



Single Touch Payroll

Australian Taxation Office

Payroll reporting

Business implementation guide

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 This document and its attachments are **Unclassified**



For further information or questions, contact the Single Touch Payroll team at singletouchpayroll@ato.gov.au or contact your Account Manager

VERSION CONTROL

Version	Release date	Description of changes
0.1	06/07/2017	Merged the independent sections into the one document
0.2	17/07/2017	Updated Scenarios Document (which reference 'Section 4') to Appendix Updated Contents Added Return Messaging to Section 3
0.3	25/07/2017	Added updated bus rules (v2.1)
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0.5	9/08/2017	Updated based on internal and external stakeholder feedback received; project team has maintained records of feedback
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1.0	31/08/2017	Version control updated to 1.0 to represent an endorsed version.
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Glossary

ABN	Australian business number
ATO	Australian Taxation Office
BAS	Business activity statement
BMS	Business management software
DSP	Digital service provider
EOFY	End of financial year
ETP	Employment termination payment
H2R	Hire-to-retire
ID	Identifier
JPDA	Joint petroleum development area
OTE	Ordinary time earnings
RESC	Reportable employer superannuation contributions
RFBA	Reportable fringe benefit amount
SBR	Standard Business Reporting
SG	Superannuation guarantee
STP	Single Touch Payroll
STP BIG	Single Touch Payroll 'Payroll Reporting' Business Implementation Guide
TFN	Tax file number
YTD	Year to date

The below forms are relevant to Section 1.7 Scope

Type	Form ID	Description
INB	NAT 0046	PAYG payment summary – individual non-business
FEI	NAT 73297	PAYG payment summary – foreign employment
EMP	NAT 70868	PAYG payment summary – employment termination payment
LVP	NAT 72545	PAYG payment summary – business and personal services income
SLS	NAT 70947	PAYG payment summary – superannuation lump sum
PEN	NAT 70987	PAYG payment summary – superannuation income stream
ABN	NAT 3283	PAYG payment summary – withholding where ABN not quoted
No ABN	NAT 3448	PAYG withholding where ABN not quoted annual report
AIIR	No NAT	Annual investment income report
Non-residents	NAT 7187	PAYG withholding from interest, dividend and royalty payments paid to non-residents – annual report
Foreign residents	NAT 12413	PAYG withholding annual report – payments to foreign residents
DASP	No NAT	PAYG payment summary – Departing Australia superannuation payment (DASP)
AMMA Statement	No NAT	Annual attribution MIT member statement

Definitions

This table provides definitions for key terms used in this document.

Term	Definition
Employee withholding details	These are the employee's answers to the withholding questions that also appear on the TFN declaration. An employer uses these details to calculate the withholding rate.
Payer	Is an overarching term which describes an entity making a payment which is subject to withholding, this can be, but is not limited to an employer e.g. an entity making a payment to a contractor which is subject to withholding under a voluntary agreement.
Payee	Is an overarching term which describes an entity receiving a payment which is subject to withholding, this can be but, is not limited to an employee e.g. a contractor receiving a payment which is subject to withholding under a voluntary agreement.
Superannuation liability	At a minimum, this YTD amount should reflect the legislated OTEs (as per SGR 2009/2) amount multiplied by the current SG percentage (9.5% since July 2014). If the employer uses an OTE in excess of that defined in SGR 2009/2 and that value is not recorded discretely, then the YTD amount of the OTE multiplied by the percentage is acceptable. This includes if either/both of the OTE/super percentage is in excess of the minimum legislated amount. If the employer includes an approved superannuation salary sacrifice arrangement in the calculation and does not distinguish this from the total superannuation guarantee amount, then report the total amount.
Super guarantee amount	This YTD amount should reflect the legislated OTEs (as per SGR 2009/2) amount multiplied by the current SG percentage (9.5% since July 2014).
Superannuation liability payment	The employer payment of the superannuation liability.
Payment subject to withholding	Withholding payments and amount withheld: <ul style="list-style-type: none"> • payments for work and services • payments for retirement or termination of employment • benefit and compensation payments. Reporting of nil amounts: <ul style="list-style-type: none"> • only required to report if a payment is made • if no payment is made, there is no reporting obligation • however, if a payment is made and the amount withheld is zero, then this must be reported.
Pay Period	For a pay event the start date and end date of the pay period is the period of time for which the employee is paid for that pay event. For an update event the start date and end date of the pay period must be the same date as the pay/update date (which is the as at date for the update event and can be any date within the financial year). If the update relates to a prior financial year then this date must be the last date of the relevant financial year.
Pay/update date	This is the date on which a payment has been made to an employee, it also determines the financial year of an STP report
Payment	All references to payment in this document refer to the reportable

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Term	Definition
	gross payment of monies detailed in Section 1.7 Scope. There are circumstances where the payment may not result in an actual net payment to the employee or to pay as you go withholding amounts. Reportable in this context refers to reportable on the payment summary, payment summary annual report or in single touch payroll.
Income Statement	The annual STP reported data, published by the ATO on myGov. Also available in hardcopy from the ATO upon request, if employees do not have a myGov account or access to the published data. This is the ATO equivalent of the employer-issued payment summary.
GUID	Globally Unique Identifier is a 128-bit integer number used to identify resources. For STP, the GUID is used to identify each business management solution per employer.
Pay event	This is the business term used in the document to refer to the mechanism to allow an employer to report payments subject to withholding via STP. The technical service is called <code>payevent.collaboration.ccy.submit</code> , (collaboration refers to the version of the service and <code>ccy</code> the relevant year)
Update event	This is the business term used in the document to refer to the mechanism which allows an employer to report changes to an employee's YTD amounts via STP. The technical service is called <code>payevent.collaboration.ccy.update</code> , (collaboration refers to the version of the service and <code>ccy</code> the relevant year)
STP Report(ing)	This is the generic name for reporting either the submission of either a pay event or update event

Reference documents

When developing a solution to meet Single Touch Payroll reporting obligations, this document will provide business context and should be read in conjunction with the following technical documents:

- [SBR documents](#)
- [STP Technical Change Roadmap v.1 \(XLSX\)](#)

1. Introduction

1.1 Purpose

The purpose of this document is to assist DSPs in understanding:

- the business context surrounding the functionality of the design requirements for Single Touch Payroll (STP)
- how an employer can meet their taxation obligations under Division 389 of Schedule 1 to the *Taxation Administration Act 1953 – Reporting by employers ('Single Touch Payroll')*.

Disclaimer

While STP reporting leverages off many of the same business processes an employer undertakes to produce pay slips for their employees, none of the information in this document in any way impacts on an employer's obligations under the *Fair Work Act 2009*, the *Fair Work Regulations 2009* ('Fair Work legislation') and other workplace legislation, to provide information to an employee on a pay slip.

In particular, the STP reporting requirement to report SG amounts that an employer is liable to make, cannot in any way change, dictate or influence the requirement under Fair Work legislation, to include information relating to superannuation contributions on an employee's pay slip. The Australian Taxation Office (ATO) cannot provide advice on pay slip reporting requirements, and clarification on these requirements should be sought from the Office of the Fair Work Ombudsman.

1.2 Audience

This document is for any DSP who has chosen to build or update their products to allow for STP reporting obligations.

1.3 Document context

The *Single Touch Payroll 'Payroll reporting' Business implementation guide* (STP BIG) describes or interprets how the technical implementation relates to business context and process.

This document is subject to continuous improvement and will continue to be refined. Unless otherwise stated, the content of this document can be relied upon. Sections that are still under development are clearly marked as incomplete. This document is designed to be read in conjunction with the ATO SBR documentation suite including the:

- ebMS3 Web Service Implementation Guide for web service and platform information.
- Message Structure Table and validation rules found in the relevant artefact package and
- Test information in the Conformance suites

See the ATO SBR [Site and Document maps](#) for the relationship of this document with others in the suite.

An STP technical change roadmap is available to provide DSPs visibility of the ATO's progressive roadmap of change in regard to the technical interactions that align with the STP BIG. The roadmap aims to give DSPs clarity regarding the type of change and the timing for scheduled technical changes, along with the technical changes that are still being impact assessed and/or under industry consultation. In particular, the roadmap intends to give certainty to assist DSPs in developing end-state solutions.

1.4 What is Single Touch Payroll?

STP is a government initiative to streamline business reporting obligations.

Employers or their intermediary will be able to report payments such as salaries and wages, pay as you go (PAYG) withholding and super information directly to the ATO from their payroll solution, at the same time they pay their employees.

The ATO is working with DSP's to provide STP through SBR2 – ebMS3.

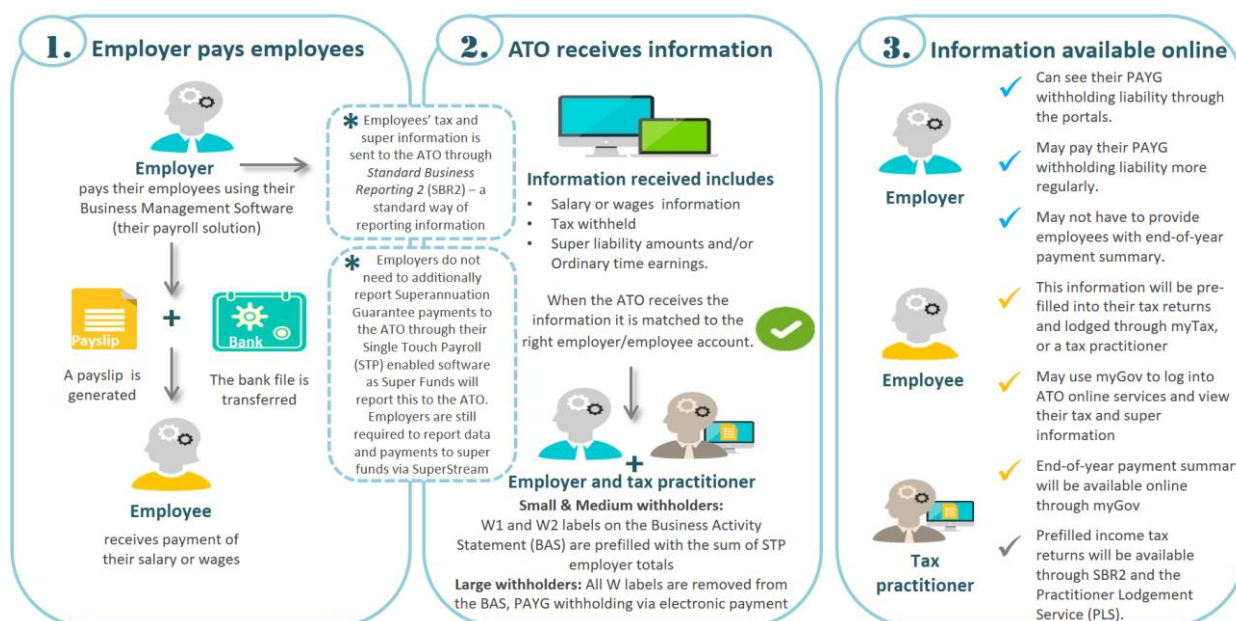
Employers with 20 or more employees will need to report through STP from 1 July 2018 under the law.

1.5 The law for Single Touch Payroll

Single Touch Payroll was legislated on 16 September 2016, forming part of the [Budget Savings \(Omnibus\) Act 2016](#).

1.6 How Single Touch Payroll works

Figure 1: How Single Touch Payroll works



1.7 Scope

Under STP, there are a number of withholding payments that:

- are required to be reported
- may be voluntarily reported
- cannot be reported.

This section provides the details on these payments and highlights the key points. It also describes the impact on BAS, PAYG withholding payment summaries and annual reports.

All references refer to Schedule 1, *Taxation Administration Act 1953* unless otherwise stated.

Key points

- Payments that cannot be reported under STP reporting are payments that are generally made by payers to recipients, whom are generally not their employees.
- Payers that are not large withholders will continue to notify the Commissioner of their PAYG withholding liability using the BAS.
- Payers that are large withholders will continue to notify the Commissioner of their PAYG withholding liability through their electronic payment.
- Payers that finalise amounts reported under STP are able to obtain relief from obligations to provide payment summaries to employees and a payment summary annual report to the Commissioner, covering the same amounts.
- Payers obligations to notify their PAYG withholding liability, give payment summaries and an annual report, continue for withholding payments that are not or cannot be reported and finalised under STP reporting.

