payroll systems to be upgraded to accommodate.

Employers with 20 or more employees on 1 April 2018 will be required to conform to these new regulations by 1 July 2018.

## Benefits for your business to use Single Touch Payroll reporting system now

1. Relief from annual payment summaries reporting requirements
2. Can remit PAYGW with each payroll cycle
3. The ATO's compliance activities will be compliant in real time
4. New employees will have the option of completing TFN declaration and Super Choice forms online
5. Employers will no longer need to provide payment summaries to employees as employees will have access to their payroll information via their myGov account
6. Salary or wage information (W1) and PAYG withholding amounts (W2) reported through Single Touch Payroll will be pre-filled to the employer's activity statement.

## What if I have less than 20 employees?

If you have 19 or less employees on 1 April there is no mandatory requirement to use Single Touch Payroll however, you can volunteer for the streamlined reporting process if you have a suitable software solution. From 1 July 2019 those organisations with 19 or less employees will be required to report electronically to the ATO under the new Single Touch Payroll system. This will be subject to legislation being passed in parliament.

# PAYROLL

## What you can do now

### Review your payroll software

As Single Touch Payroll will require either an upgrade or replacement of your existing payroll system, the time to review your requirements is now. Starting well ahead of the deadline gives you time to properly review the options and implement your decision before the inevitable last-minute rush. Remember that payroll is just one module in your suite of business software. The introduction of Single Touch Payroll presents the perfect time to reflect on whether your business systems meet your current requirements and whether there are other time-consuming manual processes that could be automated with a new system.

### Get your employees registered on myGov

To access end-of-year payment summaries your employees need to be registered on myGov and linked to the Australian Tax Office (ATO). Getting your employees correctly set up will take time as a result we recommend starting this now.

### Exemptions

**An exemption may be granted by the ATO from Single Touch Payroll reporting if you are:**

1. Located in a rural area with no reliable internet connection
2. Classed as a substantial employer (20 or more employees) for a short period of the income year – for example, due to harvesting activities.

**If you are granted an exemption you will not need to start Single Touch Payroll for the year(s) you are covered by the exemption. You must continue to comply with your existing PAYG withholding obligations including:**

1. Reporting and paying your PAYG withholding liability
2. Giving payment summaries to your employees
3. Giving a payment summary annual report to the Commissioner of Taxation.

### Deferrals

**The ATO may defer the date you're required to start your Single Touch Payroll reporting if:**

1. Your payroll solution will not be ready for Single Touch Payroll reporting by 1 July 2018
2. You have entered administration or liquidation
3. You have been impacted by a natural disaster
4. You are affected by a circumstance outside your control.

If you won't be ready to start reporting from 1 July 2018, you will need to request a deferral before that date.

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**If you require any assistance in respect to Single Touch Payroll, please do not hesitate to contact your relationship manager\* or Matthew Bartemucci\* on 1300 764 200.**  
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\*Representative of Hood Sweeney Accounting & Business Advisory  
AFSL No 485569.



# HOODSWEENEY

## Now, this is where your journey starts.

To join the journey with Hood Sweeney, or to find out more about what we can do for you, please contact us.

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Office hours are determined  
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