




Australian Government
Australian Taxation Office

Single Touch Payroll

Single Touch Payroll

Australian Taxation Office

Payroll Reporting — Scenarios

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

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VERSION CONTROL

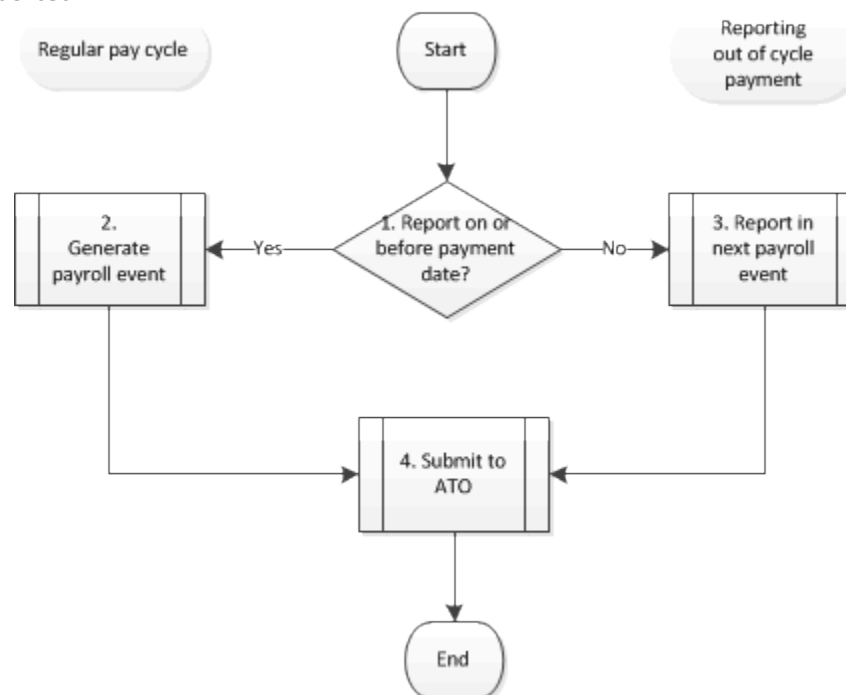
Version	Date	Description of changes
2.1	24/05/2017	Major change from previous version of Software developer guidelines to new Business Implementation Guide and supporting payroll reporting scenarios document
2.2	06/07/2017	Updates from internal reviews
2.3	18/07/2017	Addition of scenarios and business rules and updates based on external feedback
2.4	02/08/2017	Addition of extra information in scenario diagrams and updates based on external feedback
2.5	11/08/2017	Formatting updates to align with Business Implementation Guide
2.6	29/08/2017	Formatting updates and addition of scenarios in sections 6.2, 6.3, 6.4 and 6.5

6 Business scenarios for payroll reporting

Single Touch Payroll (STP) focusses on reporting of payroll information to the ATO. This section encompasses how to report and fix payroll information and includes rules on how to finalise payroll at the end of a financial year. Other areas include how an employer will transition into STP and how to report employee withholding details via a payroll event.

6.1 Payroll payments










This section outlines the business instructions of when to report via a regular pay cycle and out of cycle or ad-hoc payments, in the payroll process. The diagram describes when a payroll event can be reported.



How to read the scenarios

Scenarios are listed under each payroll reporting business rule and they have four parts; a) heading, b) detail, c) diagram and d) description of each event. Not all business rules require a scenario these are flagged as 'No scenario required'. Where another scenario exists and provides the information to support a business rule a reference is included to the other scenario. In the scenarios the amounts shown are for illustrative purposes.

The scenario diagrams have various elements within them; the following table explains what each of these is:

Element	Description
	Employer level data for both payroll and update events
	Employee level data for a payroll event
	Employee level data for an update event
	EOFY summary information from STP data
	BMS data outside of STP reporting (data migration/consolidation)
	Information reported outside or pre STP reporting
	Activity statement reporting
	Payments to employee
	Change in employment details

6.1.1 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.

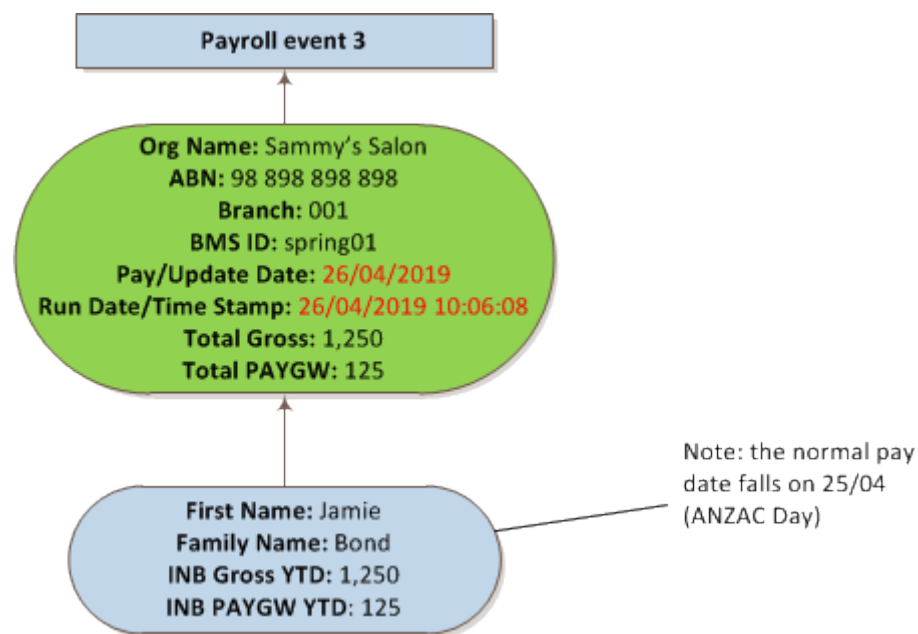
6.1.1.1 Payroll event due date

1. An employer is required to report to the ATO, all payments on or before the payday, through a payroll event. ([Refer to subsection 389-5\(1\) of Schedule 1 to TAA](#)).

6.1.1.1.a.i Scenario - payroll due date falls on public holiday.

Detail

The regular pay date for Sammy's Salon falls on the ANZAC day public holiday and the relevant award enables them to pay on the next business day. Standard tax administration applies and payment and reporting can occur on the next business day.



Payroll event 3

Payroll event 3 for the financial year can be paid and reported on the next business day.

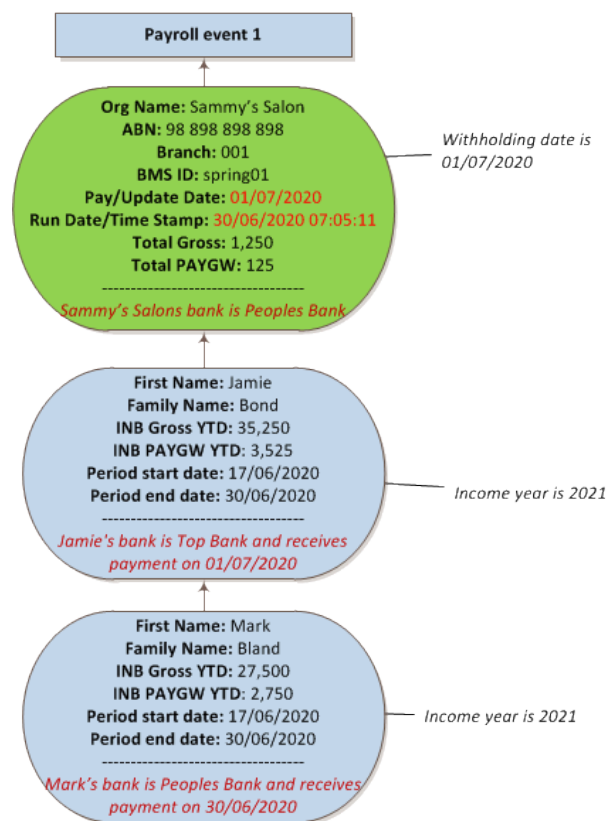
6.1.1.2 Payday

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. For more information see [electronic payments](#)

6.1.1.2.a.i Scenario - employer's payroll pay date is 1 July.

Detail

Sammy's Salon pay day is 01/07/2020 for the payroll period of 17/06/2020 to 30/06/2020, they process their payroll and bank file on 30/06/2020 for the pay day of 01/07/2020. The 01/07/2020 is the date of Sammy's Salon's withholding obligation and this also determines that the financial year for the employee's income is 2021.



Payroll event 1

Sammy's Salon pay day is 01/07/2020; this is the date of their withholding obligation.

Mark Bond receives his pay on 30/06/2020 (the day before the actual pay day) due to sharing the same bank as Sammy's Salon.

Jamie Bland receives his pay on 01/07/2020.

The payments for both Mark and Jamie are included in the income year of 2021 (End of financial year summary information and income tax returns)

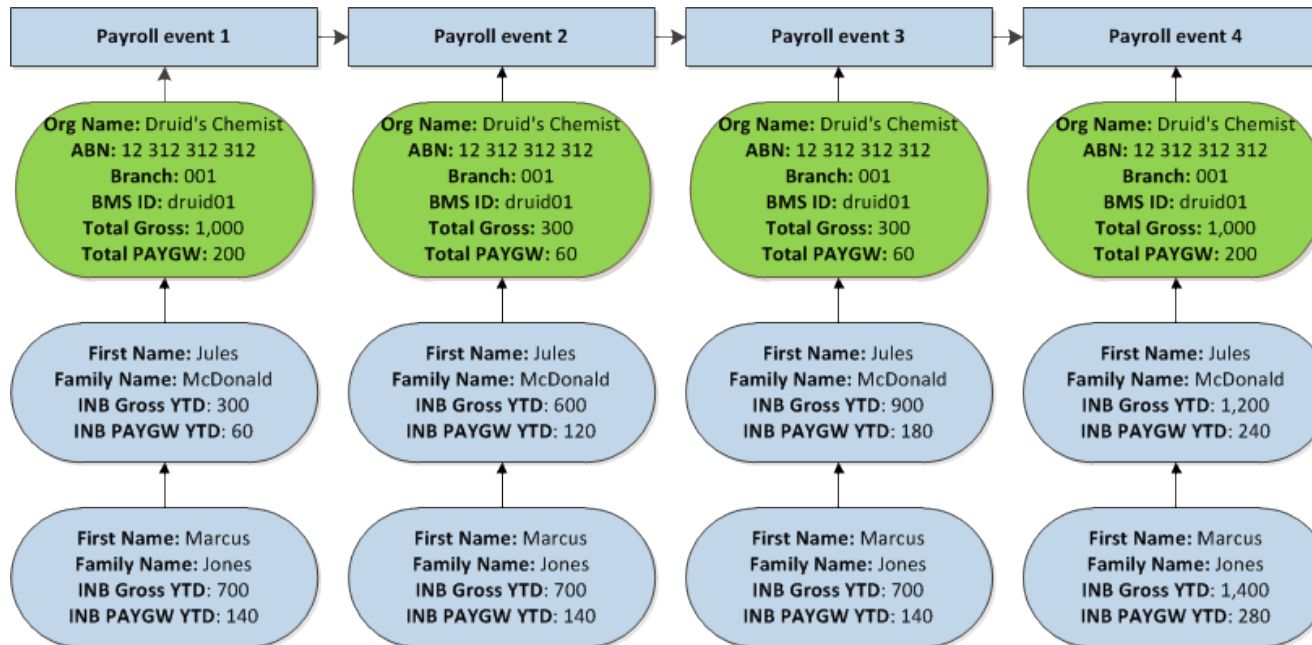
6.1.1.3 Employees included in payroll event

3. The report must include at least each employee with an amount subject to withholding in that regular pay cycle. Note: The report may include information for other employees.

6.1.1.3.a.i Scenario - employer reports employees being paid and not being paid.

Detail

Marcus Jones works for Druid's Chemist and goes on leave without pay (LWOP), Druids Chemist continues to report Marcus in the payroll events whilst on LWOP even though he is not being paid (they continue reporting year to date amounts for Marcus).



Payroll event 1	Druid's Chemist pays both Jules McDonald and Marcus Jones.
Payroll event 2	Druid's Chemist pays and reports Jules McDonald. Marcus Jones goes on LWOP and is not paid in payroll event 2. Druid's Chemist reports Marcus Jones' latest YTD amounts.
Payroll event 3	Druid's Chemist pays and reports Jules McDonald. Marcus Jones is still on LWOP and is not paid in payroll event 3. Druid's Chemist reports Marcus Jones' latest YTD amounts.
Payroll event 4	Marcus Jones returns from LWOP. Druid's Chemist pays both Jules McDonald and Marcus Jones.

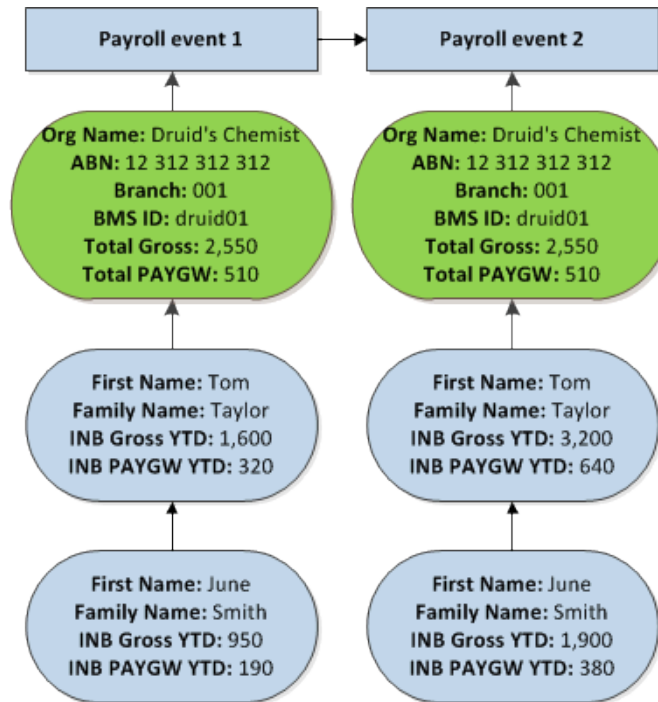
6.1.1.4 Type of employee amounts

4. An employer reports the year to date (YTD) values of gross salary or wages, allowances, deductions and PAYG withholding for each employee included in that payroll event.

6.1.1.4.a.i Scenario - employee YTD amounts reported in payroll event with period amounts at employer level Employee YTD amounts reported in payroll event with period amounts at employer level.

Detail

Druid's Chemist pays Tom Taylor and June Smith \$1,600 and \$950 each pay period. They report the YTD amounts for each employee and the pay period amounts at the employer level.



Payroll event 1

Tom Taylor is paid \$1,600 gross with PAYG withholding of \$320. YTD is \$1,600 gross and PAYG withholding of \$320.
 June Smith is paid \$950 gross with PAYG withholding of \$190. YTD of \$950 gross and PAYG Withholding of \$190.
 Employer reports total gross as \$2,550 and PAYG withholding as \$510

Payroll event 2

Tom Taylor is paid \$1,600 gross with PAYG withholding of \$320. YTD of \$3,200 gross and PAYG withholding of \$640.
 June Smith is paid \$950 gross with PAYG withholding of \$190. YTD of \$1,900 gross and PAYG withholding of \$380.
 Employer reports total gross as \$2,550 and PAYG withholding as \$510

6.1.1.4.b Subsequent reduction in year to date amounts

- a. These YTD amounts may be less than a previous report (for example, recovery of a current year overpayment).

Refer to scenario 6.1.1.5.a.i

6.1.1.4.c Employee year to date amounts cannot be negative

- b. These YTD amounts cannot be negative.

6.1.1.4.c.i Scenario - employee year to date amounts reported as zero where actual amount is a negative.

Detail

Tom had been offered higher duties for 12 months to perform his manager's role, whilst his manager, Geri, was filling in for a manager from another store. Tom's higher duty commenced at the beginning of August 2018 and was created in Druid's Chemist payroll solution for the 12-month period, so Tom will be automatically paid higher duties each pay in the 12-month period. Tom's normal monthly salary is \$8,000 (PAYG withholding of \$2,000), so the higher duties allowance of \$2,000 was a good incentive to assume the additional responsibilities as manager. This bought Tom's new gross to \$10,000/month (PAYG withholding of \$3,000). Tom's manager returned to the store after only 1 month, in September 2018, as the other store was too far for Geri to travel to meet her family responsibilities. In the confusion of transition and hand-over back to Geri and the public holidays, no-one thought to notify payroll of the early cessation of Tom's higher duties.

In August 2019, Tom was catching up on his personal finances and noticed his July payslip showed that he was still getting the higher duties. He immediately contacted the payroll office, to advise them of the oversight. The payroll manager was on leave, but the acting payroll manager, Sylvester, told Tom that he would fix it up and get back to Tom about the overpayment of higher duties for 11 months (September 2018 to July 2019). Sylvester updated their payroll solution to reflect the correct cessation date of the higher duties. This triggered the calculation of the reversal of gross of \$22,000 (\$2,000/mth for 11 months) and the refund of tax of \$1,000 (\$1,000/mth x current financial year pay in July, as the compliant payroll solution does not recover tax from a prior financial year). As Sylvester follows the business procedure for overpayments, in the August 2019 pay period, he creates 2 overpayment loans to offset the recovery:

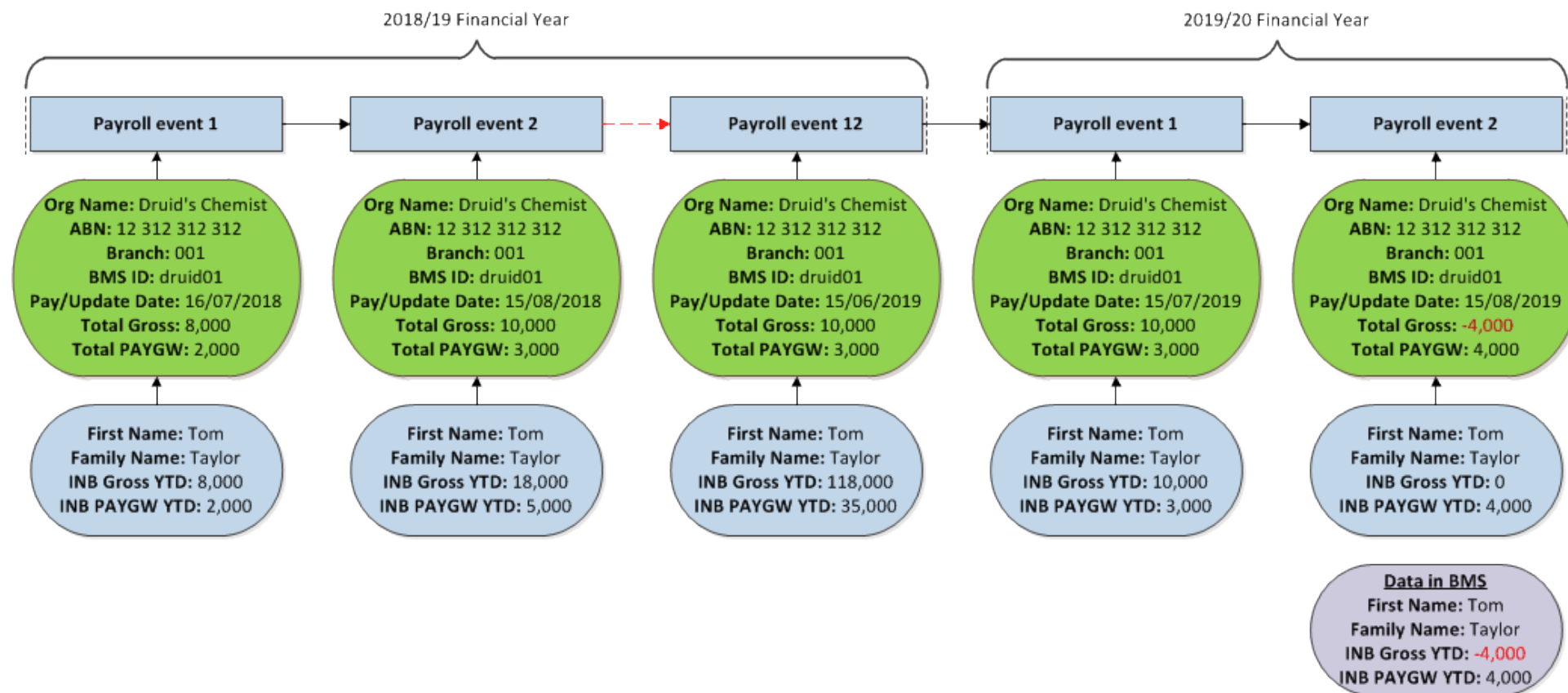
1. **Gross Overpayment** - \$20,000 to reflect the gross value of the higher duties overpaid from September 2018 to June 2019 (10 x \$2,000) in the prior financial year; and
2. **Net Overpayment** - \$1,000 to reflect the net higher duties overpaid in July 2019 (Gross: \$2,000 less PAYG withholding refund: \$1,000)

Tom now has the correct pay for the month of August (Normal Gross of \$8,000 less normal PAYG withholding of \$2,000) plus the reversal of both the prior year and current year gross (\$22,000) and the reversal of current year PAYG withholding (\$1,000), offset by the Gross Overpayment (\$20,000) and the Net Overpayment (\$1,000). This ensures that Tom's net pay is not affected until agreement is reached about repayment, in accordance with the Druid's Chemist overpayments policy.

Normally, the manual adjustment would be done in the payroll solution for the "reversal of gross of \$22,000" to:

- a. Adjust the "reversal of gross of \$22,000" into the correct financial year (only \$2,000 reversal belongs to the current financial year, \$20,000 to the prior financial year), as the payroll solution can only adjust the current financial year gross by the total \$22,000 gross reversal. As such, the Gross Payment IND for the current financial year should be manually increased by \$20,000 that relates to the prior year; and
- b. Issue an amended prior year finalised return for the 2018/2019 financial year to reduce the reported finalised Gross Payment IND by \$20,000, as the reduced salary has been offset by an overpayment loan that is not reportable to ATO. The PAYG withholding is not adjusted, as tax was withheld and paid to the ATO for that financial year and cannot be adjusted.