Payments

The following three tables list withholding payments. A withholding payment is either:

- a payment from which an amount must be withheld under Division 12 (even if the amount is not withheld)
- a payment that arises because of the operation of section 12A-205 (deemed payments) in respect of which Subdivision 12A-C which requires an amount to be paid to the Commissioner
- an alienated personal services payment in respect of which Division 13 requires an amount to be paid to the Commissioner
- a non-cash benefit, or the capital proceeds, in respect of which Division 14 an amount to be paid to the Commissioner.

Table 1: Mandatory

These withholding payments are required to be reported under STP. They are generally paid through a payroll process by employers to employees.

Payers who report and finalise these payments (and amounts withheld from them) throughout the year in line with their payroll process, will not need to provide the corresponding payment summaries and a payment summary annual report to the ATO.

A payer must make a declaration in the approved form to the Commissioner by 14 July that they have fully reported for the financial year and for each of their employees using STP in order to be relieved of

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their obligation to give payment summaries to their employees and a payment summary annual report to the Commissioner.

A payer who does not report and finalise these amounts through STP will continue to be required to give a payment summary to their employees and an annual report to the Commissioner.

Table 1: Mandatory

Reference	Description	BAS labels (Gross payment, amount withheld)	Payment summary type ¹
Subdivision 12-B — Payments for work and services			
Section 12-35	A payment of salary etc. to an employee	W1, W2	
Section 12-40	A payment of remuneration to the director of a company	W1, W2	
Section 12-45	A payment of salary etc. to an office holder (e.g., a member of the Defence Force)	W1, W2	INB (except INB-P) or FEI
Section 12-47	A payment to a religious practitioner	W1, W2	
Section 12-50	A return to work payment to an individual	W1, W2	
Subdivision 12-C — Payments for retirement or because of termination of employment			
Paragraph 12-85(b)	A payment for termination of employment	W1, W2	EMP (life benefit)
Section 12-90	An unused leave payment	W1, W2	INB (except INB-P) or FEI
Subdivision 12-D — Benefit and compensation payments			
Paragraph 12-110(1)(ca)	A payment of parental leave pay	W1, W2	INB (except INB-P)
Subdivision 12-FC — Seasonal Labour Mobility Program			
Section 12-319A	A payment of salary, wages etc. to an employee under the Seasonal Labour Mobility Program	W1, W2	INB (except INB-P)

¹ Types listed in the table are sourced from the income type or payment type field in the *PAYG withholding payment summary annual report* version 13.0.0 (PSAR).

Table 2: Voluntary

Payers may choose to include these withholding payments in their STP reports.

Payers can also choose to include in their STP reporting their employees' RESC and RFBA.

A payer that chooses to include these amounts in a STP report by 14 July in the next financial year may be fully relieved of their obligations to give payment summaries and a payment summary annual report to the Commissioner.

If a payer chooses not to report these amounts through STP, they will continue to be required to give payment summaries to their employees and a payment summary annual report to the Commissioner covering these amounts.

Table 2: Voluntary

Reference	Description	Current BAS labels (Gross payment, amount withheld)	Payment summary type ²
Subdivision 12-B — Payments for work and services			
Section 12-55	A payment that is covered by a voluntary agreement	W1, W2	LVP-003
Section 12-60	A payment under a labour hire arrangement or a payment specified by regulations	W1, W2	LVP-001 or LVP-002
Subdivision 12-C — Payments for retirement or because of termination of employment			
Paragraph 12-85(b)	A payment for termination of employment	W1, W2	EMP (death benefit)

Table 3: Cannot be reported under Single Touch Payroll reporting

Payments that are generally not paid through a payroll process, or may be paid by payers to recipients that are generally not their employees cannot be reported under STP reporting. For example, payments made by the:

- Department of Human Services
- investment bodies and managed investment funds
- purchasers of certain taxable Australian property.

These payments are outside the scope of STP reporting and are only included in this document to provide a complete list of withholding payments.

No relief from payment summary and annual report obligations, relating to these withholding payments is available via STP. A payer must continue to ensure it complies with their obligation to provide payment summaries and an annual report to the Commissioner with respect to these withholding payments.

In addition, a payer cannot include in their STP reporting any payment made through its payroll software that is not a withholding payment. Examples of such payments include partnership distributions and payments to suppliers.

Table 3: Cannot be reported

Reference	Description	Current BAS labels (Gross payment, amount withheld)	Payment summary / annual report
Subdivision 12-C — Payments for retirement or because of termination of employment			
Section 12-80	A superannuation income stream or an annuity	W1, W2	PEN or INB-P
Paragraph 12-85(a)	A superannuation lump sum	W1, W2	SLS
Subdivision 12-D — Benefit and compensation payments			
Section 12-110 (except for paragraphs 12-110(1)(ca) and (cb))	A social security or similar payment	W1, W2	INB
Section 12-120	A compensation, sickness or accident payment	W1, W2	
Subdivision 12-E — Payments where TFN or ABN not quoted , except sections 12-W3 180 and 12-190			Free format / No ABN, AIIR
Section 12-180	Payment of income of closely held trust where TFN not quoted	Annual activity statement	Closely-held trust / Annual TFN withholding report
Section 12-190	Recipient does not quote ABN	W4	ABN / No ABN, AIIR

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Reference	Description	Current BAS labels (Gross payment, amount withheld)	Payment summary / annual report
Subdivision 12-F — Dividend, interest and royalty payments		W3	N/A / Non-residents, AIIR
Subdivision 12-FA — Departing Australia superannuation payment		W3	DASP
Subdivision 12-FAA — Excess untaxed roll-over amount		W3	N/A
Subdivision 12-FB — Payments to foreign residents etc.		W3	Free format / Foreign residents
Subdivision 12-G — Payments in respect of mining on Aboriginal land, and natural resources		Electronic payment	Free format
Subdivision 12-H — Distributions of withholding MIT income		W3	Free format / AIIR
Division 12A — Distributions by AMITs (including deemed payments)		W3	Free format (for example AMMA statement), AIIR
Division 13 — Alienated personal services payments		W1, W2	LVP-004
Division 14 — Non-cash benefits, and accruing gains, for which amounts must be paid to the Commissioner, except subdivisions 14-C and 14-D		W3 / Electronic payment	Most applicable
Subdivision 14-C — Shares and rights under employee share schemes		W1, W2, where TFN quoted W3 only, where TFN not quoted	ESS
Subdivision 14-D — Capital proceeds involving foreign residents and taxable Australian property		Electronic payment	N/A

2. Hire to retire

2.1 Business processes

Hire to retire (H2R) describes the range of business processes throughout the employment lifecycle. This generally starts with recruitment and ends with termination, in some cases it may be wider reaching.

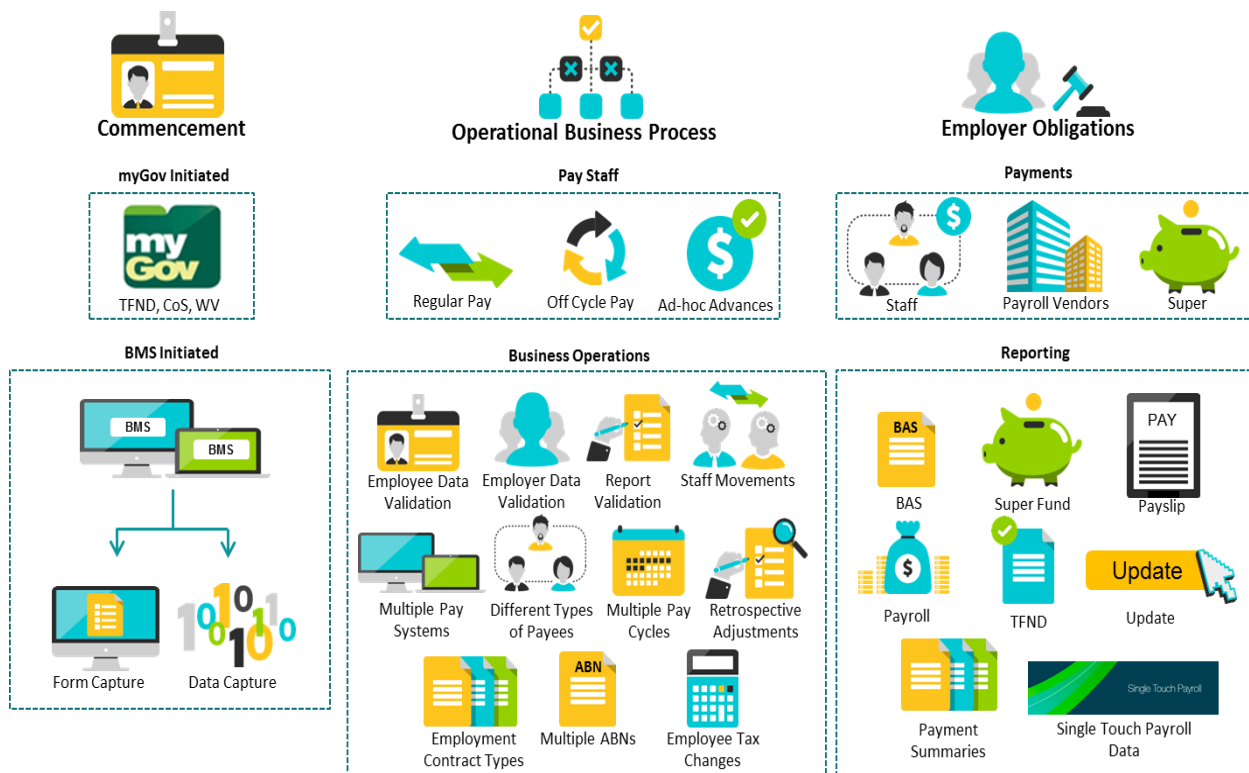
The business processes in the employment lifecycle are relevant to STP, as some involve employee data that must be reported and some where the employee data may be reported.

STP will streamline business reporting for employers by leveraging the natural business processes of hiring and paying employees to meet their PAYG withholding and SG reporting obligations, at the same time.

Other business processes will influence the data that is reported in STP.

While employee commencement forms a section within the natural business processes, it is not in scope of this document. There are a number of processes to be developed and the ATO are working with industry to co-design these.

Figure 2: Employer business process



2.2 Single Touch Payroll reporting services

Commencement – capture

The option of streamlining the commencement of employees through pre-filled forms:

- *Tax file number declaration* (NAT 3092)
- *Standard choice* (NAT 13080)
- *Withholding variation* (NAT 2036)
- *Medicare levy variation declaration* (NAT 0929)

As described earlier, this is still in design discussions and will form part of a separate guide.

Tax file number declaration – independent

This is an existing service that is available as an alternative service to the reporting of TFN declaration details via the pay event. It allows for the lodgment of a tax file number declaration/s by an employer or their intermediary. The TFND.0004 2017 web service messages are exchanged using the ATO ebMS3 protocol with the message payload constructed using the XML format.

TFN declaration via the pay event

Employers will have the option of reporting TFN declaration details for their employees via the pay event.

Payroll event

This is the foundation reporting service for STP for employers to report payments made to their employees. The payroll event service that supports two actions:

- Pay event (*payevnt.0003.2018.submit*) – allows employer's to report pay events to the ATO for payments made to their employees.
- Update event (*payevnt.0003.2018.update*) – Allows the employer to report changes to employee YTD amounts previously reported.

Pay event

Whenever an employer makes a payment to an employee that is subject to withholding (see section 1.7) they are required to lodge a pay event message with the ATO on or before the date the payment is made. This includes where the amount of withholding is nil (for example where the employees gross income is below the tax free threshold) and where the employee has no net pay (for example: where the employee is repaying an advance or overpayment to the employer, voluntarily foregoing their net pay)

There are some circumstances when a payment may be reported after the date it has been paid (see 3.1.3)

The Pay event reports employee YTD gross payments, tax withheld, allowances, deductions and superannuation liability information for each individual employee reported.

