



## Transition to Single Touch Payroll for small employers

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- <https://www.ato.gov.au/Media-centre/Articles/Transition-to-Single-Touch-Payroll-for-small-employers/>
- Last modified: 13 Feb 2019
- QC 57899

## Statement from Commissioner Chris Jordan about transition to Single Touch Payroll for small employers

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Parliament has now passed legislation to extend Single Touch Payroll (STP) reporting to include all small employers (those with fewer than 20 employees) from 1 July 2019. STP is pay day reporting by employers to the ATO as it happens, this reporting having started on 1 July 2018 for large employers (20 or more employees).

Extending STP to all employers will help ensure all Australians get their full superannuation entitlements, give greater transparency and help ensure a level playing field for small business. This initiative is also an important step in streamlining business reporting and keeping pace with the digital age.

We understand the move to real-time digital reporting may be a big change for employers, especially small business, so the ATO will adopt a supportive, tailored approach to help them undertake this change.

- We understand that many small businesses and other small employers do not currently use commercial payroll software and they will not be required to purchase such software to report under STP.
- The ATO is working with software providers to develop low and no-cost reporting solutions including simple payroll solutions, portals and mobile apps. We will publish a list of providers on our website at [ato.gov.au/stpsolutions](https://www.ato.gov.au/stpsolutions).

I want to reassure small business and give my personal guarantee that our approach to extending Single Touch Payroll will be flexible, reasonable and pragmatic. In particular, the ATO understands there will be circumstances where more time is needed to implement STP or lodge reports.

- We will offer micro employers (1 to 4 employees) help to transition to STP and a number of alternative options – such as allowing those who rely on a registered tax or BAS agent to report quarterly for the first two years, rather than each time payroll is run.
- Small employers can start reporting any time from the 1 July start date to 30 September 2019. We will grant deferrals to any small employer who requests additional time to start STP reporting.
- There will be no penalties for mistakes, missed or late reports for the first year.
- We will provide exemptions from STP reporting for employers experiencing hardship, or in areas with intermittent or no internet connection.

Pleasingly, many small employers have already taken up STP reporting and they have provided positive feedback that STP makes payroll reporting easier.

The best thing to do is contact us if you have any questions or concerns about STP or any other tax matters, on 13 28 66 or at [ato.gov.au/stp](http://ato.gov.au/stp).

Chris Jordan

Commissioner of Taxation

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