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Single Touch Payroll

Understand how using Single Touch Payroll streamlines employer reporting to us and other government agencies.

What STP is



Learn how STP works, what happens when you report, and how it affects new employees and activity statement reporting.

Expanding Single Touch Payroll (Phase 2)



Single Touch Payroll Phase 2 will streamline reporting information about employees to government agencies.

News, events and resources



Resources to help you understand Single Touch Payroll (STP), such as employer guides, factsheets, and webinars.

STP reporting options



There are different Single Touch Payroll (STP) reporting options depending on the number and type of your employees.

How to report Single Touch Payroll data



You can send Single Touch Payroll (STP) data to us in a few

Start reporting



Checklists, troubleshooting and employer reporting guidelines to help you report through Single Touch Payroll (STP).

Concessional reporting



Employers who need to transition to Single Touch Payroll reporting may have concessional reporting options.

Need more time



Depending on your situation, you may be exempt from Single Touch Payroll reporting or able to defer reporting.

When STP reporting can cease



When Single Touch Payroll (STP) reporting can cease and what to do if you no longer have STP reporting obligations.

STP and activity statements



How we use Single Touch Payroll (STP) data to simplify employer reporting obligations.

Single Touch Payroll for intermediaries



Registered agents providing a payroll service and insolvency practitioners need to understand Single Touch Payroll.

Single Touch Payroll for employees



Your year-to-date tax and super information is available in ATO

STP employer reporting guidelines



Our guidelines help employers understand how to report under Single Touch Payroll Phase 1 and Phase 2.

QC 54701

What STP is

Learn how STP works, what happens when you report, and how it affects new employees and activity statement reporting.

Last updated 1 September 2021

Explains what Single Touch Payroll (STP) is and how to use it to report your payroll information each pay day.

Streamlined reporting

Single Touch Payroll (STP) is an Australian Government initiative to streamline employers' reporting to government agencies.

With STP you report employees' payroll information to us each time you pay them through STP-enabled software. Payroll information includes:

- salaries and wages
- pay as you go (PAYG) withholding
- superannuation liability information.

STP started on 1 July 2018 for employers with 20 or more employees and 1 July 2019 for employers with 19 or fewer employees and is a mandatory obligation.

From 1 January 2022, the data collected through STP was expanded (known as [STP Phase 2](#)) to collect additional payroll information.

All employers should now be STP reporting and transitioned to STP Phase 2 reporting unless covered by a [deferral](#) or [exemption](#).

If you are new to employing, you will need to [start reporting now](#) through STP Phase 2 enabled software as soon as you start paying your employees to avoid any [penalties](#).

We have a range of [resources](#) available to help you understand your STP reporting.

How STP works

STP works by sending tax and super information from your STP-enabled payroll or accounting software to the ATO when you run your payroll.

You will:

- run your payroll
- pay your employees as normal
- give them a payslip.

Your pay cycle doesn't need to change. You can continue to pay your employees weekly, fortnightly or monthly.

Your STP-enabled payroll software will send us a report that includes the information we need from you, such as:

- salaries and wages
- PAYG withholding
- super liability information.

Reporting

There are several ways you can [report your STP data](#) to us.

[STP Phase 2](#) doesn't change the payments you need to report through STP, but it does change how those amounts need to be reported. Full lists of the payments that must be reported in STP Phase 1 and [STP Phase 2](#) are available in the STP employer reporting guidelines.

Super funds also report to us. They let us know when you make the super payment to your employees' chosen or default fund. This is an

important step toward making sure employees are paid their correct entitlements.

Our systems will match the STP information to your employer and employee records.

If your employees have a myGov account linked to ATO online services, they will be able to see their year-to-date tax and super information in their income statement. Their data is updated every time you report. For most employers, this will be each pay day.

At the end of the financial year, you'll need to finalise your STP data. This means you are making a declaration that you have completed your reporting for the financial year.

Once you finalise your data, your employee's income statement in ATO online services will be marked as 'Tax ready'. They, or their registered agent, will be able use the income statement to lodge their tax return.

You won't need to provide your employees payment summaries or provide us with a payment summary annual report for amounts you report through STP.

You will still need to provide payment summaries for amounts you don't report through STP.

Sharing data collected from STP

STP data reported by employers is shared. We [exchange data with Services Australia and other government agencies](#) to support the administration of the welfare system and other services.

Employee access

If your employees have a myGov account linked to ATO online services, they will be able to see their year-to-date tax and super information in their Income statement. Their data is updated every time you report. For most employers, this will be each pay day.

Finalising your data

At the end of the financial year, you'll need to finalise your STP data. This means you are making a declaration that you have completed your reporting for the financial year.

Once you finalise your data, your employees' Income statement in ATO online services will be marked as 'Tax ready'. They, or their registered agent, will use the Income statement to lodge their tax return.

You won't need to provide us with a payment summary annual report for the payments you report through STP.

If you currently lodge an activity statement you will continue to do so.

Penalties

We have engaged and communicated widely with employers and tax and BAS professionals since STP reporting became a mandatory obligation.

If you haven't commenced STP reporting or haven't transitioned to STP Phase 2 reporting and you aren't covered by a deferral or exemption, you may be subject to failure to lodge (FTL) penalties.

QC 60136

Expanding Single Touch Payroll Phase 2

Single Touch Payroll Phase 2 will streamline reporting information about employees to government agencies.

Last updated 22 December 2022

What is Single Touch Payroll Phase 2?

In the 2019–20 Budget, the government announced that Single Touch Payroll (STP) would be expanded to include additional information.

The expansion of STP, also known as STP Phase 2, reduces the reporting burden for employers who need to report information about their employees to multiple government agencies. It helps Services Australia's customers, who may be your employees, get the right payment at the right time.

Flexible approach to STP Phase 2

To support you, our approach to STP Phase 2 is flexible, reasonable and pragmatic based on your business readiness and individual circumstances.

Digital service providers (DSPs) who need more time to make the changes and update their solutions to support STP 2 can apply for a deferral for their customers. If your DSP has a deferral, they will let you know.

If you can start reporting by your DSP's deferral date, you don't need to apply for more time.

Requesting more time to transition

If you need more time to transition to STP Phase 2 reporting, you can:

- apply for more time past your DSP's deferral date
- have your registered agent apply for more time on your behalf.

For more information about applying for a delayed transition, see [STP expansion \(Phase 2\) delayed transitions](#).

There won't be penalties for genuine mistakes in your first year of STP Phase 2 reporting.

Benefits of STP Phase 2

Benefits for employers

We'll use the STP Phase 2 information to streamline employer interactions. For example:

- You'll no longer have to send us your employees' tax file number (TFN) declarations. Your employees will provide it to you, and you'll need to keep it with your employee records.
- If you're using a concessional reporting option, such as for closely held payees or for inbound assignees, you'll be able to tell us through reporting [income types](#).
- If you make a [Lump sum E](#) payment, you won't need to provide Lump sum E letters to your employees. You'll have included the amount and the period it relates to.

- If you [change software or your employee's payroll ID](#), you can tell us in your STP report if your solution has this functionality. This will help fix issues with duplicate income statements for employees in ATO online services through myGov.

We'll also share payroll information you report to us in near real-time with Services Australia. They'll use it to streamline requests:

- for you to provide or confirm employment and payroll information about your employees
- from your employees to provide employment and payroll information such as pay slips for prior periods.

You may no longer need to provide separation certificates when your employees leave. The [date and reason an employee leaves](#) will be in your STP report.

You can also voluntarily report [child support](#) deductions or garnishees (or both) through STP. This reduces the need to send separate remittance advices to the Child Support Registrar.

Benefits for employees

Some changes under Phase 2 help us streamline interactions for employees, such as:

- Making it easier for employees at tax time now we have better visibility of the types of income received and where it should be pre-filled on their individual income tax return.
- Over time, the new information reported will allow us to tell employees if they've provided you with incorrect information that may lead to them getting a tax bill. For example, where an employee hasn't notified you that they have a study and training support loan.

We'll also share STP information with Services Australia so they can streamline interactions with their customers. Over time, they'll use STP data to improve their services by:

- pre-filling details they already know – saving their customers time filling out claims and reports
- reducing how often they'll need to contact customers – STP will give them some information that they currently need to confirm by phone or online

- streamlining claims – their customers won't need to supply as many documents
- enhancing Family Tax Benefit processes – by sending SMS and email messages to their customers when
 - STP data shows their family income estimate may be too low
 - they have a new job
 - their employment has changed.
- helping them pay their customers the right amount
- using STP information to improve the customer experience if a customer has debt to pay. STP information allows Services Australia to understand their customers' recent employment and income history – this helps them assist customers to repay any money owed.

Employer guide

The [STP Phase 2 employer reporting guidelines](#) outline what is required for reporting through your STP Phase 2-enabled software.

For more information about STP Phase 2 reporting, see:

- [Employer STP Phase 2 checklist](#)
- [Tax and BAS professional STP Phase 2 checklist](#)
- [Mandatory reporting](#) under STP.

What isn't changing

While you'll need to report additional information in your STP report, there are many things that will stay the same, such as:

- the way you lodge
- the due date
- the types of payments that are needed
- tax and super obligations
- [end-of-year finalisation](#) requirements.

Key changes

Most of the additional information you need to report should already be captured in your current payroll software.

The key changes to the STP report include:

- [Disaggregation of gross](#)
- [Employment and taxation conditions](#)
- [Income types](#)
- [Country codes](#)
- [Child support](#)
- [Business Management Software IDs and Payroll IDs](#)

Disaggregation of gross

Your STP report currently includes a gross amount. This is the total of many different components and payment types. Because some of these are treated differently for social security purposes, you will now need to [report more detail](#).

Employment and taxation conditions

There are many factors that influence how you manage your employees in your payroll. These include:

- their employment basis
- the information on their TFN declaration
- details of when and why they leave.

You currently provide this information in different ways and on different forms.

Phase 2 streamlines this process by [including the information](#) in your STP report.

Income types

You already tell us about the type of income your employees receive in your STP report.

The reporting of [income types](#) introduced in Phase 2:

- identifies payments you make to your employees with specific tax consequences
- makes it easier for them to complete their individual income tax return
- helps us identify where you are using a concessional reporting arrangement.

Country codes

Sometimes you'll need to report a [country code](#). For example, if you make a payment to an Australian resident working overseas, you'll need to provide information about the host country.

Child support

You'll have the option to include [child support garnishees and deductions](#) in your STP report. This will reduce the need to give separate remittance advices to the Child Support Registrar.

This is optional and not all STP-enabled solutions will offer this functionality.

Business Management Software IDs and Payroll IDs

You may have the option to provide us with previous Business Management Software IDs and Payroll IDs in your STP report. This might occur when you've changed your business structure or changed software and can't zero out or finalise previous records.

Providing this information will help us reduce and fix issues with duplicate income statements for employees in ATO online services.

This is optional and not all STP-enabled solutions will offer this functionality.

Employer STP Phase 2 checklist



Use this checklist to help prepare for Single Touch Payroll (STP) Phase 2 reporting.

Tax and BAS professional STP Phase 2 checklist



Use this checklist to help your clients prepare for Single Touch Payroll (STP) Phase 2 reporting.

Common STP Phase 2 reporting questions and mistakes



See some common questions and mistakes to help employers report accurately through Single Touch Payroll (STP) Phase 2.

QC 65099


Employer STP Phase 2 checklist

Use this checklist to help prepare for Single Touch Payroll (STP) Phase 2 reporting.

Last updated 23 March 2022

There have been changes to Single Touch Payroll (STP) – we call this STP Phase 2.




It's important you are ready to start STP Phase 2 reporting once your digital service provider (DSP) has updated your product.



This information is also available as a PDF – see [Employer STP Phase 2 checklist \(PDF, 232KB\)](#) 

Learn more about

- [Things you can do now to prepare for STP Phase 2 reporting](#)
- [STP Phase 2 help and support resources](#)

Things you can do now to prepare for STP Phase 2 reporting

- **Find out when your DSP will be ready for STP Phase 2 reporting.** Talk to them, check their website, read their newsletters and understand how they can help you transition to the new reporting requirements.
- **Know your required start date.** STP Phase 2 started on 1 January 2022. Many DSPs have a deferral in place to get ready and transition their customers. If your DSP has a deferral, you are covered. However once your product is ready, it is important that you do not delay your plans.
- **Consider if you need more time to make the transition.** If you do, apply for a [delayed transition to STP Phase 2 reporting](#). Your registered agent can also apply on your behalf.
- **Check if you need to make any changes to your payroll.** Review your pay codes/categories. Ensure they align with the STP Phase 2 reporting requirements. For example, do you have pay codes for items you now need to itemise separately, such as bonuses, commissions and overtime? Watch our [webinars on disaggregating gross](#).
- **Review your allowances.** Allowances are mapped and reported differently with STP Phase 2. Most allowances must be separately itemised. Ensure you know how allowances are now reported, as you may need to make changes in your payroll. Watch our [webinar on allowances](#) .
- **Understand changes to salary sacrifice reporting.** You must separately report salary sacrificed amounts. It's important to understand these changes and how they will be implemented in your payroll product. Watch our [webinar on salary sacrifice](#) .
- **Understand the requirements of assigning an income type to each payment.** In most instances, this will be salary or wages. There are other income types that you should also be aware of, including payments to working holiday makers or payments to closely held payees. Watch our [webinar on income types](#) .
- **Ensure you have the relevant information in your payroll system.** There may be some information required that you don't currently store in your payroll system, such as employee start dates. If you keep this information in a different system or spreadsheet, it will need to be captured in your payroll and included in your STP Phase 2 report.

- **Talk to your tax or BAS professional or payroll provider.** Discuss your current payroll processes and see if they can help review your payroll and setup for STP Phase 2 reporting. If you don't have a tax or BAS agent, consider engaging one. Learn more about how to [find and use a tax practitioner](#) .
- **Visit the Fair Work Ombudsman's website.** Clarify award and payslip requirements you are unsure about. See [Fair Work Ombudsman](#) .

STP Phase 2 help and support resources

- [STP Phase 2 employer reporting guidelines](#) – for a detailed breakdown of the new reporting requirements.
- [STP news, events and resources](#) – for webinars, videos and podcasts, and factsheets.
- About [STP Phase 2](#)

QC 68200


Tax and BAS professional STP Phase 2 checklist

Use this checklist to help your clients prepare for Single Touch Payroll (STP) Phase 2 reporting.

Last updated 23 March 2022

There have been changes to Single Touch Payroll (STP) reporting – we call this STP Phase 2.

Many of your clients will need your support to transition to the new reporting requirements. There are several things you can do to help your clients and practice prepare for the changes.



This information is also available as a PDF – see [Tax and BAS professional STP Phase 2 checklist \(PDF, 230KB\)](#) .

Learn more about

- [Things you can do now to prepare for STP Phase 2 reporting](#)
- [STP Phase 2 help and support resources](#)

Things you can do now to prepare for STP Phase 2 reporting

- **Find out when you/your clients' digital service provider (DSP) will be ready for STP Phase 2 reporting.** Encourage your clients to talk to their provider, check their website, read their newsletters and understand how they can help transition to the new reporting requirements.
- **Know your clients' required start dates.** STP Phase 2 started on 1 January 2022. Many DSPs have a deferral in place to get ready and transition their customers. This deferral covers their customers. When your client's product is ready, it is important that they do not delay their plans.
- **Consider if your clients need more time to make the transition.** If they do, they can apply for a [delayed transition to STP Phase 2 reporting](#). You can also apply on their behalf.
- **Understand the new reporting requirements.** For a detailed explanation of the changes, review the [STP Phase 2 employer reporting guidelines](#).
- **Consider how much support your clients need.** Talk to your clients and establish the level of support they need. How much time do you need to allow for this support?
- **Prepare a transition plan for your practice.** Can you start to prepare your clients now, while they wait for their product to be ready? When will they transition? How will this work fit around your existing lodgment deadlines?
- **Understand how to transition your clients.** They can transition any time during the financial year. Find out how to [transition to STP Phase 2 reporting](#).
- **Review their pay codes/categories.** Ensure they align with the STP Phase 2 reporting requirements. Watch our [webinars on disaggregating gross](#).

- **Review their allowances.** Allowances are mapped and reported differently with STP Phase 2. Most allowances must be separately itemised. Ensure you know how allowances are now reported. Watch our [webinar on allowances](#) .
- **Encourage your clients to include the relevant information in their payroll system.** There may be some information not currently stored in their payroll system which they need to start reporting, such as employee start dates. If your clients keep this information in another system or spreadsheet, encourage them to bring it into their payroll so it is available when they transition to STP Phase 2 reporting.
- **Encourage your clients to visit the Fair Work Ombudsman's website.** Clarify award or payslip requirements they might be unsure about. Visit [Fair Work Ombudsman](#) .

STP Phase 2 help and support resources

- [STP Phase 2 employer reporting guidelines](#) – for a detailed breakdown of the new reporting requirements.
- [STP news, events and resources](#) – for webinars, videos and podcasts, and factsheets.
- About [STP Phase 2](#)

QC 68201

Common STP Phase 2 reporting questions and mistakes

See some common questions and mistakes to help employers report accurately through Single Touch Payroll (STP) Phase 2.

Last updated 29 July 2022

The importance of accurate STP reporting

Accurate STP reporting has always been important to ensure:

- your employees have the right information displayed in their income statement
- we can pre-fill your employees' individual income tax returns with the right information
- other government agencies have the right information when interacting with you or your employees.

Your employees' income could be treated incorrectly for tax, super or social security purposes if your STP reporting is incomplete or inaccurate.

Setting up your pay codes or categories

When you're setting up for STP Phase 2 reporting, you'll usually need to re-map your pay codes or categories. How to do this will depend on the product you use.

Some common mistakes when setting up your pay codes or categories include:

- [incorrectly selecting 'not reportable' or 'do not report to the ATO'](#)
- [not maintaining continuity of year-to-date amounts from your STP Phase 1 reporting.](#)

Video: STP – Reporting help – pay code or item set up

Media: STP - Reporting Help - Pay Code/Item Set Up

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odtwqbx1>  (Duration: 08:37)

Incorrectly selecting 'not reportable' or 'do not report to the ATO'

When you're assigning STP Phase 2 reporting categories to each of your pay codes or categories, many products will have an option such as 'not reportable' or 'do not report to the ATO'. Different products may have different names for this.

Many employers select this option incorrectly.

Generally, all amounts paid to employees should be reported to us. However, there are some exceptions.