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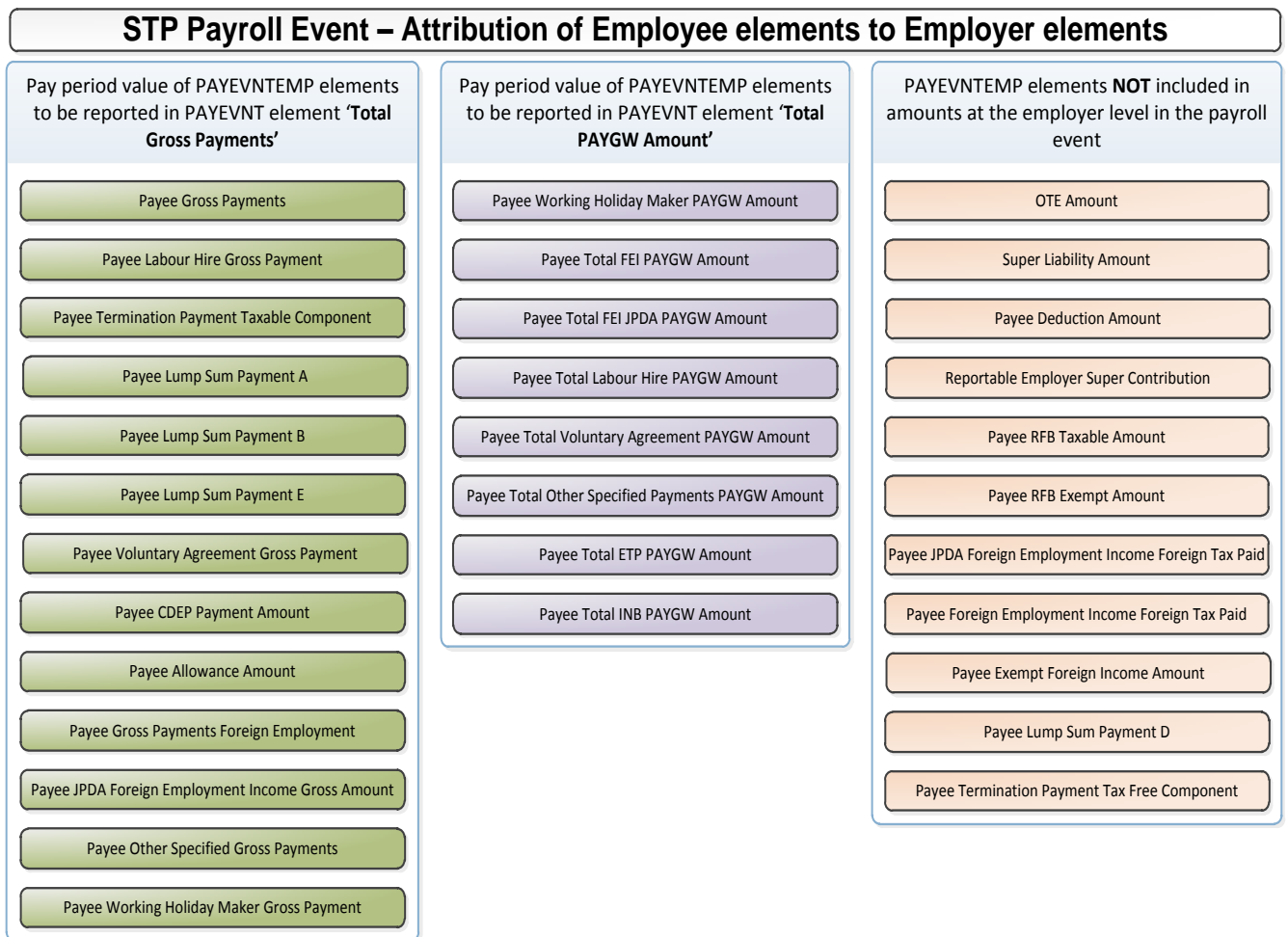
As employee amounts are year to date, once an amount has been reported it should continue to be reported even if it has not changed (for example ETPs should continue to be reported in each pay event after they are first reported if the employee is included in any subsequent pay events).

The pay event may also include employees not in the pay run to address any other employee reporting fixes.

The pay event also includes the employer total pay period amounts of all employees reported in the pay event, for gross salary or wages (BAS label w1) and PAYG withholding (BAS label w2).

See figure 3 for the mapping rules between employee fields and employer fields.

Figure 3 Mapping of employee elements to employer elements



Update event

The update event allows the employer to report changes to employee YTD amounts previously reported. The update event may only be used in circumstances other than when the employee is paid.

The update event cannot be used to supply:

- Employer 'Total gross payments' and 'Total PAYGW Amounts'.
- The onboarding section (which contains the employee withholding details and declaration).

It may be used to align the latest employer BMS data with the last employee data reported to the ATO, or to assist with EOFY processes, including finalisation and amendments to STP prior finalised years.

After 30 June, any changes made to reported employee data for the prior financial year must only be submitted through the update event.

The update event must include the latest YTD value for all payments (including each ETP by payment date and code) made in the financial year. It cannot only include the values that have changed.

As there is no associated payment to the employee when changes are reported via the update event, the employer pay period totals for gross payments and PAYG withholding cannot be included in an update event.

Superannuation payment reporting

Following the announcement by the Minister for Revenue and Financial Services, the Hon Kelly O'Dwyer MP to require superannuation funds to report contributions received more frequently, the reporting of superannuation payments made by employers will no longer be reported under Single Touch payroll reporting. Note employers will still be required to report their employees superannuation guarantee liability as a part of their pay event reporting (see section 3.1.1).

3. Business rules for payroll reporting

STP focuses on reporting payroll information to the ATO. This section includes how to report and fix payroll information, and rules on how to finalise payroll at the EOFY. Other sections include how an employer will transition into STP and how to report employee withholding details via a pay event.

3.1 Payroll payments

3.1.1 Regular pay cycle – Employer runs regular pay cycle

A regular pay cycle is when an employer carries out payroll at fixed regular intervals, to remunerate employees. This is usually weekly, fortnightly or monthly. An employer can have different regular pay cycles for different employees.

Business rules for a regular pay cycle:

1. An employer is required to report to the ATO, all payments on or before the payday, through a pay event. [Refer to subsection 389-5\(1\) of Schedule 1 to TAA.](#)
2. When payments are made electronically, the payment date is either the date stipulated in the electronic transaction, or if no date is stipulated, the date on which the payment is intended to be made into the employee's bank account.
3. The report must include, at a minimum, each employee with an amount subject to withholding in that regular pay cycle. The report may include information for other employees.
4. An employer reports the YTD values of gross salary or wages, allowances, deductions and PAYG withholding for each employee included in that pay event.
 - a. These YTD amounts may be less than a previous report (for example, recovery of a current year overpayment).
 - b. These YTD amounts cannot be negative.
5. The employer reports period gross salary or wages (BAS label W1) and PAYG withholding (BAS label W2) for all employee payments included in that pay event. See figure 3 for the mapping rules between employee fields and employer fields.
 - a. These employer period amounts may be negative
6. When the employer calculates their superannuation liability in accordance with their obligations then they should report the YTD amount for each employee in that pay event. If the employer pays above the minimum SG liability, then the employer may report this higher amount.

Compliance note: Where an employer reports an amount higher than the minimum SG liability, the ATO will assume this is the employer's SG liability for initial matching purposes, with actual superannuation liability payments reported.

 - a. Until an amount is required to be calculated, then zero should be reported.
 - b. If the YTD amount is **zero** then this is the amount reported. Where the employee is a member of a defined benefit fund and the employer provides a superannuation contribution for the employee then this amount is reported, otherwise they report **zero** as the Super liability amount. This would usually correspond to the year to date amount shown on the **employee's** payslip.
 - c. Where the employer cannot report superannuation liability they must report the YTD OTE amount. If the employer calculates an OTE amount higher than defined in SGR 2009/2, then the employer may report this higher amount. If the OTE is capped for the maximum contribution base, then report that capped amount.

- d. An employer can choose to report both OTE and SG amounts, if their payroll solution stores both.
7. All payees must have either a TFN or ABN reported.
 - a. Where an employer is reporting a payment and withholding to a contractor under a voluntary agreement, then the employer must provide the contractor's ABN. The contractor's TFN is not required. The reporting of these payments through STP is voluntary.
 - b. The TFN [PAYEVNTEMP13] is a mandatory field in the pay event for employees. Where a TFN has not been provided then employers must use the TFN exemption codes.
 - c. Where a payee has been both a contractor and employee with the same payroll ID within the same financial year, the TFN and ABN must be reported if payments are made under both a voluntary agreement and any other gross payment. Note: The YTD amounts for both contractor and employee payments must continue to be reported (only if same payroll ID – refer to Business Management Software (BMS) ID).
8. A pay event must contain at least one employee record.
9. A pay event can only include one record per employee, per payee payroll ID.
10. Where an employee is paid more than once on a particular day, the employer may provide a single report for that employee including the latest YTD figures (for example, updated YTD figures including all payments made for the day).
 - a. The employer level W1 and W2 amounts must include all payments included in the report.
11. The employer may lodge multiple pay event files for the same day, the time stamp is always used to identify the latest record for each employee to ensure the employee's myGov display recognises the latest record.

3.1.2 ABN / Branch / BMS ID / Payee payroll ID

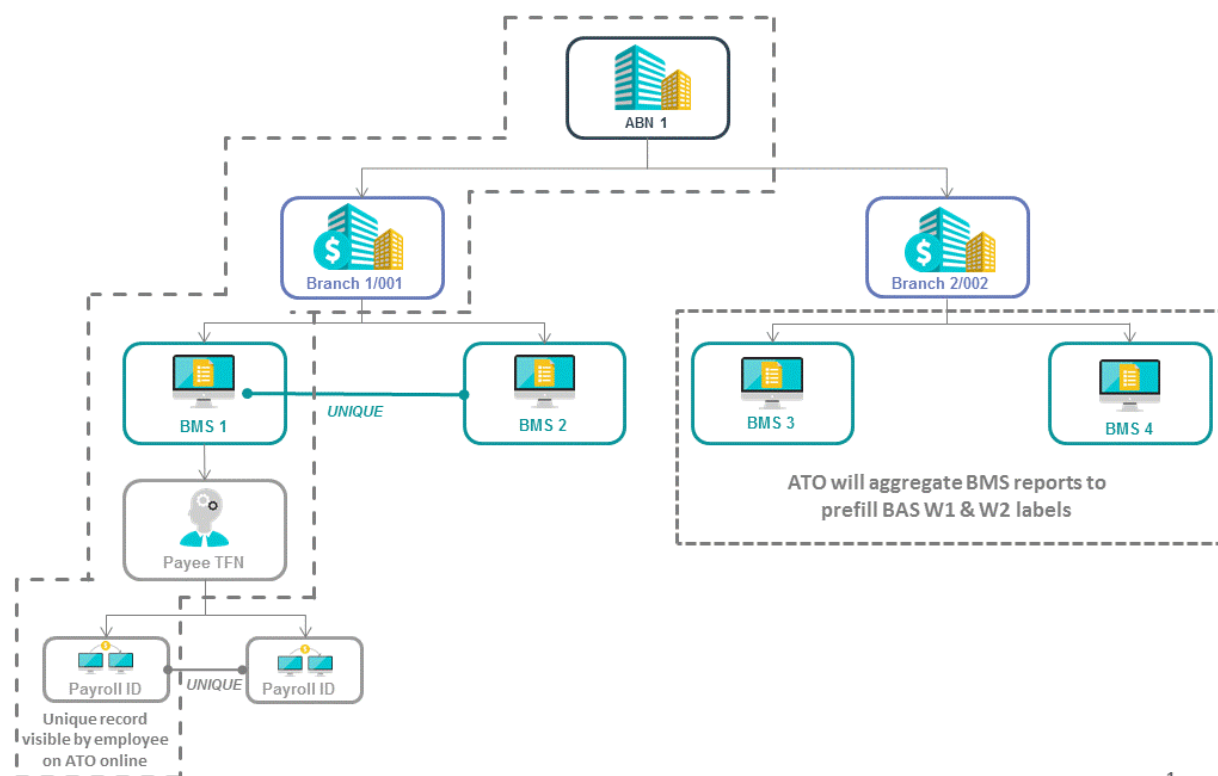
An employer can report separately based on how the employee records are managed, this will result in corresponding EOFY summaries for each instance reported.

Some businesses choose to use more than one payroll solution to pay staff. In these cases, an employee may be paid out of two (or more) payroll solutions, sometimes using the same Payroll Id across payroll solutions. Whilst business structure for Pay As You Go Withholding (PAYGW) allows for branching, that PAYGW structure may not relate to the way in which a business chooses to organise its' employment obligations for payroll.

Although an employer may distinguish the various sources of payments to the employee via the payslips, once reported digitally to the ATO via Single Touch Payroll, there is nothing to distinguish the various sources of income from their employer (as defined by ABN and Branch) when paid from more than one payroll solution. An employee will expect to confirm the accuracy of their ATO online Single Touch Payroll (STP) data by comparing it to the source of truth: employer payroll payslips.

Figure 4 shows the unique records that will be visible to the employee in ATO for an ABN/Branch, BMS ID and payroll ID combination and how the BAS labels (W1 and W2) may be pre-filled where an employer reports from multiple BMS IDs, for small and medium withholders.

