



## Streamlined reporting with Single Touch Payroll

---

- <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/Streamlined-reporting-with-Single-Touch-Payroll/>
- Last modified: 17 Oct 2017
- QC 50662

## Streamlined reporting with Single Touch Payroll

---

Single Touch Payroll is a reporting change for employers.

It means employers will report payments such as salaries and wages, pay as you go (PAYG) withholding and super information to us directly from their payroll solution at the same time they pay their employees.

Employers may need to update their [payroll solution](#) to report through Single Touch Payroll.

For employers with 20 or more employees, Single Touch Payroll reporting starts from 1 July 2018.

The Australian Government has announced it will expand Single Touch Payroll to include employers with 19 or less employees from 1 July 2019. This will be subject to legislation being passed in parliament.

What's happening right now

We will continue to provide information to help you understand what you need to do to get ready for Single Touch Payroll.

Right now we're working closely with payroll software and service providers to help them get ready to offer Single Touch Payroll reporting for their employer clients.

Some providers have told us they're waiting for final versions of ATO technical documents before they can build updates to their products. We're currently finalising these, and will publish them on the [Software Developers](#) website as soon

as possible.

We know some providers will not have their products ready by 1 July 2018. They will need to use our [guidelines](#) to provide evidence so we can consider deferrals for their employer clients.

We will publish separate deferral guidelines for employers shortly.

Watch:

This short video provides an overview of Single Touch Payroll.

A [transcript](#)<sup>□</sup> is also available.

Find out about:

- [Information for employers](#)
- [Information for employees](#)

See also:

- [Media release – Turnbull Government backs workers on superannuation](#)<sup>□</sup>  
29 August 2017 by The Hon Kelly O’Dwyer MP, Minister for Revenue and Financial Services
- [Budget Savings \(Omnibus\) Act 2016](#)<sup>□</sup> Federal Register of Legislation
- [Software developers website – Single Touch Payroll!](#)<sup>□</sup>

## Information for employers

- <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/Streamlined-reporting-with-Single-Touch-Payroll/?page=2>
- Last modified: 17 Oct 2017
- QC 50662

Single Touch Payroll reporting starts from 1 July 2018 for employers with 20 or more employees.

To find out if you need to be ready by then, you will need to do a headcount of the employees you have on your payroll on 1 April 2018 (see [How to count your employees](#)).

If you have 20 or more employees on that date you will be a ‘substantial employer’. You will need to report through Single Touch Payroll from 1 July 2018. This is now law.

If you have 19 or less employees, Single Touch Payroll reporting will be optional until 1 July 2019. It will be mandatory from that date, subject to legislation being

passed in parliament.

## How your reporting will change

Your payroll solution will need to be updated for Single Touch Payroll reporting.

When you pay your employees through your Single Touch Payroll-enabled solution you will be reporting payments such as their salaries and wages, allowances, deductions (for example, workplace giving) and other payments, pay as you go (PAYG) withholding and super information to the ATO at the same time.

Your payroll cycle does not need to change. You can continue to pay your employees weekly, fortnightly or monthly. You may have different pay cycles for different employees.

It simply means that when you complete your payroll, the tax and super information for each employee will be sent to us. This is a more streamlined way of reporting to us.

On this page:

- [About payroll solutions](#)
- [Penalties, exemptions and deferrals](#)

See also:

- [Do you need to report through Single Touch Payroll?](#)
- [Employer checklist to help you get ready](#)
- [Scenarios for employers](#)
- [Single Touch Payroll Business implementation guide](#)<sup>external</sup> – for digital service providers

## How to count your employees

You will need to count the number of employees on your payroll on 1 April 2018 to find out if you are a 'substantial employer'. You need to do a headcount, not a count of your full time equivalent (FTE).

If you have 20 or more employees on 1 April, you will be a 'substantial employer' and will need to report through Single Touch Payroll from 1 July 2018.

Once you are a substantial employer you will be required to continue reporting through Single Touch Payroll even if your employee numbers drop below 20.