You should only choose 'not reportable' or 'don't report to the ATO' for amounts that are covered by those exceptions, such as:

- [travel allowance](#) below the ATO's reasonable amounts
- [overtime meal allowance](#) below the ATO's reasonable amount
- reimbursements
- [post tax deductions](#) except for those you need to separately identify.

If you choose 'not reportable' or 'do not report to the ATO', you're choosing not to include these amounts in your STP report. This means:

- we won't display this information on your employee's income statement
- these amounts will not be shared with Services Australia.

This means you won't have met your reporting obligations and it can impact your employees' tax, super or social security outcomes.

Not maintaining continuity of year-to-date amounts from your STP Phase 1 reporting

When you transition to STP Phase 2 part-way through the financial year, you need to identify whether you need to maintain continuity of year-to-date (YTD) amounts you have already reported.

In most cases, you do need to maintain continuity of your YTD amounts unless you are using the [replacing payroll IDs method](#) for transitioning to STP Phase 2.

Different solutions will manage this in different ways:

- some solutions will transition your YTD amounts for you
- some solutions may require you to manually copy or input the existing YTD amounts.

If your solution requires you to manually copy or input your existing YTD amounts to maintain continuity, a common mistake is not bringing over all the YTD amounts that you need to.

Make sure you remember to copy or input all your YTD amounts into their appropriate STP Phase 2 reporting categories. Comparing your first STP Phase 2 reports with your last STP Phase 1 reported amounts can help you make sure that you have remembered everything.

You may need to speak with your digital service provider if you need help.

Video: STP – Reporting help – continuity of YTD amounts

Media: STP - Reporting Help - Continuity of YTD amounts

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odt4n98p> [↗](#) (Duration: 05:34)

Example

Maia is an employer transitioning from STP Phase 1 to STP Phase 2. She uses a solution which requires her to manually input all her existing YTD amounts to maintain continuity when setting up for STP Phase 2.

Maia inputs all the income amounts for her employees and starts lodging her STP Phase 2 reporting. However, when we received her STP reporting we noticed that there were no pay as you go (PAYG) withholding amounts for any of her employees.

It looked like Maia was failing to withhold from her employees' salary and wages, so we contacted her. Maia realised that she had forgotten to input the YTD amounts for PAYG withholding when she was setting up for STP Phase 2.

Employment and taxation information

Your STP reporting includes employment and taxation information that:

- is important for providing context to the payments you make
- enables some of the interactions you and your employees have with government agencies to be streamlined.

A common mistake when reporting employment and taxation information in STP Phase 2 is [omitting cessation date and reason](#).

Omitting cessation date and reason

When an employee leaves, you must include their [cessation date and reason](#) in your STP Phase 2 reporting. Omitting these is a common mistake.

In general, your STP Phase 2 reporting should contain a cessation date and reason for an employee when there are also payments that are connected to termination, such as:

- [Employment termination payments \(ETPs\)](#)
- [Unused leave on termination \(paid leave type U\)](#)
- [Lump Sum A, B or D](#).

Include the cessation date and reason even if you may rehire the employee in the future. If you do rehire the employee, you can remove the cessation date and reason from your STP report the next time you pay them.

We will share your employees' cessation dates and reasons included in your STP report with Services Australia. Having this information already available reduces Services Australia's need to:

- contact you for this information
- require you to complete an employment separation certificate.

Video: STP – Reporting help – cessation date and type

Media: STP - Reporting Help - Cessation Date & Type

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odtwq5kr>  (Duration: 05:05)

Income types and country codes

Each amount you pay to an employee will now be assigned to an [income type](#) in STP Phase 2, and for some income types you must also include a [country code](#).

A common mistake when reporting income types and country codes in STP Phase 2 is [incorrectly reporting the 'na' country code](#).

Incorrectly reporting the 'na' country code

Some employers reporting country codes in STP Phase 2 are using the code 'na' to mean 'not applicable'. Where you are required to report a [country code](#), you cannot report 'not applicable' and you must report the country code relevant for that employee.

'na' is the country code for Namibia. If you report 'na', this will tell us that your employee is either working:

- overseas in Namibia
- in Australia and they are from Namibia.

If the employee does not have a connection to Namibia, reporting that they do can make it more difficult for them to manage their tax obligations.

Video: STP – Reporting help – country codes

Media: STP - Reporting Help - Country Codes

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odtwq58p>  (Duration: 04:08)

Allowances

STP Phase 2 has introduced the [disaggregation of gross](#). As part of disaggregation of gross, all [allowances](#) need to be separately reported. There are new allowance categories and it's important that you review the allowances you pay to understand where they should be reported in STP Phase 2. We have a short video discussing the principles of reporting allowances in STP Phase 2.

Some common mistakes when reporting allowances in STP Phase 2 include:

- [incorrectly reporting amounts using the Other allowances category](#)
- [not separately reporting all-purpose allowances](#).

Video: STP – Reporting help – allowance principles

Media: STP - Reporting Help - Allowance Principles

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odtwqbcu>  (Duration: 03:49)

Incorrectly reporting amounts using the 'Other allowances' category


In STP Phase 2, there are 8 specific allowance categories and a category called '[Other allowances \(allowance type OD\)](#)'. A common mistake in STP Phase 2 reporting is using Other allowances (allowance type OD) to report things which do not belong in that category.

You must report allowances in their appropriate category because each category is treated differently for tax, super and social security purposes. Only report an amount as Other allowances (allowance type OD) if it's an allowance that does not belong in one of the 8 specific allowance categories.

The following table shows some examples of amounts reported by employers as Other allowances (allowance type OD) which should be reported differently.

Video: STP – Reporting help – other allowances

Media: STP - Reporting Help - Allowances - Other

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odt4dyf9>  (Duration: 05:59)

Examples of amounts incorrectly reported in Other allowances and where they should be reported

Examples of amounts reported in Other allowances	Where should these be reported?
<ul style="list-style-type: none">• April bonus• Commission• Productivity	These are not allowances. They should be reported as Bonuses and Commissions .
<ul style="list-style-type: none">• Saturday• Penalty rates	These are not allowances. Option 1 If the payment is connected to the employee's ordinary hours, this should be reported as Gross .

	<p>Option 2</p> <p>If the payment is connected to the employee's work outside their ordinary hours, this should be reported as Overtime.</p>
<ul style="list-style-type: none"> • Tools • Equipment 	<p>These allowances belong in one of the specific allowance categories, and should be reported as Tool allowance (allowance type TD).</p>
<ul style="list-style-type: none"> • Laptop • Mobile phone 	<p>These allowances may belong in one of the specific allowance categories depending on the purpose of the allowance.</p> <p>Option 1</p> <p>If the employee is required to supply their own laptop or mobile phone for work, report as Tool allowance (allowance type TD).</p> <p>Option 2</p> <p>If the employee is using their own laptop because they're working from home, report as Other allowances (allowance type OD) with the allowance code H1.</p>
<ul style="list-style-type: none"> • Qualification • Licence • Certificate 	<p>These allowances belong in one of the specific allowance categories, depending on the purpose of the allowance.</p> <p>Option 1</p> <p>If the employee is being paid this allowance to cover the expenses they incur in maintaining a qualification, report this as Qualification and certification allowance (allowance type QN).</p> <p>Option 2</p> <p>If the employee is being paid this allowance in recognition of their higher level of skill, report this as</p>

	Task allowance (allowance type KN).
<ul style="list-style-type: none"> • Site • Cleaning • Height • Forklift • Supervisor • Higher duties • Remote 	<p>These allowances belong in one of the specific allowance categories, and should be reported as Task allowance (allowance type KN).</p>
<ul style="list-style-type: none"> • Overtime meal • Meal 	<p>These allowances may belong in one of the specific allowance categories depending on the purpose of the allowance.</p> <p>Option 1</p> <p>If the allowance is being paid in connection to the employee working overtime this should be reported as overtime meal allowance (allowance type MD).</p> <p>Option 2</p> <p>If the allowance is being paid in connection to the employee working ordinary time (such as a shift meal allowance), it should be reported as Other allowances (allowance type OD) with the allowance code ND.</p>
<ul style="list-style-type: none"> • KM • Mileage 	<p>These allowances may belong in one of the specific allowance categories depending on the purpose of the allowance and could be reported either as:</p> <ul style="list-style-type: none"> • Cents per KM allowance (allowance type CD)

- | | |
|--|--|
| | <ul style="list-style-type: none">• Other allowances (allowance type OD) with the allowance code V1 Private Vehicle• Other allowances (allowance type OD) with the allowance code ND. |
|--|--|

Not separately reporting all-purpose allowances

Many awards include allowances that are added to an employee's hourly rate and are paid 'for all purposes'.

In STP Phase 2, you must separately report all-purpose allowances against the relevant allowance type. It's important that these allowances can be identified because they're treated differently in different situations, and not being able to identify them may disadvantage your employee.

There are more details about reporting all-purpose allowances in our [STP Phase 2 Employer Reporting Guidelines](#).

Video: STP – Reporting help – allowances – all purpose

Media: STP - Reporting Help - Allowances - All Purpose
<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odt4dyho> [🔗](#) (Duration: 05:40)

Other components of STP reporting

There are components you need to report through STP that influence the amount you pay to an employee but relate to the employee themselves rather than the kind of payment they are receiving.

A common mistake when reporting these other components in STP Phase 2 is [treating reportable employer super contributions and salary sacrifice as the same thing](#).

Treating reportable employer super contributions and salary sacrifice as the same thing

When reporting amounts salary sacrificed to super through STP Phase 2, you report the amount of salary and wages your employee sacrificed as [salary sacrifice super \(salary sacrifice type S\)](#).

These amounts are often also considered [reportable employer super contributions \(RESC\)](#). However, it's important to remember that salary sacrifice super and RESC are different things and used for different purposes.

If an amount is both salary sacrifice type S and RESC, you need to report it as both in STP. It's important to understand the [relationship between reporting RESC and salary sacrifice type S](#) to ensure you can report accurately.

Our STP Phase 2 Employer Reporting Guidelines have more details about the rules for [reporting salary sacrifice](#) and [reporting RESC through STP](#).

Video: STP – Reporting help – RESC and salary sacrifice

Media: STP - Reporting Help - RESC & Salary Sac

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7odtwq5mz>  (Duration: 04:19)

QC 70082

News, events and resources

Resources to help you understand Single Touch Payroll (STP), such as employer guides, factsheets, and webinars.

Last updated 22 August 2024

STP employer reporting guidelines

These guidelines aim to help you understand what you are required to report through your STP-enabled software. This will depend on whether your digital service provider has transitioned to STP Phase 2 reporting.

- [Single Touch Payroll Phase 1 employer reporting guidelines](#)
- [Single Touch Payroll Phase 2 employer reporting guidelines](#)

STP reporting help

We have several resources to help with transitioning to STP Phase 2 reporting and to assist with STP reporting more broadly.









Checklists

- [Expanding Single Touch Payroll Phase 2](#)
- [Employer STP Phase 2 checklist](#)
- [Tax and BAS professional STP Phase 2 checklist](#)
- [STP checklists](#) – Get ready and Start reporting

Questions and mistakes

We've published information addressing [common STP Phase 2 reporting questions and mistakes](#).

We've also produced a series of short videos clarifying the questions and mistakes we're seeing:

- [Allowance principles](#) 
- [Allowances – all purpose](#) 
- [Allowances – other](#) 
- [Cessation date and type](#) 
- [Continuity of year-to-date amounts](#) 
- [Country codes](#) 
- [Pay code or item set up](#) 
- [Reportable employer super contributions and salary sacrifice](#) 

Webinars

We've held several webinars to help support employers transitioning to STP and to start reporting.

It's important to check for the latest and most accurate information at [Single Touch Payroll](#).

The following recordings are helpful resources but may include dated information.

Webinar recordings for employers and tax professionals

Single Touch Payroll Expansion (Phase 2) webinars

The [Single Touch Payroll Expansion \(Phase 2\) webinar recorded on 25 November 2021](#)  includes:

- 0:00 – introduction
- 3:27 – all-purpose rates and allowances
- 6:27 – annualised salaries
- 9:53 – other allowances
- 14:23 – TFN declarations
- 16:41 – 100% salary sacrifice
- 19:42 – paid parental leave
- 21:51 – mid-year transition to STP Phase 2

- 32:54 – next steps.

The [Single Touch Payroll expansion \(Phase 2\) recorded on 18 November 2021](#)  includes:

- 0:00 – introduction
- 5:34 – salary sacrifice
- 25:24 – other parts of pay, including reportable employer superannuation contributions and reportable fringe benefits amounts
- 31:35 – reporting deductions
- 33:45 – discussion with Services Australia on voluntary Child Support reporting
- 1:00:50 – next steps.

The [Single Touch Payroll expansion \(Phase 2\) recorded on 22 October 2021](#)  includes:

- 0:00 – introduction
- 5:40 – discussion with the Fair Work Ombudsman
- 15:02 – disaggregation of gross part 2
- 15:02 – paid leave
- 38:03 – allowances
- 1:04:17 – annualised salaries and all-purpose allowances
- 1:14:40 – next steps.

The [Single Touch Payroll expansion \(Phase 2\) recorded on 7 October 2021](#)  includes:

- 0:00 – introduction
- 5:41 – employment conditions
- 9:40 – tax treatments
- 24:05 – income types and country codes
- 41:03 – disaggregation of gross part 1
- 59:14 – lump sums and terminations

- 1:06:15 – reporting tax withheld
- 1:18:00 – key messages.


The [Single Touch Payroll expansion \(Phase 2\) recorded on 22 September 2021](#)  includes:

- 0:00 – introduction
- 3:20 – our journey so far
- 14:08 – what isn't changing
- 21:59 – a message from Services Australia
- 37:49 – the employer reporting guidelines
- 49:34 – engagement, communications and support
- 58:32 – panel discussion

The [Single Touch Payroll expansion \(Phase 2\) recorded on 29 March 2021](#)  includes:


- what is Single Touch Payroll (Phase 2)
- what the changes will mean for you
- what you can do to get ready.

Closely held payees and Single Touch Payroll

The [Closely held payees and Single Touch Payroll webinar](#)  was recorded on 2 June 2021 and covers changes to Single Touch Payroll reporting obligations for closely held payees from 1 July 2021. These include:

- what a closely held payee is
- some common business practices relating to closely held payees
- options for reporting closely held payees via STP.

Large employers and multinationals

The [End of financial year processing through Single Touch Payroll webinar](#)  was recorded on 14 February 2019. It has information on how to process your end of year data correctly, including:

- finalising data

- amendments after finalisation
- overpayments relating to previous financial years
- what to tell your employees.

Other digital resources

Media: Employers: resources to help you meet your obligations.

<https://tv.ato.gov.au/ato-tv/media?v=bi9or7od3sesj7>  (Duration: 0:48)

[Browse ATOTv](#)  to find other helpful videos about STP.

Media releases

- 24 June 2022 – [Time to switch to Single Touch Payroll Phase 2](#)

QC 54705

STP reporting options

There are different Single Touch Payroll (STP) reporting options depending on the number and type of your employees.

Last updated 14 November 2024

Counting your employees

To do a headcount to work out how many employees you have, each of the following count as one employee:

- full-time employees
- part-time employees
- casual employees
- employees based overseas

- any employee absent or on leave (paid or unpaid).

Don't include the following in your headcount:

- employees who have ceased working for you
- independent contractors
- staff provided by a third-party labour hire organisation
- office holders
- religious practitioners
- closely held payees such family members of a family business, directors or shareholders of a company and beneficiaries of a trust.

If you have a mixture of employees and closely held payees (who are excluded from your headcount), you are still considered a micro employer if you have **1-4 employees**.

Example: counting your employees

You have:

- three full-time employees
- one part-time employee
- two directors.

You are considered to have **4 employees** and are considered a micro employer.


Employers with 19 or fewer employees

STP started from 1 July 2019 for employers with 19 or fewer employees (small employers). You should be reporting through STP now.

If you haven't started STP reporting and don't have a deferral, you need to take the following steps:

1. Start reporting now – if you use payroll software that is STP-enabled, you can start reporting now. To find out what you need to do, talk to your software provider or visit their website. See our [STP](#)


[checklists](#) for important steps you need to take to connect your software to the ATO.

2. Choose an STP-enabled software solution – if you don't use payroll software, or if your software isn't STP-enabled, you can browse the [STP product register](#)  to choose the right software solution for you. If you begin reporting and find the product you chose doesn't fit your business needs, you may (subject to your contractual arrangements) [change your payroll solution](#).
3. Ask a third party to report for you, such as a registered tax or BAS agent or a payroll service provider.
4. Consider if one of the [concessional reporting options](#) is right for you.
5. If you have exceptional circumstances impacting on your ability to start reporting, apply for a [deferral](#). Or if you meet the criteria, you can apply for an [exemption](#).

See also

- [How to report Single Touch Payroll data](#)

Employers with 1-4 employees

If you have 1-4 employees (micro employer) and you don't currently use payroll software, you have a couple of options available to you. You can browse the [STP product register](#)  to choose the right software solution for you or you can access the [Quarterly reporting concession for micro employers](#).

Quarterly reporting concession

Your registered tax or BAS agent can report quarterly on your behalf if you meet the eligibility criteria. Applications for this concession will only be considered in exceptional circumstances.

Check if you are [eligible](#) and talk your tax or BAS agent to see if this is a service they provide.

Small employers with closely held payees

A [closely held payee](#) means the payee is directly related to the entity from which they receive payments. For example:

- family members of a family-owned business

- directors or shareholders of a company
- trustees or beneficiaries of a trust.

From 1 July 2021, amounts paid to all payees (including closely held payees) need to be reported through STP.

Employers may not always pay closely held payees a regular salary or wage. Instead, they may draw on income from the business throughout the year. As STP information is reported each time payroll is run, it may not be practical for employers to report payments made to closely held payees as regularly.

There are concessional reporting options for small employers with closely held payees. Small employers can choose to report amounts paid to closely held payees through STP in any of the following ways:

- report actual payments on or before the date of payment
- report actual payments quarterly
- report a reasonable estimate quarterly.

Employers with 20 or more employees

STP started from 1 July 2018 for employers with 20 or more employees (substantial employers).

You should be reporting through STP now.

If you have not yet started reporting through STP, our [checklists](#) will help you get ready. You can find out if your software is STP-enabled by talking to your software provider. Your tax or BAS agent can also help.

Penalties

The transition period for employers to start STP reporting has now ended.

If you haven't started reporting via STP and you don't have a deferral, we may contact you. If you don't start reporting within a reasonable amount of time, we may apply [penalties](#).