Figure 4 – Single Touch Payroll reporting structure



1

The business rules for reporting employee information are:

1. Where an employer has branched for PAYG withholding purposes, the employer must report separate pay events for each PAYG withholding branch established with the ATO.
2. An employer may choose to report separately for each instance of a payroll solution. This could be where an employer runs more than one payroll solution and separately identifies the same employee in each solution as a unique payroll record.
3. For an employer who pays their PAYG withholding with their BAS, the ATO will aggregate W1 and W2 across all BMS IDs for pre-filling of the employers BAS.
4. Where an employee is recorded more than once under the same ABN/Branch/BMS ID then each instance of the employee must be reported using a unique Payee Payroll ID. These separate Payee payroll IDs will be treated as a separate instance for STP reporting and must have separate YTD amounts for each payee payroll ID. For example, where an employee works within an organisation under two separate roles/awards and has been created as if they are two unrelated employees, the employee can be reported under multiple payee payroll IDs within a single pay event.
5. The provision of a BMS ID is mandatory within payroll interactions and must be globally unique. To ensure uniqueness it is recommended that a GUID is used and follows the convention outlined in [RFC 4122](#) from the Internet Engineering Task Force (IETF).

3.1.3 Out of cycle payment – Employer pays an employee outside of the regular pay cycle

An out of cycle payment is when an employer carries out specific payroll activities for an individual employee on any day and can include commissions, bonus payments, payments in advance or back payments. Where a payment in advance is treated as a loan it is not subject to withholding and does not have to be reported.

The business rules for out of cycle payments are:

1. Employer is required to report all payments to the employee on or before the date of payment. [Refer to subsection 389-5\(1\) of Schedule 1 to TAA.](#)
2. The employer may report using a pay event on the day of the out of cycle payment.
3. The employer may choose to report in the next regular pay cycle (for that employee), where that regular pay cycle is in the same financial year. In this instance an automatic lodgment deferral to the next regular pay cycle payment date will be granted.
4. Where the next regular pay cycle payday falls in the next financial year, the deferral will be to 30 June of the year in which the payment was made.

3.1.4 Remittance of PAYG withholding

1. Where an employer has chosen to defer the reporting of an out of cycle payment to the next regular pay, the due date for the remittance of the PAYG withholding does not change.
2. Large withholders must follow the existing large withholder [bulletin](#).
3. Small and medium withholders who report on the BAS will need to ensure any pre-filled W1 and W2 amounts are adjusted (where the payment was reported in a later period than which it was paid), to align with the amounts withheld in the period.
An employer can only report period gross salary or wages (BAS label W1) and PAYG withholding (BAS label W2) in a pay event, these amounts cannot be reported in an update event.
4. Where the amount of the adjustment is less than the materiality threshold (amounts to be confirmed), the small and medium withholder does not need to adjust the BAS and may defer the payment to the next BAS due date within the financial year.

3.1.5 Cessation

The business rules for cessation date are:

1. If the employer captures the date of cessation the cessation date must be reported.
2. If a subsequent payment is made to the terminated employee the cessation date must still be reported as the original cessation date reported.
3. If the employee is subsequently rehired using the same payroll ID the cessation date should be removed in any subsequent reports.
 - a. If the employee is subsequently rehired using the same payroll ID, before the cessation date is reported, the cessation date should not be reported.
 - b. If the employee is subsequently rehired under a different ABN /branch within the same group, the cessation date does not have to be reported.

3.1.6 Allowances and deductions

Under single touch payroll, specific types of allowances and deductions are to be separately itemised on the Income Statement, as they currently are on the employer payment summary. However, for STP, the separately itemised allowances and deductions are to be grouped and reported by category. These amounts may be used for income tax return prefill.

The business rules for allowances and deductions are:

1. Those allowances defined in the MST by type are to be separately itemised to align with the relevant table on the [ATO website](#) (Tables 2 to 6). These allowances are to be grouped and summed by type.

2. Where an allowance is defined on the [ATO website](#) in Table 1 to be reported as separately itemised allowances, these are to be reported as "OTHER" as per the MST, with a description to identify the allowance. These other allowances are to be grouped and summed by description within the OTHER type.
3. Deductions defined in the MST are to be grouped and summed by type.

The rules for reporting allowances and deductions for the STP pay event are the same as the rules that are currently in place for the various payment summaries.

This includes:

- For INB allowances, determining whether they are deductible or non-deductible and following the [ATO Withholding for Allowances table](#); and
- For FEI, include allowances paid in the gross FEI amount disclosed
- Deductions should be listed and presented to the employee in-line with current guidance that stipulates a list showing the nature and amount of deduction should be issued if not discretely identified via STP pay event.

Allowances to pay event coding - Individual Non-Business

Report guidance - Allowance type

The type of allowance that is subject to PAYG withholding. Only record allowances that are not required to be included in the Gross payments for the payee.

Report guidance - Allowance amount

This is the year to date amount for the specific allowance type. Amounts recorded here are not included in Gross payments. Any PAYGW amounts withheld from allowances is to be aggregated into the PAYGW amount recorded against an income type. If no other gross income is recorded, use the INB PAYGW amount and record zero for the gross amount fields.

Current treatment per withholding from allowances tables				STP pay event				
Table reference	Examples of allowances	Are you required to withhold?	Include on payment summary? If so, how?	PAYEVNTEMP - include in GROSS PAYMENT?	PAYEVNTEMP - include in PAYGW for gross income type?	PAYEVNTEMP - Include in allowance tuple?	STP Field	Part of OTE/ does SG apply?
Table 1 Allowances for working conditions, qualifications or special duties	Crib, danger, dirt, height, site, shift or travelling time Trade, first aid certificate or safety officer	Yes	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	Yes
Table 1 Allowances for non-deductible expenses	Part-day travel (no overnight absence from employee's ordinary place of residence)	Yes	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	Yes
Table 1 Allowances for non-deductible expenses	Meals (not award overtime meal allowance or overnight travel allowance)	Yes	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	Yes

SINGLE TOUCH PAYROLL 'PAYROLL REPORTING'
BUSINESS IMPLEMENTATION GUIDE (SINGLE TOUCH PAYROLL BIG)

Current treatment per withholding from allowances tables				STP pay event				
Table reference	Examples of allowances	Are you required to withhold?	Include on payment summary? If so, how?	PAYEVNTEMP - include in GROSS PAYMENT?	PAYEVNTEMP - include in PAYGW for gross income type?	PAYEVNTEMP - Include in allowance tuple?	STP Field	Part of OTE/ does SG apply?
Table 1 Allowances for non-deductible expenses	Motor vehicle for non-deductible travel – e.g. home to work, including cents per kilometre payments	Yes	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	Yes
Table 3	Award transport payments that are non-deductible transport expenses	Yes (from total payment)	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	Yes
Table 1 - Allowances For Deductible expenses	Tools	Yes	Yes (show total allowance separately in the allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Other PAYEVNTEMP8 = Description of allowance	No
Table 1 - Allowances For Deductible expenses	Compulsory uniform or dry cleaning	Yes	Yes (show total allowance separately in the allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Other PAYEVNTEMP8 = Description of allowance	No
Table 3	Award transport payments that are deductible transport expenses	No	Yes (show total allowance separately in allowance box with an explanation)	NO	NO	YES	PAYEVNTEMP7 = Transport	No
Table 6	Domestic or overseas travel allowance involving an overnight absence from employee's ordinary place of residence up to reasonable allowances amount	No	No	NO	NO	NO	N/A	No

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Current treatment per withholding from allowances tables				STP pay event				
Table reference	Examples of allowances	Are you required to withhold?	Include on payment summary? If so, how?	PAYEVNTEMP - include in GROSS PAYMENT?	PAYEVNTEMP - include in PAYGW for gross income type?	PAYEVNTEMP - Include in allowance tuple?	STP Field	Part of OTE/ does SG apply?
Table 6	Domestic or overseas travel allowance involving an overnight absence from employee's ordinary place of residence including amounts over reasonable allowances amounts	Yes	Yes (show total allowance separately in the allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Travel	No
Table 1 - Allowances For Deductible expenses	Motor vehicle for work-related travel, including cents per kilometre payments in excess of ATO rate	Yes	Yes (show total allowance separately in the allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Other PAYEVNTEMP8 = Description of allowance	No
Table 5	Award overtime meal allowance up to reasonable allowances amount	No	No	NO	NO	NO	N/A	No
Table 5	Award overtime meal allowance over reasonable allowances amount (allowance must be paid under an industrial instrument in connection with overtime worked)	Yes (from the excess over reasonable allowances amount)	Yes (show total allowance separately in allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Meals	No
Table 2	Payments made by applying the approved (or a lower) rate to the number of kilometres travelled up to 5,000 business kilometres	No	Yes (show total allowance separately in allowance box with an explanation)	NO	NO	YES	PAYEVNTEMP7 = Car	No

SINGLE TOUCH PAYROLL 'PAYROLL REPORTING'
BUSINESS IMPLEMENTATION GUIDE (SINGLE TOUCH PAYROLL BIG)

Current treatment per withholding from allowances tables				STP pay event				
Table reference	Examples of allowances	Are you required to withhold?	Include on payment summary? If so, how?	PAYEVNTEMP - include in GROSS PAYMENT?	PAYEVNTEMP - include in PAYGW for gross income type?	PAYEVNTEMP - Include in allowance tuple?	STP Field	Part of OTE/ does SG apply?
Table 2	Payments made by applying the approved (or a lower) rate to the number of kilometres travelled in excess of 5,000 business kilometres	Yes (from payments for the excess over 5,000 kilometres)	Yes (show total allowance separately in allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Car	No
Table 2	Payments made at a rate above the approved rate for distances travelled up to 5,000 business kilometres	Yes (from the amount which relates to the excess over the approved rate)	Yes (show total allowance separately in allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Car	No
Table 4	Laundry (not dry cleaning) allowance for deductible clothing Up to the threshold amount	No	Yes (show total allowance separately in allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Laundry	No
Table 4	Laundry (not dry cleaning) allowance for deductible clothing Over the threshold amount	Yes (from the excess over the threshold amount)	Yes (show total allowance separately in allowance box with an explanation)	NO	YES	YES	PAYEVNTEMP7 = Laundry	No
Table 1	On-call allowance (ordinary hours)	Yes	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	Yes
Table 1	On-call allowance (outside ordinary hours)	Yes	Yes (include total allowance in gross payment)	YES	YES	NO	Gross PAYEVNTEMP47	No

3.1.7 Employment termination payments (grouped by ETP payment date and ETP code)

The business rules for ETPs are:

1. An ETP is required to be reported in a pay event, on or before the day payment is made to the employee.
2. If the payment is not made on the regular pay cycle payment date the employer may choose to treat the payment as an out of cycle payment and defer the reporting to the next regular pay cycle payment date.
3. Where an employee receives more than one ETP payment and type, each combination of ETP payment date and code should be reported separately within the employee record.

The business rules for Lump Sum A and B payments are:

1. Where an employer makes multiple lump sum A and B payments for different income sources e.g. Individual Non-Business (INB) and Foreign Employment Income (FEI) a single YTD figure should be reported.
2. Where an employer makes multiple lump sum A payments and the code changes between payments the employer should report the code relating to the latest payment.

For Business rules on lump sum D see 3.3.5

3.1.8 ETP death benefits

The business rules for ETP death benefits are:

1. Where an employer pays a death benefit it may be voluntarily reported through STP.
2. When paid to an individual beneficiary (dependant or non-dependant) use the beneficiary TFN (if provided).
3. When paid to a trustee use the TFN for the estate (if provided).
4. Where there has been more than one payment made follow the same rules as multiple ETP payments.
5. If there are no further payments expected to be made to a beneficiary or the trustee, mark the record as final.

You may need to finalise STP reporting for the deceased employee in a later pay event or via an update event. *Refer to section 3.3.1 Finalisation during the financial year*

To capture a TFN, employers should use existing processes.

For clarity, the final pay owing to the deceased employee up to their date of death is not an ETP, it is salary and wages. Final pay is neither taxable, nor reportable and should not be reported in the pay event.

3.1.9 Payments made to employees posted to a foreign country

The classification of payments made to employees posted to foreign countries depends on a number of factors, such as the time in the foreign country and the applicable tax treaties. These rules detail how an employer can report and adjust these payments through STP.

The employer will use one or a combination of three models to report:

1. **Estimate:** Employer assesses the employee at the beginning of placement (the employer must adjust at the end of year or when they are aware of a change of status or if the employee does not qualify).
2. **Actual:** Employer changes status when the qualifying rule is satisfied.
3. **Reconciliation:** Employer assesses status at the end of year.