## Who to include in your headcount

You need to include the following employees in your headcount:

- full-time employees
- part-time employees
- casual employees who are on your payroll on 1 April and worked any time during March

- employees based overseas
- any employee absent or on leave (paid or unpaid)
- seasonal employees (staff who are engaged short term to meet a regular peak workload, for example, harvest workers).

Do not include:

- any employees who ceased work before 1 April
- casual employees who did not work in March
- independent contractors
- staff provided by a third-party labour hire organisation
- company directors
- office holders
- religious practitioners

If you are part of a company group, the total number of employees employed by all member companies of the wholly-owned group must be included.

## Penalties, exemptions and deferrals

When you start reporting through Single Touch Payroll the first 12 months will be a transition period.

### Penalties

During the first 12 months you report through Single Touch Payroll you will be exempt from an administrative penalty for failing to report on time. This is unless we have first given you written notice advising that a failure to report on time in the future may attract a penalty.

### Exemptions

We may grant you an exemption from Single Touch Payroll reporting if:

- you are located in a rural area with no reliable internet connection
- you are 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:

- reporting and paying your PAYG withholding liability
- giving payment summaries to your employees
- giving a payment summary annual report to the Commissioner of Taxation.

### Deferrals

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

- your payroll solution will not be ready for Single Touch Payroll reporting by 1 July 2018 – we are working with digital service providers to determine if

deferrals are required. Contact your provider to check if your software will be ready.

- you have entered administration or liquidation
- you have been impacted by a natural disaster
- 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. Your registered agent can request a deferral on your behalf.

We will publish more information about penalties, exemptions and deferrals soon, including how to apply for an exemption or deferral.

## About payroll solutions

### If you already have a payroll solution

A payroll solution is the accounting, business management or payroll software you use to run your payroll and pay your employees.

If you become a substantial employer on 1 April 2018, you will need to update your payroll solution to report through Single Touch Payroll from 1 July 2018. This is unless you have been granted a deferral or exemption.

As payroll software and service providers update their products, you will be able to check when your solution is ready.

You will be able to see which payroll solutions are Single Touch Payroll-enabled in the product catalogue on the Australian Business Software Industry Association (ABSIA) website. Over time, this catalogue will be updated with information about payroll solutions that are Single Touch Payroll-enabled.

Contact your payroll software or service provider to find out when your payroll solution will be ready for Single Touch Payroll reporting.

### If you don't have a payroll solution

If you become a substantial employer on 1 April 2018, you will need to choose a payroll solution that is Single Touch Payroll-enabled and suits your business needs.

There are a number of options if you don't have a payroll solution:

- You may wish to speak to your tax practitioner to find out which payroll solution would be best for you.
- You can use a registered agent or payroll service provider to report to us through Single Touch Payroll on your behalf.
- You can check which payroll solutions are Single Touch Payroll-enabled in the product catalogue on the Australian Business Software Industry Association (ABSIA) website and choose one of them. Over time, this catalogue will be updated with payroll solutions that are Single Touch Payroll-enabled.

See also:

- [Australian Business Software Industry Association \(ABSIA\) website](#)<sup>27</sup>

Find out about:

- [Do you need to report through Single Touch Payroll?](#)
- [Employer checklist](#) to help you get ready
- [Scenarios for employers](#)

## Do you need to report through Single Touch Payroll?

- <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/Streamlined-reporting-with-Single-Touch-Payroll/?page=3>
- Last modified: 17 Oct 2017
- QC 50662

This information will help you determine if you need to report through Single Touch Payroll from 1 July 2018.

You may wish to speak to your tax professional if you are unsure.

### Question 1: Do you have 20 or more employees on 1 April 2018?

Response	Action required
Yes	You will be required to report through Single Touch Payroll from 1 July 2018.  Go to <a href="#">Question 2</a> .
No	Single Touch Payroll is mandatory for employers with 20 or more employees from 1 July 2018.  Employers with 19 or less employees will be required to report through Single Touch Payroll from 1 July 2019, subject to the passage of legislation.
Unsure	You will need to do a headcount of the employees you have on your payroll on 1 April 2018.  Employers with 20 or more employees on that date will need to report through Single Touch Payroll from 1 July 2018.  Go to: <a href="#">How to count your employees</a>

### Question 2: How do you currently report payments made to employees and pay as you go (PAYG) withholding amounts to the ATO?