QC 54702

How to report Single Touch Payroll data

You can send Single Touch Payroll (STP) data to us in a few ways.


Last updated 5 November 2023

Your options to send STP data

How you send STP information to us depends on the software you use. There are three types of solutions. After you run your payroll you can either send the STP information:

- directly to us from your payroll software
- through a third party sending service provider (SSP) which is integrated into your software
- through a third party sending service provider (SSP) service which is outside your software.

To find out what type of solution is suitable you can:

- talk to your existing software provider
- look at the STP product register to [find STP payroll software](#) .

Option one: Report through existing payroll or accounting solution

You can report from your existing payroll or accounting software if it is STP-enabled.


Next steps

- Talk to your software provider to find out what they offer and what you need to do
- Read our [Get ready](#) and [Start reporting](#) checklists

Option two: Choose STP-enabled payroll software

If you don't currently use payroll software, you can find a suitable product for your business needs, including micro employers (1–4 employees) on the product register.

Next steps

- Talk to your registered tax or BAS agent to find out which payroll software product would best suit your business needs
- Look at the product register to [find STP payroll software](#) 


Option three: Ask a third party to report for you

You can ask a third party to report for you, for example a:

- registered tax or BAS agent
- payroll service provider.

It is your obligation to make sure the third party will be reporting for you through STP-enabled software.

If you use a registered tax or BAS agent, talk to them about your options. They may be able to report through STP for you, or work with you to outsource your payroll to a payroll service provider.

Payroll service providers who are providing a STP reporting service must be registered as a tax or BAS agent. You can check their registration details with the [Tax Practitioners Board](#) .

QC 60137

Start reporting

Checklists, troubleshooting and employer reporting guidelines to help you report through Single Touch Payroll (STP).

Last updated 19 August 2021

We have developed detailed employer reporting guidelines for Single Touch Payroll [Phase 1](#) and [Phase 2](#) to help you report through STP. They include information about:

- what you need to report
- the rules of reporting
- making corrections
- finalising your STP data
- transitioning to Single Touch Payroll
- remitting PAYG withholding
- employee commencement services
- what employees need to know.

We have also provided checklists, a troubleshooting guide, and information on finalising your reporting and third party reporters.

Find out about

- [STP checklists](#)
- [Troubleshooting STP reporting](#)
- [End-of-year finalisation through STP](#)
- [Single Touch Payroll for intermediaries](#)

STP checklists



Single Touch Payroll software solutions are available for employers.

STP reporting issues and errors



What issues and errors mean in your Single Touch Payroll (STP) reporting and steps you should take to address them.

End-of-year finalisation through STP

Information about making a finalisation declaration if you're reporting through Single Touch Payroll (STP).

QC 60138

STP checklists

Single Touch Payroll software solutions are available for employers.

Last updated 28 November 2024

We've developed 2 checklists to help you prepare for STP reporting.

Get ready checklist

Follow these steps to get ready for STP.


Work out how you will report through STP

The first step is to work out how you will report through STP. This may depend on the size of your business and if you currently use payroll or accounting software.

You can submit your payroll data through your STP-enabled software yourself or use a service provider to do it for you.

Do it yourself

You can use STP-enabled software to submit your payroll data to us.

You can find a list of STP enabled software on the [product register](#) . If you're an **employer with 1-4 employees**, there may be [concessional reporting options](#) available to you.

- If you currently use payroll software, go to [talk to your provider](#).

- If you don't use STP-enabled software, talk to your tax or BAS agent for advice on choosing the right product to suit your business needs.

Use a service provider

You can ask a third party, such as a registered tax or BAS agent or a payroll service provider, to [report STP for you](#).

If you use payroll software, talk to your provider

Find out how your payroll software will offer STP reporting. This may be through an update to your existing software, or an additional service.

Older software products, such as those purchased off-the-shelf, may not be updated to offer STP reporting. Your provider will tell you which of their products offer STP.

Remember to:

- find out what support they will give you to help your transition to STP
- upgrade or install your software when ready
- subscribe to any communications they provide – for example, email, newsletter or social media updates.

Talk to your staff about STP

Check the right people in your business know about STP – especially the person or people responsible for running your payroll.

Ensure you are:

- paying your employees correctly
- calculating your employees' super entitlements correctly
- addressing overpayments correctly
- maintaining accurate information, including names, addresses and date of birth records.

Fixing any errors in your payroll now will help you report successfully.

At the end of the financial year, you won't need to provide your employees with a payment summary (or send a payment summary

annual report to us) for information you've reported and finalised through STP.

You should tell your employees not to expect a payment summary and that instead their information will be displayed in an Income Statement which will be available in [ATO Online Services](#) or through their registered agent.

Start reporting

Once you're ready, you should start reporting. Read our [start reporting checklist](#) before you send your first STP report to us. This will help you send your report successfully.

We'll help and support you through your first year of reporting. If you make a mistake, you will be able to [make corrections](#).

[Single Touch Payroll Phase 2 employer reporting guidelines](#) has further information on what you need to report for STP Phase 2.

Small employers with closely held payees

Amounts paid to [closely held payees](#) need to be reported through STP. If you're an employer with 19 or fewer payees you can report these amounts on or before each payday, or you can choose to report this information quarterly.

If you have other payees (also known as arm's-length employees) they must be reported on or before each payday.

If you have 20 or more payees, then these arrangements don't apply, and you must report any closely held payees in the same way as your arm's-length employees.

If you need more support

If you need more support, you can:

- speak to your registered tax or BAS agent
- [subscribe](#) to receive business updates from us
- follow us on Facebook, X (formerly Twitter) and LinkedIn
- phone us on **13 28 66**.

Start reporting checklist

Following these steps before sending your first STP pay event report will help you report successfully.

Ask your provider how your software will connect to the ATO

Before you start STP reporting, you'll need to ensure your software is connected to the ATO. We won't be able to receive your STP reports unless we're connected to your STP-enabled software.

Your software can connect directly to the ATO in one of 3 ways:

- a software ID
- a sending service provider (SSP)
- a machine credential.

A **software ID** is usually displayed by your software during the STP set-up. You or your registered agent must provide the ATO with your unique software service ID (SSID) by:

- completing a one-off notification through [Access Manager](#)
- phoning **1300 852 232**.

Remember, we won't be able to receive your STP report without the correct SSID.

If your software is connected to the ATO by an **SSP**, your SSP will set up the connection to us for you. There is no need for you to contact us.

Alternatively, you can use a [machine credential](#)  installed on your device.

If you're not sure how your solution connects to us, speak with your provider.

Work out who will authorise your STP reports

If you are the business owner or public officer, you're already authorised to send reports.

If someone else in your business (such as the payroll manager) will authorise reports, you'll need to give them authority to do so. You may need to record this authorisation in your payroll software. Your software provider should provide instructions. You don't need to contact us to set up this authorisation.

If you're getting a third party (registered tax or BAS agent or payroll service provider) to report for you, they need to be linked to your account at the ATO. They will also need to be authorised for each pay event they lodge. Talk to them to work out how this will be set up.

Work out who will send your STP report

You can choose to submit your own reports.

If you are one entity in an economic group and you appoint another entity (for example, a head office) to report for you, you will need to sign a *Cross entity authorisation nomination form* (XEA).

This form will appoint the entity that will send your STP reports. To complete this form, log into [Access Manager](#) and find the form under 'Who has access to my business'.

If a third party will be sending your STP reports, they need to be linked to your account at the ATO.

Choose a contact person

Decide who you want us to contact if we have any questions about STP matters. This contact needs to be listed in the STP pay event report. It should be someone who understands your payroll amounts and how they are calculated.

Start STP reporting and check your data was sent correctly

After sending your report, check your software for a 'successful' status. This indicates we have received the file.

Ask your software provider:

- how they will alert you to any reporting errors
- where in the software you can find and fix errors.

If there were errors in your report follow the steps to correct a pay event report:

- [Single Touch Payroll Phase 1 – correcting information reported through STP](#)
- [Single Touch Payroll Phase 2 – correcting information reporting through STP](#)

You can login into [Online services for business](#) to [view your lodged STP reports](#). Allow up to 72 hours processing time after lodgment.

If your report hasn't been lodged successfully, read our [troubleshooting information](#).

Speak to your payroll solution provider if you need further assistance.

QC 54703

STP reporting issues and errors

What issues and errors mean in your Single Touch Payroll (STP) reporting and steps you should take to address them.

Last updated 25 June 2024

General reporting issues

This list includes some of the reporting issues we've seen with STP reports.

Table 1: STP troubleshooting information for employers and intermediaries

Reporting issue	What you need to do
You missed sending an STP report.	<p>Your employees will not see the correct year-to-date amounts in ATO online services. You have several options, including:</p> <ul style="list-style-type: none">• lodging the missed report if you can• if all employees in the missed report will be paid again in the next regular pay run, ensure the year-

	<p>to-date values in the next pay run are up to date</p> <ul style="list-style-type: none"> • if some employees are not being paid again, lodge an update event within 14 days to update their year-to-date balance. <p>If you continue to miss reports, you may be subject to failure to lodge penalties after the first year of reporting.</p>
<p>You started reporting and your software is not connecting to the ATO.</p>	<p>See our start reporting checklist and take those steps before you lodge your first report.</p> <p>There are different methods for connecting your software to the ATO. In most cases, your digital service provider (DSP) will tell you how to do this as part of your STP setup.</p> <p>If you are using a hosted cloud-based Standard Business Reporting (SBR) enabled software solution, see our Software service ID (SSID) notification guide below.</p>
<p>You have lodged your first STP report and you want to know if we have received it.</p>	<p>There is no need to phone us to confirm your report has been received.</p> <p>We will send you a confirmation message once we receive your STP report. The message will generally be displayed in your software.</p> <p>You can also check Online services for business to view your lodged STP reports.</p>

	<p>We will also send a welcome letter to you when you start reporting through STP.</p>
<p>You use multiple payroll solutions and are unsure which Business Management Software (BMS) ID to use.</p> <p>If you use the wrong ID, your employees may not see accurate information in ATO online services through myGov. This could affect their pre-filling at tax time.</p>	<p>You can report separately from each payroll solution. Most products will allocate the BMS ID for you. Talk to your DSP to find out about the ID you should use.</p> <p>Find out more in:</p> <ul style="list-style-type: none"> • STP Phase 1 – finalising your STP data • STP Phase 2 – finalising your STP data
<p>You lodged your STP report several days after paying your employees.</p>	<p>The law requires you to submit your STP report on or before the day you pay your employees.</p> <p>If you make an out-of-cycle payment, this can be reported in your next regular pay cycle.</p> <p>However, if you are consistently late submitting your reports we:</p> <ul style="list-style-type: none"> • will issue reminders • may apply penalties after the first year of STP reporting.
<p>You used a tax file number (TFN) exemption code for an employee who has not provided you their TFN (for example, you used 0000000000).</p>	<p>Where your employee provides you with a different valid TFN (not an exemption code), you should report with this new valid TFN.</p> <p>When you use a TFN exemption code, the STP information you report can't be matched to your</p>

	<p>employee. This means they can't see their year-to-date tax and super information in ATO online services.</p> <p>Continuing to use a TFN exemption will affect your employee's ability to use pre-filled data at tax time.</p>
<p>You entered an incorrect Australian business number (ABN) in your STP report.</p>	<p>You must report the correct ABN.</p> <p>If you use an incorrect ABN, we can't match the information you report to the records of your business entity, or your employees' myGov account.</p> <p>You can make a correction to update the ABN. Find out more in:</p> <ul style="list-style-type: none"> • STP Phase 1 – correcting information reported through STP • STP Phase 2 – correcting information reported through STP
<p>You are unsure if you need to report super.</p>	<p>You must report super amounts through STP. For each employee, make sure you report the following each pay period:</p> <ul style="list-style-type: none"> • year-to-date employer super liability, or • ordinary time earnings (OTE) amounts. <p>If you pay above the minimum super guarantee liability, report that amount.</p> <p>If the year-to-date super liability for an employee is</p>

	<p>zero, report zero. Do not leave the field blank.</p> <p>Find out more in:</p> <ul style="list-style-type: none"> • STP Phase 1 – the rules of reporting through STP • STP Phase 2 – the rules of reporting through STP
<p>You deleted unused or legacy pay codes (such as overtime allowances) from your payroll software.</p>	<p>Deleting pay codes may affect the accuracy of your STP data. While your software may allow you to do this, you should check if the pay code was used in a previous STP report in the same financial year.</p> <p>If you delete a pay code, check your data is correct before lodging your report.</p>
<p>You are a related entity and you need to submit STP reports on behalf of other ABNs in the group.</p>	<p>A related entity that submits STP reports on behalf of other ABNs within a group needs to have a business authority to lodge on their behalf.</p> <p>You can create this authority. The way you do this depends on whether the entity has been linked in Relationship Authorisation Manager (RAM):</p> <ul style="list-style-type: none"> • If the entity is linked, create the authority through Access Manager. • If the entity is not linked, complete a Cross entity authorisation nomination form. <p>The entity can choose the type of permission they want to provide. This tells us what</p>

	they want you to be able to do or see on their behalf. The STP permission is called 'Payroll event form'.
Your software is requesting an email address for each employee.	<p>Although it's not compulsory, including employee email addresses helps us identify the employee if the TFN doesn't match our records.</p> <p>If your software requires you to enter an email address for an employee and they don't have one, ask your DSP what to do. Do not enter a fake or invalid email address.</p>

There are also [authentication errors](#) which may affect practitioner lodgment services.

Correcting and fixing STP reporting

When an employer makes a payment to an employee that is subject to withholding, they are required to lodge a pay event to us on or before the date the payment is made.

Payroll events allow employers to report pay and entitlement amounts to us for payments made to their employees, along with any amounts withheld from those payments.

At times employers may need to correct or update employee year-to-date amounts and/or employer-level period totals (gross payment and withholding) reported in a pay event.

Update events allow the employer to report changes to employee YTD amounts previously reported. An update event should **only** be used in circumstances other than when employees are paid.

Adjustment events are optional and can be used to report an increase or decrease to previously reported employer-level period totals (gross payment and withholding) for a specific payroll event or withholding period. When you report a correction via an adjustment event it will be included in your ATO PAYGW pre-fill (where available for small and medium withholders). Adjustment events:

- will not replace or override previously reported amounts

- cannot be used to report or correct employee (payee) details – the employee details are corrected through an update event or the next pay event.

Even if you report your employer level correction through your STP reporting you must still ensure you include it in your activity statement reporting or payment (for large withholders), see [Correcting employer level information](#).

Full file replacement (FFR) allows an employer to replace the last lodgment that was sent to us in error or contains significantly inaccurate data. This is an optional service that digital service providers (DSPs) may offer but is not mandatory.

The following table provides some common examples of how to correct or fix your STP reporting.

Table 2: STP reporting corrections or fixes

Reporting issue	What you need to do
You need to correct employee YTD entitlements or add a new employee to a previously reported pay period.	Lodge an update event and ensure the correct values for all employees are reported. Also review your previously submitted BAS for the affected period. Ensure your W1 and W2 amounts are correct because update events do not modify your BAS figures.
You accidentally lodged a pay event to fix previously lodged STP data rather than lodging an update event. Your employees' myGov displayed amounts are now incorrect.	Lodge an update event to correct the YTD entitlements for the intended period.
Your most recently lodged employee YTD data does not match the information in your payroll software.	If you are unsure how to correct this in your payroll software, contact your DSP. Many scenarios may cause this issue such as STP reporting errors or data validation issues.

	<p>Your DSP can advise you on your circumstances.</p>
<p>Your employee's income statement is showing as 'not tax ready' after you have completed your end of financial year declaration.</p>	<p>Check the finalisation declaration was correctly added and successfully processed in your payroll software.</p> <p>If processed and you changed your payroll software or updated the payroll IDs for the employee during the year, check if you duplicated their data in your payroll software.</p> <p>If you have access to those records, correct the duplication and submit the finalisation declaration.</p> <p>Phone us if you need to confirm duplicated data.</p>
<p>You have incorrectly defined a pay item as 'not reportable' or 'do not report to the ATO' in your payroll settings. While you have made the correct payments to your employees, you have not reported the complete amounts paid and withheld.</p>	<p>You may be able to fix employee YTD amounts and employer-level period totals in your next pay event. Alternatively:</p> <ul style="list-style-type: none"> • employee YTD amounts can be fixed via an update event, and • if available in your product, employer-level period totals may be fixed via an adjustment event. <p>Even if you report your employer-level correction through your STP reporting, you must still ensure you include it in your activity statement reporting or payment (for large withholders) – see Correcting employer level information.</p>
<p>You lodged an STP report when you didn't mean to or your report contained a</p>	<p>You can only lodge a FFR to replace the latest lodgment which can be for a regular pay</p>

significant amount of incorrect data.	<p>cycle or an out of cycle payment. The FFR:</p> <ul style="list-style-type: none"> • must contain the submission ID of the lodgment to be replaced • cannot be sent if any payee information sent in the original lodgment has been changed by a subsequent lodgment or update action • cannot apply to an update action.
You submitted several FFR for the same pay period and they failed.	<p>A FFR can only be submitted once within a 24-hour period. Wait 24 hours before attempting to submit again.</p> <p>If this fails again, talk to your DSP.</p>

Common STP reporting errors

There are some common reporting errors that prevent you from lodging.

Your payroll solution may advise you if there is an error preventing you from lodging your report. Not all software has the same alerts and warnings. But most have a help page or user forum where errors and solutions are explained.

There are different types of errors, including:

- **SBR.GEN.AUTH** errors relate to your authorisations or permissions when your payroll solution unsuccessfully connects to our SBR channel – see more about
 - [cloud software authentication and authorisation](#)
 - [SSID notification guide](#)
- **CMN.ATO.AUTH** are data validation errors related to the authorisations required to lodge reports and the information about the reporting entity or agent doesn't match the information on our systems.

- **CMN.ATO.GEN** or **CMN.ATO.PAYEVNT** errors are generated by your payroll solution when you attempt to lodge invalid data.

If you can't resolve the error, contact your digital service provider (DSP). They can help you identify and remediate it.

The following table shows the most common reporting errors and how you can resolve them.