3.1.10 Foreign employment income

The business rules for foreign employment income are:

1. Payments to an employee posted to a foreign country should be reported as foreign employment income if amounts are withheld in that country.
 - a. If no amounts are withheld for the foreign country payments should be reported as individual gross payments and withholding.
 - b. If the employee is posted to the JPDA the amounts must be reported as JPDA foreign employment income.
 - c. The employer should follow the rules for [accounting for foreign tax](#). The amount of PAYG withholding cannot be negative.
2. An employer may provide YTD foreign employment income amounts through a pay event (if the classification of the payment is available in payroll), throughout the financial year.
3. An employer may provide YTD foreign employment income amounts through an update event, throughout the financial year.
4. If reported during the year via a payroll or an update event the amounts should continue to be reported for each following pay event, even if the YTD amounts remain the same.
5. Alternatively, the employer may report these amounts as individual salary or wages throughout the year and adjust the classification to foreign employment income via an update event as a part of the finalisation process at the end of the financial year before 14 July.

3.1.11 Exempt foreign employment income

The business rules for exempt foreign employment income are:

1. If exempt foreign employment income is the only payment made to the payee for the financial year, no PAYG withholding should be withheld nor reported through STP.
 - a. If the employer uses the estimates method and the employee returns early, not qualifying for the exemption, the employer must report the amounts (either INB or FEI) either during the year via a payroll or an update event, or via an update event as a part of the finalisation process at the end of the financial year.
2. Where the employee has another payment type to be reported as well as exempt foreign employment income, an employer may provide YTD exempt foreign employment income amounts through a pay event (if the classification of the payment is available in payroll), throughout the financial year.

3. An employer may provide YTD exempt foreign employment income amounts through an update event, throughout the financial year.
4. If reported during the year via a payroll or an update event the amounts should continue to be reported for each following pay event, even if the YTD amounts remain the same.
5. Alternatively, the employer may report these amounts as gross payment throughout the year and adjust the classification to exempt foreign employment income via an update event, as a part of the finalisation process at the end of the financial year, by 14 July.

3.1.12 Working holiday makers

The business rules for Working holiday makers are:

1. Any amount paid to a WHM that is not salary and wages (i.e. lump sum or ETP) should be taxed using the WHM tax rate applicable and reported in Gross (WHM) for that employee.
2. Deductions for union fees or workplace giving must be separately itemised.

3.2 Fix

There are times when correcting payroll reports to the ATO will be required.

3.2.1 What to fix

The fix involves a payment subject to withholding

If an additional payment is made and is subject to withholding then the employer is required to report in a pay event.

The fix involves a payment NOT subject to withholding

Payments not subject to withholding are not reportable.

Misclassification with no additional payment

A misclassification is when information has previously been reported under an incorrect salary and wage item and there is no additional payment to the employee.

Overpayment within a financial year

An overpayment is when an employer has mistakenly overpaid an employee the appropriate wages and entitlements due under the employee's contract of employment.

Business response messages (child records)

When a data validation error message is received from the ATO after the pay event has been submitted, identifying error(s) in one or more child record.

3.2.2 When an employer needs to report a fix

1. An employer must report a fix within 14 days from when the issue is detected.
2. An employer may choose to report a fix in the next pay event for an employee where this is later than 14 days from when the error is detected. Additional time will be allowed to the next regular pay cycle for the employee. For example, monthly pay cycle.
3. An employer may report a fix in an update event. An update event cannot contain the W1 and W2 totals.

3.2.3 Fixing reporting errors – employee data

1. Where the latest employee information reported does not reflect the current information in the employer's payroll system a fix should be reported.
2. This may be reported within the employee record in the next regular pay cycle report for the employee.
3. Alternatively, the information may be provided in an update event within 14 days of being identified.
4. This process also applies to the correction of employee data following from receiving a returned message with child record data validation error(s).

3.2.4 Fixing reporting errors – employer data

1. Where the latest employer information (W1 and W2) reported does not reflect the actual amounts withheld and then a correction needs to be made to those amounts.

- a. For large withholders this follows the existing business process. ([See ATO website](#))
- b. For small and medium withholders, this may involve adjustments through the BAS.
 - i. Where the adjustment relates to a BAS which has already been lodged the employer should revise the BAS for the period ([see ATO website – reporting PAYG withholding errors](#))
 - ii. Where the adjustment relates to a BAS which is yet to be lodged the employer should include this amount in the appropriate labels (W1 and W2) on the BAS. If the BAS has been pre-filled using STP data, the employer should adjust the W1 and W2 amounts.

3.2.5 Overpayment within a financial year

An employer who identifies an overpayment within a financial year will need to report a fix.

1. If the overpayment is identified within the financial year that the overpayment occurred the employer may report the reduction in a pay event at the next regular pay cycle, or through an update event.
 - a. Where the overpayment is reported through a pay event the employees YTD amounts should be reduced to reflect the overpayment. **YTD amounts cannot be negative**
 - b. Where the overpayment is reported through a pay event the amounts of the overpayment should be reflected in the employer level reported W1 and W2. **These period amounts can be negative.**
 - c. Where there is no future payment to the employees YTD amounts should be reduced to reflect the overpayment through an update event. **YTD amounts cannot be negative**
 - d. If the employer reports the overpayment via the update event the adjustment will not be reflected in any BAS prefill and the employer should adjust the pre-fill amounts to reflect the overpayment.
 - e. Large withholders will follow the existing guidance and reduce the next payment by the relevant amount withheld.

3.2.6 Misclassification with no additional payment

A misclassification is when information has previously been reported under an incorrect salary and wage item and there is no additional payment to the employee.

1. The employer may report the adjustment in a pay event at the next regular pay cycle for the employee, or through an update event.
2. The employer is not required to adjust the previously reported W1 amount.

3.2.7 Where an employee is reported under the incorrect ABN or PAYG withholding branch

1. If an employee has been reported under an incorrect ABN the employer needs to report these amounts under the correct ABN and adjust the employee YTD amounts on the incorrect ABN.
2. These amounts may be reported via a pay event at next regular pay cycle or through an update event.
3. Where there is an adjustment required to the PAYG withholding remitted, reflect these amounts against the correct ABN, then:

- a. for large withholders, follow the existing process to adjust the remittance to the ATO to reduce the amount for the first ABN and to record the liability on the second ABN
- b. for small and medium withholders the BAS will need to be revised or adjusted to correct the remittance to the ATO against the correct ABN.

3.2.8 Full file replacement

A full file replacement provides the ability for an employer to replace the latest pay event file that was sent to the ATO in error or contains significant corrupt data.

1. For each BMS a full file replacement may only be used to replace the latest pay event which can either be for a regular pay cycle or an out of cycle payment.
2. The full file replacement must contain the submission ID of the pay event to be replaced.
3. A full file replacement cannot be submitted if any employee information submitted in the original pay event file has been changed by a subsequent pay or update event.
4. An update event cannot be replaced.

3.2.9 Retroactive payroll fixes

1. Where an employer is required to make a fix to previous pay periods for an employee this should be reported in accordance with the rules above (see 3.2.1).

Note: If the BMS allows for a previously completed pay period, including the disbursement of outputs such as STP reports, to be reprocessed, then STP reports for those previously completed pay periods cannot be re-reported. If the reprocessing of previously finalised pay periods results in a revised employee YTD data, then either report the updated YTD in the next reported pay period or provide an update. Re-reporting of pay periods (pay events) already reported would have the following negative impacts.

- a. The reports would be identified as being lodged late with the employer being potentially subject to failure to lodge on time penalty.
 - b. The employer totals of gross payment (BAS label w1) and PAYG withholding (BAS label W2) amounts would be duplicated therefore raising a PAYG W liability on the employers running balance account, including both the original and duplicated reports.
 - c. If the duplicate reports generate the same submission ID as the originals they will be rejected as a duplicate submission (see section 4 – return messaging).
2. If, after submitting a pay event, the employer stops the financial institute from processing the bank file, reprocesses the completed payroll to produce new outputs, and issues a new file to the financial institute, the new STP pay event report may be submitted as a full file replacement.

3.2.10 Disaster Recovery

On the rare occasion where an employer must implement a disaster recovery process for their payroll BMS, this may result in the records in the payroll software not aligning to those that have been previously calculated, paid to employees and reported to the ATO.

An employer can identify which pay events have been previously reported to the ATO through the business portal.

If the employer's recovered payroll BMS requires previous pay periods to be reprocessed to bring the payroll BMS up to date, when pay periods are reprocessed they should not be re-reported to the ATO. Re-reporting of pay periods already reported would have the same negative impacts as those outlined in section 3.2.9 a to c above.

Where an employer is unable to identify if there is a misalignment between the re-instated payroll records in their BMS and what has previously been lodged with the ATO, the employer should contact the ATO before re-lodging any pay event or update event files to ensure duplicated STP reports are not lodged.

3.3 Finalisation — Declaration the employer has provided all information for an employee for the financial year

An employer is required to make a declaration to the ATO that they have provided all the information for each employee for a financial year. This is done by providing the finalisation indicator as a part of an employee's STP report.

This declaration allows the ATO to make the employee information available for income tax return prefill for employees. It will also update the employee's MyGov payroll page, to show the employee income statement for STP reported information is final for the financial year. Providing the declaration for STP reported information removes the employer obligation to provide their employees with payment summaries in relation to the STP reported information.

An employer may make the declaration at any time during the financial year, after the end of the financial year up to 14 July, or on the deferred due date.

To acknowledge STP transition for the 2018 financial year, the deferred due date will be 14 August 2018 and for the 2019 financial year the deferred due date will be 31 July 2019.

Final declaration

The declaration is made by an employer setting the final event indicator for each employee. Refer to section 5.

3.3.1 Finalisation during the financial year

1. The final event indicator is reported per employee, per payroll ID as a part of the employee record.
2. A final event indicator may be provided in a pay event or update event.
3. Where an employer reports the finalisation declaration during the financial year, this replaces the employer's obligation to provide the employee with a part year payment summary.
4. Making this declaration will update the employee's myGov display to show the STP information from the employer is final for the financial year. Pre-fill information will not be available until after 30 June.
5. Where the employer makes another payment to the employee in the financial year, this must be reported in a later pay event.

- a. If it is a one-off payment, for example an ETP, and the employer does not expect to make any further payments or adjustments for the employee, the employer should make another final declaration for the employee in this report.
 - b. If the employer expects there will be further reports for the employee, for example, they have been re-hired; the employer should not mark these later reports as final.
 - c. Where the employer reports a later amount for an employee after they have made the declaration and this report does not include another declaration, the ATO will update the employee's myGov display to show the later amounts as YTD and not final.
6. Where the payroll software apportions the gross payments in accordance with the days the employee worked for each ABN and the amounts withheld are allocated to the ABN making the payment or at the end of the pay period, the employer should report these amounts.
7. Where the final position for an employee for a financial year results in the total withholding being higher than the total gross payments, the employer will need to make an adjustment to ensure that the gross payments are allocated against the ABN that paid the withholding. This can be performed as part of the finalisation process.
- Note: If an employer does not make this adjustment, the individual's income tax return will not be prefilled with Income Statement data where withholding is greater than gross payments.

3.3.2 Finalisation after the end of the financial year

1. Employers must provide the final event indicator for all employees by the due date (14 July of the following year or deferred due date – 14 August 2018, 31 July 2019).
 - a. The employer should request an additional deferral of the due date from the ATO, if they cannot finalise by the due date.
 - b. If the employer does not provide the final event indicator by the due date they must provide a payment summary to their employees.
Compliance note: where these payment summaries are not provided by 14 July the employer may be subject to a penalty.
 - c. Where the employer has had to provide payment summaries to their employees as they have not made the final declaration by the due date, then the employer can provide the payment summary information to the ATO by finalising through the update event. Where the employer does this they will have met their obligation to provide a payment summary annual report (PSAR/Emptdupe file) to the ATO.
2. Where the final event indicator is provided after the EOFY, it must be provided through an update event.

3.3.3 Reportable fringe benefit amount /Reportable employer superannuation contributions

Where an employee receives RFBA or RESC amounts these may be reported through STP.

Note: Reportable Fringe Benefits Amounts arising in an FBT year (1 April until 31 March) must be reported entirely within the financial year ending on the following 30 June (for example, for 1 July 2017 until 30 June 2018 Financial year include RFBA amounts from 1 April 2017 to 31 March 2018). RFBA from 1 April to 30 June are reported in the following financial year.