However, as Sylvester is not fully confident in the procedures of his acting payroll manager role, he did not have time to perform the above two steps before generating the STP payroll submission. In this case, Tom had a YTD gross of -\$4,000 (July: \$10,000 + August: \$8,000 + reversal of gross of \$22,000) and YTD PAYGW of \$4,000 (July: \$3,000 + August: \$2,000 + reversal of PAYG withholding for July of \$1,000).



Payroll event 1	Tom is paid \$8,000
Payroll event 2 to 12	Tom commenced higher duties and is paid \$10,000 in each payroll event
Payroll event 1	Tom is paid \$10,000 (including higher duties). Tom advises payroll that he has been over paid since payroll event 3 of the previous financial year. The payroll area advises him that they will rectify the error.
Payroll event 2	Tom has the correct gross amount of \$8,000 however the payroll area has not completed all the necessary adjustments. This results in a gross YTD of -\$4,400 (July \$10,000 + August \$8,000 - reversal of \$22,000) this is reported as zero in the payroll event.

6.1.1.5 Type of employer amounts

5. The employer reports period gross salary or wages (BAS label W1) and pay as you go PAYG withholding (BAS label W2) for all employee payments included in that payroll event.

Refer to scenario 6.1.1.4.a.i

6.1.1.5.a Employer amounts may be negative

a. These employer period amounts may be negative. Note: these would generally be the amounts posted to the general ledger for the pay run.

6.1.1.5.a.i Scenario - payroll with negative amounts at employer level.

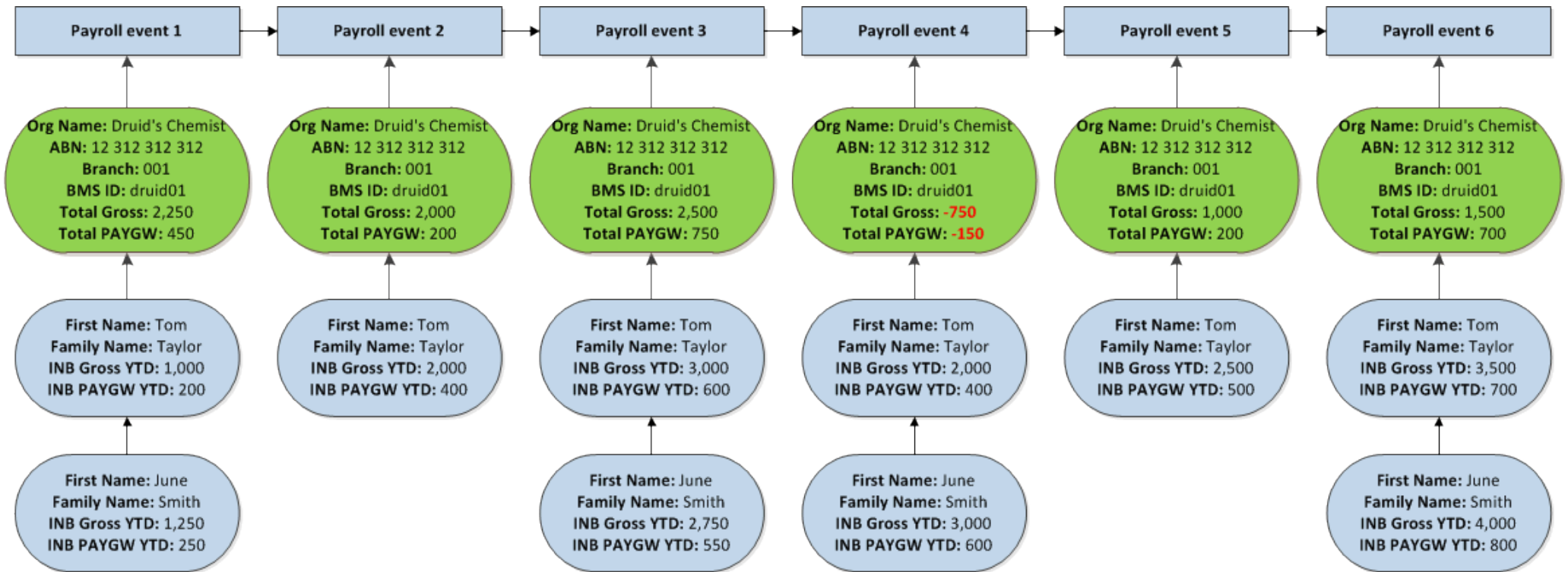
Detail

Druid's Chemist identifies current year overpayments that were made in the first 3 payroll events, Druid's Chemists agree with the employee's on how they will correct the overpayments and make the corrections in Payroll event 4 resulting in negative amounts for the employer and reduced YTD amounts for the employees. Tom Taylor was overpaid \$1,500 and June Smith was overpaid \$750.

Tom Taylor was paid \$1,000 in payroll event 1-3. Tom should have been paid \$500 per month. In payroll event 4 Druid's Chemists report \$2,000 as the YTD amount for Tom, which represents \$500 for each of the four payroll events.

June Smith was paid \$1,250 and \$1,500 in payroll event 1 and 3 respectively. June should have been \$1,000 in each of the months. In payroll event 4 Druids Chemist report \$3,000 as the YTD amount for June which represents \$1,000 salary for the 3 months she worked.

Single Touch Payroll 'Payroll Reporting' - Scenarios



Payroll event 1	Tom Taylor and June Smith are paid under payroll event 1.
Payroll event 2	Tom Taylor is paid under payroll event 2.
Payroll event 3	Tom Taylor and June Smith are paid under payroll event 3.
Payroll event 4	Druids Chemist discovers there were overpayments to Tom Taylor and June Smith in the first 3 payroll events. This results in corrected YTD amounts of 2,000 for Tom and 3,000 for June. The outcome for Druid's Chemist is that their period amounts are negative.
Payroll event 5	Tom Taylor is paid under payroll event 5.
Payroll event 6	Tom Taylor and June Smith are paid under payroll event 6.

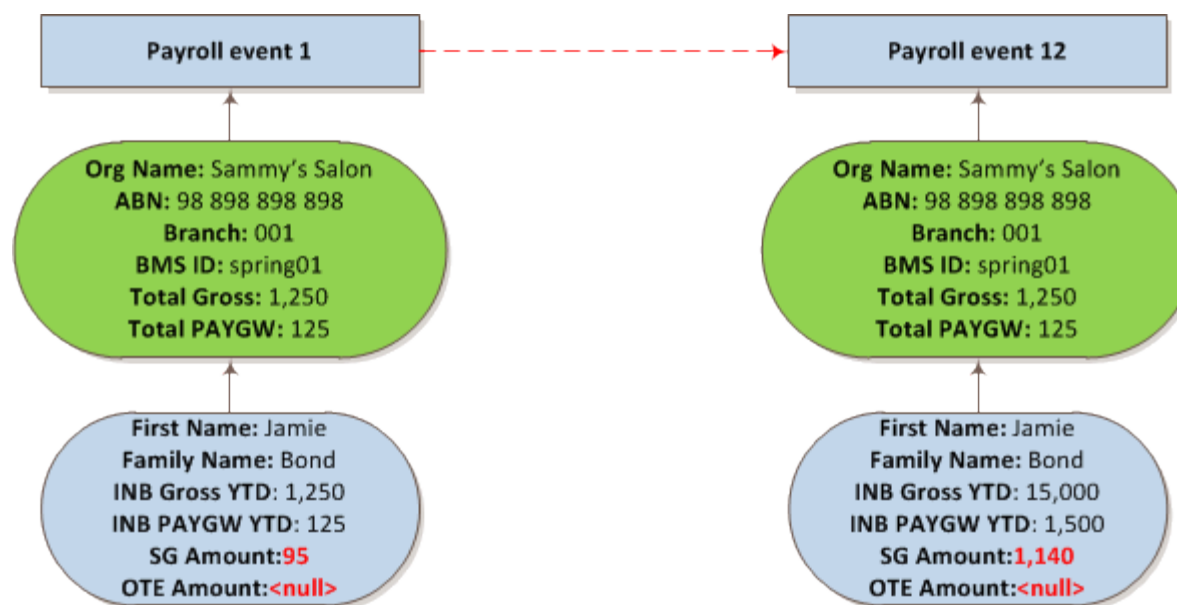
6.1.1.6 Superannuation liability

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 payroll 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 that this is the employers SG liability for initial matching purposes, with actual superannuation liability payments reported.

6.1.1.6.a.i Scenario - employer pays employee the minimum superannuation guarantee obligation.

Detail

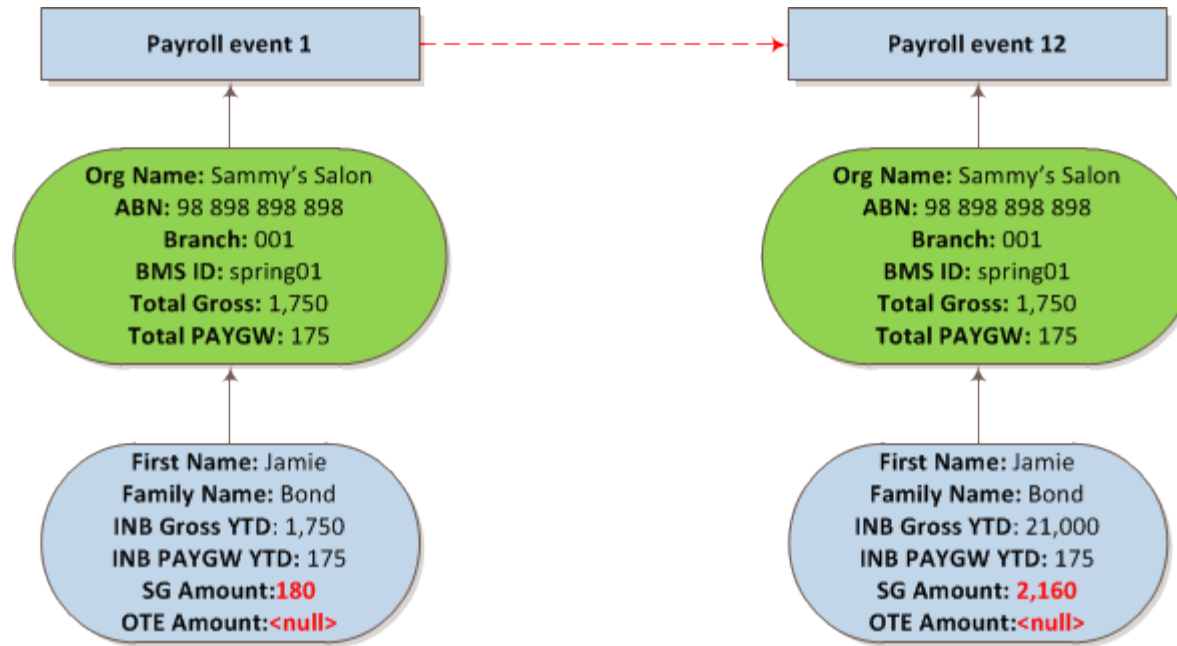
Jamie Bond receives \$1,000 per month as salary and Sammy's Salon pays the minimum superannuation guarantee amount. Jamie also receives overtime of \$250 each month, superannuation is not calculated on this overtime amount.



Payroll event 1	Jamie Bond is paid under payroll event 1, including \$250 overtime. Superannuation is calculated on his gross salary of \$1,000 and included as part of the payroll event.
Payroll events 2-11	Jamie Bond's salary does not change throughout the year.
Payroll event 12	This is the last payroll event of the year and the superannuation amount is included.

6.1.1.6.a.ii Scenario - employer pays employee above the minimum superannuation guarantee obligation.
Detail

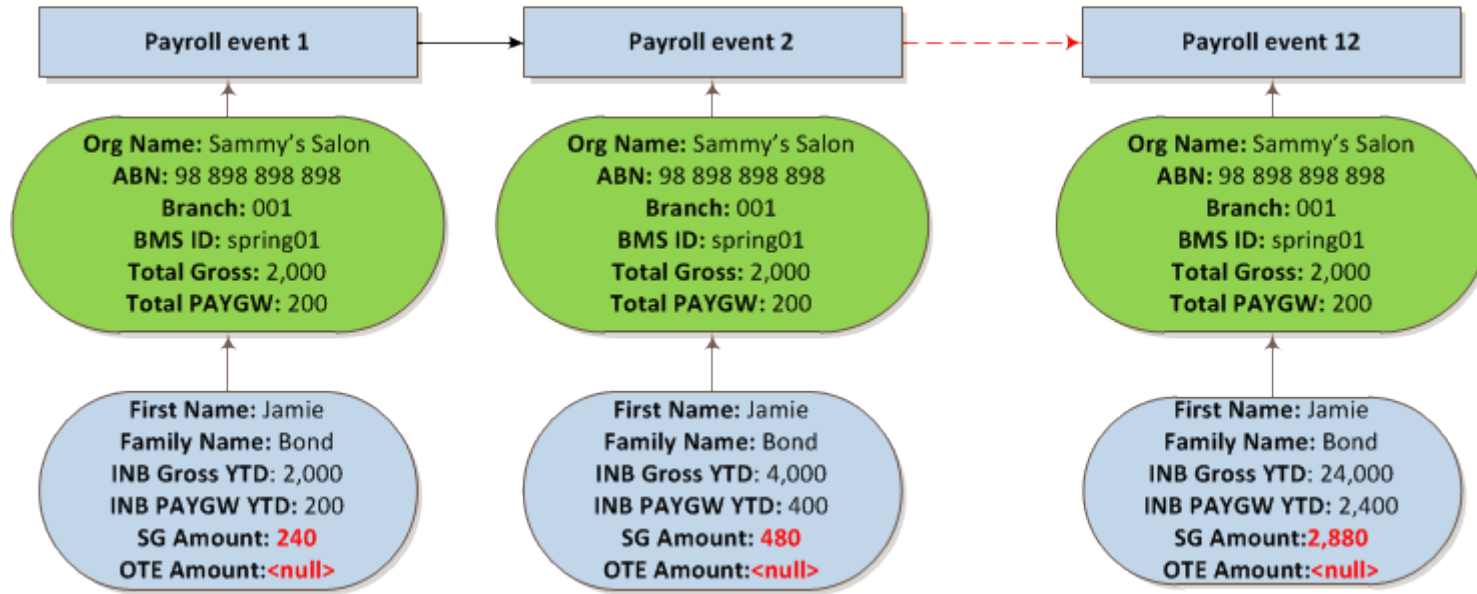
Jamie Bond receives \$1,500 per month as salary and Sammy's Salon agreed to pay 12% of ordinary time earnings. Jamie also receives overtime of \$250 each month, superannuation is not calculated on this overtime amount.



Payroll event 1	Jamie Bond is paid under payroll event 1, including \$250 overtime. Sammy's Salon pays Superannuation of \$180 (12% of \$1,500 OTE) and is included as part of the payroll event.
Payroll events 2-11	Jamie Bond's salary does not change throughout the year.
Payroll event 12	This is the last payroll event of the year and the super amount is included.

6.1.1.6.a.iii Scenario - employer pays employee above the minimum superannuation guarantee obligation on non OTE amounts.
Detail

Jamie Bond receives \$2,000 per month as salary and Sammy's Salon pays above the minimum superannuation guarantee amount (12%). From the second payroll Jamie receives employer paid parental leave and Sammy's Salon agrees to pay superannuation on this also, even though it is not OTE.



Payroll event 1	Jamie Bond is paid under payroll event 1 normal salary of \$2,000.
Payroll event 2-12	Jamie Bond receives employer paid parental leave payment of \$2,000 each month up to and including payroll event 12.

6.1.1.6.b Timing of the calculation of superannuation liability

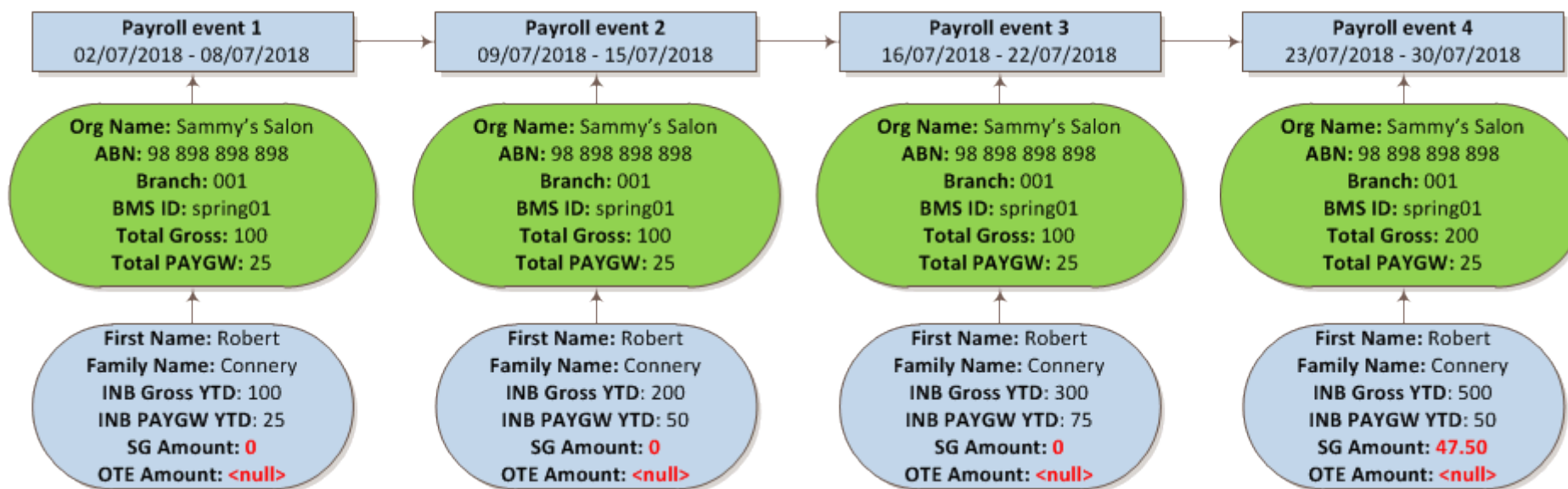
a. Until an amount is required to be calculated, then zero should be reported.

6.1.1.6.b.i Scenario - employer reports zero until an amount is required to be calculated

Detail

Robert Connery works as a casual employee for Sammy's Salon, Robert is under 18 and his salary changes each week. Robert is paid \$100 in the first 3 weekly pays of the financial year, Sammy's Salon reports YTD amount of superannuation liability of zero as Robert is under the threshold for an under 18 year old for superannuation guarantee. In the fourth weekly pay he receives \$200 which takes him above the threshold and Sammy's Salon calculates and reports the Superannuation liability.

Note: the payroll events in this picture represent weekly pay.



Payroll event 1	Robert Connery is paid under payroll event 1. Superannuation amount is reported as zero as part of the payroll event.
Payroll event 2	Robert Connery is paid under payroll event 2. Superannuation amount is reported as zero as part of the payroll event.
Payroll event 12	Robert Connery is paid under payroll event 3. Superannuation amount is reported as zero as part of the payroll event.
Payroll event 4	Robert Connery is paid under payroll event 4. His monthly income is now above the threshold for an under 18 for the superannuation guarantee. Superannuation amount is calculated and included as part of the payroll event.

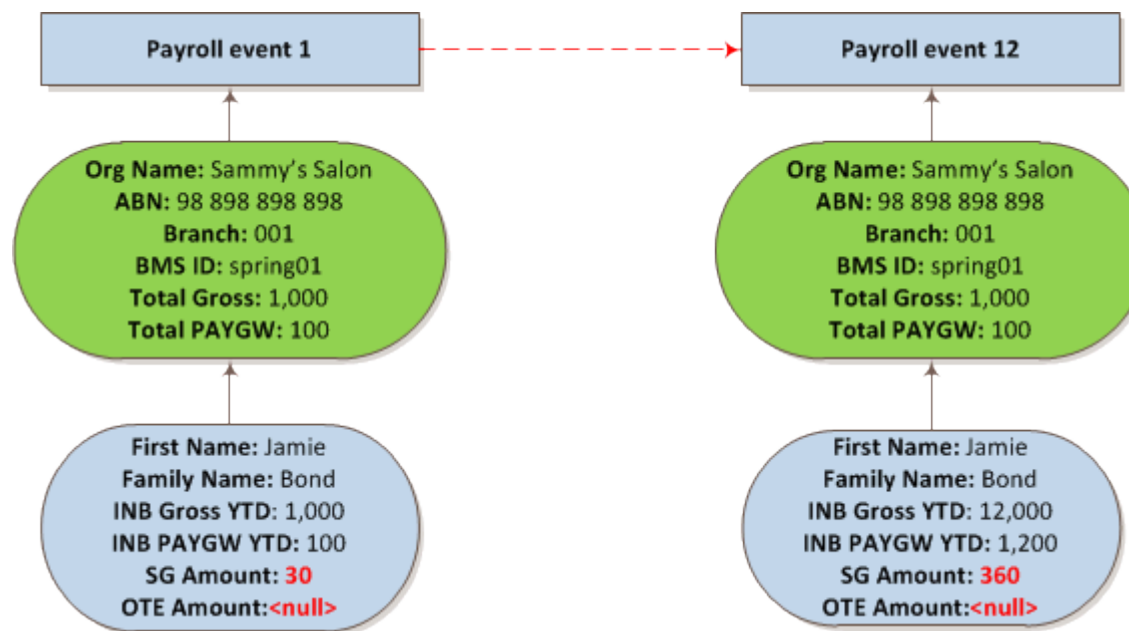
6.1.1.6.c Report result of superannuation liability calculation if zero

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 SG amount [PAYEVNTEMP84]. This would usually correspond to the amount shown on the employee's payslip.