Table 3: STP reporting errors for employers and intermediaries

Error type	What you should do
SBR.GEN.AUTH.006	<p>You have not nominated this DSP to secure transmissions made through online (cloud based) software. You should:</p> <ul style="list-style-type: none"> • log on to Access Manager (accessed via RAM) • select My hosted software services • follow the instructions to nominate a provider. <p>Agents trying to lodge via the employer's software will need to link the SSID on the employer's ABN in Access Manager.</p>
SBR.GEN.AUTH.008	<p>Your nomination with the online (cloud) DSP does not contain the correct Software ID. This error only occurs when the SSID:</p> <ul style="list-style-type: none"> • is not correct, or • does not correspond to the correct ABN. <p>Confirm the ABN and SSID you are lodging under by:</p>

	<ul style="list-style-type: none"> • logging on to Access Manager (accessed via RAM) • selecting My hosted software services • updating the SSID. <p>Agents trying to lodge via the employer's software will need to link the SSID on the employer's ABN in Access Manager.</p>
CMN.ATO.AUTH.001	<p>This error occurs when the agent number used with your ABN or credential is not related.</p> <p>Check the ABN that's linked to your registered agent number is correct.</p>
CMN.ATO.AUTH.011	<p>The client transmitted is not associated with the Registered Agent Number (RAN) supplied and cannot be authorised. You should:</p> <ul style="list-style-type: none"> • confirm you are using the correct RAN • ensure you added your client at the correct role and linked them to their RAN. <p>Confirm the ABN you are practicing on is linked to your client's RAN. If your ABN is incorrect, you need to:</p> <ul style="list-style-type: none"> • contact the Tax Practitioner Board (TPB) and update your details • update your details on Australian Business Register (ABR). <p>If, as a registered agent, you are lodging via your client's software, ensure the setup has</p>

	<p>been completed correctly to run via the client profile.</p> <p>Ensure you are lodging as an intermediary through the software. For example, inputting RAN into correct fields as required.</p>
CMN.ATO.PAYEVNT.EM.92168	<p>The update is referring to a previous year where STP reporting did not occur.</p> <p>You cannot lodge for a period before STP.</p>
CMN.ATO.PAYEVNT.EM.92172	<p>A record with the same submission ID already exists.</p> <p>If submission is intended to be a FFR, ensure the FFR indicator is selected.</p> <p>If it is a duplicate, do not resend.</p>

Software Service ID (SSID) notification guide

If you use a hosted cloud-based SBR-enabled software solution, you need to notify us of your digital service provider (DSP).

Before you notify us of a SSID, you need to work out who owns the software you will use to submit your STP reports.

The following table can help you work out which ABN to register the SSID against.

Table 4: Registered agent owns the payroll software

Who is lodging?	What SSID needs to be registered?	ABN the SSID needs to be registered against	How to notify us

Agent for their own practice	Practice's	Practice's	<p>Principal authority or authorisation administrator in RAM logs into Access Manager to register the SSID against the:</p> <ul style="list-style-type: none"> • RAN, or • agent's ABN. <p>If the registered agent has multiple RANs, the notification applies to the ABN for the entire practice, not against each RAN.</p>
Agent on behalf of their client	Software purchased by the agent for multiple client lodgments	Practice's	<p>Principal authority or authorisation administrator in RAM logs into Access Manager to register the SSID against the:</p> <ul style="list-style-type: none"> • RAN, or • agent's ABN. <p>If the registered agent has multiple RANs, the notification applies to the ABN for the entire practice,</p>

			not against each RAN.
Client	Software purchased by the agent for multiple client lodgments	Client's	Principal authority or authorisation administrator in RAM for the client's business logs into Access Manager to register the SSID against client's ABN.

Table 5: Employer owns the payroll software

Who is lodging?	What SSID needs to be registered?	ABN the SSID needs to be registered against	How to notify us
Agent on behalf of their client	Software purchased by their client	Client's	Principal authority or authorisation administrator in RAM for the client's business logs into Access Manager to register the SSID against the business ABN.
Employer	Software purchased by the business	Employer's	Principal authority or authorisation administrator in RAM for the employer's business logs into Access Manager to

			register the SSID against the business ABN.
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QC 54704

End-of-year finalisation through STP

Information about making a finalisation declaration if you're reporting through Single Touch Payroll (STP).

Last updated 16 October 2025

Making a finalisation declaration

You need to make a finalisation declaration by 14 July each year to ensure your employees can access their finalised information to complete their tax return.

If you can't make a finalisation declaration on or before the due date, you will need to apply for a [deferral](#).

Finalising your STP data is explained in detail in the STP employer reporting guidelines for [STP employer reporting guidelines for phase 2](#). This includes making amendments for current and previous financial years.

When you have reported and finalised your employees' information through STP, you're not required to:

- provide payment summaries to your employees
- lodge a payment summary annual report.

For payments to your employees that were **not reported and finalised through STP**, you still need to:

- provide a payment summary to your employees
- send a [payment summary annual report](#) to us for these payment summaries.

Common issues to avoid

When making your finalisation declaration, check your employees' year-to-date (YTD) amounts are correct. We have outlined some common issues with STP finalisation declarations.

Ensure you finalise the correct financial year

A common mistake employers make is finalising their employee records for the incorrect financial year. This may be caused when the declaration is being lodged after 30 June.

Please check the financial year you've finalised to avoid this common mistake.

Submit a finalisation declaration for all employees

You need to lodge a finalisation declaration for all employees you've paid and reported through STP during the financial year. This includes those employees who may have only worked for part of the financial year, for instance terminated employees and casuals.

This will make sure you're meeting your obligations and will help your employees lodge their tax return with finalised information.

Changing payroll software or Payroll IDs during the financial year

Sometimes, you may need to change your payroll solution or your employee's Payroll IDs part way through a financial year.

There are important steps you need to take to ensure your employees income statements are accurate and their income is not overstated.

A common mistake when moving payroll solutions part way through a financial year is bringing YTD amounts into your new solution and forgetting to either zero out amounts in your old software or, advising us of your previous BMS ID if your software offers this functionality.

By following this guidance, you'll avoid these sorts of issues.

For more information see [Changing your payroll solution or employees' Payroll IDs](#).

Employers with closely held payees

If you have 20 or more employees, you should be reporting closely held payees each pay day along with arms-length employees. The finalisation due date for closely held payees is 30 September each year.

For small employers (19 or fewer employees) who only have closely held payees, the due date for end-of-year STP finalisation is the payee's [tax return due date](#).

For employers that have both closely held payees and arm's length employees:

- your [finalisation declaration](#) for your closely held payees is due by 30 September each year.
- you must still make a finalisation declaration for your arm's length employees by 14 July.

Making an amendment

If you identify that you need to make an amendment after you have submitted a finalisation declaration, you'll need to lodge the amendment as soon as possible.

We recommend you tell your employees when you make a correction that will be reflected in their income statement. If they have already lodged their tax return, they may need to lodge an amendment.

For information on making amendments after finalisation, see [STP employer reporting guidelines for phase 2](#).

What to tell your employees

You will need to tell your employees:

- you are no longer required to provide them with a payment summary for the information you've reported and finalised through STP
- they can access their year-to-date and end-of-year income statement online through myGov or talk to their registered tax agent
- if they don't have a myGov account, they can easily [create a myGov account and link it to the ATO](#)
- 'income statement' is the new term for their payment summary

- to wait until their income statement is 'tax ready' before lodging their tax return
- to log into ATO Online services to check their personal details are accurate and up to date and if necessary, notify both you and the ATO of any changes (incorrect personal details may prevent them from seeing their STP information).

What your employees will see

STP allows your employees to view their payment information at any time in our online services through myGov.

On 1 July, they will see the status of this information change from 'year-to-date' to 'not tax ready'. It will stay like that until you submit your finalisation declaration.

When you have made the finalisation declaration, your employees will see the status of their payment information change to 'tax ready'.

Some employees like to lodge their tax returns early in July and may choose to do so before you have finalised their STP information. We will make it clear to them that their income statement is not 'tax ready'.

If they choose to use the un-finalised information, they will need to acknowledge that:

- you may finalise their income statement with different amounts
- they may need to amend their tax return and pay additional tax.

Employees without a myGov account

If your employee doesn't have a myGov account, it's easy for them to create one. See [Online services for individuals and sole traders](#) for information on how to create and set up a myGov account, link it to the ATO and use our online services.

They can also talk to their tax agent who will have access to their income statement information.

If they can't create a myGov account and don't have a tax agent, they can phone us on **13 28 61**.

Employees who can't see their income statement in myGov

If we have been unable to match your STP data to your employee, they may not see their income statement. This may happen where the tax file number (TFN) you've reported doesn't match our records.

If your employee can't see their income statement, they will need to phone us on **13 28 61**.

QC 58561

Concessional reporting

Employers who need to transition to Single Touch Payroll reporting may have concessional reporting options.

Last updated 1 July 2021

Find out about:

- [Micro employers](#)
- [Closely held payees](#)
- Employers of [inbound assignees](#)

Micro employers



Information on STP reporting concession for micro employers and their registered tax or BAS agent.

Closely held payees



Single Touch Payroll reporting for small businesses, companies or trusts with directly related (closely held) payees.

Inbound assignees



QC 59375

Micro employers

Information on STP reporting concession for micro employers and their registered tax or BAS agent.

Last updated 21 September 2021

If you are a micro employer and need more time to move to real-time digital reporting, you can apply for the quarterly reporting concession. The concession approves you to report quarterly for two years through your registered tax or BAS agent.

From 1 July 2021, the quarterly reporting concession will change. It will only be considered for micro employers experiencing [exceptional circumstances](#).

Eligibility for the concession

To be eligible for this quarterly reporting concession, you must meet all of the following:

- be a micro employer on the day you apply (work out how to [count your employees](#))
- lodge your activity statements electronically through a registered tax or BAS agent
- have a non-computerised payroll. This could include running your payroll manually and keeping records on a spreadsheet or paper
- all amounts owing to us are either not yet due or subject to a payment plan
- all lodgment obligations are either not yet due or subject to a deferral
- for applications for a period commencing after 1 July 2021, you must also meet the guidelines for [exceptional circumstances](#).

Note: If your circumstances change, we may review your quarterly concession.

Find out about:

- [Exceptional circumstances](#)
- [Applying for the concession](#)
- [When to report](#)
- [Notifying us if you won't be paying employees again for the year](#)
- [Payments included in the quarterly report](#)
- [How to lodge the quarterly STP report](#)
- [Finalisation declaration due dates](#)

Exceptional circumstances

[Law Administration Practice Statement 2011/15](#) *Lodgment obligations, due dates and deferrals* (PS LA 2011/15) explains when it would generally be fair and reasonable to grant a deferral due to exceptional or unforeseen circumstances.

In addition to the circumstances set out in PSLA 2011/15, the following circumstances may be considered exceptional when considering an application for the quarterly reporting concession from 1 July 2021:

- Seasonal or intermittent workers – for micro employers who generally have either no or between one and four employees for most of the year and then increase their workforce for less than three months of a financial year.
- [No or unreliable internet connection](#) – we would consider the following
 - an inability to connect to the internet
 - a connection that consistently requires multiple attempts
 - consistent dropouts or disconnections
 - exceedingly slow data transfer.

Note: employers with no or intermittent internet connection may also apply for an:

- [exemption](#) via your registered tax or BAS agent

- operational [deferral](#) – allowing up to an additional three days to lodge.

We will consider any other unique circumstances on a case-by-case basis.

Applying for the concession

Speak with your registered agent if you think quarterly reporting might be right for your business.

Your registered agent will need to apply online for this concession and lodge your STP reports on your behalf. Registered agents can apply through Online services for agents using the online STP deferrals and exemptions tool.

When to report

Your registered agent will need to lodge your STP report once per quarter. The due date for the STP lodgment will be the same as the due date of your activity statement. If you lodge your STP report quarterly, it is due the same day as your quarterly activity statement.

If you lodge activity statements monthly, the due date for your quarterly STP report is the same day as your last monthly activity statement for that particular quarter.

Speak with your registered agent about your activity statement due date.

If you are approved to report quarterly but want to report monthly, you can. Your registered agent must lodge the monthly STP pay event on or before the 21st day of the following month. This is the same due date as monthly activity statements.

Notifying us if you won't be paying employees again for the year

If you will not be paying any employees for the rest of the financial year, you should lodge a 'No requirement to report' notification.

To notify us:

- log in to the Business Portal

- select **Manage employees**
- select **STP deferrals and exemptions**
- select **No requirement to report.**

Payments included in the quarterly report

The quarterly report needs to include your:

- employees' year-to-date amounts – up to and including the last pay day of the quarter
- total gross wages – same as the **W1** label on your activity statement
- total pay as you go (PAYG) withholding – same as the **W2** label on your activity statement.

This quarterly report could be in two formats, either:

- every individual pay event for the quarter
- a single combined pay event which reports all the information for the quarter.

Speak to your registered agent about how they offer quarterly reporting and what they need to lodge on your behalf.

How to lodge the quarterly STP report

You will need to lodge the STP report through your STP-enabled software. You can't lodge the STP pay event report in Online services for agents.

Speak to your STP solution provider to see how they offer quarterly reporting.

The STP pay event report is a separate obligation to the activity statement. You must lodge the activity statement separately.

See also:

- [Small employers – closely held \(related\) payees](#)
- Seasonal and intermittent employers
- Employers of [inbound assignees](#)

- [Need more time?](#)

Finalisation declaration due dates

You will need to finalise your STP information at the end of the financial year. This tells us your data is complete and we can change your employees' income statement to 'Tax ready'.

If your registered agent reports your STP information to us for you, they need to submit a finalisation declaration on your behalf by 14 July each year.

These due dates are **earlier** than the due date of your June activity statement. This may mean you need to visit your registered agent earlier than before. However, the timeframe should align to the business processes you previously had to ensure that payment summaries were issued to employees by 14 July each year.

See also:

- [End-of-year finalisation through STP](#)

QC 59383

Small employers – closely held (related) payees

Single Touch Payroll reporting for small businesses, companies or trusts with directly related (closely held) payees.

Last updated 5 September 2022

STP reporting for closely held payees

Amounts paid to closely held payees need to be reported through Single Touch Payroll (STP). If you're a small employer (19 or fewer payees), you can report these amounts on or before each payday, or you can choose to report this information quarterly.

If you have any other payees (also known as arm's length employees) they must be reported on or before each payday.

If you have 20 or more payees, then these arrangements do not apply and you must report any closely held payees in the same way as your arm's length employees.

A closely held payee is an individual directly related to the entity from which they receive payments.

For example:

- family members of a family business
- directors or shareholders of a company
- beneficiaries of a trust.

You must continue to report information about all your other employees (known as arm's length employees) via STP on or before each payday (the statutory due date).

What you need to report

It is important to understand how you are [using your business money and assets \(PDF, 236KB | !\[\]\(e474458956c9a37fbf9586ddb60a7fa1_img.jpg\)](#)), as well as your [pay as you go \(PAYG\) withholding](#) and [super guarantee obligations](#), because it affects the way you need to report.

Just like with your arm's length employees, you only need to report amounts that you pay to closely held payees which are subject to withholding and in scope for STP reporting. These are the same under [STP Phase 1](#) and [STP Phase 2](#) reporting.

If you don't pay any amounts which are in scope for STP reporting, then you don't need to report through STP.

It's important to remember that the need to report through STP depends on how the payment is classified, not who the recipient is. The same person may receive payments during a year that are classified differently.

Some common examples of amounts you might pay to a closely held payee include:

Type of amount	STP reporting required
Salary or wages	Yes – in scope for STP
Directors' fees	Yes – in scope for STP
Distributions to a beneficiary of a trust	No – not in scope for STP
Dividends paid to a shareholder	No – not in scope for STP
Amounts that are a loan from the business	No – not in scope for STP

You need to keep accurate business records that demonstrate the type of amounts you pay to your closely held payees. This will help you to determine whether you have paid amounts that you need to report in STP.

If you only pay amounts that do not need to be reported in STP (such as trust distributions or loans to directors), then your business records should also demonstrate this.

Example

Company A's directors are closely held payees. The directors draw money from the business throughout the year. When a director draws money, it is promptly recorded as a loan to that director. At the end of each month, the balance of the loan is reduced to zero by payment of a directors' fee to the director.

The transactions that are promptly recorded as a loan do not need to be reported through STP, as they are amounts that are not in scope for STP and Company A has business records which demonstrate that.

Company A has STP reporting obligations when they pay the directors' fee at the end of each month, as directors' fees are an amount that is within the scope of STP. They need to choose one of the three methods for reporting these amounts through STP.

Options for reporting amounts paid to your closely held payees

Amounts paid to closely held payees can be reported through STP in any of the following ways:

- [Report actual payments on or before the date of payment](#) – whenever you make a payment to a closely held payee, report the information on or before each pay event.
- [Report actual payments quarterly](#) – report your actual payments to closely held payees quarterly. Each quarter, when your activity statement is due, report all payments made in that quarter.
- [Report a reasonable estimate quarterly](#) – make a reasonable estimate of the amounts you have paid to closely held payees during the quarter and report that amount through STP.

Choosing a reporting option

You need to choose which reporting method you want to use. When you are choosing between the reporting methods, things you should consider include:

- how regularly you pay amounts to your closely held payees that you need to report through STP
- whether you also pay amounts to arm's length employees that you need to report through STP
- the support you have in place to meet your reporting obligations (like scheduled visits with a tax professional)
- how you manage payment of your other obligations (like amounts reported on an activity statement or superannuation guarantee)

Not all reporting options will suit your business circumstances.

You don't need to tell us which of the three reporting methods you have chosen. However, when you have transitioned to [STP Phase 2](#), you will need to tell us that the individual is a closely held payee by reporting them using the Closely Held Payee (CHP) income type if you are:

- using the quarterly reporting options, or
- intending to finalise later than 14 July.

Example 1

ABCD Pty Ltd has one closely held payee, who is the company director.

Throughout the year, the director draws money from the business to use for personal expenses and promptly records this in the company books of account as loans the company has provided her.

The director visits her agent in December and June each year for assistance and during those visits they determine a director's fee amount to pay which discharges the loan. This directors' fee is what needs to be reported through STP.

ABCD Pty Ltd chooses to report actual payments on or before the date of payment. This is because when the directors' fee is determined the actual amount is known, and the agent can help lodge the STP report at the same time.

Example 2

WXYZ Pty Ltd also has one closely held payee, who is the company director.

Throughout the year, the director draws money from the business to use for personal expenses.

The amounts drawn from the business are classified as wages and reconciled at the end of the year. This means it's known roughly – but not exactly – how much money is to be declared as wages during the year. An exact amount won't be known until the company's tax agent is consulted at the end of the year.