The rules for reporting RFBA/RESC are:

1. An employer may provide YTD RFBA and RESC through a pay event (if the information is available in payroll) throughout the financial year.

2. An employer may provide YTD RFBA and RESC through an update event throughout the financial year.
3. If reported during the year via a payroll or an update event the amounts should continue to be reported for each following pay event, even if the YTD amounts remain the same.
4. Alternatively, the employer may report these amounts via an update event as a part of the finalisation process at the end of the financial year.
5. If the employer cannot (or makes a choice not to) provide RFBA or RESC via STP, then they must provide this information on a payment summary to their employees and provide a payment summary annual report to the ATO. This payment summary must not include amounts reported through STP.

3.3.4 Lump sum E

This represents the amount for back payment of certain amounts including a payment of salary or wages that accrued more than 12 months ago.

1. When an employee has a reported Lump sum E amount upon finalisation declaration after the end of the financial year, the employer must issue the employee with a letter detailing which amounts relate to which financial years. [Refer to ATO website](#).
2. Where an employer makes multiple lump sum E payments for different income sources e.g. Individual Non-Business (INB) and Foreign Employment Income (FEI) a single YTD figure should be reported.

3.3.5 Lump sum D

This represents the amount of genuine redundancy payment or early retirement scheme payment below the tax-free threshold.

1. A lump sum D amount should only be reported if the employee has other amounts to be reported for the relevant financial year.
2. Lump sum D should not be included in the Parent total.

Note: Where software has already been configured to report these amounts at the parent total, an employer can continue to report these up until the 2018-19 years records are finalised as there will be no impact.

Where an employer makes multiple lump sum D payments for different income sources e.g. Individual Non-Business (INB) and Foreign Employment Income (FEI) a single YTD figure should be reported.

3.3.6 Amended finalisation after the end of the financial year

1. Where the need for an amendment is identified, the employer has 14 days to report the amendment. The employee's myGov display will be updated with the amended information and the information will be available to pre-fill the employee's income tax return.
2. After the EOFY amendments to employee payroll information must be reported via an update event. If the employee has already lodged their income tax return using the previous finalised information, the ATO may issue an amended assessment to the employee.

3. Where the employer believes previously finalised employee record needs to be amended, they should notify this as soon as possible. This is due to previously finalised amounts being made available as pre-fill amounts for the employee in their income tax return.
4. Where the employer has identified a need to amend a previously finalised employee record but are not in a position to provide final details (in the next 14 days), the employer should provide the same income details with the final event indicator set to FALSE, via an update event. This will remove the previously notified final information from tax return pre-fill, to ensure the employee doesn't use this incorrect information to lodge their tax return. The employee's myGov display will also be updated to YTD from finalised.
5. Employers can amend finalised data that has been reported through STP up to five years after the end of financial year using an update event.

3.3.7 Overpayment identified after EOFY

1. An employer must report an overpayment within 14 days from when the error is detected.
2. Corrections to employee payroll information after the EOFY must be carried out via an update event.
3. The update should detail the reportable amounts the employee received in the relevant financial year. Do not adjust the amount of tax withheld.
4. If the overpayment occurred in more than one prior year, the employer should provide an update event for each financial year reported via STP (if it includes a year not reported in STP the employer should amend the payment summary and payment summary annual report).

3.4 Transition to Single Touch Payroll during a financial year

3.4.1 Transition into Single Touch Payroll

An employer may start STP reporting at any time throughout a financial year.

The business rules for transitioning into STP are:

1. Employers must be registered for PAYG withholding prior to submitting their first pay event.
2. An employer who provides STP reports for employees (active/inactive and terminated) through STP will have met their reporting obligations (as long as the final declaration is provided) and will not have to provide a payment summary.

Employers may transition into STP using one of the following methods. *Refer to section 3.3 for details on finalisation of STP information*

- a. An employer may provide an opening YTD balance for all employees (active/inactive and terminated) in an update event.
 - b. An employer may report all employees being paid and inactive/terminated employees YTD information in the first pay event.
 - c. An employer may report YTD amounts for employees through a pay event. YTD amounts for inactive/terminated employees may be reported in a later update event, which must be lodged by 14 July or the deferred due date.
 - d. An employer may report YTD amounts for all employees being paid in the first regular pay cycle, through a pay event and provide a payment summary and payment summary annual report, for terminated and inactive employees.
 - e. An employer may begin STP reporting employee amounts, from zero in a pay event and provide a payment summary and a payment summary annual report to the ATO, for prior amounts not reported through STP.
3. Activity statement transition process will include:
 - a. PAYG withholding section will be removed from the activity statement for large withholders who report via STP.
 - b. From July 2019 for small and medium withholders, the ATO will prefill the activity statement with employer period PAYG withholding (W2) and gross payment (W1) amounts, reported in the pay event for activity statements.
 - i. The employer will need to change the activity statement prefill amount, to include withholding amounts not reported via STP.
 4. If the first STP report contains employee withholding details and this is not a TFN declaration, then do not populate the employee declaration (see section 3.5.2).

3.4.2 Transition between BMS during financial year

There are times when an employer, already STP reporting, changes their BMS during a financial year. The rules and scenarios outline how to transition from one BMS to another.

The business rules for transition of BMS during a financial year are:

1. An employer may migrate YTD information to the new BMS and use the original BMS ID.
2. An employer may migrate YTD information to a new BMS and create a new BMS ID. That means they will need to zero the employee YTD values from the old BMS ID via an update event, to prevent duplicate information being displayed.
3. An employer that does not migrate YTD information to the new BMS is required to finalise employees reported under the original BMS. The new BMS must have a different BMS ID to the original BMS.

3.5 Commencement of a new employee

On commencement of a new employee, an employer will need to report the commencement date and a TFN declaration to the ATO. The pay event includes information from the TFN declaration form.

Employers may use the following methods to meet their obligation to report TFN declaration information:

1. Existing electronic TFN declaration services/channels – SBR and Business Portal
 - a. If existing processes are used to report TFN declaration, the employee withholding detail fields do not need to be included in the pay event.
2. TFN declaration in a pay event including the employee declaration.
3. Paper.

3.5.1 Commencement date

The business rules for commencement of a new employee are:

1. If the employer captures the commencement date the commencement date must be reported.
2. If the employee is rehired using the same payroll id the rehire commencement date should be reported.
 - a. If the employee was terminated and rehired in the same reporting period, using the same payroll ID, the rehire commencement date should not be reported.
 - b. If the employee was terminated and rehired under a different ABN /branch within the same group in the same reporting period, the commencement date does not have to be reported.

3.5.2 TFN declaration in pay event

The pay event includes employee withholding details labels, which replicate information provided to an employer on a TFN declaration.

The business rules define how an employer can meet their obligation to provide the TFN declaration to the ATO, with the next STP event for that employee. Additionally, the employer can meet their obligation to notify the ATO that they have not received a TFN declaration.

The business rules for TFN declaration in pay event are:

1. An employer who provides a TFN declaration through a pay event has met their obligation to report a TFN declaration to the ATO.
2. Employers may choose to include employee withholding details in a pay event. Where the employee's declaration is not provided this does not constitute a TFN declaration.
3. Employers cannot include employee withholding section in an update event.
4. An employer may wait until the next pay event to send the TFN declaration after they receive it from the employee, or if notified that the employee will not provide the TFN declaration.
 - a. If the employee is not paid within 14 days of the employer receiving a TFN declaration an automatic deferral will be granted until the next pay day for that employee.
5. Employers must include details of an employee's declaration when submitting a TFN declaration through the pay event.

- a. Outcomes from ATO validation of the TFN declaration, such as unmatched and incorrect TFN, will follow the existing process for correspondence to be sent to the employer and the employee.
6. Employers may continue to report employee withholding details in subsequent pay events. The employee's declaration is not mandatory in this case as it is only required for a TFN declaration.
 - a. Where changes occur to employee details and the employee does not provide a TFN declaration, the change is not required to be reported. For example, when an employee changes from part time to full time employment there is no requirement to report via STP.

4. Business Response Messaging

If a payroll or an update event encounters an error then appropriate information will be returned to assist in addressing the error. This section provides general information on encountering and responding to return messages, as well as detailed information on each of the business responses returned for errors encountered during processing by ATO system. 'Details of the schema and validation rules that might be returned in the validation report can be found in the [package for the Payroll or Update event](#).

DSPs are expected to address any issues of failure of validation by ATO systems to ensure non-occurrence of rejected payroll reports. This is depicted in figure 4 below, which also provides the options available to payroll officers in the event of a return message.

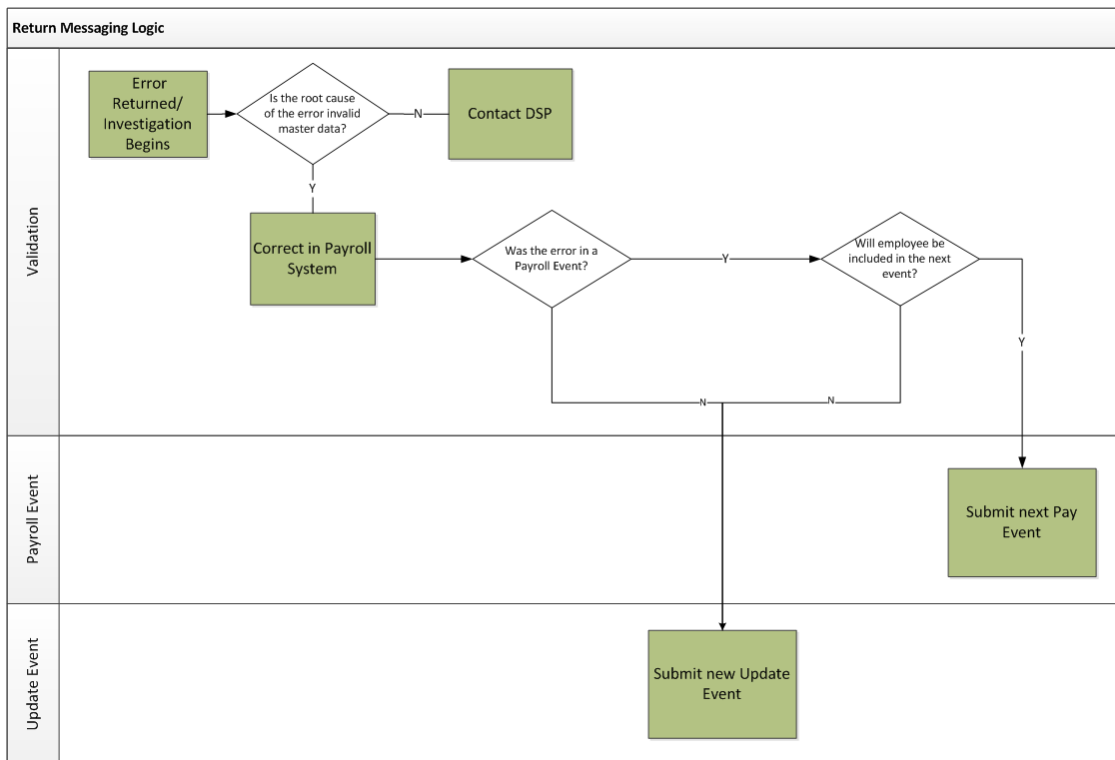


Figure 5: Return messaging logic

4.1 Context on timing and transmission of business response messaging

Overall there is an expectation that payroll events (including full file replacements) and update events transmitted by DSPs will be processed within a timely manner, to avoid any accumulation or overlapping of unconfirmed/partially processed payroll runs.

4.2 Business response messages design principles

- If employer level data fails during ATO systems validation the whole payroll report will be rejected.
- Where the whole payroll report is rejected the employer has not met their STP obligations (during the transition to STP the ATO will work with employers and their DSPs to address the causes of file rejections).
- Steps will have to be performed to ensure alignment and accuracy of reported data (refer to section 3.2 'Fix').

4.3 Meeting Single Touch Payroll obligations by addressing business response messages

Where the entire payroll report is rejected, employers will do the following in order to meet their STP obligations:

- Read and have an understanding of the reason the submission was not processed.
- Follow the business rules as per section 3.2 'Fix'.
- Subsequent submissions must include improved data. That is, the employer cannot simply send identical data (unless specifically advised to do so due to system errors)
- The employer should contact the ATO if there are ongoing submission issues.

During the transition to STP the ATO will work with employers and their DSPs, to address the causes of complete file rejections. In doing so, employers should be able to demonstrate their attempts to address fixes within reasonable timeframes. Further action may need to be pursued for employers who fail to do so over extended periods of time.