6.1.1.6.c.i Scenario - employer pays employee through defined benefit fund and contribution is on the employee's payslip

Detail

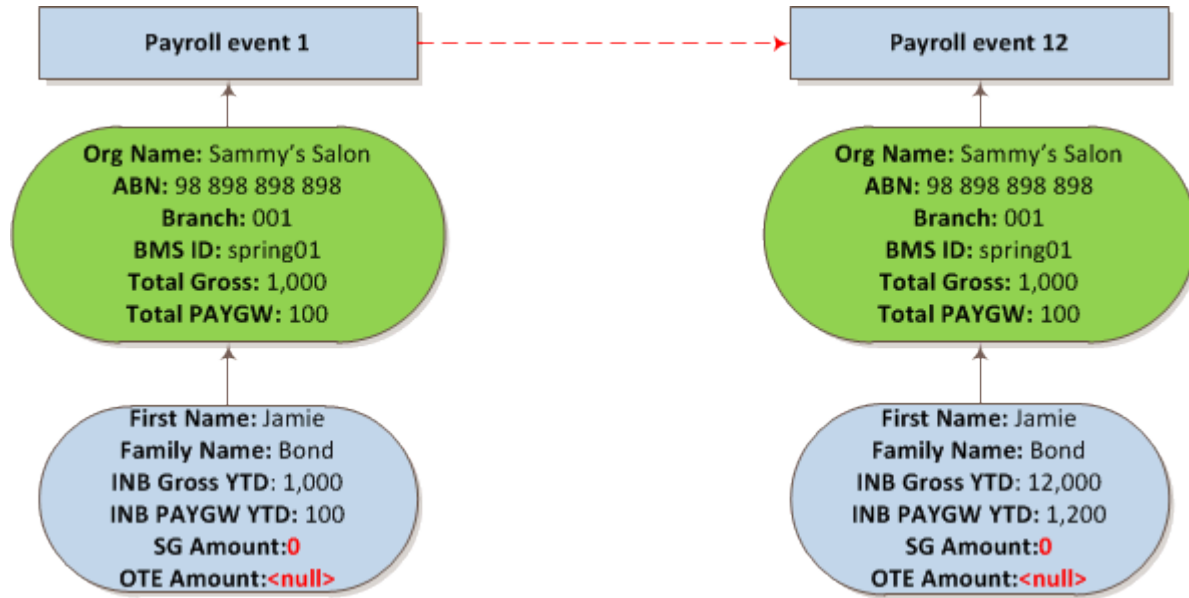
Jamie Bond receives \$1,000 per month as salary. Jamie belongs to a defined benefit fund. The superannuation contribution amount of 3% of OTE is reflected on Jamie's payslip and is reported via the payroll event.



Payroll event 1	Jamie Bond is paid under payroll event 1. Superannuation amount is included as part of the payroll event.
Payroll events 2-11	Jamie Bond's salary does not change throughout the year.
Payroll event 12	This is the last payroll event of the year and the superannuation amount is included.

6.1.1.6.c.ii Scenario - employer pays employee through defined benefit fund and contribution is not on the employee's payslip.
Detail

Jamie Bond receives \$1,000 per month as salary. Jamie belongs to a defined benefit fund. No superannuation contribution amount is reflected on Jamie's payslip.

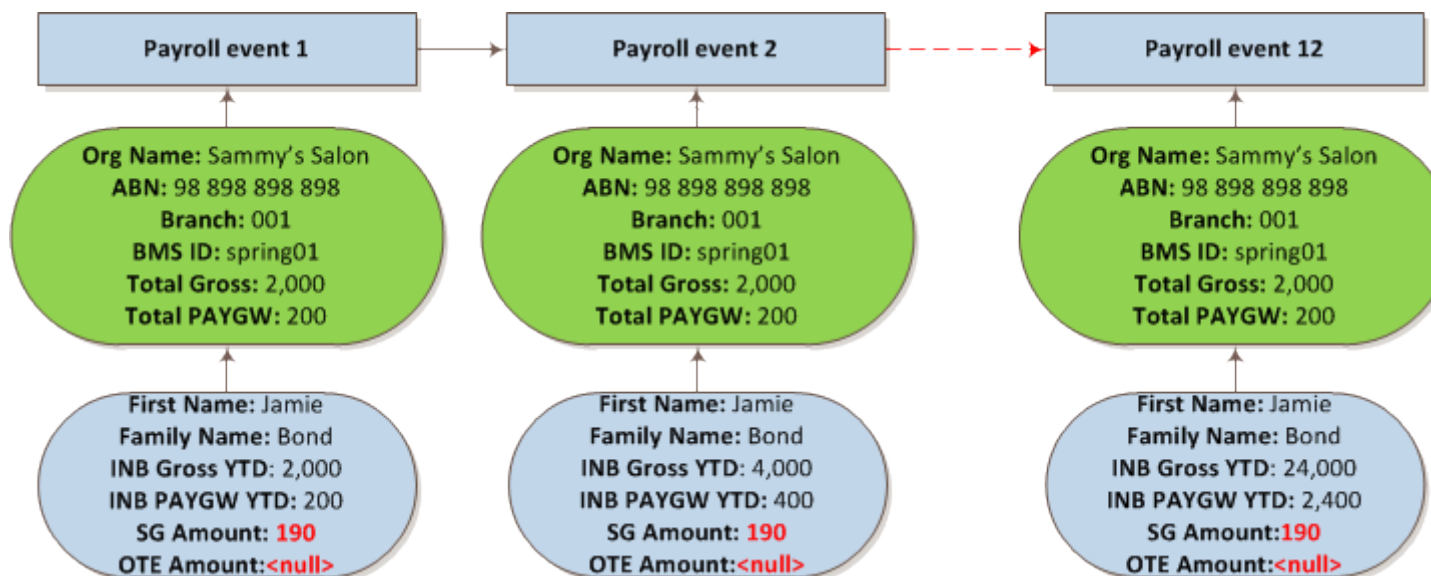


Payroll event 1	Jamie Bond is paid under payroll event 1. Superannuation amount is not included as part of the payroll event.
Payroll events 2-11	Jamie Bond's salary does not change throughout the year.
Payroll event 12	This is the last payroll event of the year and the superannuation amount is not included.

6.1.1.6.c.iii Scenario - employer pays employee the minimum superannuation guarantee obligation on OTE only.

Detail

Jamie Bond receives \$2,000 per month as salary and Sammy's Salon pays the minimum superannuation guarantee amount. From the second payroll event they receive employer paid parental leave and Sammy's Salon does not pay superannuation on this.



Payroll event 1	Jamie Bond is paid under payroll event 1 normal salary of \$2,000
Payroll event 2-12	Jamie Bond receives employer paid parental leave payment of \$2,000 each month up to and including payroll event 12. No additional super is reported.

6.1.1.6.d If no superannuation liability in payroll event, must report OTE

c. Where the employer cannot report superannuation liability they must report YTD OTE amount.

No scenario required as software developers are required to calculate the superannuation liability as part of the payslip obligations under Fair Work.

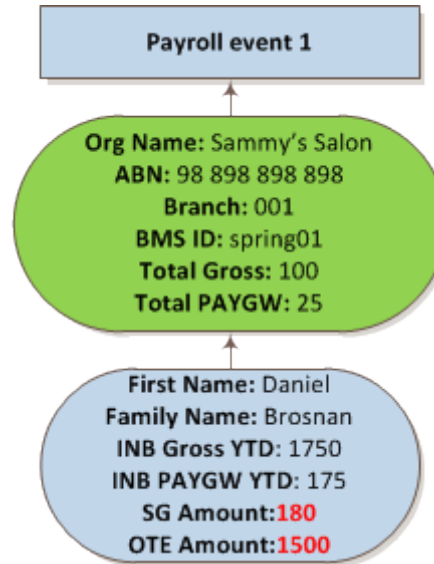
6.1.1.6.e Employer reports both OTE and SG

- d. An employer can choose to report both OTE and SG amounts, if their solution stores both.

6.1.1.6.e.i Scenario - employer reports both superannuation liability and OTE amount

Detail

Daniel Brosnan receives \$1,500 per month as salary and Sammy's Salon agreed to pay 12% of ordinary time earnings. Daniel also receives overtime payment of \$250 each month, superannuation is not calculated on this overtime amount. Sammy's Salon reports both the superannuation liability and OTE amount in the payroll event.

**Payroll event 1**

Daniel Brosnan is paid under payroll event 1, including \$250 overtime. Sammy's Salon pays Superannuation of \$180 (12% of \$1,500 OTE). Sammy's Salon includes both the superannuation liability and OTE amount in the payroll event.

6.1.1.7 Identification of payee through tax file number (TFN) or Australian business number (ABN)

7. All payees must have either a TFN or ABN reported.

Refer to scenario 6.1.1.7.c.i

6.1.1.7.a Mandatory reporting of ABN for contractors

- a. Where you are 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. Note: the reporting of these payments through is voluntary.

Refer to scenario 6.1.1.7.c.i

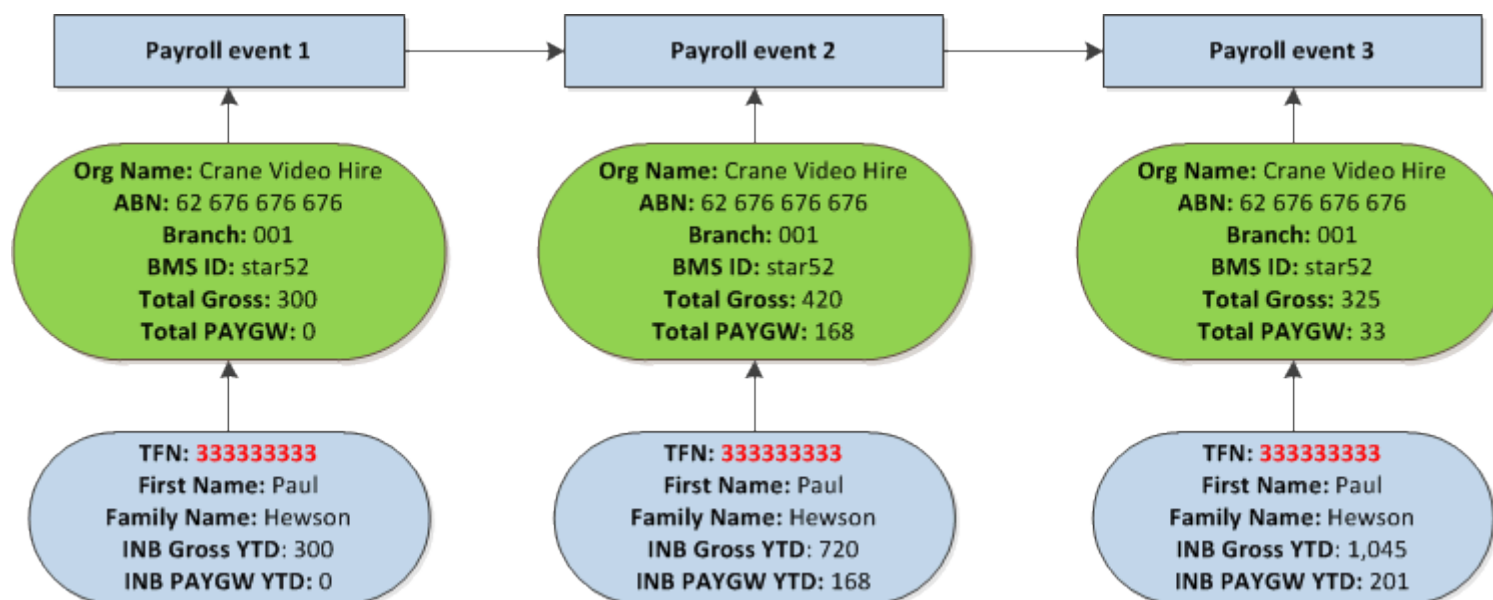
6.1.1.7.b Mandatory Reporting of TFN for Employees

b. The TFN [PAYEVNTEMP13] is a mandatory field in the payroll event for employees. Where a TFN has not been provided then employers must use the TFN exemption codes.

6.1.1.7.b.i Scenario - employer reports an employee who is under 18 and has claimed an exemption.

Detail

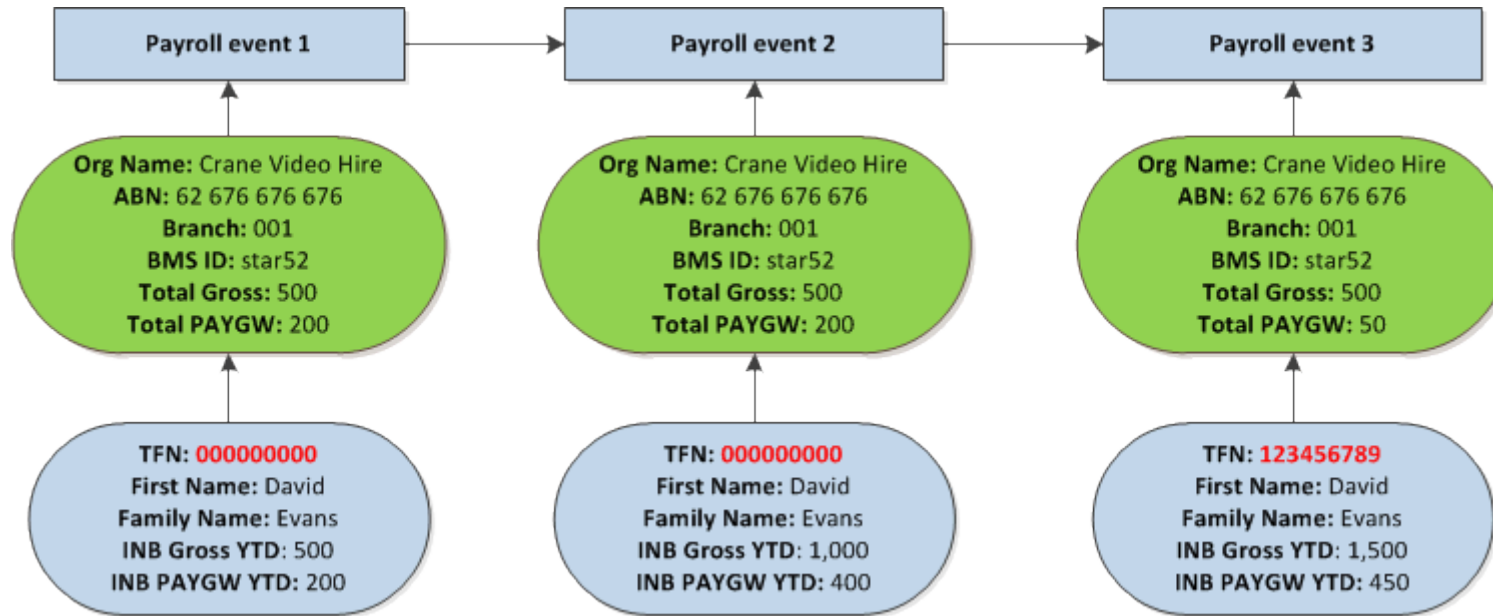
Paul Hewson is an employee of Crane Video Hire. Paul has claimed an exemption as he is under 18 years of age. Due to varying working hours in the weekly payroll period his gross pay fluctuates above and below \$350. Crane Video Hire can continue to report a TFN exemption code of 333333333 until Paul turns 18, even if he earns more than \$350 in a particular weekly payroll period.



Payroll event 1	Crane Video Hire pays Paul \$300, reports his TFN as 333333333 and does not withhold any tax.
Payroll event 2	Crane Video Hire pays Paul \$420, reports his TFN as 333333333 and withholds at the highest tax rate.
Payroll event 3	Crane Video Hire pays Paul \$325, reports his TFN as 333333333 and does not withhold any tax.

6.1.1.7.b.ii Scenario - employer reports an employee who has not completed a TFN declaration.
Detail

David Evans is an employee of Crane Video Hire. David has not provided a TFN declaration form. Crane Video must report exemption code 000000000 as the TFN until David can provide the actual TFN number.



Payroll event 1	Crane Video Hire pays David Evans \$500, reports his TFN as 000000000 and withholds at the highest tax rate.
Payroll event 2	Crane Video Hire pays David Evans \$500, reports his TFN as 000000000 and withholds at the highest tax rate.
Payroll event 3	David Evans receives his TFN number and provides this to Crane Video Hire. They pay David Evans \$500, report his actual TFN as 123456789 and withhold at the marginal tax rate.

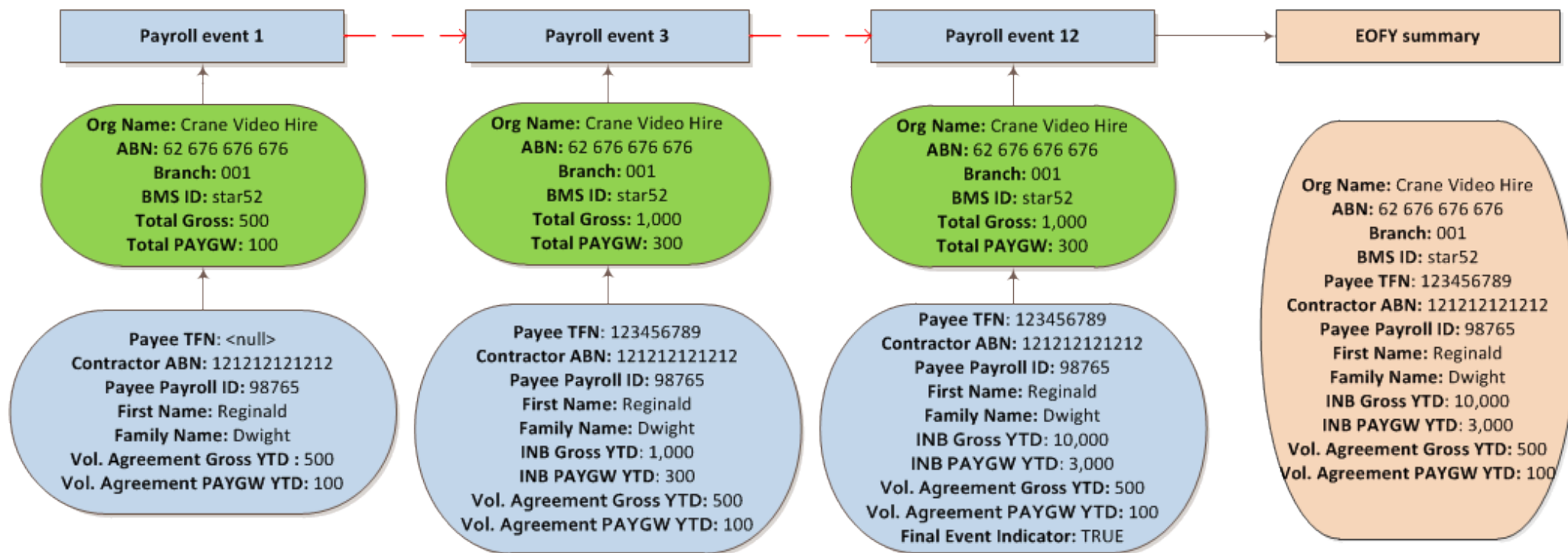
6.1.1.7.c Payee who has been both a contractor and employee in the same financial year

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).

6.1.1.7.c.i Scenario - contractor is terminated and rehired as an employee within the same financial year.

Detail

Reginald Dwight works as a contractor at Crane Video Hire, his contract ceases and is subsequently rehired as an employee under the same payroll ID later in the same financial year.



Payroll event 1	Reginald is paid as a contractor in payroll event 1.
Payroll event 2	Reginald is not paid in payroll event 2 as he did not work in this period.
Payroll events 3-12	Reginald is hired as an employee with the same payroll ID (98765) for the remainder of the financial year.
EOFY Summary	An end of financial year (EOFY) summary will be available to Reginald via ATO Online services in myGov.

6.1.1.8 Parent record must have child record

8. A payroll event must contain at least one employee record.

Refer to scenario 6.1.1.3.a.i

6.1.1.9 Payroll ID unique per ABN/Branch/BMS ID

9. A payroll event can only include one record per employee, per Payee Payroll ID.

Refer to scenario 6.1.2.4.a.i

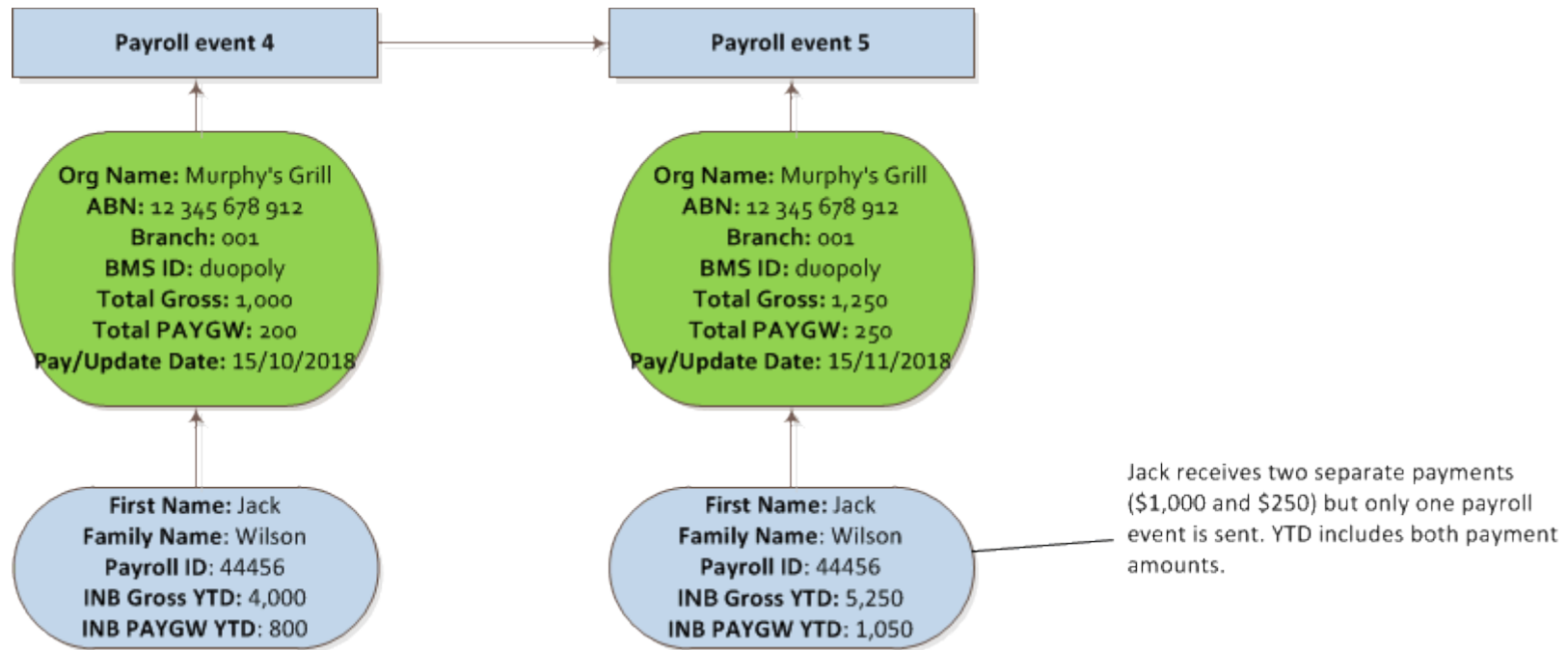
6.1.1.10 Multiple payments to ABN/Branch/BMS ID/Payroll ID per day

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).