WXYZ Pty Ltd chooses to report using the reasonable estimate method. This enables the company to meet its STP reporting obligations without the director needing to visit the tax agent more often.

Report payments on or before the date of payment

Small employers with closely held payees can choose to report amounts paid to those payees on or before payday.

If you have other (arm's length) employees you must report amounts you pay to those employees on or before payday.

If you choose to report amounts you pay to your closely held payees on or before payday, the general rules for reporting in STP apply.

However, you'll have more time to [make a finalisation declaration for closely held payees](#).

As you would for your arm's length employees, you must still:

- include any pay as you go (PAYG) withholding amounts on your activity statement and pay the amount you owe to us by the due date
- make super guarantee (SG) contributions for your closely held payees before the quarterly due date.

Report actual payments quarterly

Small employers with closely held payees can also choose to report the total amounts paid to those payees quarterly rather than reporting on or before payday.

Reporting this way means that at the end of the quarter, you only need to lodge one STP report covering all amounts you paid to your closely held payees during the quarter.

You only need to lodge an STP report in quarters where you have made a payment that you need to report. For example, this means that if you've chosen this reporting option and you only make a payment that you need to report through STP in the December and June quarters, you only need to lodge an STP report for those 2 quarters (and finalise your STP reporting at the end of the financial year).

If you choose to report this way, each quarter you still need to:

- include any [PAYG withholding](#) amounts on your activity statement and pay the amount you owe to us by the due date
- make SG contributions for your closely held payees before the quarterly due date for SG contributions (which may be different to the due date for your activity statement).

For information about due dates, see:

- [Due dates for lodging and paying your BAS](#)
- [Super guarantee due dates](#)

Report a reasonable estimate quarterly

Small employers with closely held payees can also choose to make a reasonable estimate based on the amounts paid to closely held payees each quarter. If you choose to report using this method, you need to:

- make a reasonable estimate of the amounts you have paid to closely held payees during the quarter
- report that estimate through STP.

If you have chosen to report using this method, you should lodge an STP report in each quarter of the financial year.

Because your estimate is based on payments that are usually subject to PAYG withholding and SG you should:

- report and pay your PAYG withholding on your activity statement based on your estimate
- make SG contributions for your closely held payees based on your estimate.

Determining a reasonable estimate

When working out a reasonable estimate, consider all of your circumstances. Do you expect them to change during the financial year? Your estimate should reflect the amount you have paid your closely held payees during the quarter.

If your circumstances are not materially different to the year for which you have most recently completed a finalisation declaration, we'll generally accept it is reasonable to report a year-to-date amount in STP that is equal to:

- Quarter 1 – 25% of the total amount reported in that previous year
- Quarter 2 – 50% of the total amount reported in that previous year
- Quarter 3 – 75% of the total amount reported in that previous year
- Quarter 4 – 100% of the total amount reported in that previous year.

If your circumstances have materially changed, adjust your estimate to reflect your circumstances. This will ensure you're not overpaying or underpaying your obligations.

If you reduce your estimate lower than that of your most recently finalised declaration, we may contact you to find out why.

Example

MNOP Family Trust has two closely held payees who are trust beneficiaries, that draw from the business throughout the year. Even though they are trust beneficiaries, they have chosen to classify these amounts as wages.

In the 2019–20 financial year, MNOP Family Trust pays each closely held payee \$120,000. A Payment Summary Annual Report (PSAR) is lodged in May 2021 reflecting this.

In early October 2021, MNOP Family Trust is determining the reasonable estimate to report through STP for Quarter 1.

They know that the business was impacted by COVID-19, but trading in Quarter 1 is similar to what they experienced during the 2019–20 financial year.

They are drawing money from the business in a similar way to the 2019–20 financial year.

As MNOP Family Trust's circumstances are similar to the last year, they consider it is a reasonable estimate to report a year-to-date figure for each payee through STP that is 25% of the 2019 20 amount (\$30,000).

In May 2022, MNOP Pty Ltd lodges a PSAR showing it paid each closely held payee \$60,000 in the 2020–21 financial year. In early October 2022, MNOP Pty Ltd is determining the reasonable estimate to report through STP for Quarter 1.

They know they were paid less in 2020–21 due to COVID-19, but that the quarter has been more like the 2019–20 financial year.

They consider it is not reasonable to make an estimate of 25% of the amount paid during the 2020–21 financial year (\$15,000).

Instead, they determine a reasonable estimate is \$30,000 and they report that through STP.

When your circumstances change during the year

If you choose to report reasonable estimates, it's important you adapt your estimate during a financial year if your circumstances change.

What this means:

- If you're likely to pay your closely held payees more than you estimated, you should increase your estimate so the year-to-date figure reflects your circumstances.
- If the estimate you made in a previous quarter during the same financial year was too high, you can reduce your estimate for the current quarter so the year-to-date figure reflects your circumstances.

If you identify that your estimates were too low

It's important not to under-estimate the amounts you report for your closely held payees.

If you identify at the end of the financial year your estimates throughout the year were too low, you'll need to:

- revise your Quarter 4 activity statement to include any additional PAYG withholding you need to pay, and
- pay that amount to us.

When you revise your Quarter 4 activity statement, general interest charge (GIC) may apply. You can ask us to [remit the GIC](#) if there are extenuating circumstances.

You'll also need to review the superannuation contributions you made to ensure you've contributed enough.

You'll need to lodge a [super guarantee charge \(SGC\)](#) statement if you haven't made contributions throughout the year that are at least:

- equal to the minimum SG rate, or
- above the maximum contributions base.

If you identify that your estimates were too high

If you identify at the end of the financial year that your estimates throughout the year were too high, you have several options.

If you've paid too much PAYG withholding, you can revise your activity statements to claim back the excess by either:

- revising each quarter to the correct PAYG withholding amount
- reducing the PAYG withholding amount reported in Quarter 4 by the amount of the excess – and working backwards to earlier quarters if the excess is higher than the amount reported in Quarter 4.

You can also choose to do nothing. Your closely held payees will be entitled to a credit for the PAYG withholding that relates to them when they complete their personal income tax return.

If you've contributed too much super, you may find it difficult to obtain a refund of the excess from your closely held payee's super fund. If you can't obtain a refund from their super fund, you can count the excess towards the contributions you have to pay for the current quarter or a future quarter, as long as:

- it's for the same closely held payee, and
- the start of the quarter is within one year after the date you paid the excess amount to the super fund.

Relief from penalties if your estimate is too low or too high

We won't impose any false or misleading statement penalties or failure to withhold penalties that might otherwise apply as a result of your estimates being too low or too high, as long as:

- you followed this guidance
- your estimates throughout the year were reasonable based on your circumstances
- you paid the amounts you owed each quarter.

When to lodge quarterly STP reports

If you choose a quarterly reporting option, your quarterly STP report is due on or before the due date for your quarterly activity statements. If

your activity statement is due later than the regular due date (for example, because you are entitled to a concession or have a deferral), then your quarterly STP report is due by your later activity statement due date.

If you report your [PAYG withholding](#) on monthly activity statements, your quarterly STP report, including amounts paid to your closely held payees, is due on the same day as your activity statement for the final month of the quarter. If your activity statement is due later than the regular due date (for example, because you are entitled to a concession or have a deferral) then your quarterly STP report is still due by your later activity statement due date.

Choosing a quarterly option does not change the due date for:

- reporting and paying your PAYG withholding on your activity statement
- making SG contributions for your closely held payees.

You must continue to report information about all your other employees via STP on or before payday.

For information about due dates, see:


- [Due dates for lodging and paying your BAS](#)
- [Super guarantee due dates](#)

How to lodge your STP reports

You must lodge your STP report for closely held payees through an STP-enabled solution, the same as you would for arm's length employees. You can either lodge the report yourself or have your registered agent lodge it on your behalf.

Depending on your STP reporting solution, your report may include both your arm's length employees and your closely held payees.

The STP report can't be lodged through ATO online services. It is not an additional label on your activity statement.

Speak to your STP solution provider to see how they offer reporting for closely held payees or visit [STP product register](#)  for a list of available STP solutions.

Our [STP checklists](#) may help you lodge your STP reports correctly.

Correcting information about a closely held payee

When reporting quarterly you have until the due date of your next quarterly STP report to correct a closely held payee's year-to-date information. This is when you identify a need for a correction throughout the financial year.

If a closely held payee will not be included in your next quarterly STP report, you must either:

- include them in your current quarterly STP report with corrected year to date amounts, or
- lodge an **Update event** by the relevant due date for quarterly activity statement with the corrected year to date amount for the payee.

Example

Mentois Pty Ltd lodges an STP report with \$0 for its closely held payee in Quarters 1 and 2.

In Quarter 3, it identifies that a payment was made to the payee in Quarter 1, but the payee has left and won't receive any further payments.

To correct the information, Mentois Pty Ltd submits an **Update event**. This includes the correct year-to-date amounts for payments made, amounts withheld and superannuation liabilities that apply.

For more about correcting information in STP Phase 1 or 2, see:

- [Single Touch Payroll Phase 1 – correcting information reported through STP](#)
- [Single Touch Payroll Phase 2 – correcting information reported through STP](#)

Making a finalisation declaration for closely held payees

If you have both closely held payees and arm's length employees, your [finalisation declaration](#) for your closely held payees is due by 30 September each year. You must still make a finalisation declaration for your arm's length employees by 14 July.

If you only have closely held payees, you have until the due date of the closely held payee's individual income tax return to make a finalisation declaration for a closely held payee.

This is usually 31 October. However, your closely held payee may have a later due date for their income tax return, so you need to speak with the closely held payee about when their individual income tax return is due.

You can make a finalisation declaration for a closely held payee at any time during the financial year. For example, for closely held payees who have ceased employment.

If using the reasonable estimate reporting method throughout the year, you must update your STP report. Show the correct actual year-to-date amount you paid your closely held payees during the financial year – not just the total of your estimates.

QC 59387

Inbound assignees

STP reporting concessions information for entities with inbound assignees subject to shadow payroll arrangements.

Last updated 19 August 2021

Some multinational employers exchange, or transfer, employees between affiliated entities in different tax jurisdictions. This is done for business and commercial purposes. These employees are known as 'inbound assignees'.

An inbound assignee is an individual that:

- is employed by an offshore entity – for example, an entity that is non-resident for Australian taxation purposes

- is seconded to Australia
- has all, or part, of their base salary and other remuneration paid by an offshore entity
- is maintained in Australia using a 'shadow payroll arrangement'. This is a notional payroll for the purposes of
 - paying tax and social security obligations
 - applying internal tax equalisation and protection policies.

Shadow payroll arrangements can differ across entities and vary in complexity. A common practice is to conduct the initial calculations outside of payroll software and then enter the amounts into the software for reporting and reconciliation purposes.

Why a concession is needed

There are many factors in operating a shadow payroll arrangement which can make it difficult to report through Single Touch Payroll (STP) on or before the day an amount is paid to an inbound assignee.

These factors include:

- delays in receiving information from an overseas payroll
- currency conversion of payment amounts
- a requirement for additional calculations to ascertain liabilities and implement tax equalisation.

Eligibility for the concession

You may be eligible for concessional reporting if you are required to report information through STP for an inbound assignee.

Although you may be eligible for this concession for your inbound assignees, your Australian based employees must still be reported on or before pay day.

You can't use this reporting concession for payments to employees that are made through an Australian-based payroll.

Employers who are not required to report through STP

You will not be required to report through STP if:

- your entity has no Australian presence
- the assignee is on a short-term assignment in Australia
- your entity has been granted a pay as you go (PAYG) withholding variation to nil.

In these cases, you will need to report inbound assignees' PAYG withholding information to us via a [payment summary annual report](#), unless specified otherwise on the variation notice. You should issue a payment summary to the inbound assignee by 14 July.

Understanding the effect of the reporting concession

The reporting concession does not affect the tax treatment of payments to inbound assignees.

For example, if you make a payment but don't process this through a shadow payroll until several weeks later, the payment is still deemed to have been made on the earlier date. This is also the date that would apply for PAYG withholding obligations.

However, the concession does provide:

- additional time to gather the information about the payments which needs to be reported
- flexibility in calculating and reporting the payments. Reporting a [reasonable estimate](#) is sufficient, provided that the estimate is corrected before or at the end of financial year finalisation.

Report due date

Reporting about inbound assignees is due before the last day of the month after the relevant payment was made. For example, if a payment was made on 14 April, it would need to be reported by 31 May.

One month in arrears

If you are reporting through STP in relation to your inbound assignees, you will be permitted to submit each report at any time before the end of the calendar month following the date payment is made to the employee.

This reporting for inbound assignees can be either:

- a separate STP pay event only for inbound assignees
- included in the entity's regular STP pay event for its local employees.

The STP pay event should state the date the payment was actually made to the inbound assignee. If this is not possible, it will be acceptable for the entity to report the same date as the other (local) payments shown in the pay event.

Example 1: Reporting one month in arrears

BigMultinational PLC has a presence in several countries including Australia.

In preparation for a large project, 35 employees of BigMultinational PLC are seconded from South Africa to Australia for the period 27 July 2019 to 26 March 2020. These inbound assignees employees are paid through a payroll in South Africa, with a shadow payroll maintained in Australia for the purposes of tax compliance.

On 27 August 2019, the employee's salary is paid through the South African payroll. Data about the payments to the 35 inbound assignees employees is sent to Australia. It is processed through the Australian shadow payroll on 5 September.

Normally, BigMultinational PLC would be required to submit an STP report to us, on or before 27 August, showing the salary paid to the inbound assignees on 27 August.

However, we have granted concessional reporting to BigMultinational PLC because of the shadow payroll arrangements. This means the deferred due date is the end of the month after the payment date, that is 30 September.

On 20 September, the salary of other employees is paid through the Australian payroll. BigMultinational PLC prepares and submits an STP report on 20 September which includes both the:

- Australian payroll salary payments on 20 September
- shadow payroll salary payments to the inbound assignees on 27 August.

BigMultinational PLC met its STP reporting obligations when it included its inbound assignees in the same STP report as the local employees. The shadow payroll values can be shown in the STP report as being paid on 20 September.

Payments made in June

There are two ways you can report payments made in June:

- Lodge a separate pay event for the payments made to inbound assignees in June.
- Lodge an update event which includes the June payments into the year-to-date amounts for each inbound assignee.

The final submission may also be used for the purpose of finalising STP reporting for the financial year. The final submission for a year will be due by the same date as the finalisation is due.

We understand that if you submit June payment information using an update event, you will not submit a pay event during the month of July.

Extensions to the concessional period

We expect that most entities operating shadow payroll arrangements will be able to report through STP by the end of the next month after the payment date. However, if you can't do so, you will need to request additional time.

We will assess requests on a case by case basis.

How to apply for additional time

You can apply for additional time via [Online services for business](#):

- select **Employees** then **STP deferrals and exemptions**

- from the STP deferrals and exemptions form select **Recurring deferral** and complete the fields as follows
 - **Start and end date** – enter the period of time for which the extension to the concession will apply. The period end date must be within the financial year in which the application is made.
 - **Number of additional days required to lodge each report** – the number of days in addition to the existing concession period
 - **Number of employees currently on payroll** – the number of employees subject to shadow payroll arrangements
 - **payroll software name**
 - **Reason** – select **Inbound Assignees**

Your registered tax or BAS agent can also apply using the same steps through:

- Online services for agents – select **Business** then **STP deferrals and exemptions**.

Payments included in the report

The report needs to include your:

- employees' year-to-date amounts – up to and including the last pay day of the quarter
- total gross wages – same as the **W1** label on your activity statement
- total pay as you go withholding – same as the **W2** label on your activity statement.

These amounts can be [reasonable estimates](#).

Reasonable estimates

There may be occasions where you do not have the full details of payments made to inbound assignees in time for you to meet your STP reporting obligations. In these situations, you can report a reasonable estimate.

What a reasonable estimate is will depend on the situation. For example:

- If an accurate currency conversion rate is not available, use the latest available rate or an average rate to determine the reportable amounts until the correct rate is available.
- The receipt of information from overseas is delayed, but the employee has previously received a regular monthly salary with minimal adjustment. Report the salary payment in line with the previous pattern. Make any adjustments in a future report when the final information is received.
- There is uncertainty about how to classify an amount within payroll. Make a judgment about whether to include or omit that amount. Make a correction (if required) when the uncertainty is resolved.

Estimated information will need to be corrected when you submit a finalisation declaration for the inbound assignee.

Example 2: How to apply reasonable estimates

Michael is seconded to Australia for work. He is paid out of the payroll in his home country. A shadow payroll is maintained in Australia by his Australian host entity.

Every month, Michael is due to receive a salary of US\$10,000. There are regular deductions that mean the gross payment reportable in STP by the Australian host is consistently US\$9,200 (converted to Australian dollars). There are occasionally other deductions that mean the amount varies.

In March 2020, due to an administrative error in Michael's home country, his compensation information isn't sent to his Australian host. However, his Australian host knows Michael has been performing work and was due to receive a salary.

Michael's Australian host makes a reasonable estimate of the amount to include in their STP report, based on the pattern of previous reporting.

Later, the Australian host discovers that Michael was in fact paid a higher amount due to a scheduled salary increase. In the next STP pay event they submit they include Michael's new regular salary and a correction of the previous estimate.

Finalisation declaration due dates

You will need to finalise your STP information at the end of the financial year. This tells us your data is complete and we can change your employees' income statement to 'Tax ready'

A finalisation declaration for inbound assignees may be:

- included in the final pay event
- submitted separately through a STP update event.

If a concessional finalisation declaration is made for a shadow payroll arrangement, the declaration must be done by:

- 14 September 2020 for the 2019–20 financial year
- 14 August following the end of the financial year for 2020–21 and future years.

See also:

- [Single Touch Payroll Phase 1 – finalising your STP data](#)
- [Single Touch Payroll Phase 2 – finalising your STP data](#)

Example 3: How to apply concessional finalisation due date

BigMultinational PLC has a presence in several countries including Australia.

In preparation for a large project, 35 employees of BigMultinational PLC are seconded from South Africa to Australia for the period 27 April 2020 to 26 March 2021. These inbound assignee employees are paid through a payroll in South Africa, with a shadow payroll maintained in Australia for the purposes of tax compliance.

On 27 June, the employee's salary is paid through the South African payroll. Data about the payments to the 35 inbound assignees is sent to Australia. It is processed through the Australian shadow payroll on 5 July.

Normally, BigMultinational PLC would be required to submit an STP report to us, on or before 27 June, showing the salary paid to the 35 inbound assignees on 27 June.