4.4 Business response message details table

This table describes the context (for example, payroll event/update event), scenario (description/example) and message wording, for instances where business responses are expected. The 'User action' column provides appropriate direction to the user, in the event of receiving a business response message.

Message repository	Service	Description/example	Short Message	Long Message	User action
CMN.ATO.PAYEVNT.EM14160	Payroll event	Multiple files found Where multiple full file replacements have been lodged in quick succession	Cannot process submission	We were unable to process your submission because we located multiple files to be replaced	Wait a day and resubmit.
CMN.ATO.PAYEVNT.EM41432	Payroll event	Records already cancelled The payroll event has already been cancelled for the particular parent record.	The previous submission has already been replaced	We were unable to process your submission because the file you wanted to replace has already been replaced.	If not intended as a full file replacement, remove the full file replacement indicator. Otherwise please call the ATO.
CMN.ATO.PAYEVNT.EM41469	Payroll event	Record not found Cannot identify submission id to be replaced. For example, The full file replacement box has been ticked, the ATO do not have a record of the original file	Cannot find the form that should be replaced	We were unable to process your submission because we could not locate	If not intended as a full file replacement, remove the full file replacement Indicator. Otherwise please verify the submission Id and resubmit.

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Message repository	Service	Description/example	Short Message	Long Message	User action
		and therefore can't replace it.		the submission that you have requested to be replaced.	
CMN.ATO.PAYEVNT.EM41551	Payroll event	Cannot identify account/ BMS ID Cannot determine which file to replace as IDs do not match. Same ABN, mismatched Branch and BMS ID.	Submission to be replaced does not match the provided branch or BMS ID provided	We were unable to process your submission because your submission had an incorrect BMS ID. Please check you have used the correct identifier for the submission.	If not intended as a full file replacement, remove the full file replacement indicator. Otherwise verify Branch and/or BMSID and resubmit
CMN.ATO.PAYEVNT.EM92166	Payroll event Update event	Cannot identify branch Where the branch id provided cannot be used to determine the specific branch. For example, the branch given does not match ATO records.	Provided branch code is incorrect	We were unable to process your submission because the branch code you provided is incorrect.	Check your branch code and resubmit.
CMN.ATO.PAYEVNT.EM92168	Update event	STP enabled; No STP reports lodged in financial year The update is referring to a previous year where STP reporting did not occur	Your submission was not processed	We were unable to process your submission because you have not reported using STP for that	You cannot lodge for pre-STP. Refer to the ATO website for the pre-STP process.

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Message repository	Service	Description/example	Short Message	Long Message	User action
				financial year.	
CMN.ATO.PAYEVNT.EM92169	Update event	Over five years in past Where the update relates to records over five years in the past, this should be addressed outside of STP, using current processes.	Your submission was not processed	We were unable to process your submission because the submission you are attempting to update is more than five years old and cannot be processed.	Future rule that will point the user to the necessary instructions on the ATO website. Needs to be available by 2022.
CMN.ATO.PAYEVNT.EM92172	Payroll event	Duplicate payroll event submission id A parent record with the same submission id already exists.	A record with the same submission ID already exists	We were unable to process your submission because we already have a submission with this submission ID.	If intended to be a full file replacement then ensure the full file replacement Indicator has been selected. If duplicate, do not resend.
CMN.ATO.PAYEVNT.EM92172	Update Event	Duplicate update event submission id A parent record with the same submission id already exists.	A record with the same submission ID already exists	We were unable to process your submission because we already have a submission with	If intended to be a full file replacement then ensure the full file replacement Indicator has been selected. If duplicate, do not resend.

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Message repository	Service	Description/example	Short Message	Long Message	User action
				this submission ID.	
Does not exist	Payroll event	New error message required for full file replacement, where there is a change to the employee's record from the original. This will cater for large entities, running payroll frequently.	Does not exist	Does not exist	Note: ATO systems currently cannot process this rule. DSPs are requested to ensure this validation occurs in their solutions.



5. Authorisations and declarations

There are different requirements in regards to the making of the declaration and subsequent submission to the ATO within the pay event, depending on whether it has been created by the employer (or an authorised employee), or by a Registered Agent.

5.1 Authentication and the Final “Hop”

The successful *authentication* of payroll reports is dependent on the “final hop”. The final hop is the network segment between the last “AUSkey Owner” entity (defined below) and the ATO. The AUSkey of the entity directly connected to the ATO must be used to transmit Pay events and Update events to the ATO. The entity sending the message must be authorised to send that message to the ATO by the employer or their registered Tax or BAS Agent.

5.2 Roles

This section defines the roles of each party potentially involved in the end to end process. Each role below is classified as a “Sender” (S) and/or an “AUSkey Owner” (AO) which will be referenced in the next section presenting the “Declarations Matrix”.

S = Sender (Declarer): This is the entity that must make a declaration because it is making the decision to send the payroll information to the Commissioner.

AO = AUSkey Owner: This is the entity that is directly connected to ATO systems (the last “hop”) and as such requires use of their AUSkey as a means to successfully transmit the report.

- **Employer** (‘S’ and can also be an ‘AO’): the entity (including sole trader) required to withhold from payments whose payroll information is being sent. The employer can perform all payroll processing themselves and lodge payroll reports directly or use a Registered Agent or DSP provided service. If payroll services are undertaken by an authorised employee, the ATO will consider that employee to be acting on behalf of the employer. This includes circumstances where the employee acts on behalf of a group of employers within an economic group.
- **Payroll Software Provider** (‘AO’ if directly connected to ATO systems): An entity providing the software that assists the employer, their agent or their Payroll Provider to produce payroll outputs and may also provide the software to lodge or facilitate the lodgment of STP Payroll Reports (for example a cloud solution).
- **Payroll Provider/Payroll Intermediary** (‘S’ when a Registered Agent): an entity (including sole trader) that is contracted to produce payroll outputs on behalf of the employer. The provider may be an “Agent” but payroll outputs may be produced other than via a Registered Agent. A Payroll Provider that is not a Registered Agent cannot lodge on behalf of an employer.
- **Registered Agent** (‘S’ and can also be an ‘AO’): A registered Tax or BAS Agent that provides Tax or BAS Agent services (ascertaining, advising or liaising with the ATO) on behalf of the employer, in accordance with Tax Agent Services Act 2009 (TASA). An Agent may lodge on behalf of an employer.



- **Sending Service Provider (SSP) ('AO')**: an entity (including sole trader), directly connected to the ATO, that only provides the technical service for one or multiple employers, registered agents or payroll software providers to deliver payroll reports to the ATO in the correct technical format or through a permitted technical channel. An SSP does not perform Payroll Production services. A slight variation of this role is a “Transformer”. A transformer carries out the same functions as an SSP but is not directly connected to the ATO.

5.3 Declaration statement Matrix

The ATO requires a declaration indicating the information contained within the payroll report is true and correct. This declaration must be made by the sender (declarer).

To make a declaration, the sender must be aware of two things:

1. the statement they are making, and
2. that it becomes a declaration by them ‘signing’ it.

As a result, in every case that a declaration is required to accompany a transaction, the sender must have displayed to them:

- a specific statement(s) describing what they are about to declare, and
- an acknowledgment that the declaration is made by signing the statement(s) in a particular way.

The sender must sign by actively confirming what constitutes their ‘signature’ by using a tick-box, submit button, or similar mechanism. Their signature must be some information sent with the transaction that enables the sender to be uniquely identified.

The wording of the declaration statement varies. The Declarations Matrix maps “Senders” against “AUSkey Owners” (defined earlier) and identifies the declaration statement that must be displayed to the sender in each circumstance.

The first row identifies each Sender (Declarer) (eg “Employer”, “Employer on behalf of multiple ABNs”, “Registered Agent” and “Registered Agent on behalf of multiple ABNs”). The three rows represent the three methods of delivery of Payroll Reporting over the final hop to ATO systems. Each column under each sender represents the type of declaration statement the sender must have displayed to them. For example, if an Employer is using Payroll Software they must make the “Employer Payroll Software” declaration which acknowledges the AUSkey in use belongs to the Software provider and not the Employer. (Refer to section below “Declaration Types” for actual wording of the declaration). Finally, the last row captures and provides examples of the fields that demonstrate a declaration has been made. These fields must be populated accordingly to pass channel validation.



Declaration Matrix

	Sender (Declarer)	Employer	*Employer Multi ABNs	Registered Agent	Registered Agent Multi ABNs
Owner's Auskey	Sender (Declarer)	ED	EMD	RAD	RAMD
	Payroll Software	EPS	EMPS	RAPS	RAMPS
	Sending Service Provider	ESSP	EMSSP	RASSP	RAMSSP
	Declaration Fields & Example Data	PAYEVNT37: Payer Declarer Identifier - "MAAckland" PAYEVNT38: Payer Declaration Date - "2017-02-02 " PAYEVNT39: Payer Declaration Acceptance Indicator - "TRUE"		PAYEVNT37: Payer Declarer Identifier - "MAAckland" PAYEVNT38: Payer Declaration Date - "2017-02-02 " PAYEVNT39: Payer Declaration Acceptance Indicator - "TRUE" PAYEVNT41: Intermediary Declarer Identifier - "SAAckland" PAYEVNT42: Intermediary Declaration Date - "2017-02-02" PAYEVNT43: Intermediary Declaration Indicator - "TRUE"	

*The employer may choose to follow [XEA](#) as a means of establishing reporting on behalf of multiple related ABNs for example an economic group (see "[Appointing an Agent for Tax Purposes](#)" via Access Manager for more details)

Captured Payroll Event Declaration Types

Code	DecType
ED	Employer Direct
EPS	Employer Payroll Software
ESSP	Employer Sending Service Provider
EMD	Employer (Multi ABN) Direct
EMPS	Employer (Multi ABN) Payroll Software
EMSSP	Employer (Multi ABN) Sending Service Provider
RAD	Registered Agent Direct
RAPS	Registered Agent Payroll Software
RASSP	Registered Agent Sending Service Provider
RAMD	Registered Agent (Multi ABN) Direct
RAMPS	Registered Agent (Multi ABN) Payroll Software
RAMSSP	Registered Agent (Multi ABN) Sending Service Provider

Employer to Registered Agent Declaration Types

Code	DecType
ERA	Employer to Registered Agent
ERA-SA	Employer to Registered Agent - Standing Authority



5.3.1 Declaration Statements

This section should be read in conjunction with the declaration statement matrix above. The wording in this section has been developed to ensure effective contextualisation in regards to various STP reporting models (refer to declaration scenarios document).

(Note: “SSP” declarations below satisfy the ATO requirement of a notification in an approved form by the sender (declarer) to the ATO of the authorisation of the SSP to lodge STP payroll reports and receive the ATO’s SBR responses.)

In addition to the declaration the ATO requires, DSPs may wish for the sender to agree to other matters (e.g. to cover bank withdrawals). Any additional agreements should be included as separate items to allow the sender to separately agree to them, independent of their agreement to the ATO’s declaration. Acceptance of these additional agreements does not need to be communicated to the ATO.