Response	Action required
I use a payroll solution	<p>Is your software Single Touch Payroll-enabled?</p> <ul style="list-style-type: none"> <li>• If yes, you are ready for Single Touch Payroll reporting.</li> <li>• Unsure? Check which payroll software and service providers offer Single Touch Payroll-enabled products on the <a href="#">ABSIA product catalogue</a><sup>†</sup>.</li> <li>• If no, you may need to update your payroll software. Your provider can let you know when your payroll solution is ready for Single Touch Payroll.</li> <li>• Or, you may decide to use a third party, such as a payroll provider, to support you to meet your reporting obligations.</li> </ul>
I use an accountant, bookkeeper or third party to report on my behalf	<p>Talk to your accountant, bookkeeper or third party to make sure they will be reporting through Single Touch Payroll on your behalf.</p>
I report manually (for example, on paper)	<p>If you report manually, you are not yet ready for Single Touch Payroll.</p> <p>From 1 July 2018, you need to report payments such as salaries and wages, PAYG withholding and super information through a payroll solution that is Single Touch Payroll-enabled.</p> <p>Or, you can ask your accountant, bookkeeper or a payroll provider to support you to meet these reporting obligations.</p>

Find out about:

- [Employer checklist](#) to help you get ready
- [Scenarios for employers](#)

### Employer checklist to help you get ready

- <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/Streamlined-reporting-with-Single-Touch-Payroll/?page=4>
- Last modified: 17 Oct 2017

- QC 50662

### Step 1: Do a headcount of the employees you have on 1 April 2018

Count the number of employees you have on your payroll on 1 April 2018 to find out if you are a 'substantial employer'.

If you have 20 or more employees on that date you will need to report through Single Touch Payroll.

Find out about:

- [How to count your employees](#)

### Step 2: Update your payroll solution when it's ready

We understand you want to know when your payroll solution will be ready.

Right now, payroll software and service providers are updating their products.

A software [product catalogue](#)<sup>27</sup> is available on the Australian Business Software Industry Association (ABSIA) website. The catalogue will be updated as payroll solutions are Single Touch Payroll-enabled.

You may wish to talk to your payroll software or service provider or third party provider to find out more information about your product, and when it will be ready.

### Step 3: Start reporting through Single Touch Payroll

You can start reporting when your payroll solution is ready.

You will not be penalised

You will not be liable to pay a penalty for a late report during the first 12 months you are required to report through Single Touch Payroll, unless the Commissioner first gives you written notice advising that a failure to report on time in the future may attract a penalty.

It's okay if you make a mistake

When you start reporting through your Single Touch Payroll-enabled payroll solution, you will be able to correct any errors you make in a later Single Touch Payroll report.

PAYG withholding payments

You will still have the option to pay your PAYG withholding more regularly, for example, when you pay your staff. However, there is no change to current payment due dates.

Find out about:

- [Scenarios for employers](#)



## Scenarios for employers

- <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/Streamlined-reporting-with-Single-Touch-Payroll/?page=5>
- Last modified: 17 Oct 2017
- QC 50662

On this page:

- [Employers with 20 or more employees](#)
- [Employers with 19 or less employees](#)

### Employers with 20 or more employees

I use a custom-built or in-house payroll solution

You will need to update your payroll solution to a version that is Single Touch Payroll enabled by 1 July 2018.

The first year will be a transition to Single Touch Payroll reporting, and we understand some employers will need more time to get ready. We will provide help and support to employers during this time.

I have 20 or more employees and I use a payroll solution I purchased off-the-shelf

You will need to update your current payroll solution to a version that offers Single Touch Payroll reporting. Contact your payroll solution or service provider to find out which of their products comply.

A third party – such as a payroll provider or registered agent – can report to the ATO on your behalf. You will need to make sure they are using a solution that is updated for Single Touch Payroll reporting.

I don't know how many employees I have year-to-year

You don't need to know your total employees for a year.