6.1.1.10.a.i Scenario - employer pays employee twice on same day and sends a single payroll event

Detail

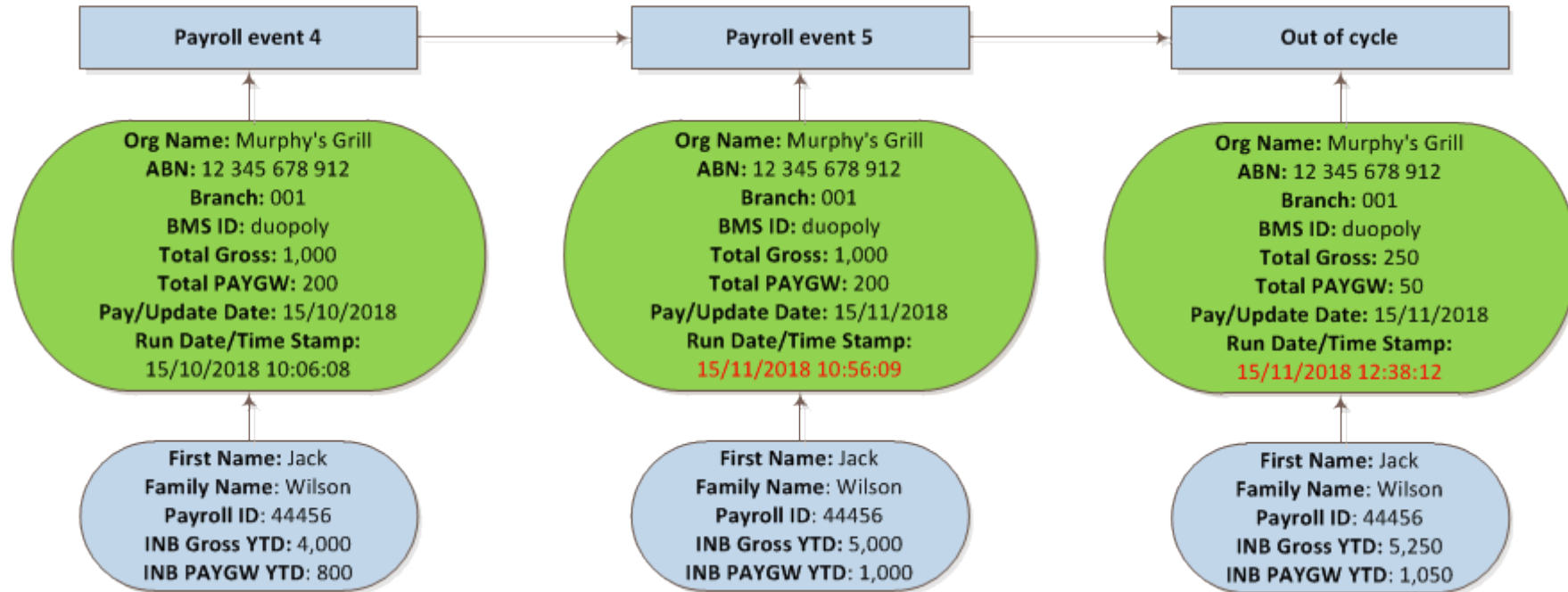
Murphy's Grill runs its payroll for Jack Wilson on 15/11/18, they discover that an allowance amount was omitted from Jack's pay and they run a second payroll on the same day. Murphy's Grill can provide this information in a single payroll event.



Payroll event 4	Jack Wilson receives a regular payroll payment.
Payroll event 5	Murphy's Grill pays Jack Wilson a regular payroll payment of \$1,000 and sends their bank file. They discover an allowance amount of \$250 was not paid to Jack Wilson, they run a payroll to pay this and send a second bank file. A single payroll event is sent incorporating both payments in the YTD amount of \$1,250 for Jack Wilson.

6.1.1.10.a.ii Scenario - employer pays employee twice on same day and sends two payroll events
Detail

Murphy's Grill runs its payroll for Jack Wilson on 15/11/18, they discover that an allowance amount was omitted from Jack's pay and they run a second payroll on the same day. Murphy's Grill provides two separate payroll events. The second payroll incorporates the latest YTD information.



Payroll event 4	Murphy's Grill pays Jack Wilson a regular payroll payment of \$1,000.
Payroll event 5	Murphy's Grill pays Jack Wilson a regular payroll payment of \$1,000.
Payroll event 6	They discover an allowance amount of \$250 was not paid to Jack Wilson, they run second payroll on 15/11/18 to pay this.

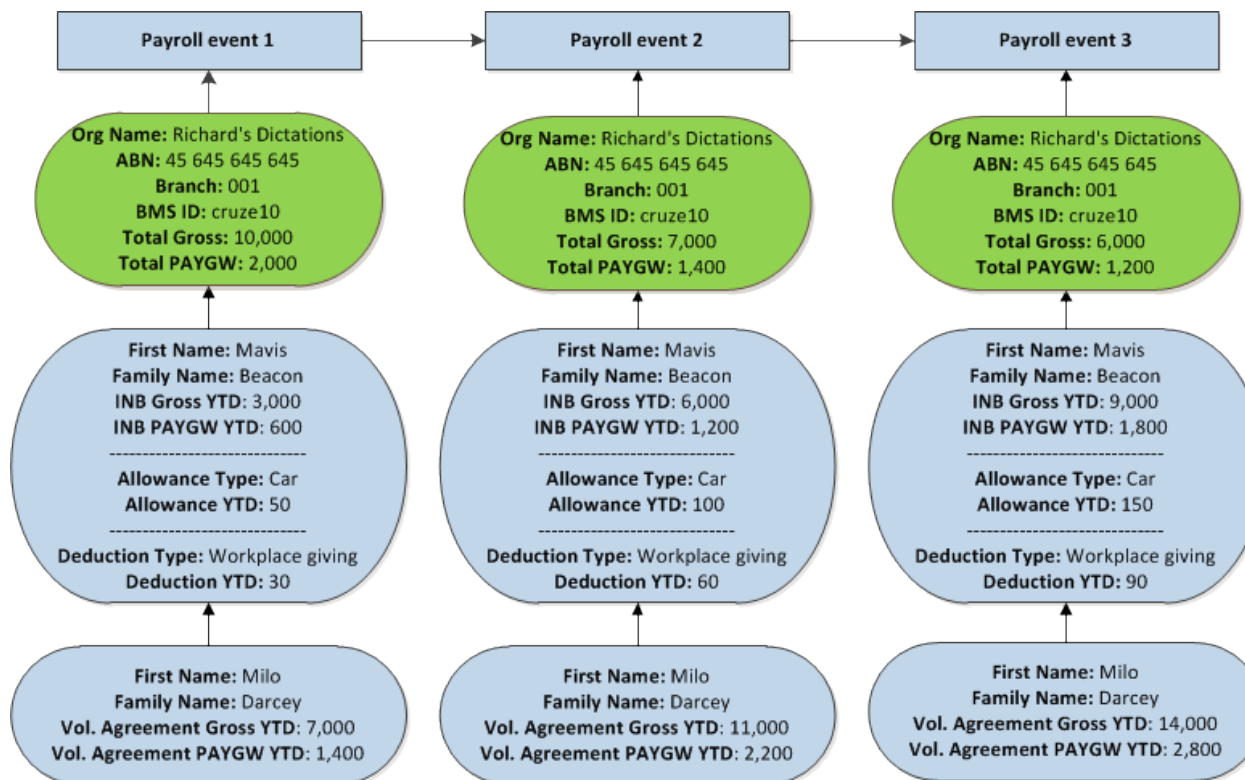
6.1.1.10.b Employer amounts to reflect sum of reported period amounts

- a. The employer level W1 and W2 amounts must include all payments included in the report.

6.1.1.10.b.i Scenario - employer reports multiple payment types for employees.

Detail

Richard's Dictations employs Mavis Beacon as an employee and Milo Darcey as a contractor. The gross payments and withholding amounts for Mavis and Milo are combined and reported at the employer level under total gross payments and total PAYG withholding. The total gross payments and total PAYG withholding are the total of all the payees reported in the payroll event.



Payroll event 1 Mavis's gross payment is \$3,000 of which \$600 PAYGW tax is withheld. The YTD amounts are reported under Gross Payments Individual and INB Withholding.
 Milo's gross payment is \$7,000 of which \$1,400 PAYGW tax is withheld. The YTD amounts are reported under Gross Voluntary Agreement and Voluntary Agreement PAYGW.
 The pay period totals of Mavis's and Milo's amounts are reported at the payer level as combined amounts.
 Total PAYGW Amount: \$10,000

	Total Gross Payments: \$2,000
Payroll event 2	<p>Mavis's gross payment is \$3,000 of which \$600 PAYGW tax is withheld. The YTD amounts are reported under Gross Payments Individual and INB Withholding.</p> <p>Milo's gross payment is \$4,000 of which \$800 PAYGW tax is withheld. The YTD amounts are reported under Gross Voluntary Agreement and Voluntary Agreement PAYGW.</p> <p>The pay period totals of Mavis's and Milo's amounts are reported at the payer level as combined amounts.</p> <p>Total PAYGW Amount: \$7,000</p> <p>Total Gross Payments: \$1,400</p>
Payroll event 3	<p>Mavis's gross payment is \$3,000 of which \$600 PAYGW tax is withheld. The YTD amounts are reported under Gross Payments Individual and INB Withholding.</p> <p>Milo's gross payment is \$3,000 of which \$600 PAYGW tax is withheld. The YTD amounts are reported under Gross Voluntary Agreement and Voluntary Agreement PAYGW.</p> <p>The pay period totals of Mavis's and Milo's amounts are reported at the payer level as combined amounts.</p> <p>Total PAYGW Amount: \$6,000</p> <p>Total Gross Payments: \$1,200</p>

6.1.1.11 Time stamp used to sequence reports per ABN/Branch/BMS ID/Payroll ID

11. The employer may lodge multiple payroll event files for the same day, where there is more than one report for the same ABN/BMS ID the time stamp is used to identify the latest record for each employee, to ensure the employee's myGov display recognises the latest record.

Refer to scenario 6.1.1.10.a.ii

6.1.2 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.

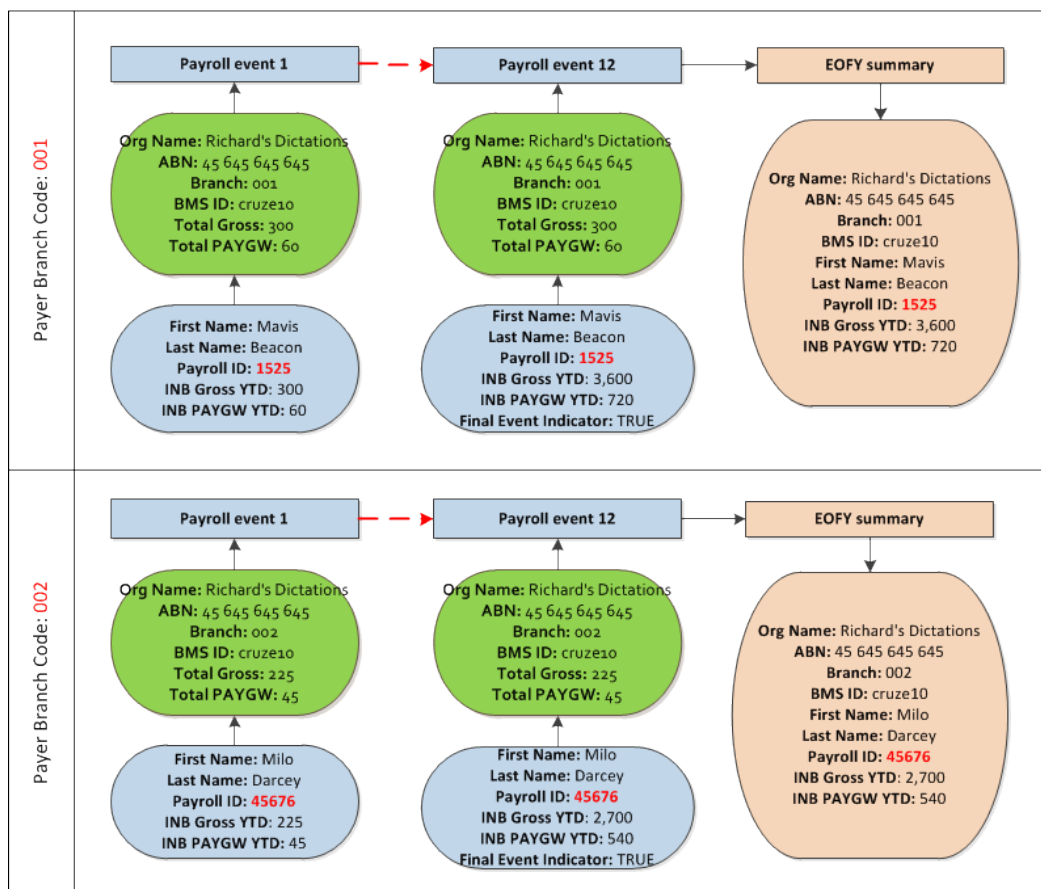
6.1.2.1 Branching

1. Where an employer has branched for PAYG withholding purposes, the employer must report separate payroll events for each PAYG withholding branch, established with the ATO.

6.1.2.1.a.i Scenario - employer is branched for PAYG withholding purposes and reports payroll per branch

Detail

Richard's Dictations operates two separate branches for PAYG withholding purposes. Payroll events are reported separately for each branch (Branch 001 and Branch 002).



Payroll events 1-12 Richard's Dictations provides separate payroll events for each Payer Branch Code.

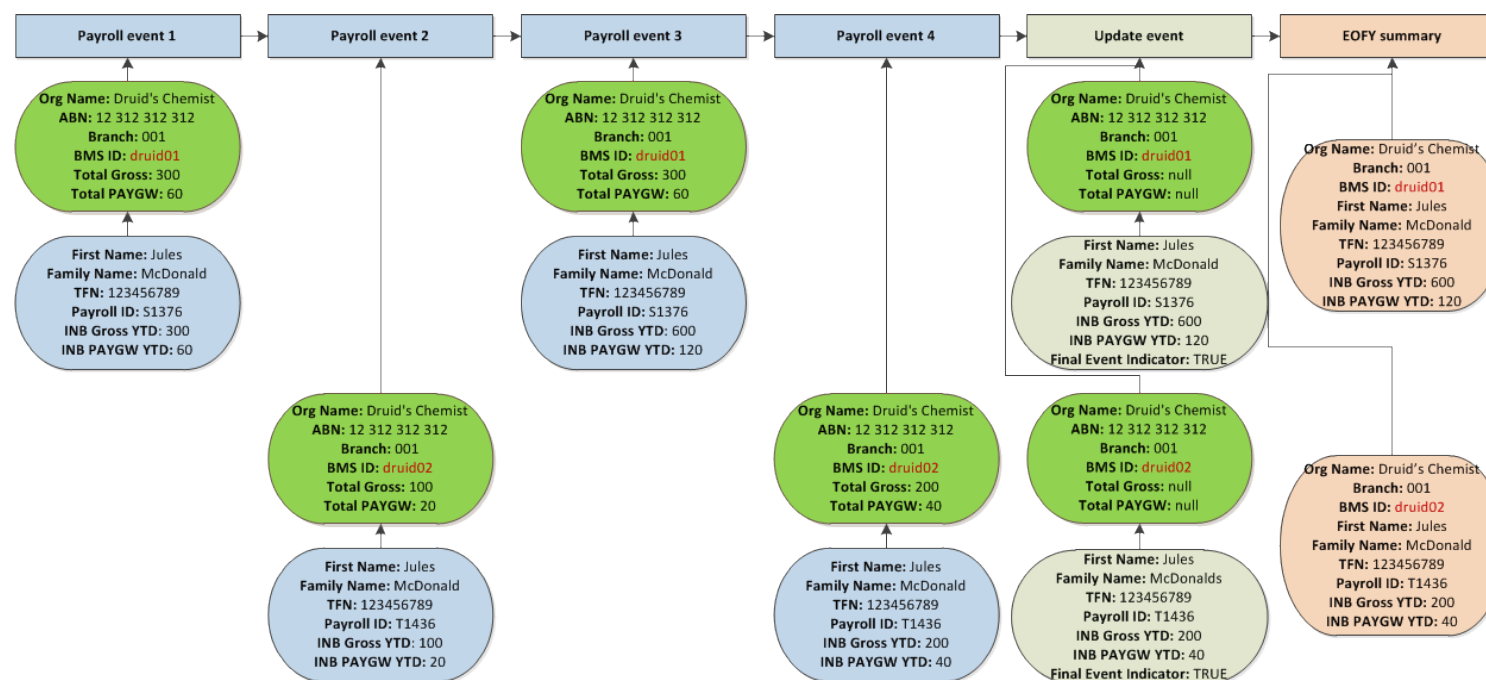
6.1.2.2 Multiple simultaneous BMS

2. An employer may choose to report separately, for each instance of a payroll solution by allocating a unique BMS ID. 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.

6.1.2.2.a.i Scenario - employer uses multiple BMS where an employee works across different stores

Detail

Druid's Chemist operates several stores across NSW. All stores operate under the same ABN and branch number. The management of the pharmacy chain has elected to manage separate payroll systems on a store-by-store basis. They will provide a payroll event to the ATO for each individual store. Jules works as a Pharmacist for Druid's Chemist. He works alternate weeks at Dapto and Miranda.



Payroll event 1	Jules McDonald works payroll period 1 at Dapto. A payroll event is provided to the ATO from Dapto with a BMS Identifier of 'druid01'.
Payroll event 2	Jules McDonald works payroll period 2 at Miranda. A payroll event is provided to the ATO from Miranda with a BMS Identifier of 'druid02'.
Payroll events 3-4	Payroll events 3 & 4 follow the fortnightly payment cycle.
Update event	At the end of the financial year both Druid's Chemist stores finalise their financial year by providing the ATO with a Final Event Indicator as part of an update event.
EOFY summary	Two end of financial year (EOFY) summaries will be available to Jules McDonald via ATO Online services in myGov.

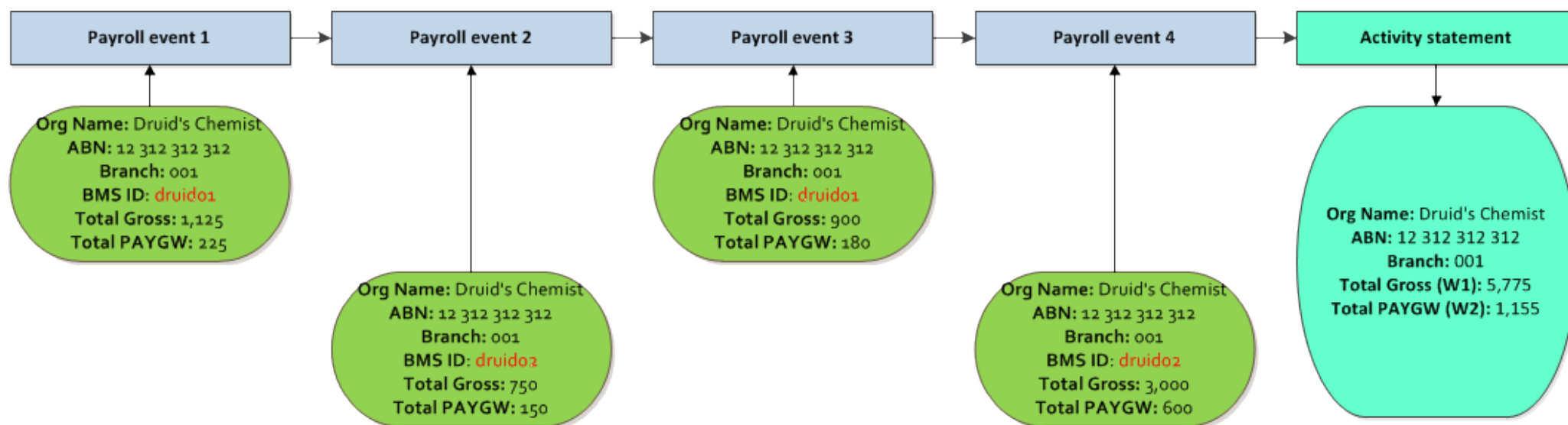
6.1.2.3 Aggregation of BAS pre-fill for multiple BMS

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-filing of the employers BAS.

6.1.2.3.a.i Scenario - employer with multiple BMS has information aggregated in their activity statement.

Detail

Druid's Chemist operates two stores in NSW (Dapto and Miranda). The stores operate under the same ABN and branch number. The management of the pharmacy chain has elected to manage separate payroll systems on a store-by-store basis. They will provide a payroll event to the ATO for each individual store. The Dapto store uses BMS ID 'druid01' and the Miranda store uses BMS ID 'druid02'.



Payroll event 1	A payroll event is provided to the ATO from Dapto with a BMS Identifier of 'druid01'.
Payroll event 2	A payroll event is provided to the ATO from Miranda with a BMS Identifier of 'druid02'.
Payroll event 3	A payroll event is provided to the ATO from Dapto with a BMS Identifier of 'druid01'.
Payroll event 4	A payroll event is provided to the ATO from Miranda with a BMS Identifier of 'druid02'.
Activity statement	The activity statement for the period covering payroll events 1 to 4 has the aggregated W1 and W2 amounts.