DecType	Code	Declaration Statement	Signing Statement
Employer Direct	ED	<p>The declaration an employer (or authorised employee) must declare is:</p> <p>“I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing with the credentials used to login and their AUSkey.</p> <p>For example:</p> <p>“Tick this box to sign this declaration with the credentials you used to login and your AUSkey.”</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify how the individual is signing the declaration.</p>

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DecType	Code	Declaration Statement	Signing Statement
Employer Payroll Software	EPS	<p>The declaration an employer (or authorised employee) must declare when submitting using payroll software is:</p> <p>“I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to the field giving a unique user identifier and signing with the AUSkey for the software.</p> <p>For example: “Tick this box to sign this declaration with the credentials you used to login and the AUSkey used by your software.</p> <p>The user identifier must allow the AUSkey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSkey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>



DecType	Code	Declaration Statement	Signing Statement
Employer Sending Service Provider	ESSP	<p>The declaration an employer (or authorised employee) must declare when submitting using a sending service provider is:</p> <p>“I am notifying the ATO that:</p> <ul style="list-style-type: none"> • <name of sending service provider> provides my business with lodgment transaction services; and • my business, for the purposes of its transactions with the ATO via the SBR channel, sends (and receives) those transactions to (and from) the ATO via <name of sending service provider>. <p>I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing it with the credentials the user used to login (providing a unique user identifier) and the AUSkey of the sending service provider.</p> <p>For example: “Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with your approved sending service provider’s AUSkey.”</p> <p>The user identifier must allow the AUSkey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSkey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>

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DecType	Code	Declaration Statement	Signing Statement
Employer (Multi ABN) Direct	EMD	<p>The declaration an employer (or authorised employee) must declare when submitting payroll reports for multiple entities is:</p> <p>“I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing with the credentials used to login and their AUSkey.</p> <p>For example: “Tick this box to sign this declaration with the credentials you used to login and your AUSkey which has cross entity authorisation for the ABNs included.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify how the individual is signing the declaration.</p>



DecType	Code	Declaration Statement	Signing Statement
Employer (Multi ABN) Payroll Software	EMPS	<p>The declaration an employer (or authorised employee) must declare when submitting using payroll software is:</p> <p>“I declare the information transmitted in this payroll report is true and correct and I am authorised to make this declaration.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it with the credentials the user used to login (providing a unique user identifier) and the AUSkey of the payroll software which is authorised to lodge on behalf of the included ABNs.</p> <p>For example:</p> <p>“Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with your approved payroll software’s AUSKey on behalf of the ABNs included.”</p> <p>The user identifier must allow the AUSKey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSkey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>



DecType	Code	Declaration Statement	Signing Statement
Employer (Multi ABN) Sending Service Provider	EMSSP	<p>The declaration an employer (or authorised employee) must declare when submitting payroll reports for multiple entities using a sending service provider is:</p> <p>“I am notifying the ATO that:</p> <ul style="list-style-type: none"> • <name of sending service provider> provides these businesses with lodgment transaction services; and • these businesses, for the purposes of its transactions with the ATO via the SBR channel, sends (and receives) those transactions to (and from) the ATO via <name of sending service provider>. <p>I declare the information transmitted in these payroll reports is true and correct and I am authorised to make this declaration.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing it with the credentials the user used to login (providing a unique user identifier) and the AUSKey of the sending service provider.</p> <p>For example: “Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with <name of sending service provider>’s AUSKey.</p> <p>The user identifier must allow the AUSKey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSKey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration. .</p>

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DecType	Code	Declaration Statement	Signing Statement
Registered Agent Direct	RAD	<p>The declaration a registered agent must declare is:</p> <ul style="list-style-type: none"> • I have prepared this payroll report in accordance with the information supplied by the entity. • I have received a declaration from the entity stating that the information provided to me is true and correct. • I am authorised by the entity to give this document to the Commissioner.” 	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing with the credentials used to login and their AUSkey.</p> <p>For example: “Tick this box to sign this declaration with the credentials you used to login and your AUSkey.”</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify how the individual is signing the declaration.</p>



DecType	Code	Declaration Statement	Signing Statement
Registered Agent Payroll Software	RAPS	<p>The declaration a registered agent must declare when submitting using payroll software is:</p> <p>“• I have prepared this payroll report in accordance with the information supplied by the entity. • I have received a declaration from the entity stating that the information provided to me is true and correct. • I am authorised by the entity to give this document to the Commissioner.”</p>	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to the field giving a unique user identifier and signing with the AUSKey for the software.</p> <p>For example: “Tick this box to sign this declaration with the credentials you used to login and the AUSKey used by your software.</p> <p>The user identifier must allow the AUSKey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSKey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>



DecType	Code	Declaration Statement	Signing Statement
Registered Agent Sending Service Provider	RASSP	<p>The declaration a registered agent must declare when submitting payroll reports using a sending service provider is:</p> <p>I am notifying the ATO that:</p> <ul style="list-style-type: none"> • <name of sending service provider> provides my client with lodgment transaction services; and • my client (the entity), for the purposes of its transactions with the ATO via the SBR channel, sends (and receives) those transactions to (and from) the ATO via <name of sending service provider>. <ul style="list-style-type: none"> • I have prepared this payroll report in accordance with the information supplied by the entity. • I have received a declaration from the entity stating that the information provided to me is true and correct. • I am authorised by the entity to give this document to the Commissioner.” 	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing it with the credentials the user used to login (providing a unique user identifier) and the AUSKey of the sending service provider.</p> <p>For example: “Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with <name of sending service provider>’s AUSKey.”</p> <p>The user identifier must allow the AUSKey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSKey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>

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DecType	Code	Declaration Statement	Signing Statement
Registered Agent (Multi ABN) Direct	RAMD	<p>The declaration a registered agent must declare when submitting payroll reports for multiple entities is:</p> <ul style="list-style-type: none"> “• I have prepared this payroll report in accordance with the information supplied by the entity. • I have received a declaration from the entity stating that the information provided to me is true and correct. • I am authorised by the entity to give this document to the Commissioner.” 	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing with the credentials used to login and their AUSkey.</p> <p>For example:</p> <p>“Tick this box to sign this declaration with the credentials you used to login and your AUSkey for the ABNs included.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify how the individual is signing the declaration.</p>

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DecType	Code	Declaration Statement	Signing Statement
Registered Agent (Multi ABN) Payroll Software	RAMPS	<p>The declaration a registered agent must declare when submitting payroll reports for multiple entities using payroll software is:</p> <ul style="list-style-type: none"> • I have prepared this payroll report in accordance with the information supplied by the entity. • I have received a declaration from the entity stating that the information provided to me is true and correct. • I am authorised by the entity to give this document to the Commissioner.” 	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it with the credentials the user used to login (providing a unique user identifier) and the AUSkey of the payroll software which is authorised to lodge on behalf of the included ABNs.</p> <p>For example: “Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with your approved payroll software’s AUSkey on behalf of the ABNs included.”</p> <p>The user identifier must allow the AUSkey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSkey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>



DecType	Code	Declaration Statement	Signing Statement
Registered Agent (Multi ABN) Sending Service Provider	RAMSSP	<p>The declaration a registered agent must declare when submitting payroll reports for multiple entities using a sending service provider is:</p> <p>“I am notifying the ATO that:</p> <ul style="list-style-type: none"> • <name of sending service provider> provides my clients with lodgment transaction services; and • each client (the entity), for the purposes of its transactions with the ATO via the SBR channel, sends (and receives) those transactions to (and from) the ATO via <name of sending service provider>. <ul style="list-style-type: none"> • I have prepared this payroll report in accordance with the information supplied by the entity. • I have received a declaration from the entity stating that the information provided to me is true and correct. • I am authorised by the entity to give this document to the Commissioner.” 	<p>The text describing the way that they are ‘making’ the declaration by ‘signing’ it in a particular way shall include reference to signing it with the credentials the user used to login (providing a unique user identifier) and the AUSkey of the sending service provider.</p> <p>For example: “Tick this box to sign the declaration with the credentials you used to login and to authorise lodgement with your approved sending service provider’s AUSkey.”</p> <p>The user identifier must allow the AUSkey owner or an external auditor to uniquely identify the individual who made the declaration. The identifier used can be specified by the AUSkey owner providing it allows for the identification of the individual who made the declaration.</p> <p>Examples of suitable identifiers include a user login (userid), a full name, or an email address.</p> <p>A statement “Tick this box to sign this declaration” would not be acceptable as it does not identify the mechanism through which the individual is signing the declaration.</p>

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DecType	Code	Declaration Statement	Signing Statement
Employer to Registered Agent	ERA	<p>Note: this declaration statement may be used to populate the Payer Declaration fields in the subsequent payroll report submitted by the registered agent</p> <p>Example of a client to registered agent declaration:</p> <p>I, (name of business client) authorise (name of agent) to give the payroll report for <period> to the Commissioner of Taxation for (entity name).</p> <p>I declare that the information provided for the preparation of this payroll report is true and correct.</p> <p>I am authorised to make this declaration.</p> <p>[Insert for emailed declaration] Type full name and date</p> <p>[Insert for paper declaration] Signed: Date:</p>	<p>Your client can choose to provide this declaration by paper, or if you agree, electronically (portal, email or fax).</p> <p>Your client is required to retain the declaration (or a copy) for up to five years, depending on their circumstances. We recommend you also keep a copy of the declaration for your own records. This declaration can be stored electronically regardless of whether it was received by electronically or in paper form. Paper declarations can be scanned and stored electronically.</p>



DecType	Code	Declaration Statement	Signing Statement
Employer to Registered Agent - Standing Authority	ERA-SA	<p>Note: this declaration statement may be used to populate the Payer Declaration fields in the subsequent payroll reports submitted by the registered agent</p> <p>Example of a client to agent declaration where the same payroll information is to be lodged with the Commissioner on a defined schedule. (If the payroll information changes for a particular payday, your client is required to provide you with the client to registered agent declaration above):</p> <p>I, (name of client) authorise (name of agent) to give payroll reports to the Commissioner of Taxation for (entity name) <using/in accordance with/as specified in> <the reference here must be to the information the client is giving you (the agent) to prepare their payroll and, correspondingly, include in payroll reports transmitted to the Commissioner per that pay schedule. This information could be specified in an attachment. If it is, the attachment must be retained with the declaration.></p> <p>I declare the information provided for the preparation of the payroll reports is true and correct.</p> <p>I am authorised to make this declaration.</p> <p>[Insert for emailed declaration] Type full name and date</p> <p>[Insert for paper declaration] Signed: Date:</p>	<p>Your client can choose to provide this declaration by paper, or if you agree electronically (e.g. portal, email or fax).</p> <p>Your client is required to retain the declaration (or a copy) for up to five years, depending on their circumstances.</p> <p>We recommend you also keep a copy of the declaration for your own records. This declaration can be stored electronically regardless of whether it was received electronically or in paper form. Paper declarations can be scanned and stored electronically.</p>



5.4 Further information

Refer to supporting documentation for [Authorisations and Declarations Scenarios](#).



6. Scenarios

STP focuses on reporting of payroll information to the ATO. This section includes scenarios and use cases to complement the Business Rules. They were co-designed with Industry and encompass how to:

- report withholding details via a pay event
- report and fix payroll information
- finalise payroll at the end of a financial year
- transition into STP.

All scenarios use the same numbering sequence as the business rules to which they refer, with the section as the pre-fix. For example, 3.5.1 Commencement date in business rules will be 6.5.1 in scenarios.

View the STP [reporting scenarios](#).



Appendix A

STP BIG Reference matrix

The matrix below explains the technical implementation of rules within the business implementation guide for different versions of the payroll event service. Some business rules are not supported by previous versions of the payroll event service. For all changes relating to the payroll event service see the Technical roadmap.

Service version	Change	BIG reference	Roadmap reference
PAYEVNT.0002 2017	Baselined version that maps to version 1 of the BIG.	BIG version 1.0	
PAYEVNT.0003 2018	PAYEVNTEMP84 has been renamed from Super Guarantee Amount to Super Liability Amount.	Section 3.1.1.6	PR03.1
	BMS ID will be changed to be mandatory.	Section 3.1.2.5	PR06
	The ability to report employment details and not be treated as TFND will be enabled. This includes changes to the schema for the onboarding section along with new validation rules to support this change.	Section 3.5.2.2 Section 3.5.2.6	PR03.1
	A new message exchange pattern (MEPS) called Hybrid will be implemented.	Section 4.1.2	PR04
	New error message text implemented to support business errors.	Section 4.1.5	PR05



Appendix B

CHANGE LOG 9 May 2018

Document BIG/Scenario's	Reference Page, Section, Part	Change type Add, Delete, Update	Change
BIG	P8, 25,	Update	Employment Income Statement changed to Income Statement
	P11, S1.7	Add	Reference to Sch 1, TAA 1953
	P12, S1.7	Remove	Remove reference to 'A payment of dad and partner pay' from Table 1: Mandatory
	P18, F3	Update	Updated Figure 3: Mapping of employee elements to employer elements
	P20, 3.1.1	Update	Link 'error' removed
	P21, 3.1.2	Add	Further information BMIS
	P23/25 S3.1.6	Add	New Content Allowances and Deductions Allowances to pay event coding table
	P29, 3.1.7	Add	New content ETP – Lump Sum A, B and multiple
	P29, 3.1.8	Add	New content ETP Death benefits
	P31, 3.1.12	Add	New content Working holiday makers
	P32, 3.2.1	Add	New content What to fix – Business response messaging
	P32, 3.2.3	Add	New content Fixing reporting errors – employee data
	P35, 3.3.1.6	Update	New content Finalisation during financial year
	P36, 3.3.1.7	Update	New content Finalisation during financial year
	P37, 3.3.4	Update	Update content Lump Sum E
	P37, 3.3.5	Update	Update content Lump Sum D
	P50, 5.2	Update	Update to note for Declaration Matrix
	P51, 5.3.1	Update	Update to note for SSP declarations
	P53	Update	ESSP declaration wording
	P56	Update	EMSSP declaration wording
	P59	Update	RASSP declaration wording
	P62	Update	RAMSSP declaration wording