However, we have granted concessional treatment to BigMultinational PLC because of the shadow payroll arrangements. This means the deferred due date for reporting these June payments is 14 August.

On 20 July, BigMultinational PLC:

- pays the salary of other employees through the Australian payroll
- prepares and submits an STP pay event showing the Australian payroll payments. The payments for the inbound assignees are not included.

On 3 August, BigMultinational PLC prepares and submits an update event which:

- updates the year-to-date amounts for each of the 35 inbound assignees to include the salary payments from 27 June
- updates the year-to-date amounts for each of the 35 inbound assignees to incorporate any reconciliation adjustments or corrections required
- includes a finalisation declaration for each record.

BigMultinational PLC has now met its reporting obligations in STP.

See also:

- [Need more time?](#)
- [News, events and resources](#)

QC 59487

Need more time?

Depending on your situation, you may be exempt from Single Touch Payroll reporting or able to defer reporting.

Last updated 26 November 2019

You may be:

- [able to apply for more time to start reporting](#)
- [exempt for certain payments](#)
- [exempt for certain employees](#)
- [able to apply for another type of exemption.](#)

Deferrals



If you need more time to start STP reporting or to lodge particular STP reports, find out how to apply for a deferral.

Exemptions from STP reporting



Certain employers may be exempt from Single Touch Payroll (STP) reporting.

STP expansion (Phase 2) delayed transitions



Digital service providers and employers may be given more time to start STP reporting, depending on their circumstances.

QC 60140

Deferrals

If you need more time to start STP reporting or to lodge particular STP reports, find out how to apply for a deferral.

Last updated 9 February 2022

Under Single Touch Payroll (STP), there are deferrals for:

- commencing your reporting

- lodging particular STP reports.

There are different ways to apply depending on the type of deferral you need.

Transitional deferrals

STP reporting started from:

- 1 July 2018 for employers with 20 or more employees
- 1 July 2019 for employers with 19 or fewer employees.

You should only apply for a transitional deferral if you have not yet commenced reporting through STP and need more time to get ready.

This type of deferral should **not** be used to apply for a delayed transition to the new STP Phase 2 reporting requirements – see [STP Expansion \(Phase 2\) delayed transitions](#).

Deferrals will only be considered if you have exceptional circumstances.

Find out about

- [Employers](#)
- [Registered agents](#)

Employers

If you haven't started STP reporting and need more time, you can ask us for a deferral by:

- logging in to [Online services for business](#) and selecting **Employees** then **STP deferrals and exemptions**
- phoning **13 28 66**.

If you use a registered tax or BAS agent, they can request the deferral for you.

Registered agents

You must be a [registered tax or BAS agent](#)  to:

- provide payroll services and report through STP for your clients

- apply for a deferral on your client's behalf.


Payroll services include processing payroll on behalf of the employer. They also include performing payroll-related functions such as interpreting legislation and helping employers to calculate their pay as you go (PAYG) withholding and super guarantee liability.

Client not ready to report

If one of your employer clients is not ready to start STP reporting, you can apply for a deferral using Online services for agents – select **Business** then **STP deferrals and exemptions**.

You're not ready to report

If you are not ready to start STP reporting due to exceptional circumstances, you can apply for a deferral using Online services for agents. Select **Business**, then **STP deferrals and exemptions**.

For more information about registered agents, visit [TPB\(I\) 31/2016 Payroll service providers](#) .



Unreliable or no internet service

If you live in an area where there is no internet connection, or the connection is unreliable, this may impact your ability to report through STP.

We understand you may experience:

- an inability to connect to the internet
- a connection that requires multiple attempts
- dropouts or disconnections
- exceedingly slow data transfer.

You or your registered tax or BAS agent can apply for a deferral or exemption through:

- [Online services for business](#)  (employers) – select **Employees** then **STP deferrals or exemptions**
- [Online services for agents](#)  – select **Business** then **STP deferrals and exemptions**.

You can also phone us on **13 28 66** if you are unable to lodge online.

When you lodge your request or phone us, we will discuss your circumstances and may offer more time to lodge your STP report each time you run your payroll. You will need to provide evidence and meet our requirements.

Other types of deferrals

Operational deferral

If you have already started reporting through STP and you won't be able to report for a period of time due to special circumstances, you or your registered agent can apply for an operational deferral. This type of deferral should **not** be used to apply for a delayed transition to the new STP Phase 2 reporting requirements – see [STP Expansion \(Phase 2\) delayed transitions](#).

Recurring deferral

If there are special circumstances affecting your ability to regularly report on, or before, a pay day, you can apply for a recurring deferral. This deferral allows you additional time to lodge each STP report without penalty for late lodgment.

The maximum number of additional days granted to report will be three business days.

An example would be if you regularly experience intermittent internet connectivity issues which means we might receive your report a couple of days after pay day.

You may also apply for a recurring deferral where you are advising us that you have [inbound assignees](#).

No requirement to report

If you have already started STP reporting and you cease to have a PAYG withholding obligation for part of the year (for example where you have no employees), you can let us know that you have no requirement to lodge STP reports for that period.

Finalisation declaration deferral

At the end of the financial year, you need to [finalise the STP information you've reported](#).

If you are unable to do this by the due date, you can apply for additional time.

How to apply

You or your registered tax or BAS agent can apply for these deferral types using:

- Online services for business (employers) – select **Employees** then **STP deferrals or exemptions**
- Online services for agents – select **Business** then **STP deferrals and exemptions**.

You can also phone us on **13 28 66** if you are unable to lodge online.

QC 56186

Exemptions from STP reporting

Certain employers may be exempt from Single Touch Payroll (STP) reporting.

Last updated 16 August 2023

STP exemptions and PAYG withholding obligations

If you are exempt from STP reporting, you must continue to comply with your existing pay as you go (PAYG) withholding obligations, including:

- reporting and paying your PAYG withholding and super guarantee liabilities
- giving payment summaries to your employees
- giving a payment summary annual report to us.

Employers with a withholding payer number

Employers with a withholding payer number (WPN) are exempt from STP reporting until 30 June 2033.

If you decide to make use of this exemption, you don't need to apply to us or advise us. However, you should keep records that support your decision.

All other employers

Employers can apply for an exemption from reporting through STP for a particular financial year if the applicant meets one or more of the following criteria:

- small employers (with 19 or fewer employees) who have low digital capability or unreliable internet service employers who have been impacted (for one or more financial years) by exceptional or unforeseen circumstances as outlined in [PS LA 2011/15](#).

Employers who run their business in an area with no internet service can seek an exemption for 1 or more financial years.

A registered tax or BAS agent can apply for an exemption on an employer's behalf.

How to apply

You or your registered agent can submit an exemption request online. If you are unable to access online services, you can phone us on **13 28 66**.

To submit a request for an exemption online:

- In [Online services for business](#) – select **Employees** then **STP deferrals and exemptions**.
- In Online services for agents – select the client then **Business** then **STP deferrals and exemptions**.

In each case, include the following information:

- the number of employees on your payroll – this will help us understand the size and complexity of your business
- the reasons why you are unable to report through STP
- any steps you have taken to attempt to get ready for STP

- any supporting evidence that may help us understand your circumstances.

We may contact you for further information about your request.

If you don't qualify for an exemption, you may be eligible for a [deferral](#).

Previous exemptions

These exemptions were offered in previous financial years but are no longer available:

- **Small employers (19 or fewer employees) with closely held payees** were exempt from reporting those closely held payees through STP until 1 July 2021.
- **Employers in certain industries** such as building, construction or cleaning may make regular contributions to a long service leave or redundancy scheme for their employees, administrators of such schemes were exempt from reporting these payments through STP until 1 July 2021.
- **Insolvency practitioners** weren't required to report through STP on their employer clients' behalf in 2018–19. They are required to start reporting through STP from 1 July 2019.
- **Inbound assignees** are now covered by a [concession](#).

Withholding payer number holders reporting through STP



Withholding payer number holders who choose to report STP need to use an authorised representative from 1 July 2026.

QC 56187

Withholding payer number holders reporting through STP

Withholding payer number holders who choose to report STP need to use an authorised representative from 1 July 2026.

Published 15 October 2025

Changes to STP reporting

From 1 July 2026, employers with a withholding payer number (WPN) who choose to report in Single Touch Payroll (STP) will only be able to lodge through an authorised representative, such as a registered tax agent or BAS agent.

These changes are being made as part of our ongoing work to improve and strengthen our authentication and authorisation processes.

The current [exemption from STP reporting](#) still applies.

What you need to do

If you hold a WPN and already report STP through an authorised representative you don't need to make any changes.

If you currently report STP (but not through an authorised representative) you can:

- engage an [authorised representative](#) to report STP on your behalf
- stop your STP reporting and move to pay as you go (PAYG) payment summaries.

Stopping your STP reporting

[Employers with a WPN are exempt from STP](#) reporting until 30 June 2033.

Employers with a WPN who decide to stop their STP reporting will still need to meet their pay as you go (PAYG) withholding obligations. You can do this by:

- giving [PAYG withholding payment summaries](#) to your employees
- lodging a [PAYG payment summary annual report](#) to us at the end of each financial year.

If you report STP for the full 2025–26 financial year, you should:

- finalise your STP reporting on 30 June 2026 by 14 July 2026
- move to payment summaries for payments made from 1 July 2026.

What we recommend

Where you move from STP reporting to PAYG payment summaries part way through the 2025–26 financial year, the following approach provides the best experience for your employees:

- [Zero out your STP reporting](#) and finalise. This involves sending us an update event that shows all year to date (YTD) amounts for your employees as zero.
- Ensure you include a finalisation declaration.
- Inform your employees of the change from STP reporting to PAYG payment summaries.
- Provide a payment summary and lodge a PAYG annual report for all payments made to your employees for the full financial year.

Following this approach will mean:

- your employees' income will not be overstated at the end of the financial year when they lodge their income tax return
- even though there is no requirement for an employer to finalise an income statement with zero YTD amounts reported, doing so will help limit confusion or questions raised by your employees
- the PAYG withholding payment summary you provide your employees should include all amounts paid to them for the full financial year
- we'll use amounts reported through the payment summary annual report to prefill each employee's income tax return.

Combining STP reporting and payment summaries

If you're unable to zero out your STP reporting, you'll report part of the year through STP and the remainder through a payment summary. This means that your employees' full year of income will be split between their income statement and their payment summary.

Employees will only see the STP reported amounts in their income statement which is available in ATO online services. This won't include the information reported in the payment summary.

You will need to provide your employees with a payment summary for only the amounts that were not reported via STP.

We'll use amounts reported through your STP and your payment summary annual report to prefill your employees' income tax return. However, employers have until:

- 14 July to finalise their STP reporting
- 14 August to submit their payment summary annual report.

This means pre-fill information may be available at different times. In this case, you should advise your employees to wait to lodge their income tax returns until after you have both finalised your STP reporting and submitted your payment summary annual report.

QC 105630

STP expansion (Phase 2) delayed transitions

Digital service providers and employers may be given more time to start STP reporting, depending on their circumstances.

Last updated 17 May 2022

You may be able to delay transitioning to Single Touch Payroll (STP) Phase 2 reporting, depending on your circumstances.

Transitioning to STP Phase 2 reporting

The mandatory start date for [STP Phase 2 reporting](#) was 1 January 2022. A [guide for employers](#) is available for information about reporting.

Most employers have now transitioned to STP Phase 2 reporting. However, there may be circumstances where you need more time to

transition to STP Phase 2 reporting.

Applying to delay your transition to STP Phase 2 reporting is different to other types of [STP deferrals](#).

Digital service provider deferrals

Digital Service Providers (DSPs) were granted deferrals if they needed more time to upgrade their STP-enabled solutions.

You need to start reporting from your next pay run after your DSP's deferral expires (or earlier).

While you are covered by a DSP's deferral, you must continue to meet your current STP reporting obligations until you transition to STP Phase 2 reporting.

If you need more time

If you need more time, you can apply for a delayed transition to STP Phase 2 reporting through [ATO online services](#).

You must:

- already be reporting through STP to be able to delay your transition to STP Phase 2 reporting
- continue to meet your current STP reporting obligations until you transition to STP Phase 2 reporting.

Employers requesting more time to transition

To request more time to transition to STP Phase 2 reporting, log in to [Online services for business](#) and complete the following steps:

1. Select **Employees**.
2. Select **STP deferrals and exemptions**.
3. Select **Delayed transition to STP Phase 2 expansion**.
4. Complete the request.
5. Select **Submit**.

When you apply for more time, you will need to tell us:

- which payroll software you use

- the reason you are seeking a delayed transition
- the date you expect to be able to start reporting the expanded data.

You can attach supporting documentation to support your application.

If you choose **Other special circumstances**, you will need to provide information about your circumstances and why they impact your ability to start Phase 2 reporting.

If you use a registered tax or BAS agent, they can request the delayed transition for you.

You can also phone us to apply on **13 28 66**.

Employers with 5,000 or more employees

If you have 5,000 or more employees and need more time to transition to STP Phase 2 reporting, you must provide additional information with your application. This must include information such as a schedule or a detailed plan which outlines your circumstances and the steps you are taking to prepare for your transition.


You can attach this additional information to your application.

If we need more information from you, we will contact you.

Registered agents requesting more time to transition

You can apply for a delayed transition to STP Phase 2 reporting on your client's behalf.

Client not ready to report

To apply on behalf of your client, log in to [Online services for agents](#)  and complete the following steps:

1. [Select a client](#).
2. Select **Business**.
3. Select **STP deferrals and exemptions**.
4. Select **Delayed transition to STP Phase 2 expansion**.
5. Complete the request.

6. Select **Submit**.

After you submit your request

We will let you know immediately if your request has been accepted or if we need more time to consider your request.

If we need more time, it may take up to 28 days for us to process your request, if we need more information from you, we will contact you.

You will receive a receipt ID as proof of your request.

Registered agents who have submitted a request

Don't resend a further deferral application for the same clients within the 28-day processing period. This may cause a delay to the processing of your original request.

We'll let you know when your request has been processed and provide details of the new deferral dates for eligible clients through Online services for agents.

QC 67409

When STP reporting can cease


When Single Touch Payroll (STP) reporting can cease and what to do if you no longer have STP reporting obligations.

Last updated 10 September 2021

In some circumstances, you may no longer need to lodge Single Touch Payroll (STP) reports. When you can cease reporting and what you need to do will be different depending on your situation.

No longer employing staff

If you cease employing staff and continue trading without employees, you must submit a finalisation declaration for all your employees as part of finalising your STP data.

Once you do this, we'll pre-fill the employees' tax returns and display the information as 'tax ready' in [myGov](#)  at the end of the financial year.

You can make a finalisation declaration at any time during the financial year when you have ceased employing.

When you've finalised your STP obligations, you can cancel your [pay as you go \(PAYG\) withholding](#) registration. This will let us know that you are no longer employing staff.

If you are a sole trader, the requirements will be different.


See also:

- [STP Phase 1 – Finalising your STP data](#)
- [STP Phase 2 – Finalising your STP data](#)

Closing your business

Before you close your business and cancel your Australian business number (ABN), you must bring **all** your lodgment obligations up to date, including STP reporting.

As part of your STP reporting, you'll need to make an STP finalisation declaration for all your employees.

Once you do this, we'll pre-fill the employees' tax returns and display the information as 'tax ready' in [myGov](#)  at the end of the financial year.

You can make a finalisation declaration at any time during the financial year.


When you have finalised your STP obligations, you can cancel your PAYG withholding registration. This will let us know that you are no longer employing staff. Once this is done, you should cancel your goods and services tax (GST) and ABN registrations so we know you've ceased trading.

It is important that you finalise all outstanding STP reporting before you cancel your ABN and your software subscription in order to meet your STP obligations.

If you're a company but no longer operate a business, you can choose to keep your ABN registration. However, you must cancel your GST and

PAYG withholding registration and lodge an STP finalisation declaration.

See also:

- [Updating or cancelling your ABN](#) 
- [STP for insolvency practitioners](#)

Changes to your business structure

If your business structure changes, the ABN and branch under which you have been generating your STP reporting may change. If this occurs, you must:

- finalise your STP reporting under the ABN and branch you have been using for your STP reporting
- start your STP reporting under the new ABN and branch using zero year-to-date employee amounts.

It's important to finalise your STP reporting under the ABN and branch before you lose access to it, or it is cancelled or deregistered.

See also:

- [Transitioning from STP Phase 1 to STP Phase 2 reporting](#)
- [STP Phase 1 – The rules of reporting through STP](#)
- [STP Phase 2 – The rules of reporting through STP](#)

No payments to employees for the rest of the year

If you won't be paying any employees for the rest of the financial year, or for a period greater than your reporting obligations, you should lodge a 'No requirement to report' notification.

To submit this request log in to [Online services for business](#) and complete the following steps.

1. Select **Employees, STP deferrals and exemptions, No requirement to report**.
2. Enter start and end dates.
3. Attach any documents that we have asked for.

4. Complete the declaration.

5. Click **Submit**.

When the form is submitted, you'll receive an ATO receipt ID and be advised if the request has been accepted or has been sent for assessment.

See also:

- [STP - Deferrals](#)
- [STP - Exemptions](#)

Pausing your business due to COVID-19

If your business has been paused due to COVID-19 and you're not currently employing, you should submit a 'No requirement to report' request.

See steps above for how to submit this request using [Online services for business](#).

See also:

- [COVID-19](#)
- [Dealing with disasters](#)

QC 64497

STP and activity statements

How we use Single Touch Payroll (STP) data to simplify employer reporting obligations.

Last updated 15 August 2025

Using STP data to prefill PAYG withholding in activity statements

Employers report pay as you go (PAYG) withholding via STP. We use that same data to help prepare activity statements – enabling employers to ‘tell us once’.

PAYG withholding labels **W1** and **W2** will be pre-filled in ATO online services using the information reported through STP.

For more information, see [ATO PAYG withholding pre-fill for activity statements](#).

Activity statement lodgment reminders

Employers who don't lodge their activity statements on time may receive a lodgment reminder from us.

For more information, see [Lodgment reminders](#).

On-demand activity statement lodgment report for agents

Agents acting on behalf of employers will be able to access an updated [on-demand activity statement lodgment report](#) to see:

- which of their clients have been issued a reminder
- the proposed next action and timing.

ATO PAYG withholding pre-fill for activity statements



From July 2023, we'll use your STP reports to help prepare your electronic activity statements in ATO online services.

Lodgment reminders



We send reminders if you haven't lodged your activity statement on time.