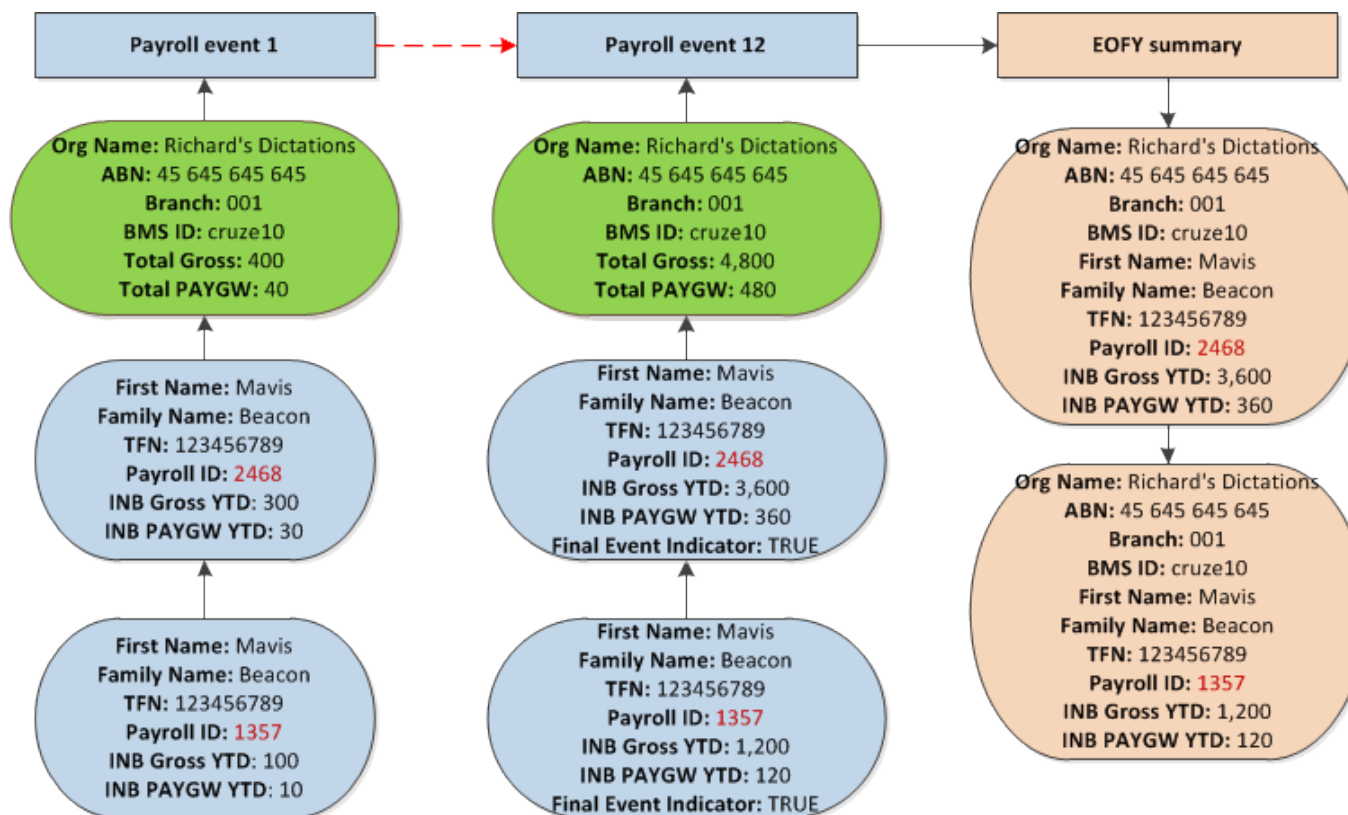
6.1.2.4 Grouping of reported data by ABN/Branch/BMS ID/Payroll ID

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 Single Touch Payroll 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, the employee can be reported under multiple Payee payroll IDs within a single payroll event.

6.1.2.4.a.i Scenario - employee is paid using two unique Payee Payroll IDs.

Detail

Richard's Dictations employs Mavis Beacon in two separate roles. During the week Mavis works 3 days as an administrator and 2 days as an office manager. As these jobs have different rates of pay, Mavis is listed in the BMS twice, with a separate Payee Payroll ID for each role.



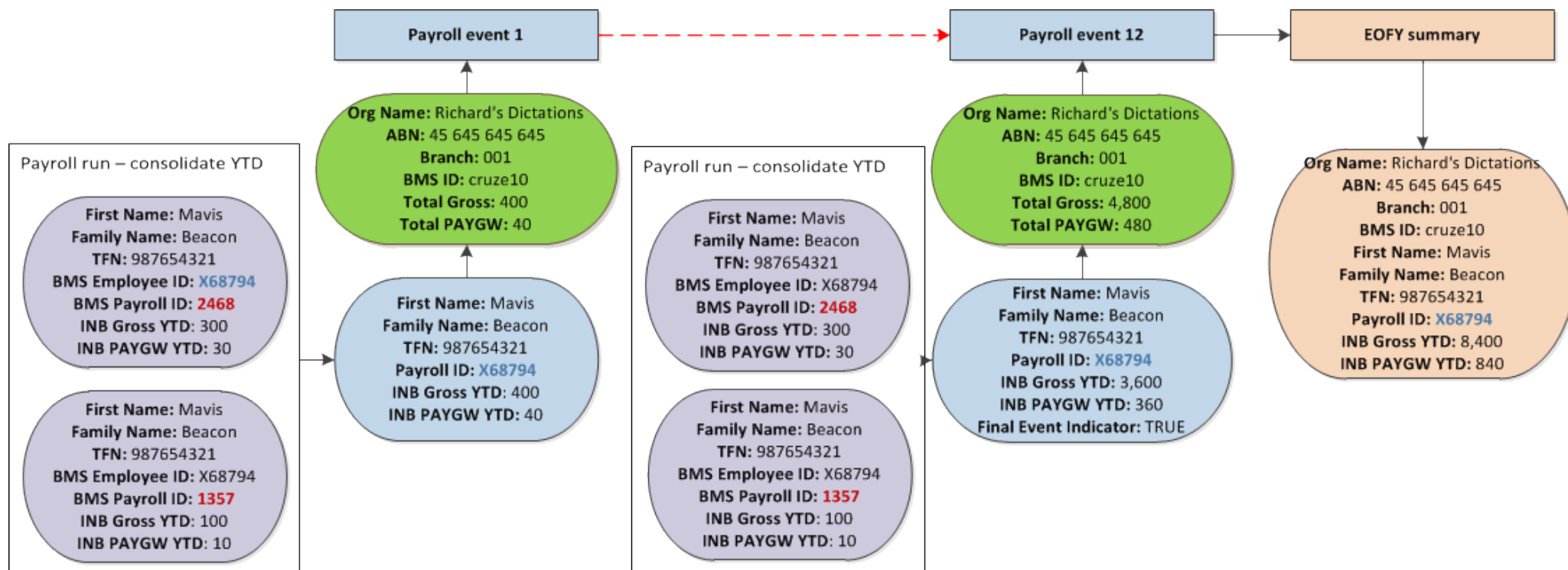
Payroll events 1-12 A payroll event includes two entries for Mavis Beacon, one for each Payee Payroll ID.

EOFY summary Two end of financial year (EOFY) summaries will be available to Mavis Beacon via ATO Online services in myGov.

6.1.2.4.a.ii Scenario - employee is paid using two unique Payee Payroll IDs and reported as consolidated.

Detail

Richard's Dictations employs Mavis Beacon in two separate roles. During the week Mavis works 3 days as an administrator and 2 days as an office manager. As these jobs have different rates of pay, Mavis is listed in the BMS with an employee ID of X68794 and two separate Payroll IDs for each role. Richards Dictations consolidates the YTD amounts under the employee ID and uses this to report the consolidated figures for Mavis in each payroll event.



Payroll events 1-12 The payroll events include a consolidated record for Mavis Beacon, using the employee ID as the Payroll ID.

EOFY summary A consolidated end of financial year (EOFY) summary will be available to Mavis Beacon via ATO Online services in myGov.

6.1.2.5 Grouping of reported data by ABN/Branch/BMS ID/Payroll ID

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).

Refer to scenarios in section 6.1.2

6.1.3 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 payment, payment in advance or back payments. Note: where a payment in advance is treated as a loan it is not subject to withholding and does not have to be reported.

6.1.3.1 Payroll event due date

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](#)).

Refer to scenarios in section 6.1.1.1 and 0

6.1.3.2 Out of cycle payroll event report

2. The employer may report using a payroll event, on the day of the out of cycle payment.

Refer to scenarios in section 6.1.1.1 and 0

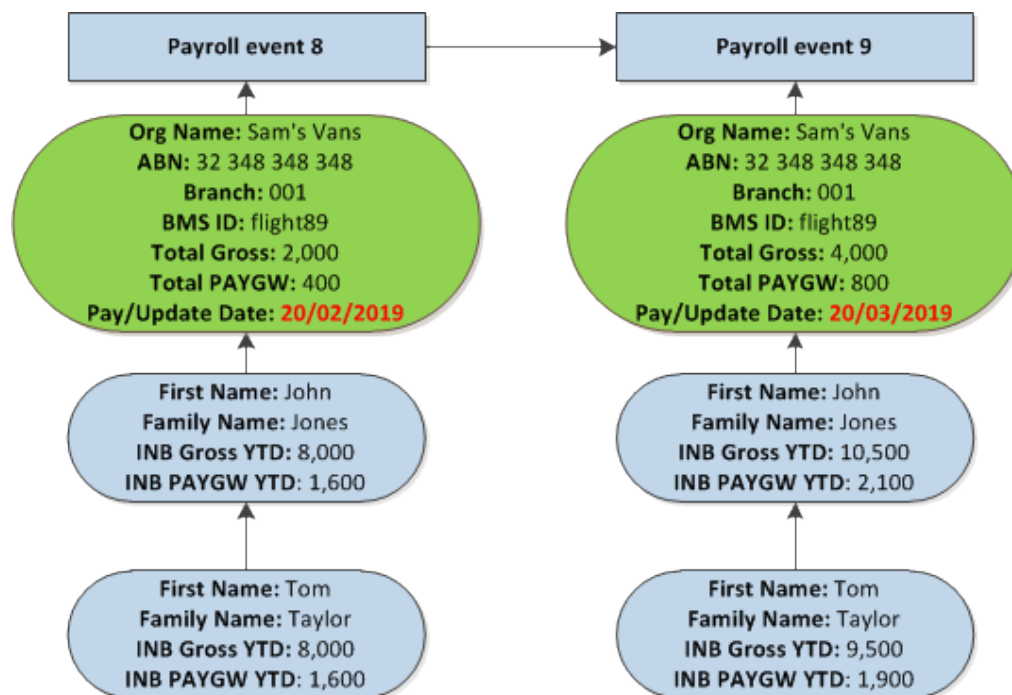
6.1.3.3 Defer out of cycle Reporting

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. An automatic lodgment deferral to the next regular pay cycle payment date will be granted.

6.1.3.3.a.i Scenario - employer makes an out of pay cycle payment within the same withholding cycle.

Detail

John Jones Tom Taylor are each paid a bonus out of cycle (John \$1,500 and Tom \$500) . As a small withholder Sam's Vans reports the information in the next regular payroll event as it is within the same withholding period. The payment of withholding remains due according to the date the employee received their out of cycle payment. Payment due dates for small, medium and large employers should follow the guidance provided on the [ATO website](#).



Payroll event 8	On 20/02/2019 (Q3) John Jones and Tom Taylor receive their regular payroll payments of \$1,000 each.
Out-of-cycle payment	On 25/02/2019 (Q3) John Jones and Tom Taylor are paid a one-off bonus. \$1,500 for John and \$500 for Tom
Payroll event 9	On 20/03/2019 (Q3) The out of cycle payments are reported in the March payroll event 9 with their regular pay. John Jones: (\$1,000 + \$1,500 + \$8,000 (prior YTD)). A new YTD of \$10,500 is reported. Tom Taylor: (\$1,000 + \$500 + \$8,000 (prior YTD)). A new YTD of \$9,500 is reported.

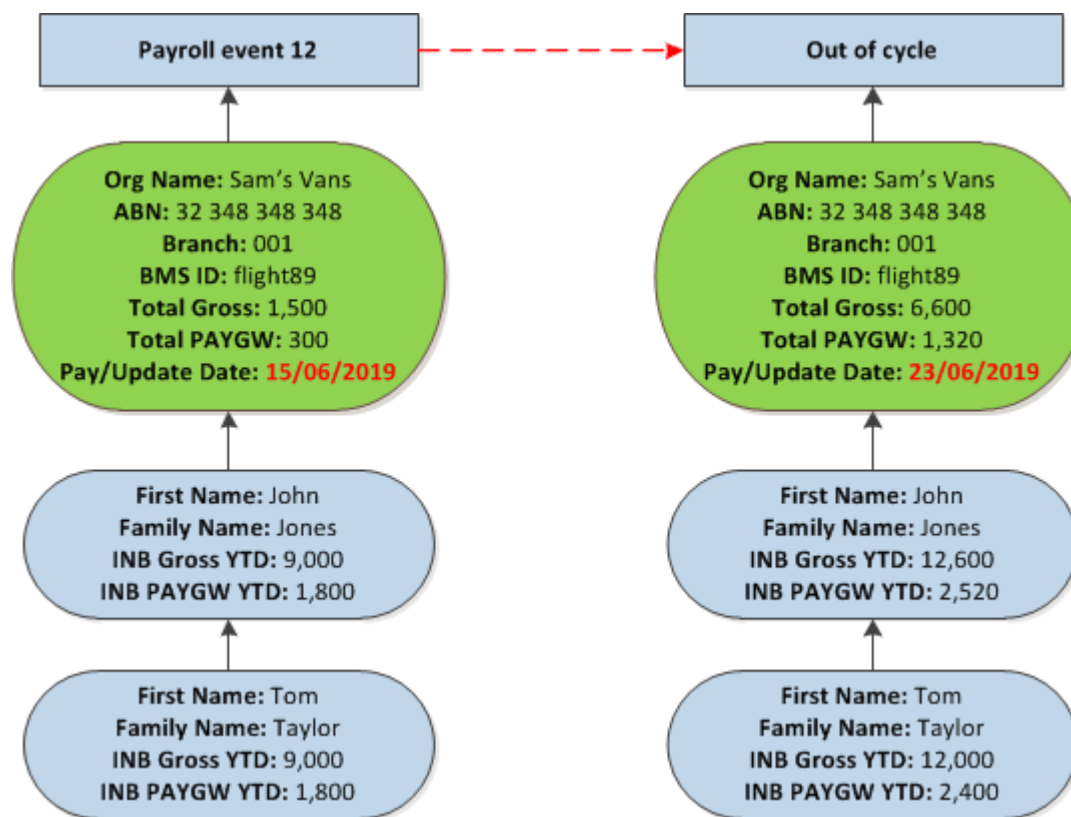
6.1.3.4 Deferral exception at end of financial year

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.

6.1.3.4.a.i Scenario - employer makes an out-of-pay cycle payment as next regular pay cycle is after 30 June.

Detail

Tom Taylor and John Jones are paid a bonus as an out of cycle payment after the last regular pay day for the financial year. As the next regular pay day is 15/07/2019 the deferred due date is 30 June. The information is reported in an out of cycle payroll event prior to the deferral date.



Payroll event 12	On 15/06/2019 Tom Taylor and John Jones receive their regular payroll payments.
Bonus payment	On 23/06/2019 Tom Taylor and John Jones are paid a one-off bonus.
Out of Cycle	On 23/06/2019 The payments are reported in an out of cycle payroll event.

6.1.4 Remittance of PAYG withholding

6.1.4.1 Payment of PAYG withholding not deferred if report deferred

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.

Refer to scenario 6.1.3.3.a.i

6.1.4.2 Deferral impact on parent totals for large withholders

2. Large withholders must follow the existing large withholder [bulletin](#).

Refer to existing large withholder bulletin on [ATO website](#)

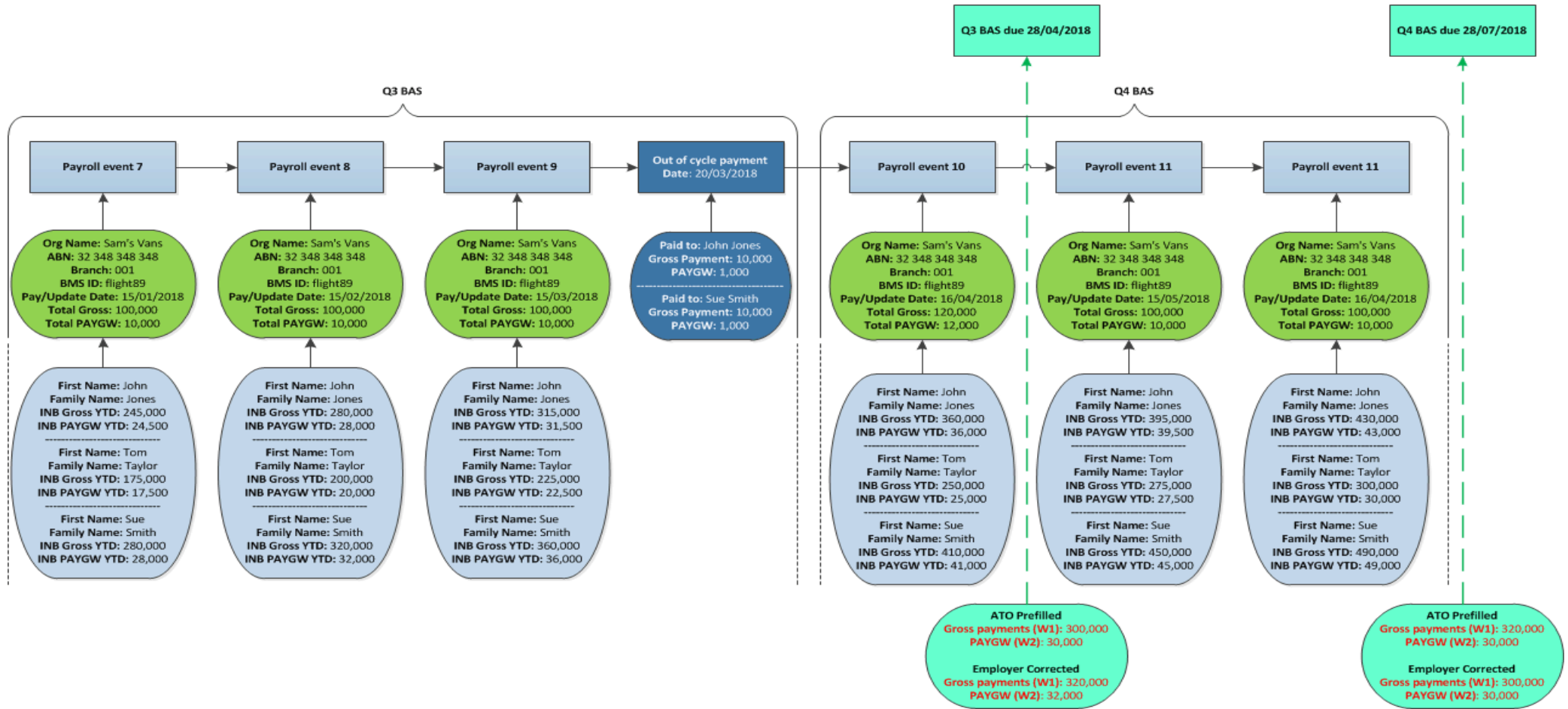
6.1.4.3 Deferral impact on parent totals for small and medium withholders

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. Note: An employer can only report period gross salary or wages (BAS label W1) and pay as you go PAYG withholding (BAS label W2) in a payroll event, these amounts cannot be reported in an update event.

6.1.4.3.a.i *Scenario - employer adjusts BAS prefill as a result of a payment reported in a later period.*

Detail

Sam's Vans makes an out of cycle payment on 20/03/2018 to two of their employees (John Jones and Sue Smith) totalling \$20,000. These payments occur within the quarter (Q3) BAS period; however Sam's Vans choose to report the payments in their next regular payroll which is in the quarter 4 (Q4) BAS period. When lodging the Q3 and Q4 BAS's Sam's Vans will need to update the ATO prefilled W1 and W2 figures.



Payroll events 7 to 9	Sam's Vans sends regular monthly payroll events. These are within the Q3 BAS period.
Out of cycle payment	Payments totalling \$20,000 are made to John and Sue. These payments are within the Q3 BAS period but not reported until payroll event 10.
Payroll event 10	Sam's Vans sends regular payroll event for all employees. The payments made on 20/03/2018 are included in the YTD figures of John and Sue. This payroll is within the Q4 BAS period.
Q3 BAS	The Q3 BAS is prefilled with the information from payroll events 7, 8 and 9. Sam's Vans corrects the amounts to include the payments made on 20/03/2018.
Payroll events 11 and 12	Sam's Vans sends regular monthly payroll events. These are within the Q4 BAS period.
Q4 BAS	The Q4 BAS is prefilled with the information from payroll events 10, 11 and 12. Sam's Vans corrects the amounts to exclude the payments made on 20/03/2018 as these have already been included in the Q3 BAS.