Employers only need to undertake a [headcount of their employees](#) on 1 April 2018 to find out if they are a 'substantial employer'.

An employer with 20 or more employees on 1 April 2018 will be a substantial employer and required to report through Single Touch Payroll from 1 July 2018.

Employers with 19 or less employees may be required to report through Single Touch Payroll from 1 July 2019, subject to the passage of legislation.

I have 20 or more employees on 1 April 2018, but my employee numbers may drop to 19 or less in the future

Once you become a substantial employer you will be required to continue reporting through Single Touch Payroll even if your employee numbers drop to 19 or less – unless the Commissioner grants you an exemption.

I am unable to report to the ATO using Single Touch Payroll

You can apply to the Commissioner of Taxation for an [exemption](#). Depending on your circumstances, you may be granted you an exemption from Single Touch Payroll reporting.

I use a third party to report to the ATO on my behalf

If you use a tax agent, BAS agent or a payroll provider to report on your behalf, you will need to make sure they are reporting through Single Touch Payroll from 1 July 2018.

### Employers with 19 or less employees

I want to report through Single Touch Payroll even though I'm not required to yet

You can choose to report through Single Touch Payroll. All employers can benefit from this streamlined way of reporting their employees' tax and super information to the ATO.

Employers with 19 or less employees may be required to report through Single Touch Payroll from 1 July 2019, subject to the passage of legislation.

I don't want to report through Single Touch Payroll when my online payroll solution is updated

If your payroll solution is updated to offer Single Touch Payroll reporting earlier than the mandated start date, speak to your payroll software or service provider for more information, or to ask about your options.

Single Touch Payroll offers streamlined reporting for employers. See more at [Information for employers](#).

I've heard employers with 19 or less employees will need to report through Single Touch Payroll in the future

The Australian Government has announced it will extend Single Touch Payroll to employers with 19 or less employees from 1 July 2019.

This will be subject to legislation being passed in parliament.

Find out about:

- [Information for employees](#)
- [Scenarios for employees](#)

## Information for employees

- <https://www.ato.gov.au/About-ATO/About-us/In-detail/Strategic-direction/Streamlined-reporting-with-Single-Touch-Payroll/?page=6>
- Last modified: 17 Oct 2017
- QC 50662

If your employer reports to us through Single Touch Payroll, you will be able to see more up-to-date tax and super information in ATO Online Services through [myGov](#)<sup>EQ</sup> after 1 July 2018.

MyGov is a fast, simple way to access government services online.

When you link your myGov account to the ATO, you can manage your tax and super in one place.

Single Touch Payroll means your employer is able to report to the ATO when they pay you. The information is sent to us directly from their payroll solution.

It may take some time before you see all the information that will be available. Only employers with 20 or more employees are required to start reporting through Single Touch Payroll from 1 July 2018 (unless your employer has an exemption from Single Touch Payroll reporting).

The Australian Government has announced it will expand Single Touch Payroll to include employers with 19 or less employees from 1 July 2019. This will be subject to legislation being passed in parliament.

You will be able to see your year-to-date pay, the tax that has been withheld from your pay as well as the super contributions your employer is liable to make for your benefit throughout the year.

When you start a new job, you may have the option to electronically complete a pre-filled tax file number declaration and superannuation standard choice form using our online services.

You can use our online services any time to access a range of tax and super services, lodge your tax return and keep track of your super.

Next step:

- It's easy to set up a [myGov account](#)<sup>EQ</sup> and link it to ATO online services.

See also:

- [Online services](#)

## Scenarios for employees

I want to see the tax and super information my employer has reported

You will need a myGov account linked to ATO online services. If you already have one, you will be able to see your year-to-date information after your employer starts reporting through Single Touch Payroll. You will not be able to see this information until your employer starts reporting through Single Touch Payroll. If you don't have

a myGov account, it's easy to set one up.

My employer said they will no longer have to provide me with a payment summary

If your employer reports your tax and super information to us through Single Touch Payroll, they will not have to provide you with a payment summary. We will make this information available to you through myGov.

If your employer does not yet report your information through Single Touch Payroll, they will need to provide you with a payment summary.

## Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

## Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).