ATO PAYG withholding pre-fill for activity statements

From July 2023, we'll use your STP reports to help prepare your electronic activity statements in ATO online services.

Last updated 14 November 2023

What is ATO PAYG withholding pre-fill?

With [Single Touch Payroll](#) (STP), you report your employees' payroll information to us each time you pay them through STP-enabled software. Because you already report pay as you go (PAYG) withholding in STP, we will use that same data to help you prepare your activity statements – so you can 'tell us once'.

When we use the STP reports you have sent us to pre-fill your electronic activity statement in ATO online services, we call this ATO PAYG withholding pre-fill.

We will use your STP reports to pre-fill PAYG withholding labels W1 and W2. However, we can only pre-fill your electronic activity statement with the information you send us through your STP-enabled software. Your primary source of data should be your software and payroll records. Your product may already populate W1 and W2 for you, using your records.

We will also make ATO PAYG withholding pre-fill available for digital service providers. They will determine if and when they will use this in their products.

ATO PAYG withholding pre-fill starts from July 2023

If you use [ATO online services](#) to lodge your activity statement, ATO PAYG withholding pre-fill will be made available for:

- monthly PAYG withholders from the July 2023 activity statement
- quarterly PAYG withholders from the Quarter 1 2023–24 activity statement.

If you received ATO PAYG withholding pre-fill as part of the limited rollout which commenced in February 2020, this change won't affect you. You'll still have access to this information.

How ATO PAYG withholding pre-fill works

We will pre-fill your activity statements in ATO online services using the PAYG withholding amounts you've reported to us through STP. The payment date of your STP report will determine which activity statement we assign the PAYG withholding amounts to.

Labels and amounts we will pre-fill

We will use your STP reports to pre-fill the following PAYG withholding labels in your activity statement:

- PAYG withholding label **W1**: the total gross salary or wages and other payments made in the PAYG withholding month or quarter
- PAYG withholding label **W2**: the total amounts withheld from payments shown at label W1.

You can see the W1 and W2 amounts reported in STP that make up your pre-fill in the STP report list available in ATO online services. To view this report, go to:

- **Employees** function of [Online services for business](#)
- **Employment > Manage employees** in [Online services for individuals](#)
- **STP reporting** function of [Online services for agents](#)

If you are lodging your activity statement in ATO online services and pre-fill is available for the period, we will provide a hyperlink to the STP report list on the screens:

- **Prepare activity statement**
- **Edit PAYGW**

Labels and amounts we can't pre-fill

While most payments made to employees which are reported at W1 and W2 must be reported through STP, there are some payments which are [out of scope or can be voluntarily reported](#) through STP. You'll need to make sure you include these amounts in your activity

statement reporting, where you haven't reported or can't report them via STP.

If you have lodged an update event, it will appear in your STP reporting list. However, remember that update events only correct employee year-to-date amounts. An update event will not include W1 and W2 totals, so will not be reflected in your activity statement pre-fill.

We can't pre-fill PAYG withholding labels W3 or W4, as amounts reported at these labels are [out of scope of STP reporting](#). For example, where you've made a payment to a contractor who did not provide their ABN. You'll still need to complete these labels on your activity statement as you would normally.

When we make pre-fill available

Pre-fill will appear when your electronic activity statement is made available.

Viewing pre-fill before the end of the reporting period

Your activity statement is made available before the end of the reporting period. This means your pre-filled amounts will include STP reports lodged and processed:

- with a payment date that falls within the activity statement period, and
- up to and including the day you are reviewing the activity statement.

We will display the date of the latest STP report included in your pre-fill – in ATO online services, a message will be displayed on the **Prepare activity statement** and **Edit PAYGW** screens.

The pre-filled amount will update each time you lodge an STP report with a payment date in the same activity statement period, until you save or lodge your activity statement.

How pre-fill works when you save your activity statement

If you saved and did not lodge your activity statement, we will lock the PAYG withholding amounts. You may subsequently lodge an STP report that has a payment date in the same activity statement period. If you do, you'll be alerted that there is new STP data available the next time you view your activity statement. You can:

- correct your saved W1 and W2 amounts, or
- ignore this message if you've already accounted for the PAYG withholding amounts when you saved your activity statement.

Example: viewing pre-fill before the end of an activity statement period

Jen prepares her own activity statements and lodges them in ATO online each quarter.

Jen has one employee. She pays them \$7,000 in gross payments and withholds \$2,100 PAYG on the 17th day of each month. Each time Jen made a payment to her employee, she reported that payment through STP.

On 15 September, Jen reviews her electronic activity statement for Quarter 1 2023–24 and sees:

- \$14,000 has been pre-filled at W1
- \$4,200 has been pre-filled at W2.

Jen knows she has another pay run to make in September and that this pre-fill only reflects the payments she has made to her employee to date.

On 17 September, Jen pays her employee \$7,000 in gross payments and withholds \$2,100 PAYG and reports the payment through STP.

When Jen logs in to lodge her September activity statement on 21 October, the pre-fill has updated and she sees:

- \$21,000 has been pre-filled at W1
- \$6,300 has been pre-filled at W2.

Jen will see a message letting her know that her pre-fill includes all of the STP amounts reported for this period up to 17 September 2023.

Jen checks and confirms the amounts match her records. She then checks and completes the other labels on the activity statement before lodging and paying the amount due.

What you need to do

You must still make sure you report your complete PAYG withholding obligation for each activity statement period (month or quarter) to us by the due date.

If you are lodging your activity statement in ATO online services, you should:

- check that pre-filled PAYG withholding amounts on your activity statement match your records
- correct pre-filled PAYG withholding amounts at labels W1 and W2 if they don't match your records, making sure to report total amounts
- complete PAYG withholding labels W3 and W4 if applicable (these amounts cannot be reported via STP) and all other remaining labels as you normally would
- lodge your activity statement and pay any amounts owing.

STP corrections and late reports

The rules of STP reporting have not changed. Your STP report is due on or before payday unless you are eligible for a [concession](#) or have been granted a [deferral](#).

There may be times when you need to [correct information reported through STP](#), or when you lodge an STP report late.

If the STP report impacts your PAYG withholding and the payment date falls within the period of the activity statement:

- If you have not yet lodged, the information in the STP report [will be made available for pre-fill](#).
- If you have lodged, you may need to correct the PAYG withholding amounts in your activity statement. Refer to [Correcting information reported through STP](#) for information on corrections that impact your PAYG withholding liability.

Reasons why ATO PAYG withholding pre-fill may not match your records

We understand the nature of payroll and real time reporting means there will be times when you need to correct pre-fill. Some common reasons why the pre-filled amounts may not match your records are:

- you did not lodge all your pay events through STP
- you started reporting through STP part way through an activity statement period
- an STP report you've lodged for the period has not processed yet – full file replacements are processed overnight
- an STP report you lodged for the period was not able to be successfully processed
- you have reported a retrospective correction in STP
- you withheld from a payment which is [out of scope of STP reporting](#).

If you are eligible for an STP quarterly reporting concession, we can't pre-fill your activity statement until we have received and processed your quarterly STP report.

If you report via your STP software and lodge your activity statement at the same time, the data will not be available for pre-fill. This means you will need to include these amounts in your activity statement as you normally would.

Example: PAYG withholding pre-filled labels need correcting

Jeffery's BAS agent prepares and lodges his activity statements in ATO online each quarter.

Jeffery has 8 employees. He pays \$64,000 in gross payments and withholds \$19,000 PAYG on the 15th day of each month. Each time Jeffery made a payment to his employees he reported the payment through STP.

Jeffery's BAS agent logs in to lodge the Quarter 1 2023–24 activity statement on 27 October 2023, and can see:

- \$192,000 has been pre-filled at W1
- \$57,000 has been pre-filled at W2

Jeffrey's BAS agent will see a message letting him know the pre-fill includes STP amounts reported through this period up to payday 15 September 2023.

Jeffery's BAS agent checks the pre-fill amounts against Jeff's PAYG withholding records and they do not match. This is because Jeffrey has recently paid a contractor who has a voluntary agreement in place. He paid the contractor \$3,000 and withheld \$700. Jeffrey did not report this payment in STP (these payments can voluntarily be reported in STP, but it's not mandatory). Therefore, these amounts are not reflected in Jeffrey's pre-fill.

Jeffery's BAS agent corrects the PAYG withholding pre-filled amounts to match his records:

- W1 is corrected to \$195,000 ($\$192,000 + \$3,000$).
- W2 is corrected to \$57,700 ($\$57,000 + \700).

Jeffery's BAS agent then prepares the rest of the BAS for lodgment.

Remember, your primary source of data should be your software and payroll records.

You should feel confident to correct pre-fill to match your records.

We may contact you where there are significant discrepancies between your STP reporting and the amounts you report on your activity statement to see if you need support.

QC 72825

Lodgment reminders

We send reminders if you haven't lodged your activity statement on time.

Reminder when you haven't lodged

If you don't lodge your activity statement on time, we may send you a reminder letter that:

- includes a summary of the amounts we have on record:
 - PAYG withheld amounts reported through STP
 - any [pre-filled](#)
 - PAYG instalment (instalment amount option)
 - GST instalment amounts
- asks you to check the PAYG withheld amounts we have on record are correct and complete
- provides you with a timeframe to make any corrections and complete the other activity statement labels that apply to you.

If you don't lodge

If you don't lodge your activity statement by the date stated in your reminder letter we will:

- consider you had no corrections to the amounts we have on record
- add the amounts we have on record to your account because they are due and payable
- finalise your activity statement in ATO systems and consider it lodged unless you have any other obligations to report in your activity statement. For more information see [Activity statements that remain outstanding](#).

When an activity statement is finalised it will be considered lodged and you should pay any amounts outstanding. For more information see how to [pay the ATO](#). If you use ATO online services, you can view finalised activity statements in the activity statement history screen as follows:

- From the home screen, select **Lodgments > Activity statements > History**.

Activity statements that will remain outstanding

Your activity statement will remain outstanding and overdue, if you need to report any additional obligations:

- GST
- [PAYG instalments](#) (instalment rate option)
- fringe benefits tax instalments
- wine equalisation tax
- luxury car tax
- fuel tax credits.

When you lodge

If you lodge through [ATO online services](#):

- On the home screen, your outstanding activity statement will appear in the 'For action' list.
- When you view your activity statement, amounts already added to your account will appear as 'ATO processed'. You can edit these amounts if they need to be corrected.

When you edit an amount, you must enter the complete obligation (not the adjustment). Your account will be updated to reflect the correct amount.

STP corrections and late reports

There may be times when you need to correct information reported through STP or when you lodge an STP report late.

If your activity statement has:

- been finalised in ATO systems, revise it to [correct PAYG withholding mistakes](#)
- not been finalised, edit the PAYG withheld amounts when you lodge.

Keeping your agent informed

Agents acting on behalf of employers will be able to access an updated on-demand activity statement lodgment report in [Online](#)

[services for agents.](#)

This report will show:

- which clients have been issued a reminder
- the proposed next action and timing.

QC 73155

Single Touch Payroll for intermediaries

Registered agents providing a payroll service and insolvency practitioners need to understand Single Touch Payroll.

Last updated 1 October 2019

If you are a registered agent providing a payroll service, you will need to use Single Touch Payroll (STP)-enabled software to report for your clients.

If you are an insolvency practitioner for an 'incapacitated entity' under administration, you will need to work out how the entity's STP obligations can be met.

Find out about:

- [Registered agents providing a payroll service](#)
- [STP for insolvency practitioners](#)

Registered agents providing a payroll service



Information about Single Touch Payroll for registered agents providing a payroll service.

STP for insolvency practitioners



Understand how to meet the STP obligations of an incapacitated entity under administration.

QC 60141

Registered agents providing a payroll service

Information about Single Touch Payroll for registered agents providing a payroll service.

Last updated 6 December 2024

Payroll service

If you provide a payroll service, you will need to use Single Touch Payroll (STP)-enabled software to report for your clients.


A payroll service may include:


- processing payroll on behalf of an employer
- performing payroll-related functions, such as
 - interpreting legislation
 - helping employers calculate pay as you go (PAYG) withholding and super guarantee liabilities.

You need to take the following steps before you can report through STP on behalf of your clients:

- [Be a registered agent](#)
- [Be linked to your client](#)
- [Notify us of your unique software ID.](#)

Be a registered agent

You must be a registered agent. To register, complete an online application and provide supporting documentation to the [Tax Practitioners Board](#) .

For more information, see [TPB 31/2016 Payroll service providers](#) .

Be linked to your client

To lodge an STP report on your client's behalf, you need to be linked to them in our system. We won't accept STP reports you lodge on behalf of an employer unless the right link is in place.

Most registered agents will already have an existing link on the entity's record at the client, account or role level.

There can only be one registered agent per Australian business number (ABN) at each level (client, account or role level). However, the registered agent at each level may be different.

If you're already linked to your client, you can lodge STP reports on their behalf. If you're providing a **payroll service only** for your clients, you will need to 'Add payroll only client'. You can do this through [Online service for agents](#).

Notify us of your unique software ID

If you're using online or cloud-based software to report STP for you or your clients, you need to notify us of the unique software ID.

To make sure we receive the STP report, you will need to provide the correct software ID:

- Use **your own** unique software ID – if you will be lodging STP reports for your clients. Your software ID will be connected to your registered agent number (RAN) and ABN.
- Use **your client's** unique software ID – if they will be lodging their own STP reports and you are only assisting them to get ready or you are lodging on their behalf as a user. Your client's software ID will be connected to their business ABN.

How to notify us

You can complete a one-off notification using [Access Manager](#). Log in to Access Manager and follow the steps to Add, Modify or Notify us of

your hosted SBR software services using [My hosted SBR software services](#).

You can also:

- complete a [Unique software ID notification request](#) to notify us of your client's software IDs (no minimum number required)
- phone us on **1300 85 22 32**.

Unique software ID notification request

If you're a registered agent providing a payroll service, and you need to notify us of software IDs.

Link to multiple clients at the STP role level

Form for registered agents to use to link to multiple clients at the STP role level.

Authorisations to act

Employers may authorise their registered agents to act on their behalf for STP through an annual agreement.

QC 56185

Unique software ID notification request


If you're a registered agent providing a payroll service, and you need to notify us of software IDs.

Last updated 27 August 2025

Complete this form if you are a registered agent providing a payroll service and you need to notify us of software IDs for your practice or

for your clients. If you have a previous copy of the form saved to your computer, check you're using the latest version.

To submit the form:

1. Download [Single Touch Payroll unique software ID bulk notification request \(XLSX, 42KB\)](#)  using a laptop or PC device.
2. Complete all the required fields and save a copy (in Excel format) to your computer.
3. Ensure you have an active [link to your client's](#) account.
4. In Online services for agents, send a new message using [practice mail](#) by selecting the message topic **General questions/problems/help** and subject **Single Touch Payroll Bulk Request**.
5. Don't change the format of the form as this will impact the automated processing, resulting in delays.
6. Attach the form and send the request.

After you submit your request

Requests will usually be processed by an automation model within 2 business days.

It may take up to 28 days for us to process your request if manual processing is required due to errors within the form. Timeframes may also be impacted around peak lodgment dates.

Don't send another request for the same clients within the 28-day processing period as this could delay the processing of your original request.

We will let you know whether your request was varied or declined.

For more information see:

- [Concessional reporting](#)
- [Need more time?](#)
- [Single Touch Payroll for intermediaries](#)
- [Single Touch Payroll for employees](#)
- [News, events and resources](#)

Sending service providers and software IDs



Employers reporting through a sending service provider will need a software ID by 30 June 2026.

QC 56697

Sending service providers and software IDs

Employers reporting through a sending service provider will need a software ID by 30 June 2026.

Published 15 October 2025

Software IDs are required by 30 June 2026

If you report Single Touch Payroll (STP) through a sending service provider, you need to notify us of your sending service provider's software ID. Registered agents reporting STP on behalf of an employer will also need to notify us of their software ID.

These changes are being made as part of our ongoing work to continually improve and strengthen our authentication and authorisation processes.

The digital service provider you use for your payroll can advise you if you report through a sending service provider.

You will be able to obtain your sending service provider's software ID from your payroll software provider or sending service provider. Once you have been given this software ID, you need to notify us no later than 30 June 2026.

Notifying us of your sending service provider


Before you begin


Before you begin, you will need:

- your sending service provider's ABN or their name, and
- your sending service provider's software ID.

Your payroll software provider or sending service provider can provide you with these details.

When you're ready to notify us

To notify us of your sending service provider's software ID, an [authorised person](#)  for your business will need to:

1. Log in to [Access Manager](#) .
2. Select **My hosted software services**.
3. Select **Notify the ATO of your hosted service**.
4. Search for the sending service provider in the list, or type in their ABN or name.
5. Select the **ABN link** of your sending service provider.
6. Enter your sending service provider's software ID and select **Next**.
7. Read the **Notification** statement then select **Save**.

A success message will appear on the next screen to confirm your notification.

The software ID must match the details provided by your digital service provider.

You only need to notify us of your sending service provider once.

Registered agents

[Registered agents providing a payroll service](#) will need to notify the ATO of sending service provider software IDs. It is the entity submitting the STP pay event that needs to notify the ATO of the software ID in Access Manager.


Link to multiple clients at the STP role level

Form for registered agents to use to link to multiple clients at the STP role level.

Last updated 30 January 2020

Complete this form if you are a registered tax or BAS agent and you need to link yourself to multiple clients at the STP role level.

This is a bulk request form. To submit the form:

- Download the [Single Touch Payroll request to link multiple clients at the role level \(XLSX, 41.1KB\)](#) 
- Complete all the required fields in the form and save a copy (in Excel format) to your computer.
- In Online services for agents select the message topic **General questions/problems/help**.
- Enter the message subject **Single Touch Payroll Enquiries**.
- Attach and send the request form and supporting documentation.

After you submit your request

It may take up to 28 days to process your request, particularly around peak lodgment dates.

Don't send another request for the same clients within the 28-day processing period as it could delay the processing of your original request.

We will let you know:

- when your request has been processed
- whether your request was varied or declined.

Authorisations to act

Employers may authorise their registered agents to act on their behalf for STP through an annual agreement.

Last updated 13 March 2025

STP pay event form

The Single Touch Payroll (STP) pay event is an approved form submitted to the Commissioner of Taxation. Each time you lodge, you need to declare that the:

- information contained in the approved form is 'true and correct'
- declarer is authorised to lodge the approved form.