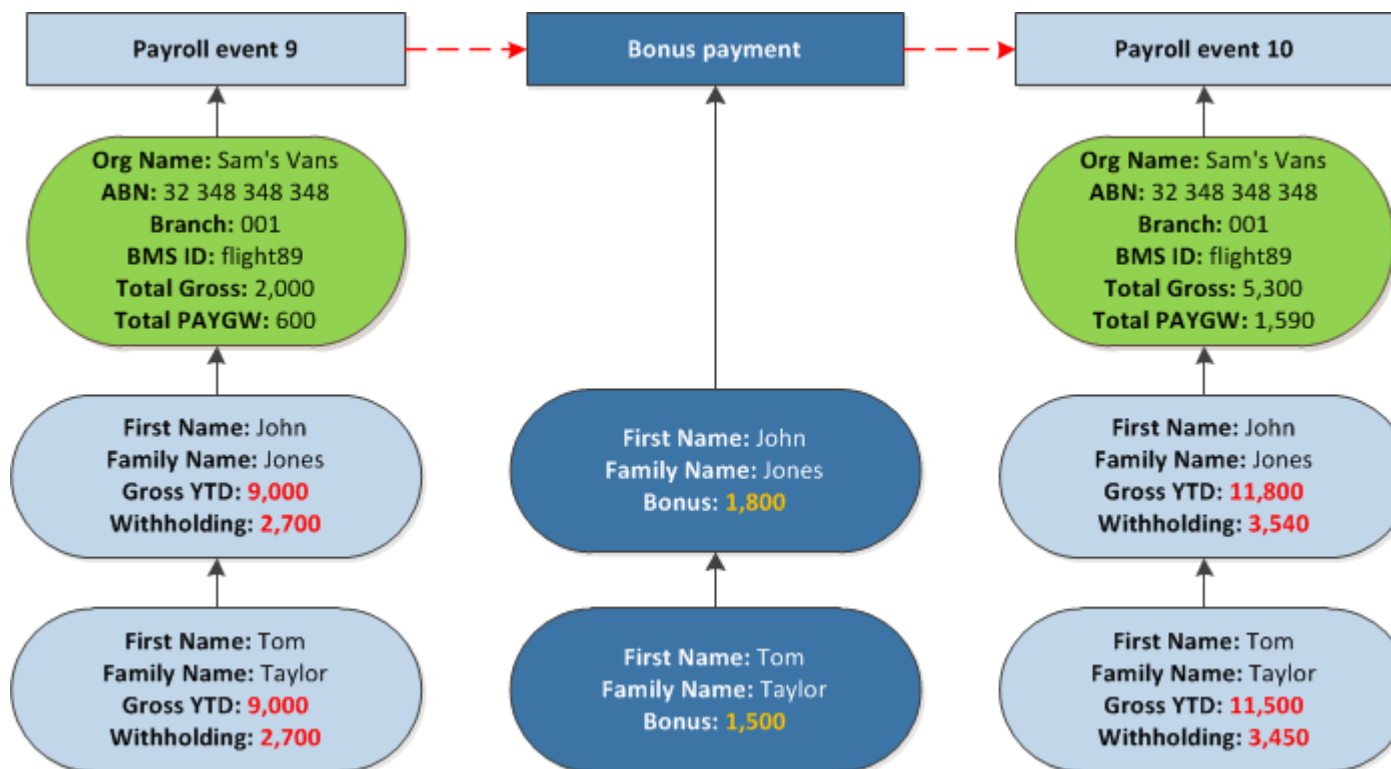
6.1.4.4 Materiality threshold test for reporting and payment

4. Where the amount of the adjustment is less than the materiality threshold (amounts to be confirmed), the employer does not need to adjust the BAS and may defer the payment to the next BAS due date.

6.1.4.4.a.i Scenario - withholding during a period is below the materiality threshold.

Detail

Sam's Vans is a STP-enabled business. In this scenario the materiality threshold is assumed to be \$2,000 of withholding, the actual threshold will be published to the ATO website. Two employees are paid a bonus after the regular pay day. The next regular pay day is within the next withholding cycle.



Payroll event 9	On 20/03/2019 (Q3) Tom Taylor and John Jones receive their regular payroll payments of \$1,000 each.
Out-of-cycle payment	On 25/03/2019 (Q3) Tom Taylor and John Jones are paid a one-off bonus.
Payroll event 10	On 20/04/2019 (Q4) The out of cycle payment are reported in the April payroll event 10, even though they were paid in the previous month.

6.1.5 Cessation

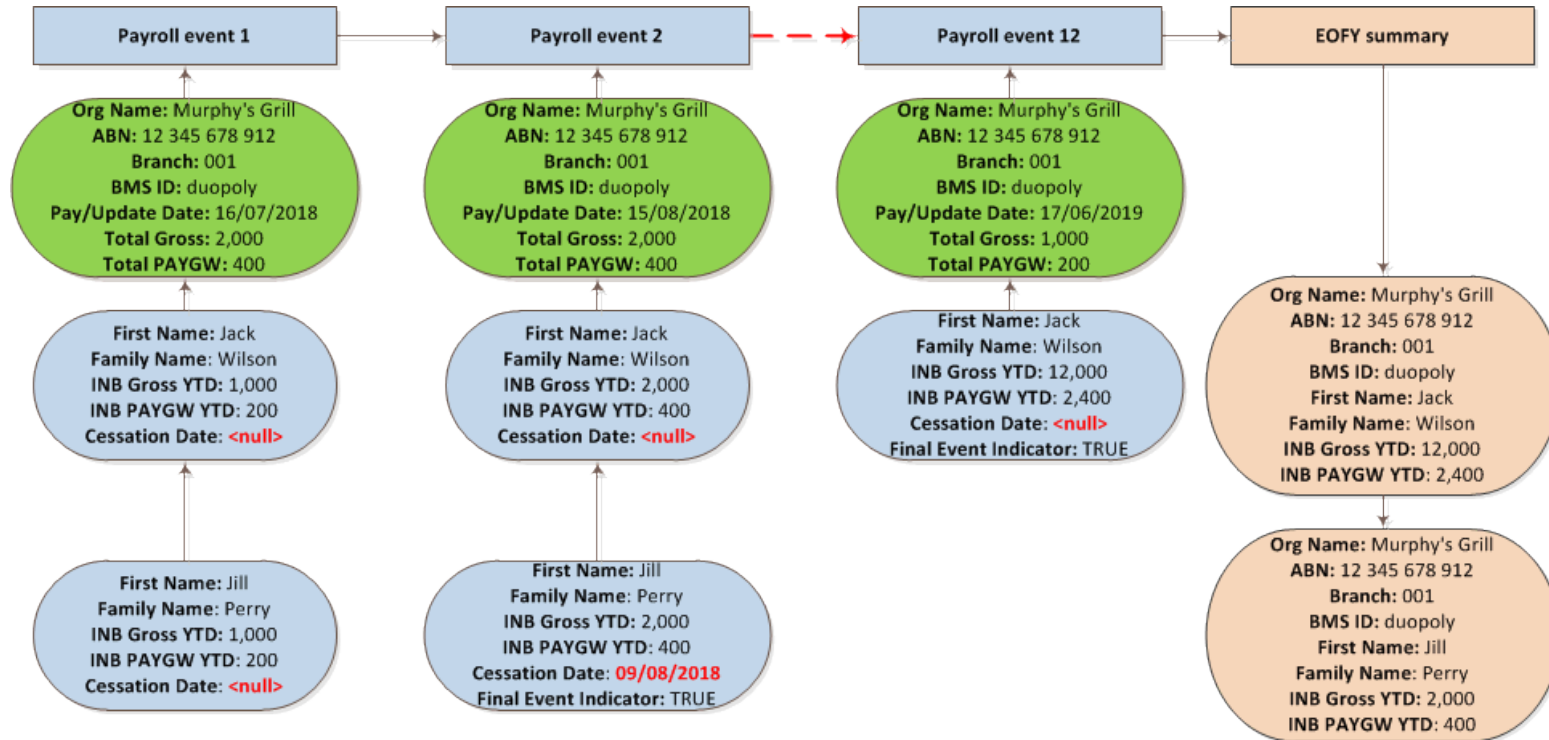
6.1.5.1 Report cessation date if captured

1. If the employer captures the date of cessation, then the cessation date must be reported.

6.1.5.1.a.i Scenario - employer provides Payee Cessation Date

Detail

Murphy's Grill has two employees, Jack Wilson and Jill Perry. Jill resigns on 09/08/2018.



Payroll event 1	Murphy's Grill sends payroll event 1.
Payroll event 2	Jill Perry resigns from her position on 09/08/2018. Murphy's Grill reports the Payee Cessation Date. The ATO updates the relationship end date.
Payroll events 3-12	Murphy's Grill continues to provide payroll events for Jack Wilson. Payroll events only contain employees who have been paid in the period.
EOFY summary	End of financial year (EOFY) summary will be available via ATO Online services in myGov.

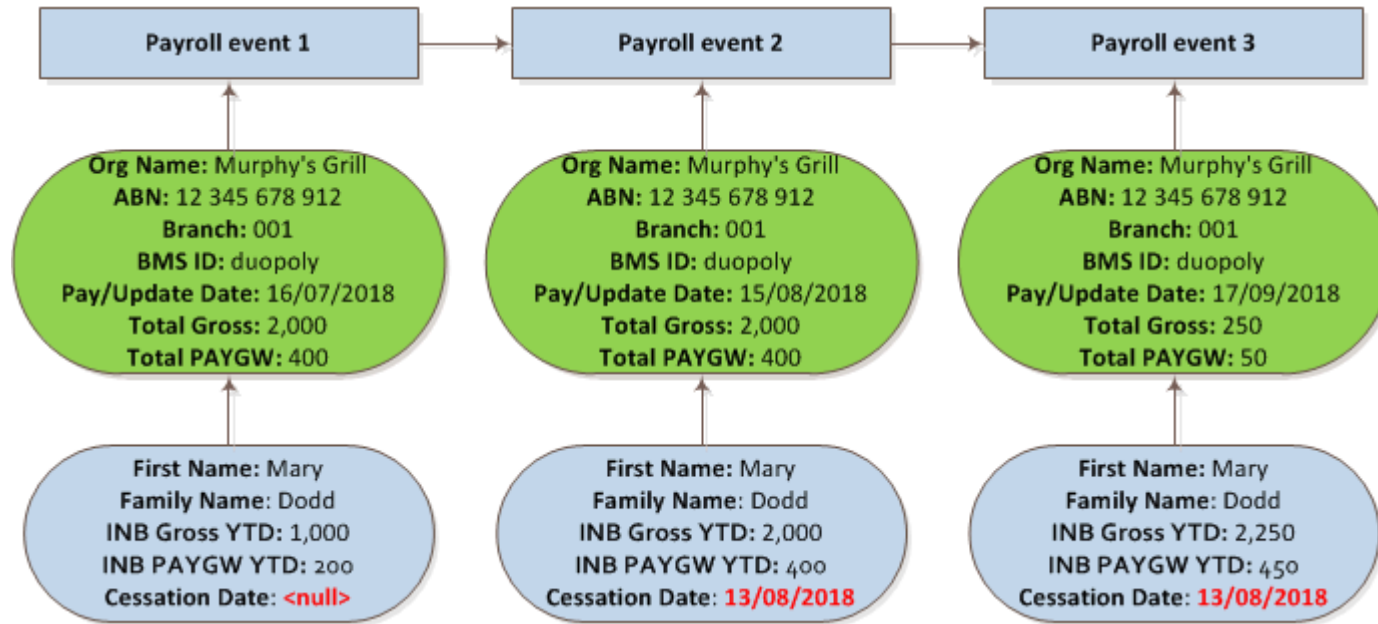
6.1.5.2 Continue to report cessation date for post-termination payments

2. If a subsequent payment is made to the terminated employee, then the cessation date must still be reported as the original cessation date reported.

6.1.5.2.a.i Scenario - employee receives bonus payment after cessation with employer.

Detail

Jack Wilson ceases employment with Murphy's Grill and subsequently receives a bonus payment.



Payroll event 1	Murphy's Grill sends payroll event 1.
Payroll event 2	Jack Wilson resigns from his position on 15/08/2018. Murphy's Grill reports the Payee Cessation Date. The ATO updates the relationship end date.
Payroll event 3	Murphy's Grill pays Jack Wilson an outstanding bonus payment of \$250 and continues to report the original cessation date.

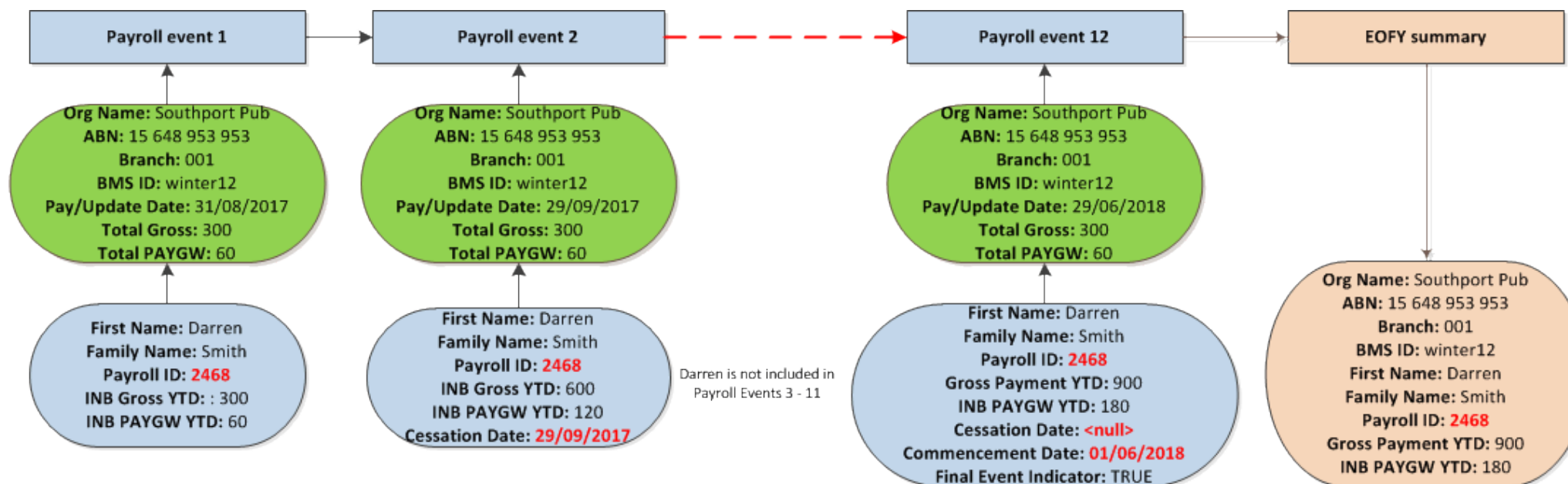
6.1.5.3 Do not report cessation date if employee rehired with same payroll ID

3. If the employee is subsequently rehired using the same payroll ID, then the cessation date should be removed in any subsequent reports.

6.1.5.3.a.i Scenario - employee leaves and resumes employment using the same Payee Payroll ID

Detail

The Southport Pub employs several staff, including Darren Smith. Darren leaves his role at the pub but several months later he is re-employed. The Payee Payroll ID used at the time of his previous employment is re-used when Darren resumes work at the pub.



Payroll event 1	Darren Smith is paid under payroll event 1.
Payroll event 2	Darren has handed in his notice/termination and is paid under payroll event 2. The cessation date is provided in the payroll event.
Payroll events 3-11	Darren is not included in these payroll events, as he is not employed at the Southport Pub.
Payroll event 12	Darren resumes working for the Southport Pub on the 1 of June. The same Payee Payroll ID is used. The cessation date is null. The commencement date is populated with the date that Darren resumes working at the pub. The YTD values are a continuation of Darren's previous employment.
EOFY summary	End of financial year (EOFY) summary will be available via ATO Online services in myGov.

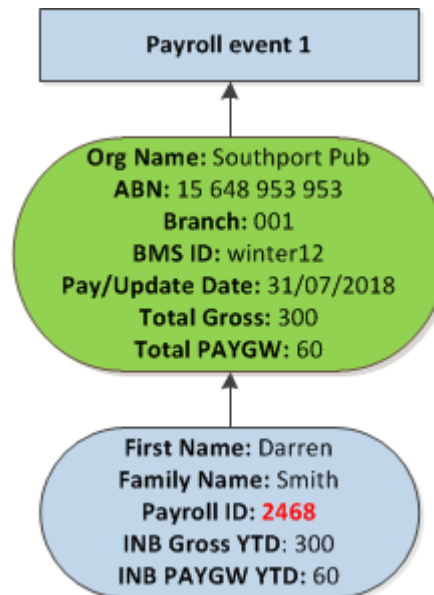
6.1.5.3.b Ceased and rehired in the same pay report

- a. If the employee is subsequently rehired using the same payroll ID, before the cessation date is reported, then the cessation date should not be reported.

6.1.5.3.b.i Scenario - employee leaves and is rehired using the same Payroll ID before a cessation date is reported.

Detail

The Southport Pub employs Darren Smith. Darren leaves his role at the pub on 10/07/2018 and is rehired on 27/07/2018 Southport Pub does not report the cessation date.

**Payroll event 1**

Darren Smith is paid under payroll event 1. No cessation date or commencement date is reported.

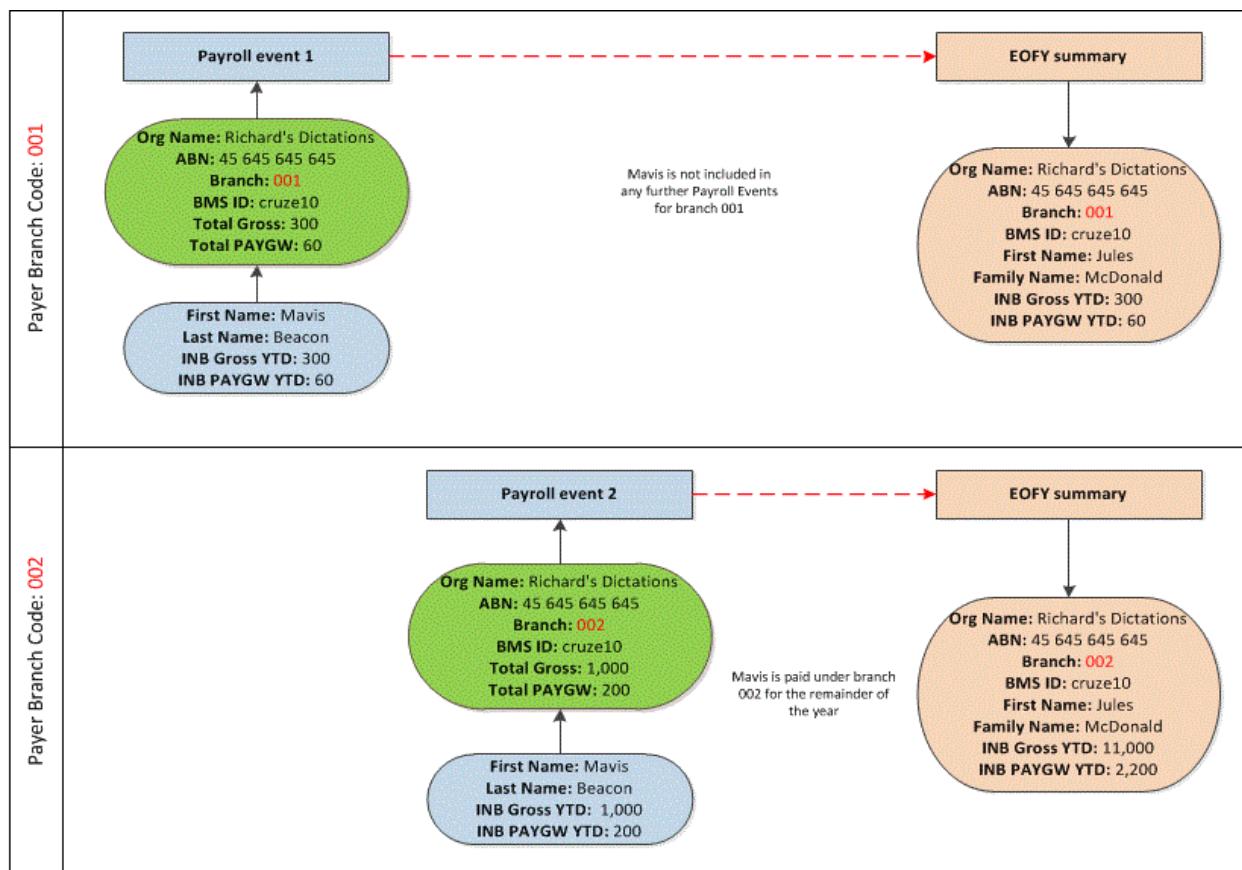
6.1.5.3.c Ceased and rehired in a different ABN/branch

b. If the employee is subsequently rehired under a different ABN /branch, within the same group, then the cessation date should not be reported.

6.1.5.3.c.i Scenario - employee leaves one ABN/branch and is transferred to a different ABN/branch in the same group

Detail

Richard's Dictations operates two separate branches for PAYG withholding purposes. Due to a company restructure Mavis Beacon is transferred from one ABN/branch to another, a cessation date is not required to be reported.



Payroll event 1	Mavis's last pay for branch 001 is in this payroll event, she is paid \$300. There is no requirement to report a cessation date.
Payroll event 2	Mavis is paid \$1,000 in this payroll event under branch 002. There is no requirement to report a cessation date or commencement date. The YTD values for branch 002 are not a continuation branch 001.

6.1.6 Employment termination payments (ETP - multiple ETPs –primary key is payment date)

6.1.6.1 Report ETP on or before payment to employee

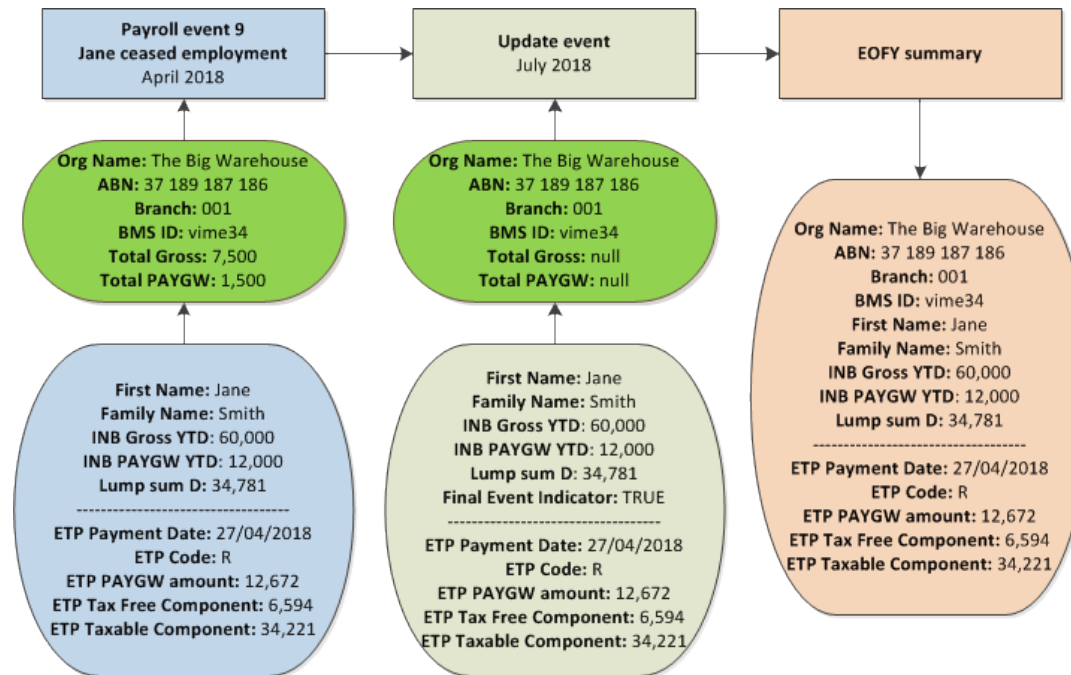
1. An employment termination payment is required to be reported in a payroll event, on or before the day payment is made to the employee.

