



# Employer STP Phase 2 checklist

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.

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 – see [ato.gov.au/delayedstp2transitions](https://ato.gov.au/delayedstp2transitions).
- **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 at [ato.gov.au/stpresources](https://ato.gov.au/stpresources).
- **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 at [ato.gov.au/stpresources](https://ato.gov.au/stpresources).
- **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 at [ato.gov.au/stpresources](https://ato.gov.au/stpresources).
- **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 at [ato.gov.au/stpresources](https://ato.gov.au/stpresources).
- **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. Visit [tpb.gov.au](https://tpb.gov.au).
- **Visit the Fair Work Ombudsman's website.** Clarify award and payslip requirements you are unsure about. Visit [fairwork.gov.au](https://fairwork.gov.au).

## STP Phase 2 help and support resources

- For a detailed breakdown of the new reporting requirements, see our STP Phase 2 employer reporting guidelines at [ato.gov.au/stp2guide](https://ato.gov.au/stp2guide).
- For webinars, videos and podcasts, and factsheets, visit [ato.gov.au/stpresources](https://ato.gov.au/stpresources).
- For information about STP Phase 2, visit [ato.gov.au/stp2](https://ato.gov.au/stp2)