Employers can make a standing declaration for STP reporting allowing registered tax or BAS agents to act on their behalf covering a period of time instead of making a declaration at each pay event. This is called an STP engagement authority.

STP engagement authority

The STP engagement authority is a written agreement providing evidence that a registered agent is:

- authorised to prepare STP pay events on behalf of an employer
- allowed to make the relevant declaration to the Commissioner when each STP pay event is lodged.

The STP engagement authority must only be used for lodging an STP pay event. It does not apply to other forms (such as activity statements) that the employer may be required to lodge.

The engagement authority can cover multiple pay event lodgments and ends at the earlier of:

- 12 months after the engagement authority was given to the registered agent

- the day the agent is notified that the declaration is withdrawn by the employer, or
- the day the agent becomes aware there has been a material change in the relationship between the employer and the agent or in the affairs of the entity since the declaration was made.

For an STP engagement authority to continue beyond that time, a new one needs to be made.

Material changes include, but are not limited to, changes to:

- the agent relationship (ending the engagement or changing the level of the agent's responsibilities)
- the agent's status (for example, there is a change to the status of the agent's Tax Practitioners Board registration through termination, suspension or other sanctions)
- the business environment that results in a significant change to how the employer completes reporting obligations (for example, changes to the payroll software used), or
- the law or policy applying to STP reporting (for example, if the employer was required to report additional amounts or if significant changes to the approved forms for reporting are made).

What to include in the authority

The STP engagement authority should:

- outline the responsibilities of both parties
- include the employer's
 - agreed terms of collation of payroll related inputs
 - process for calculating and paying their employees
 - taxation and superannuation obligations.

It is expected the declaration will include the following statement:

The STP engagement authority may only apply for a period of no longer than 12 months. This is to ensure the employer and the registered agent have reviewed and agreed on the terms of the arrangement in line with industrial, taxation and business changes impacting the payroll.

Both the employer and registered agent must:

- co-sign the agreement
- keep a copy for their records.

You don't need to provide a copy to us unless we ask for it.

Exclusions

The STP engagement authority does **not** apply to:

- other approved forms
- the finalisation declaration.

A registered agent must still obtain a signed declaration in writing from an employer before making the STP finalisation declaration on behalf of the employer.

QC 56773

STP for insolvency practitioners


Understand how to meet the STP obligations of an incapacitated entity under administration.

Last updated 7 November 2025

STP reporting obligations

If you are an insolvency practitioner for an 'incapacitated entity' under administration, you will need to understand how the entity's Single Touch Payroll (STP) obligations can be met.

Payments that need to be reported include:

- all payments of salary and wages, the [Fair Entitlements Guarantee](#)  (where applicable), either superannuation liability or ordinary time earnings (or both), and pay as you go (PAYG) withholding for employees of your client

- any component of a dividend in lieu of salary and wages or leave, where that component is separately identifiable
- any other payments subject to withholding that have typically been included in the employees PAYG withholding payment summary.

If your client is already reporting through STP, you should continue to report on, or before, the pay date either through the client's software or your own practice software.

The way to report STP obligations depends on the circumstances, such as who is controlling the payroll and associated reporting.

Client controls payroll and associated reporting

If the client continues to manage their payroll software, pay runs and associated reporting, they can submit their STP data directly through their STP-enabled software solution.

Where the company continues to trade following a Restructuring or Deed of Company Arrangement (DOCA), a new branch number will be issued. They must update their STP reporting to reflect this new branch number.

You control payroll using the entity's software

If you are using the incapacitated entity's software to run pays and generate associated reporting, you can lodge the STP reports from their STP-enabled software.


If you're reporting for:

- a pre-insolvency period using the entity's software, you don't need to change the integrated client account number
- for the post-insolvency period, you will need to change the integrated client account number to the administrator or liquidator's integrated client account number

However, if payments are made under:

- the incapacitated entity's ABN, then the STP reports should reflect this ABN
- a new ABN for the purposes of the administration, the reports should reflect this ABN.

You control payroll using your software

Most insolvency practice software has now been updated to become [STP-enabled](#) .

This means you will be able to generate and lodge the STP reports for an incapacitated entity's payroll from your practice software.

Appointed as an insolvency practitioner

As the appointed insolvency practitioner, you aren't required to report STP on behalf of the incapacitated entity until we have issued the incapacitated entity a new branch number.

Once the branch number has been issued, you should update your STP reporting to reflect the new branch. You must ensure that STP reporting:

- commences from 'nil' on the post-insolvency branch from the next subsequent pay day
- includes the year-to-date amounts paid to employees of the incapacitated entity from the date you were appointed.

Any amounts the employer has reported through STP prior to the date of appointment should be reviewed. Where possible, the employer should finalise STP reports under their ABN and branch number.

Where the employer can't finalise previously reported STP amounts, you or the employer should advise us so that we can make sure the correct information is displayed in the employee's income statement and pre-filled in myTax.

Seeking more time or an exemption

If your client has entered into administration and you need more time to move them onto STP reporting, or you're seeking an exemption from

STP reporting, you can apply online. To apply for a deferral of exemption on behalf of your client:

- log in to [Online services for business](#)
- select **Employees** then **STP deferrals and exemptions**.

Appointment or cessation as a representative

If you're appointed as, or cease being, a representative of an incapacitated entity, you must notify us using the existing form – [Appointment or cessation of a representative of an incapacitated entity](#).

QC 60142

Single Touch Payroll for employees

Your year-to-date tax and super information is available in ATO online services (accessed through myGov).

Last updated 1 October 2024

If your employer reports through Single Touch Payroll (STP), they will send us your tax and super information each time they pay you. You'll still be paid the same way – however, there will be some changes for you.

New employees may now have the option to complete some of their employee commencement forms online.

Find out about:

- [What STP means for employees](#)
- [Setting up your myGov account](#)
- [Employee pre-fill information](#)
- [New employees](#)

What STP means for employees

If your employer reports through STP, you can see your year-to-date tax and super information in ATO online services.

Setting up your myGov account

Employers can set up a myGov account and link to the ATO to access their tax and super information.

Accessing your income statement online

How to access your income statement online when your employer uses Single Touch Payroll.

Employee pre-fill information

If your employer reports through STP, and your income tax return is not pre-filled here is some information what to do.

New employees

New employees can complete some of their employee commencement forms online, through ATO online services.

QC 54706

What STP means for employees

If your employer reports through STP, you can see your year-to-date tax and super information in ATO online services.

Last updated 19 September 2019

If your employer reports to us through STP, you'll notice some changes.

Find your tax and super information in ATO online services

You can see your year-to-date tax and super information in your ATO online services (accessed via myGov).

We've created a video that shows you how to [set up a myGov account and link to the ATO](#).

It's not compulsory to have a myGov account. However, you won't be able to see your tax and super information online without one.

Tax and super information updated each time you're paid

Your ATO online services account shows the year-to-date tax and super payments made by your employer since the start of the financial year.

This information is updated each time your employer pays you. It may take a few days for the information to show in ATO online services.

Your payment summary

The income statement is the new name for your payment summary (which some people call a group certificate).

Your income statement will be [available in ATO online services](#) after the end of the financial year.

Your employer does not have to give you a paper or digital payment summary for the information they report through STP.

When your income statement is 'Tax-ready', we'll send a notification to your myGov Inbox.

If you don't have a myGov account linked to the ATO you can phone us on **13 28 61** to get a copy of your income statement.

You can continue to lodge your tax return the same way as you do now. This may be through a registered tax agent or myTax.

Check if your super has been paid

Each time they report to us, your employer will tell us how much super they are required to pay to your fund.

Your super fund will let us know when they have received the payment.

Remember, employers pay super contributions at different times, and that's OK. However, they must pay at least quarterly.

Your registered tax agent can access your income statement

Your tax agent will know if your employer reports through STP.

Your income statement will be available for your agent so they can prepare your tax return.

See also:

- [Setting up your myGov account](#)
- [Accessing your income statement online](#)
- [Employees pre-fill information](#)
- [New employees](#)

QC 56168

Setting up your myGov account


Employers can set up a myGov account and link to the ATO to access their tax and super information.

Last updated 13 November 2024


If your employer reports through STP, you can see your year-to-date tax and super information and annual income statement in ATO online services. You will need a myGov account linked to the ATO to access ATO online services.

The income statement is a new name for your payment summary (which some people call a group certificate).

Next steps:

- [Create your myGov account and link it to the ATO](#)
- [Sign in to myGov](#) 

See also:

- [Using myID with myGov](#)  – connect myID (your Digital ID) to your myGov account and start using it to sign in to myGov.

Need help?

It is not compulsory to have a myGov account.

If you use a registered agent to lodge your tax return, they will have access to your income statement.

If you lodge your own tax return and you don't want to create a myGov account, you will need to phone us on **13 28 61** to get a copy of your income statement.

After the end of each financial year, employers have until 14 July to finalise your STP information. Your employer will let you know if there are any delays in the finalisation of your income statement.

For more information, see:

- [Accessing your income statement online](#)
- [Online services – Individuals and sole traders](#)
- [Employee pre-fill information](#)
- [New employees](#)

QC 56169

Accessing your income statement online

How to access your income statement online when your employer uses Single Touch Payroll.

Last updated 1 October 2024

Receiving an income statement

You may not receive a payment summary if your employer reports through [Single Touch Payroll \(STP\)](#).

Instead, your payment summary information will be available in ATO online services through myGov. It is now called an 'income statement'.

If you don't want to create a myGov and link to the ATO you can phone us on **13 28 61** to get a copy of your income statement.

If you use a registered tax agent, they will have access to your income statement so they can complete your tax return.

Not all employers report through STP. You will continue to get a payment summary from any employer who has not yet started STP reporting.

About your income statement

Your income statement is the equivalent of a payment summary (which some people still call a group certificate).

Your income statement will show:

- your year-to-date salary and wages
- the tax that has been withheld
- the super amounts your employer has to pay for you.

This is similar to the information you would normally see on your payslip.

Your income statement will be updated each time your employer pays you. It may take a few days for the information to be available online.

After the end of the financial year, when your income statement has been finalised by your employer, the status will change to 'Tax ready'. This means the information is ready for you to use in your tax return.

Changes to income statements starting from the 2021-22 financial year

In the 2019-20 Budget it was announced that we would expand the data collected through STP. This expansion is called [STP Phase 2](#). It started during the 2021-22 financial year and changes how your employer reports information about payments they make to you.

When your employer starts reporting through STP Phase 2, your income statement will change. Because employers start reporting at different times, income statement changes also happen at different times.

In past years, your employer only reported amounts to us after your salary sacrificed amounts were taken out. Now, your income statement will display the:

- components of your salary and wages before salary sacrificed amounts are taken out
- amounts that you have sacrificed.

Your income statement will show your salary and wages separated into components including:

- [gross](#)
- [overtime](#)
- [paid leave](#)
- [bonuses and commissions](#)
- [directors' fees](#)
- [salary sacrifice](#).

We add these components together and then take away the sacrificed amounts. That amount is shown in your income statement as **Total Gross Amount**.

The allowances you received are identified separately based on type, including:

- [cents per kilometre car allowances](#)
- [award transport payments](#)
- [laundry allowances](#)
- [overtime meal allowances](#)
- [travel allowances](#)

- [tool allowances](#)
- [qualification and certification allowances](#)
- [task allowances](#)
- [other allowances](#)

We add these allowances together. The total is shown in your income statement as **Total Allowances Amount**.

We use the **Total Gross Amount** and **Total Allowances Amount** to pre-fill your tax return.

Example: changes to income statements

Noor worked for the same employer for the whole financial year. She was paid:

- \$75,000 of ordinary wages
- \$4,000 of higher duties allowance
- \$1,500 of overtime
- \$3,000 while on annual leave.

During the year, Noor chose to salary sacrifice \$5,000 into her super.

Previously, her employer reported a single amount of \$78,500. This was displayed in Noor's income statement and pre-filled into her tax return.

When her employer starts reporting through STP Phase 2, her income statement changes and she sees:

- income including:
 - gross of \$75,000
 - overtime of \$1,500
 - paid leave of \$3,000
 - salary sacrifice of -\$5,000
- allowances including:

- tasks of \$4,000

Noor also sees totals of these amounts in her income statement as:

- **Total Gross Amount** of \$74,500
- **Total Allowances Amount** of \$4,000.

The **Total Gross Amount** and **Total Allowances Amount** are used to pre-fill Noor's tax return.

How to access your income statement

Once you have a [myGov account set up and linked to ATO online services](#) you should:

1. Sign in to myGov
2. select **Australian Taxation Office**
3. select (from the top of the screen) **Employment** and then **Income statements**.

Using your income statement for your tax return

You can view your income statement at any time throughout the financial year. However, once your income statement information is finalised by your employer it will be identified as 'Tax ready'.

After 1 July, your STP income statement information will be [pre-filled into myTax](#), even if your employer hasn't finalised it yet. If your income statement shows as 'Not tax ready', you will see a red box with 'Required' next to your employer's name.

To complete your tax return, you should wait until the information is 'Tax ready'.

However, if you choose to use information from an un-finalised income statement to lodge your tax return, you will need to:

- review this pre-filled information and decide whether you wish to use it before you submit your tax return

- acknowledge that
 - your employer may finalise your income statement with different amounts
 - you may need to amend your tax return and additional tax may be payable.

If you use a registered tax agent, they will have access to the information they need to complete your tax return.

If you have more than one job and your other employers have not yet started STP reporting, you should receive payment summaries from them.

Make sure you have all the information you need to prepare your tax return. This may include both an income statement and payment summaries from other employers.

If you think your income statement or payment summary information is incorrect, you should contact your employer (or employers).

QC 56167

Employee pre-fill information

If your employer reports through STP, and your income tax return is not pre-filled here is some information what to do.

Last updated 5 July 2021

Information has not pre-filled

You or your registered agent may not be able to see your pre-filled information if:

- we have not received the information from your employer (or employers)
- we could not match information to your record

- information did not pass processing checks for example, incorrect personal details.

If you can't see your pre-filled information in myTax, you should speak to your employer to confirm if they are reporting through STP.

If your employer is reporting through STP and doesn't know why your information isn't displaying in pre-fill, phone us on **13 28 61**.

Multiple income statements from one employer

There may be some situations where you have multiple income statements, such as:

- your employer is using different payroll IDs to report your information
- your employer pays you from more than one payroll system.

Each income statement will display as 'Tax ready' when your employer has finalised your information and it is ready for you to complete your income tax return. Your employer has up until 14 July to finalise your income statement. Your employer will let you know if there are any delays in the finalisation of your income statements.

If you have multiple income statements from your employer:

- You can complete your tax return if all the income statements are showing as 'Tax ready'.
- If some of the income statements are showing as 'Not tax ready', or you are unsure about which amounts to report, speak to your employer and confirm the information you should use in your income tax return.

Errors in pre-fill information

If you think your pre-filled information is incorrect, you should contact your employer (or employers) who provided the information to confirm the correct amounts. If you are unable to contact your employers, refer to your payslips to find the correct information to include in your lodgment.

Make sure you update any incorrect pre-fill information before you lodge your tax return.

QC 59750

New employees

New employees can complete some of their employee commencement forms online, through ATO online services.

Last updated 7 November 2024

The online forms

Online forms make your new employee processes easier and help your employees. To use these forms, new employees need to link their myGov account to ATO online services.

The online forms that employees can use instead of paper forms are:

- *Tax file number declaration*
- *Superannuation (super) standard choice*
- *Withholding declaration*
- *Medicare levy variation declaration.*

We prefill information for your employees, to reduce the likelihood of:

- your employee giving you incorrect information
- you making an error, such as withholding an incorrect amount of tax.

It's easier for you because you **don't** send the form to us.

When to use these forms

Before completing the *Tax file number declaration* online, we encourage your employees to speak with you, as you may have your own electronic form. In that case, new employees should use your form.

Your employees should use the online forms when:

- they start employment with you
- their situation changes and you need to recalculate how much tax to withhold from payments you make to them
- your employee wants you to pay their super guarantee (SG) into a new super fund.

Your employees can view their current and historical tax and super details in ATO online services. Only forms lodged with us since September 2017 are displayed. If their current employment details are not displayed, they don't need to submit a new form unless their situation has changed.

Employee access directly through myGov

Your employees can access and complete pre-filled commencement forms through myGov by going to their linked ATO online services, then selecting **Employment** from the menu, then **New employment**.

To complete the forms, your employees need:

- your ABN
- their employment type (for example, full time, part time, casual)
- the details of the super fund they would like their super to be paid into
- the following details if choosing your default super fund
 - fund name
 - unique superannuation identifier (USI)
 - ABN.

Some of this information will be pre-filled, making it quicker to complete and improving the accuracy of the information submitted.

When accessing ATO online services, your employees can:

- view pre-filled information about their tax affairs – for example, residency status and education loans
- see information related to their super, including their existing funds and your default fund

- complete and submit the employee commencement forms to us.

Once the form is complete, employees need to print the employee tax and super details summary and give it to you. You then enter the information into your system and keep a copy of the summary for your records. **Don't** send us a copy, as the information has already been sent electronically to us.

Don't ask your employee to send this information via email. Sending personal information via email can expose you to fraud as it's not a secure channel. See more information on how to [protect your personal identifying information](#).

If an employee makes a mistake, they can update their details online and give you a new employee tax and super details summary.

Employees can also update their tax and/or super details if their situation changes; for example, a change in their residency or finalising their education loan. For more information on how your employees complete their tax and super detail online, see [Access and complete employment forms in ATO online](#).

If your employee would like to choose a new super fund, or compare existing super accounts, they can access the personalised [YourSuper comparison tool](#) on ATO online services through myGov. The YourSuper comparison tool is a simple way to compare MySuper products and helps employees choose a super fund that meets their needs.

Employer software linking to forms in myGov

Software developers can now build services that link your software to the online commencement forms. Check with your software provider to find out if they offer this service.

With this service, you can allow your employees to access the ATO online services form through your own payroll software or onboarding solution. They would:


- only be able to access these forms from the link you give them
- need a [myGov account linked to ATO online services](#).

When accessing ATO online services, your employees can:

- view pre-filled information about their tax affairs – for example, residency status or education loans
- see information related to their superannuation, including their existing funds and your default fund
- complete and submit the employee commencement forms to us.

Once the form is submitted, your payroll software will request the information from us through SBR2-enabled software. The information we give you will include the employee's tax file number, residency status, tax free threshold, Medicare levy details and chosen super fund.

Sample form

This is a sample of the [Employee tax and super details form \(PDF, 166KB\)](#) .

QC 57579

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.

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