6.1.6.1.a.i Scenario - employer reports an Employment Termination Payment (ETP) for an employee.

Detail

Jane Smith has worked as store manager for her employer The Big Warehouse for five years. Due to a company restructure, she is made redundant from her position as manager. Jane was offered a redundancy payment of \$60,000 with her final date of employment set for the 30 March 2017. Jane had previously received \$60,000 in other taxable payments (salary or wage income) during the income year.

As Jane meets the ATO requirements for a genuine redundancy, she is eligible to part of the redundancy payment tax free (Lump Sum D) based on her number of years of service.



Payroll event 9	The Big Warehouse reports payroll event information including the ETP and Lump Sum D amounts paid to Jane. Employers are not required to provide part year payment summaries to employees for amounts reported via STP.
Update event	The Big Warehouse finalises the financial year by providing the ATO with a Final Event Indicator as part of an update event.
EOFY summary	Two EOFY summaries are available to Jane via ATO Online services in myGov that includes the ETP payment details.

6.1.6.2 Out of cycle ETP deferred to next regular pay cycle

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.

Refer to scenarios in section 6.1.3.3

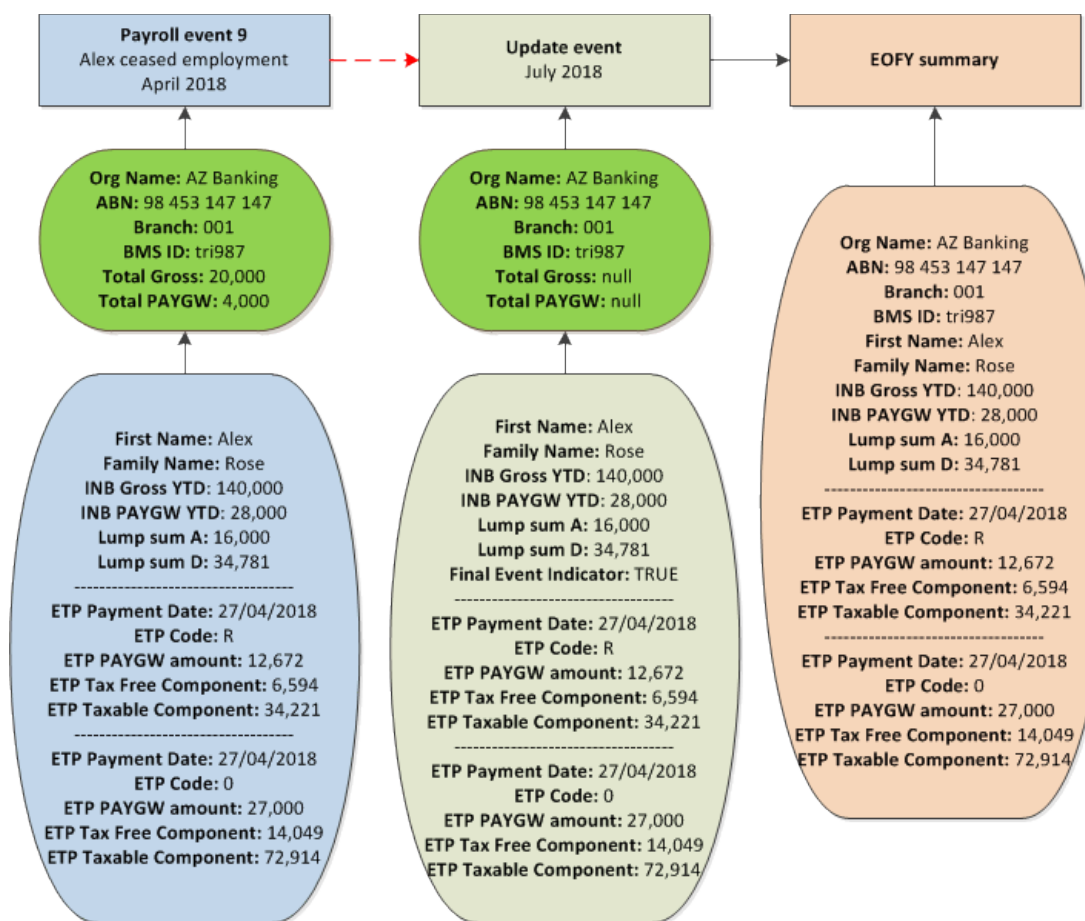
6.1.6.3 Multiple ETP within the financial year

3. Where an employee receives more than one ETP for multiple components in a year, each ETP should be reported separately, within the employee record and not added together as YTD figures.

6.1.6.3.a.i Scenario - employer reports multiple ETP payment types for an employee

Detail

Alex Rose has worked as account manager for his employer AZ Banking for six years. Due to a company restructure, he is made redundant from his position. Alex was offered a redundancy payment and payment in lieu of sick leave with his final date of employment set for the 27 April 2018.

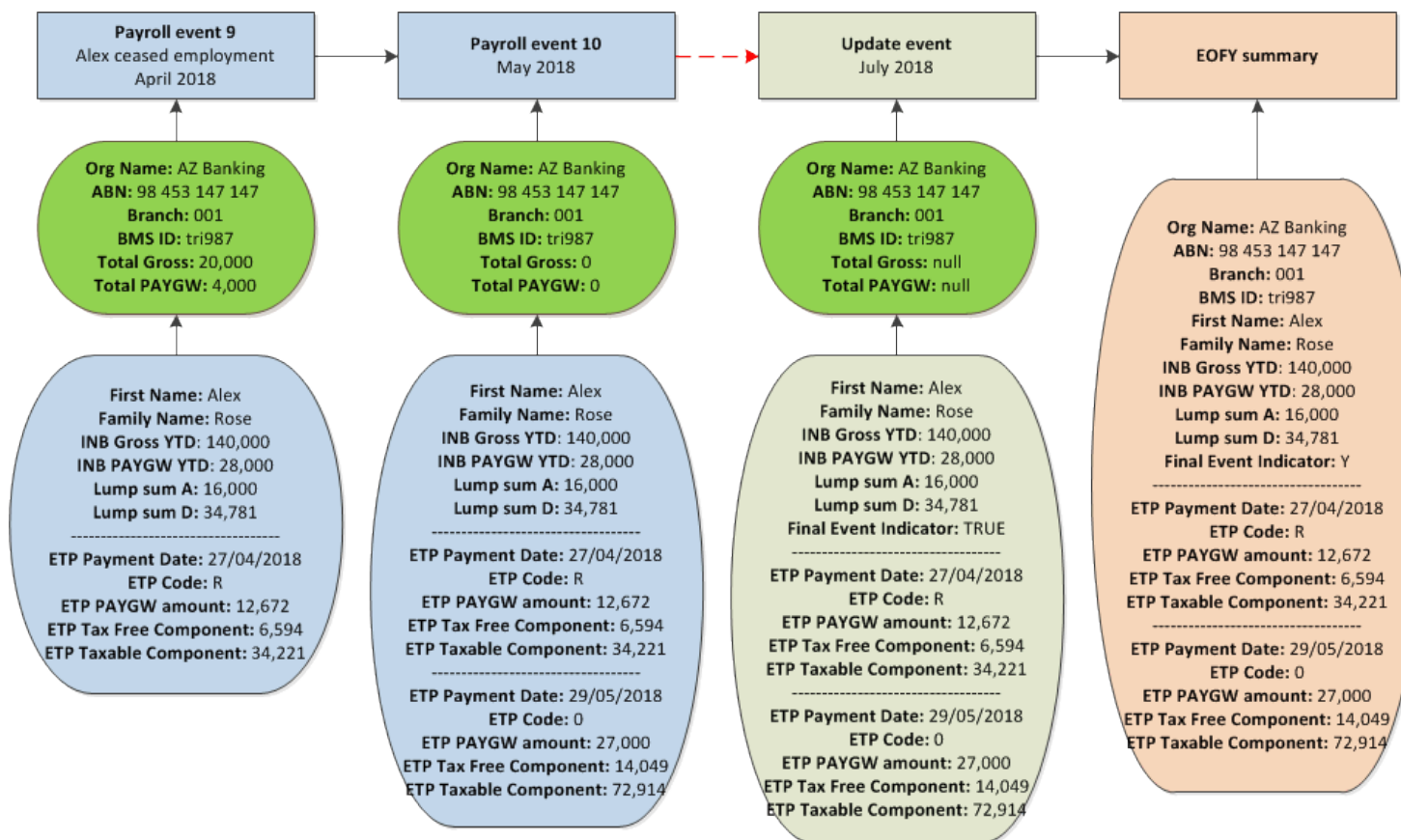


Payroll event 9	The AZ Banking reports the payroll event information including the two different ETP types and Lump Sum amounts paid to Alex. Employers are not required to provide part year payment summaries to employees for amounts reported via STP.
Update event	At the end of the financial year AZ Banking finalises the financial year by providing the ATO with a Final Event Indicator as part of an update event. Each ETP payment must be reported separately in the payroll event. Each subsequent payroll or update event must include all ETP payments previously made.
EOFY summary	Three EOFY summaries are available to Alex via ATO Online services in myGov that includes the ETP payment details.

6.1.6.3.a.ii Scenario - employer reports multiple ETP payment types for an employee on multiple dates

Detail

Alex Rose has worked as account manager for his employer AZ Banking for six years. Due to a company restructure, he is made redundant from his position. Alex was offered a redundancy payment which was paid on 27/04/2018 and payment in lieu of sick leave paid on 29/05/2018.



Payroll events 1-8 The AZ Banking reports the payroll event information.

Payroll event 9 The AZ Banking reports the payroll event information including the ETP type R and Lump Sum amounts paid to Alex. Employers are not required to provide part year payment summaries to employees for amounts reported via STP.

Payroll event 10 The AZ Banking reports the payroll event information including the ETP type O payment. Employers are not required to provide part year payment summaries to employees for amounts reported via STP.

Update event	At the end of the financial year AZ Banking finalises the financial year by providing the ATO with a Final Event Indicator as part of an update event. Each ETP payment must be reported separately in the payroll event. Each subsequent payroll or update event must include all ETP payments previously made.
EOFY summary	Three EOFY summaries are available to Alex via ATO Online services in myGov that includes the ETP payment details.

6.1.7 ETP - Death Benefits

6.1.7.1 Report death benefit voluntarily

1. Where an employer pays a death benefit, it may be voluntarily reported through Single Touch Payroll.

Refer to scenarios in section 0

6.1.7.2 ETP paid to beneficiary

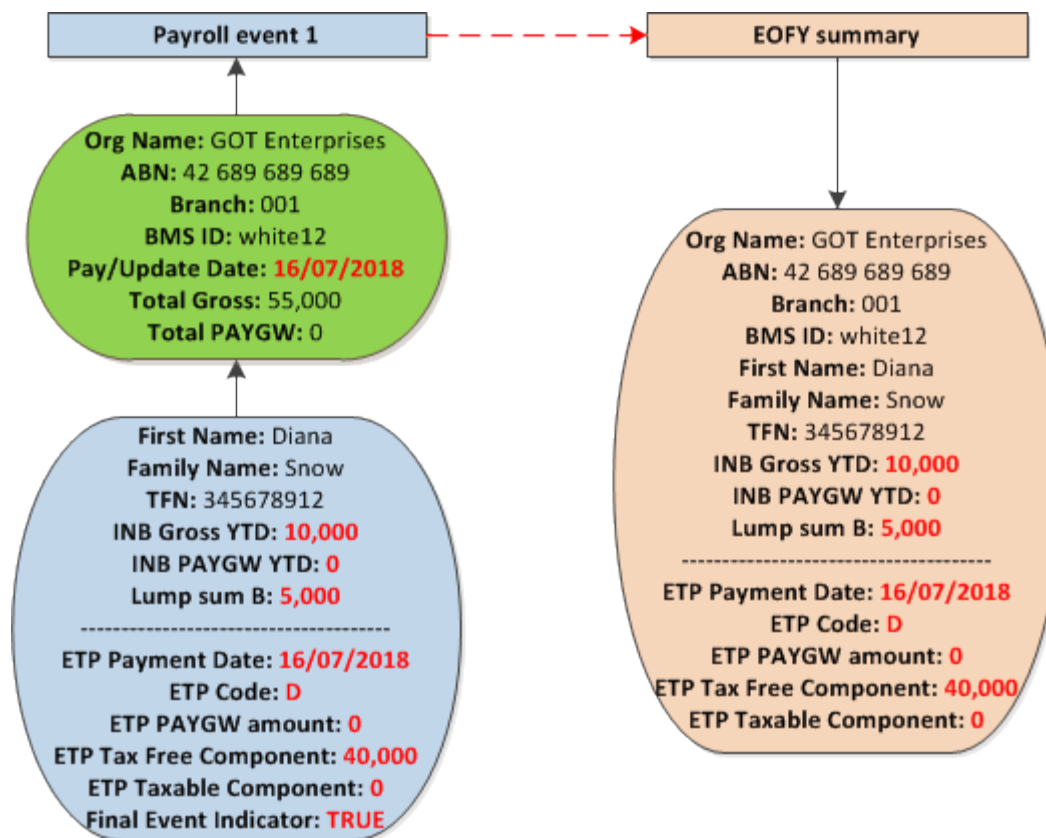
2. When paid to an individual beneficiary (dependant or non-dependant) use the beneficiary TFN (if provided).

6.1.7.2.a.i Scenario - employer pays a dependant of a deceased employee

Detail

Jon Fire was an employee of GOT Enterprises. Jon died while employed by GOT Enterprises. Jon is survived by one dependant, his wife, Diana Snow. Part of Jon's contract states that a lump sum payment of \$40,000 will be paid to his beneficiary if he dies. Outstanding salary of \$10,000 and long service leave entitlement of \$5,000 is paid to Diana.

GOT Enterprises is provided with the death certificate and probated Will that identifies Diana as Jon's beneficiary. Diana gives a TFN declaration to GOT Enterprises.

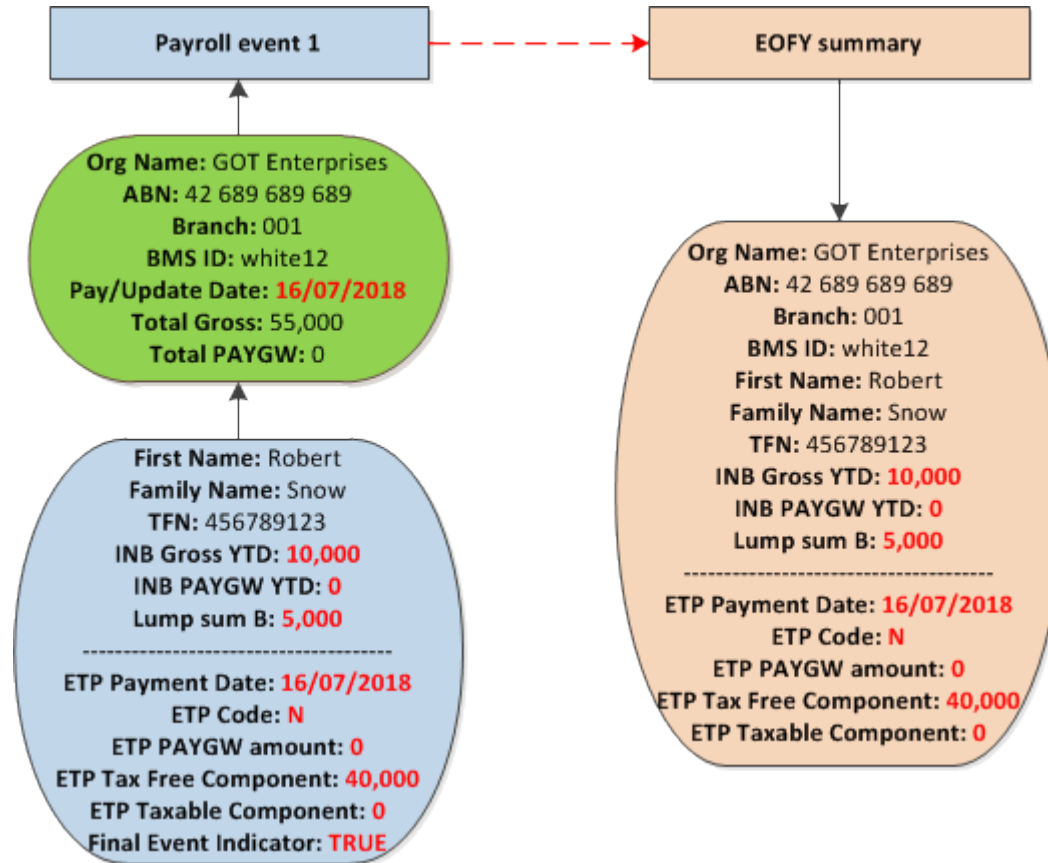


Payroll event 1	GOT Enterprises paid Diana, Jon's ETP, leave benefits and outstanding salary.
EOFY summary	EOFY summary will be available for Diana to view and print in ATO Online (accessed via ATO Online services in myGov).

6.1.7.2.a.ii Scenario - employer pays a non-dependant of a deceased employee
Detail

Jon Fire was an employee of GOT Enterprises. Jon died while employed by GOT Enterprises. Jon is single and has no dependant. He was survived by his brother, Robert Snow. Part of Jon's contract states that a lump sum payment of \$40,000 will be paid to his beneficiary if he dies. Outstanding salary of \$10,000 and long service leave entitlement of \$5,000 is also paid to Robert.

GOT Enterprises is provided with the death certificate and probated will that identifies Robert as Jon's beneficiary. Robert gives a TFN declaration to GOT Enterprises.



Payroll event 1	GOT Enterprises paid Robert, Jon's ETP, leave benefits and outstanding salary.
EOFY summary	EOFY summary will be available for Robert to view and print in ATO Online (accessed via ATO Online services in myGov).

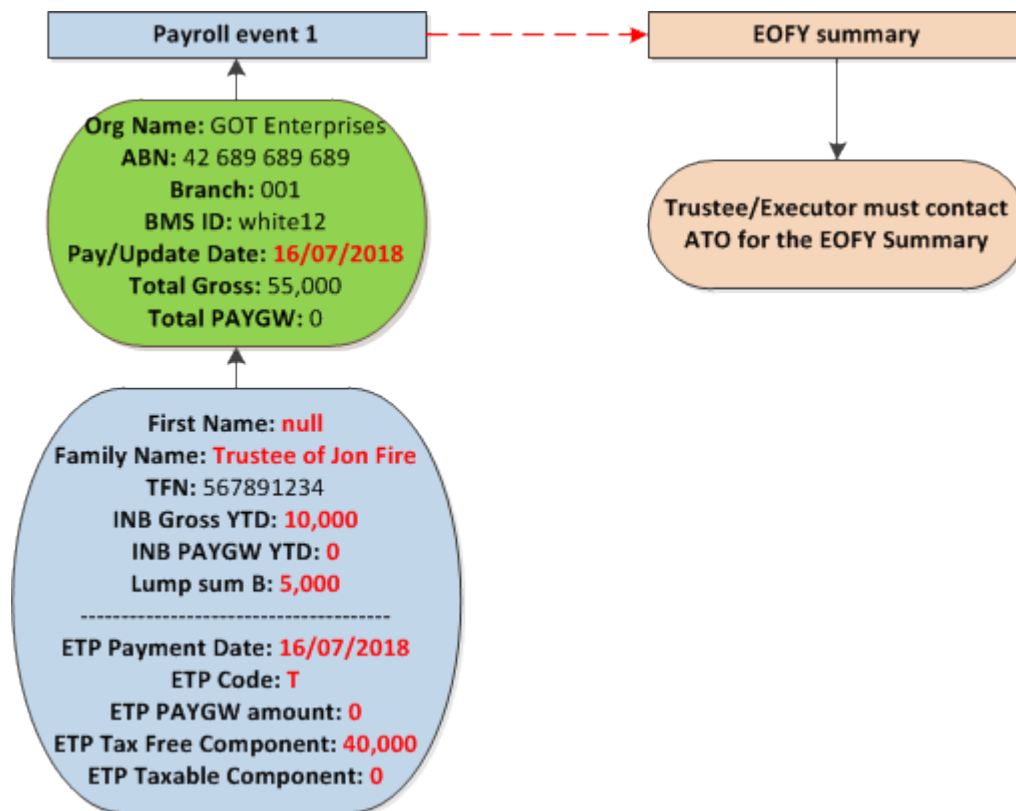
6.1.7.3 ETP paid to trustee

3. When paid to a trustee, use the TFN for the estate (if provided).

6.1.7.3.a.i Scenario - employer pays the trustee of a deceased employee's estate

Detail

Jon Fire was an employee of GOT Enterprises. Jon died while employed by GOT Enterprises. Part of Jon's contract states that a lump sum payment of \$40,000 will be paid if he dies. Outstanding salary of \$10,000 and long service leave entitlement of \$5,000 is paid. GOT Enterprises paid to the trustee of Jon Fire's estate.



Payroll event 1	GOT Enterprises paid the trustee of Jon Fire.
EOFY summary	EOFY summary will not be available to view and print in ATO Online (accessed via ATO Online services in myGov). Trustee/Executor will need to contact ATO for the EOFY summary.

6.1.7.4 More than one payment required

4. Where there has been more than one payment made, please follow the same rules as multiple ETP payments.

Refer to scenario 6.1.6.3.a.ii

6.1.7.5 Finalise employee where no further payments expected

5. If there are no further payments expected to be made to a beneficiary or the trustee, mark the record as final.

Refer to scenarios in section Error! Reference source not found.

6.1.8 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 Single Touch Payroll.

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

6.1.8.1 Estimate

6.1.8.1.a.i Scenario - FEI change to status throughout the year (Estimates method)

Detail

Art is an Australian resident for tax purposes and has his family home in Australia. He works for an Australian entity.

In August, he covers a short-term vacancy for a month in a foreign country. That foreign country has a minimum threshold of 183 days.

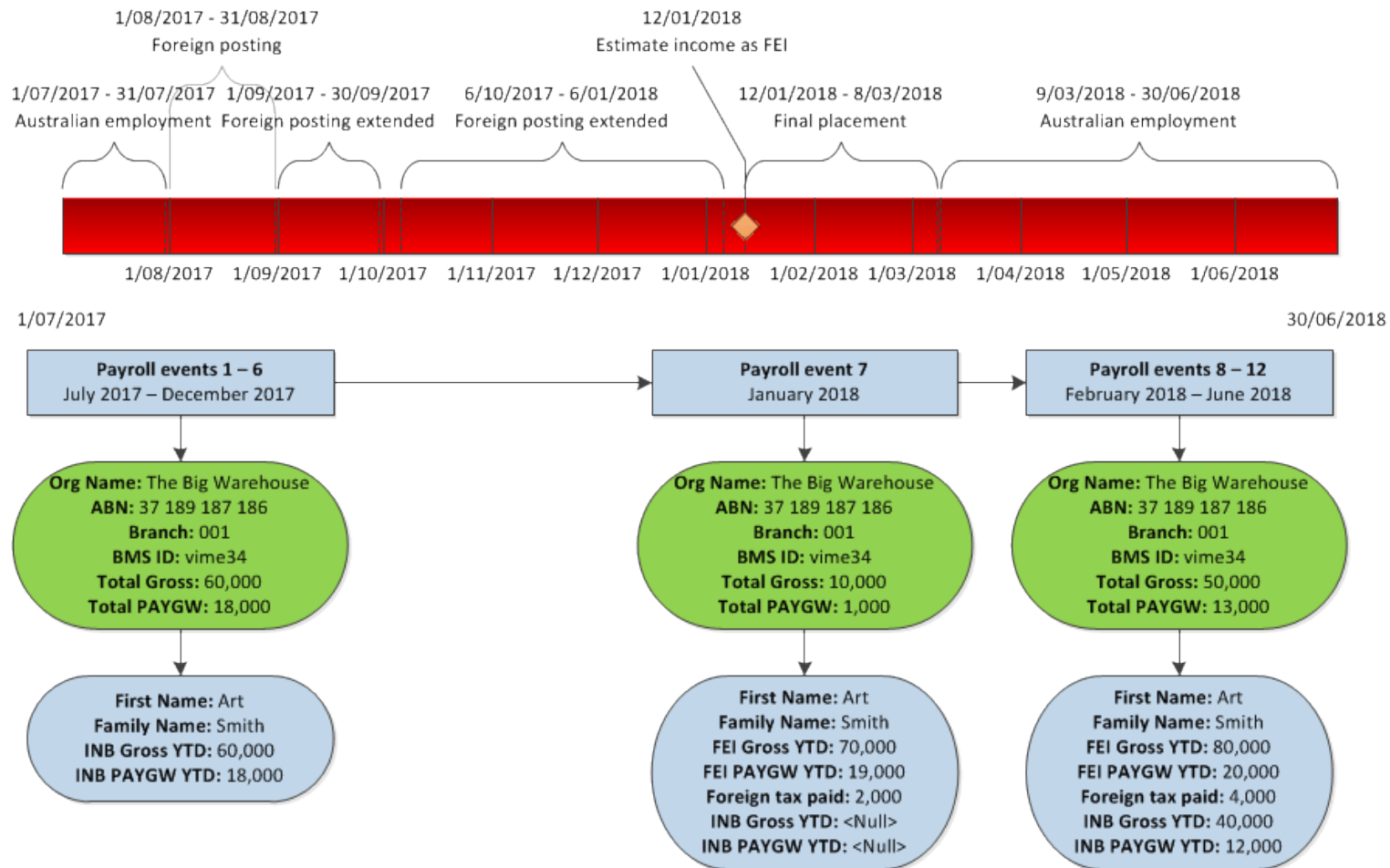
At the end of August, he is asked to extend his stay by a further month, which will take his continuous absence from Australia to 2 months (61 days). In October, Art returns to Australia and takes 5 days of personal leave. After returning from personal leave, he has agreed to return to the foreign country for a further three months, as the permanent vacancy in that country is yet to be filled. He returns to the foreign country on the 6 October and works there for a continuous period until 6 January (92 days). Total number of days in foreign country is 153 (61 days + 92 days).

In January, Art takes a short break to Bali using leave accrued whilst employed in Australia. On 12 January, he returns to the foreign country to complete the final placement to hand over the role to the new employee. He will leave to return to Australia on 8 March. This is a further 55 days, taking his total absence from Australia to 208 days.

As the estimates method is used by this employer, as soon as Art has committed to return to the foreign country after his holiday, the employer is able to anticipate that the qualifying period (183 days) will be reached and will now treat the entire period of foreign service as Foreign Employment Income.

These absences do not break the continuity of foreign service. This brings the total of 208 days of foreign service over the threshold to qualify as foreign employment income.

In Art's case, withholding for Australia will continue right through the process.



Payroll events 1-6

Art is posted to a foreign country. His employer will not withhold in the foreign country until it is clear he will meet the qualification for withholding under the applicable tax treaty. His salary is paid each payroll event as Individual Non-Business earnings.

Payroll event 7

Art posting to a foreign country qualifies as foreign employment income when he returns to the country in January. The Big Warehouse adjust the payroll information and reports through STP to:

Reverse the full amount of the Gross Payment Individual YTD – as the income is not Individual Non-Business

Create the full amount of the Gross Payment Foreign Employment Income YTD – as the income is foreign employment income

Create the Foreign Employment Income Foreign Tax Paid YTD – as the amount of withholding paid in the foreign country

Reverse the full amount of Withholding IND YTD – as the amount of withholding is not individual non-business
Create the Total FEI PAYGW YTD - to reflect, in this case, the positive value of the difference between withholding in Australia for the gross amounts less the foreign tax paid.

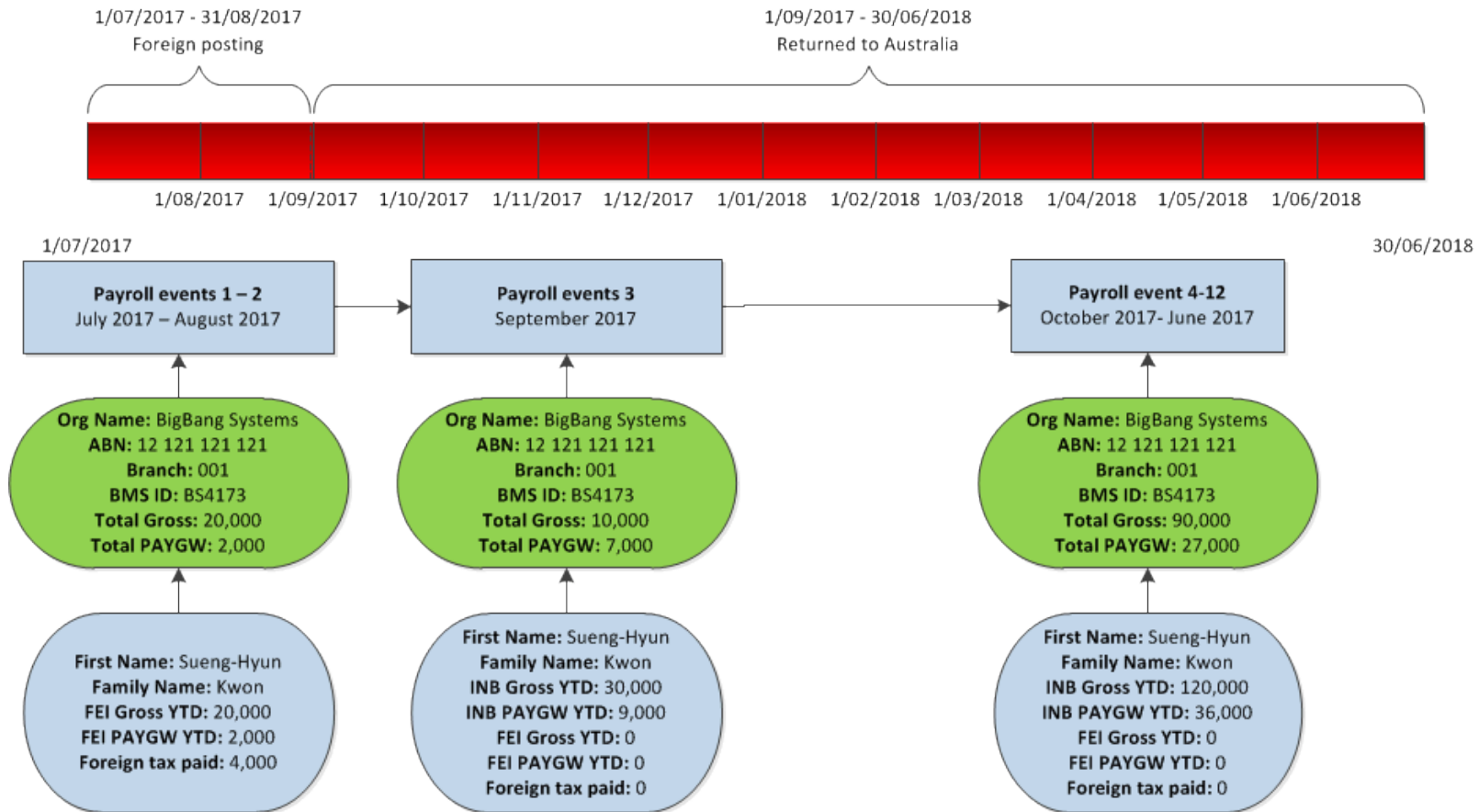
Payroll event 8 - 12

Art's salary is paid as foreign employment income until he returns to Australia in March. For the remainder of the year Art's salary is paid as individual non-business earnings.

6.1.8.1.a.ii Scenario - FEI Return early from foreign employment – Estimates method (foreign country returns foreign tax paid)
Detail

Sueng-Hyun Kwon was posted to a foreign country for 12 months; his employer pays foreign tax, after seeking professional advice, as the duration of the foreign placement is more than the qualifying period (threshold number of days as per the treaty with that foreign country). As his employer uses the estimates method, all payments are reported as foreign employment income, anticipating the duration of the foreign placement.

After 2 months, he returns early from his posting and continues employment in Australia. As the 2 months duration is less than the qualifying period, the foreign earnings are not subject to withholding in the foreign country in accordance with the treaty with that country



Payroll events 1-2 Seung-Hyun is posted to a foreign country and is paid under payroll events 1 and 2. Tax is withheld from the foreign earnings as the length of the posting qualifies

as foreign employment income in accordance with the treaty with that foreign country. As such, his employer reports the earnings as foreign employment income.

Payroll event 3

Seung-Hyun returns early from the posting and the period does not qualify as Foreign employment income. BigBang Systems adjusts the payroll information and provides the next payroll event to:

- Reverse the full amount of the Gross Payment Foreign Employment Income YTD – as the income is not foreign employment income
- Create the full amount of the Gross Payment Individual Non-Business YTD – as the income is Individual Non-Business
- Reverse the full amount of foreign employment income Foreign Tax Paid YTD – as the employment does not qualify for withholding in the foreign country
- Reverse the full amount of Withholding Foreign Employment Income YTD – as the amount of withholding is not foreign employment income
- Create the Total IND PAYGW YTD – as the withhold was from an Individual Non-Business payment

Payroll event 4 - 12

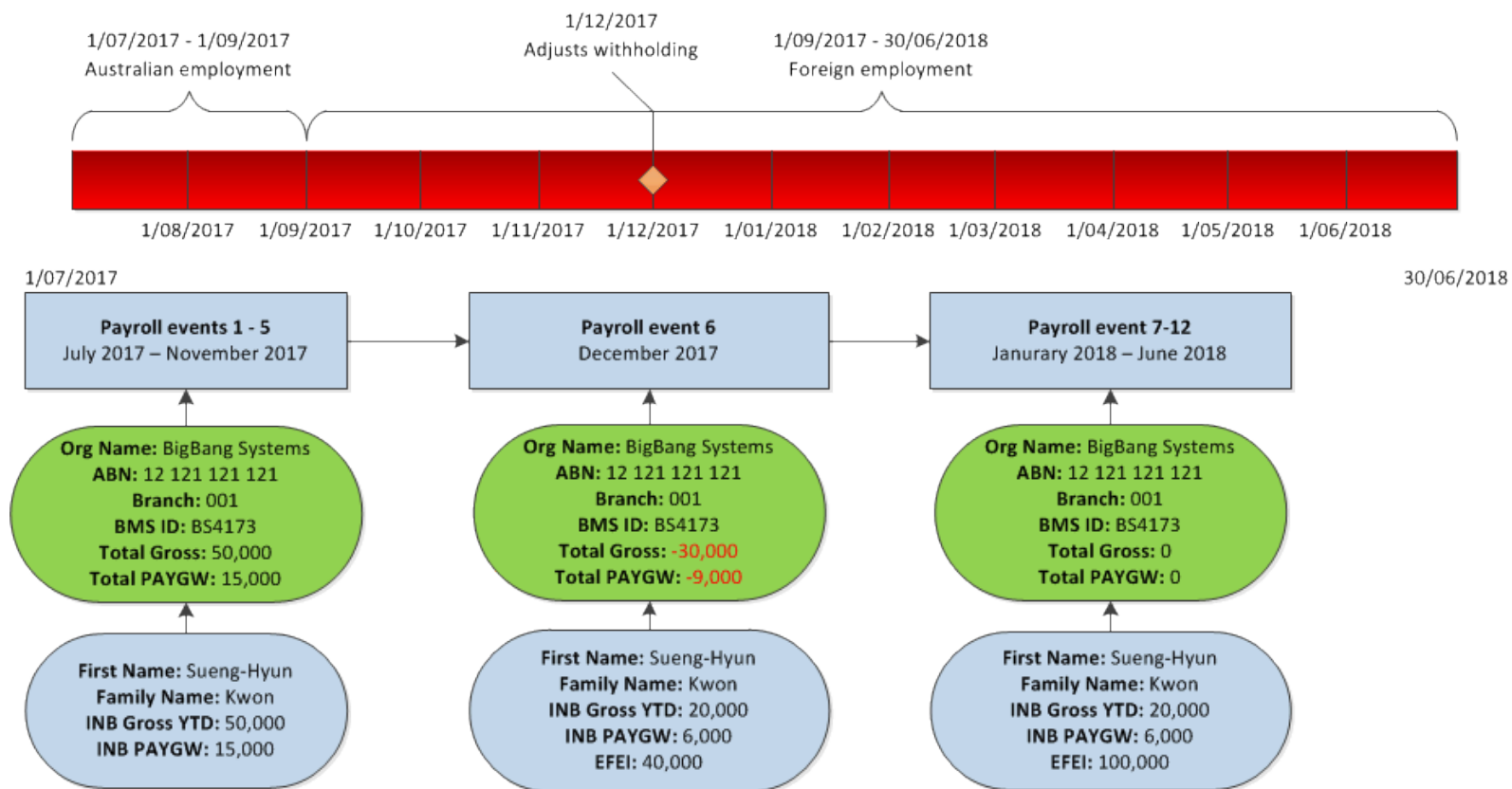
Seung-Hyun's salary does not change throughout the year. Seung-Hyun only has Individual Non-Business reportable income for this financial year.

6.1.8.2 Actual

6.1.8.2.a.i Scenario - exempt FEI – EOFY assess adjusting withholding – Actual method

Detail

Sueng-Hyun works for a Non-government organisation that operates a public fund declared by the Minister to be a developing country relief fund. From 1 September he is posted on foreign employment. As BigBang Systems is using the actual method they will assess the income as exempt once the foreign employment is more than 91 days, in accordance with section 23AG of the ITAA 1936, as per the professional advice they have sought. BigBang Systems adjust the amounts withheld and reports the adjustments in the December payroll event.



Payroll events 1-5 Sueng-Hyun is paid under payroll events 1 and 5. From 1 September 2017 he is posted overseas. BigBang Systems will continue to withhold tax in Australia until the posting is more than 91 days.

Withholding adjustment BigBang Systems adjusts the amounts withheld as the length of posting has qualified as exempt foreign employment income.

Payroll event 6

Seung-Hyun is paid under payroll events 6 and BigBang Systems reflects the withholding adjustment in the payroll event to:

- Create the full amount of the exempt foreign employment income – as the income is exempt
- Adjust the amount of the Gross Payment Individual Non-Business YTD – to reflect, in this case, the difference between the amount of all gross payments and the exempt foreign employment income amount.
- Adjust the amount of Total IND PAYGW YTD – to reflect, in this case, the adjusted withholding amount for the Gross payment Individual Non-Business only.

Payroll event 7-12

Seung-Hyun's salary does not change throughout the year and continues to be paid under payroll events 7 and 12.

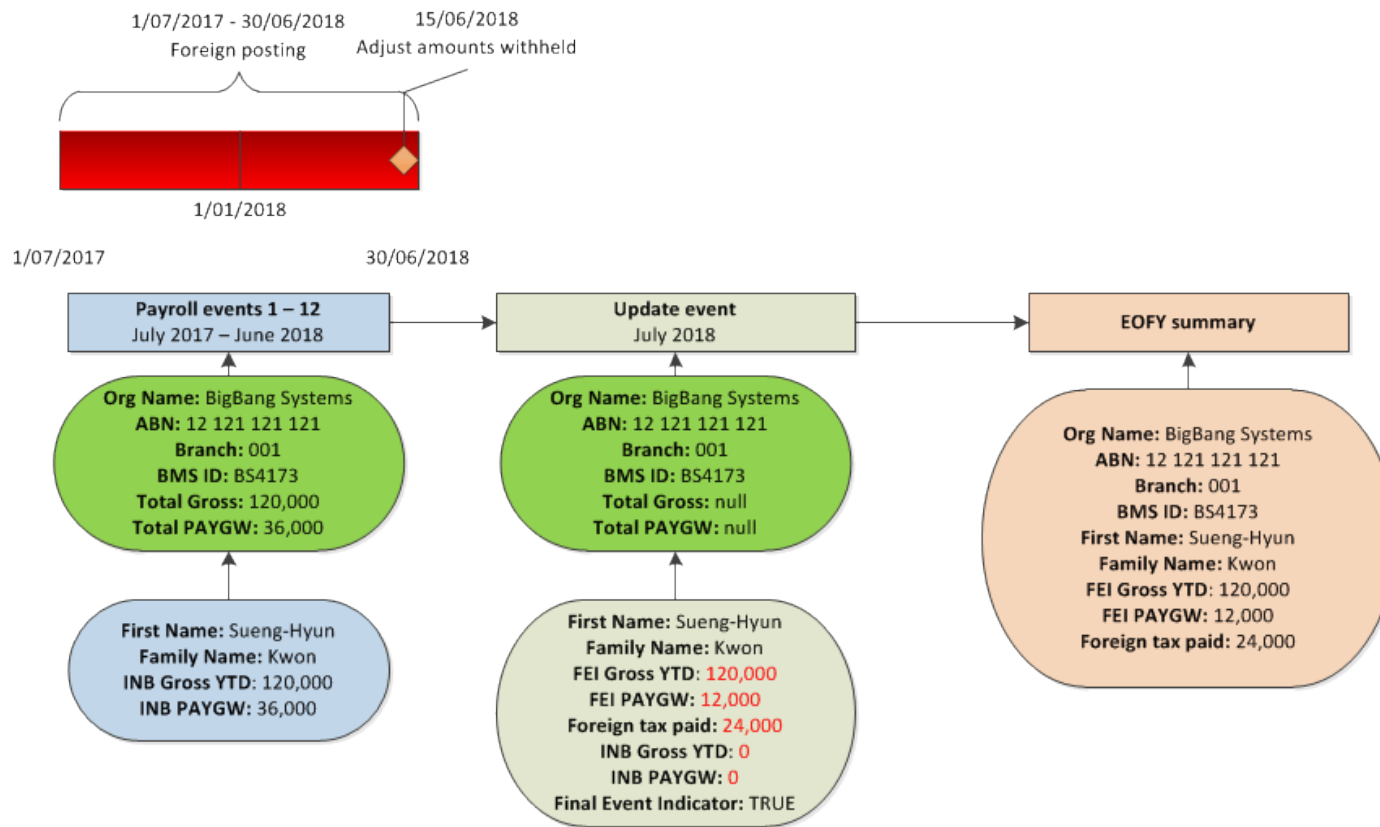
6.1.8.3 Reconciliation

6.1.8.3.a.i Scenario - FEI - EOFY reconciliations

Detail

Seung-Hyun is on a 12-month posting to a foreign country, his employer, after seeking professional advice, will be required to withhold tax in that country. The employer will calculate the appropriate withholding for the foreign country. Payroll information will be updated through an end of financial year reconciliation process, rather than per pay period.

Employee is paid \$10,000 per month.



Payroll events 1-12 Seung-Hyun is posted to a foreign country and, although his income is subject to withholding in the foreign country, is paid each payroll event as Individual Non-Business earnings.

Prior to EOFY As the PAYGW for the earnings are paid to ATO in accordance with the usual payment terms, BigBang Systems performs reconciliation before the EOFY to

assess the difference between foreign tax paid and PAYGW and adjusts the PAYGW payment to recover the difference.

Update event

Seung-Hyun's salary does not change throughout the year, however, at the end of financial year reconciliation for Foreign Employment Income, BigBang Systems provide an update before the 14 July deadline to:

- Reverse the full amount of the Gross Payment Individual YTD – as the income is not Individual Non-Business
- Create the full amount of the Gross Payment Foreign Employment Income YTD – as the income is Foreign Employment Income
- Create the Foreign Employment Income Foreign Tax Paid YTD – as the amount of withholding paid in the foreign country
- Reverse the full amount of Withholding IND YTD – as the amount of withholding is not Individual Non-Business
- Create the Total FEI PAYGW YTD - to reflect, in this case, the positive value of the difference between withholding in Australia for the gross amounts less the foreign tax paid.

6.1.9 Foreign employment income

6.1.9.1 Report payments as foreign employment income

1. Payments to an employee posted to a foreign country should be reported as foreign employment income if amounts are withheld in that country.

Refer to scenarios in section 6.1.8

6.1.9.2 Report payments as individual non-business income

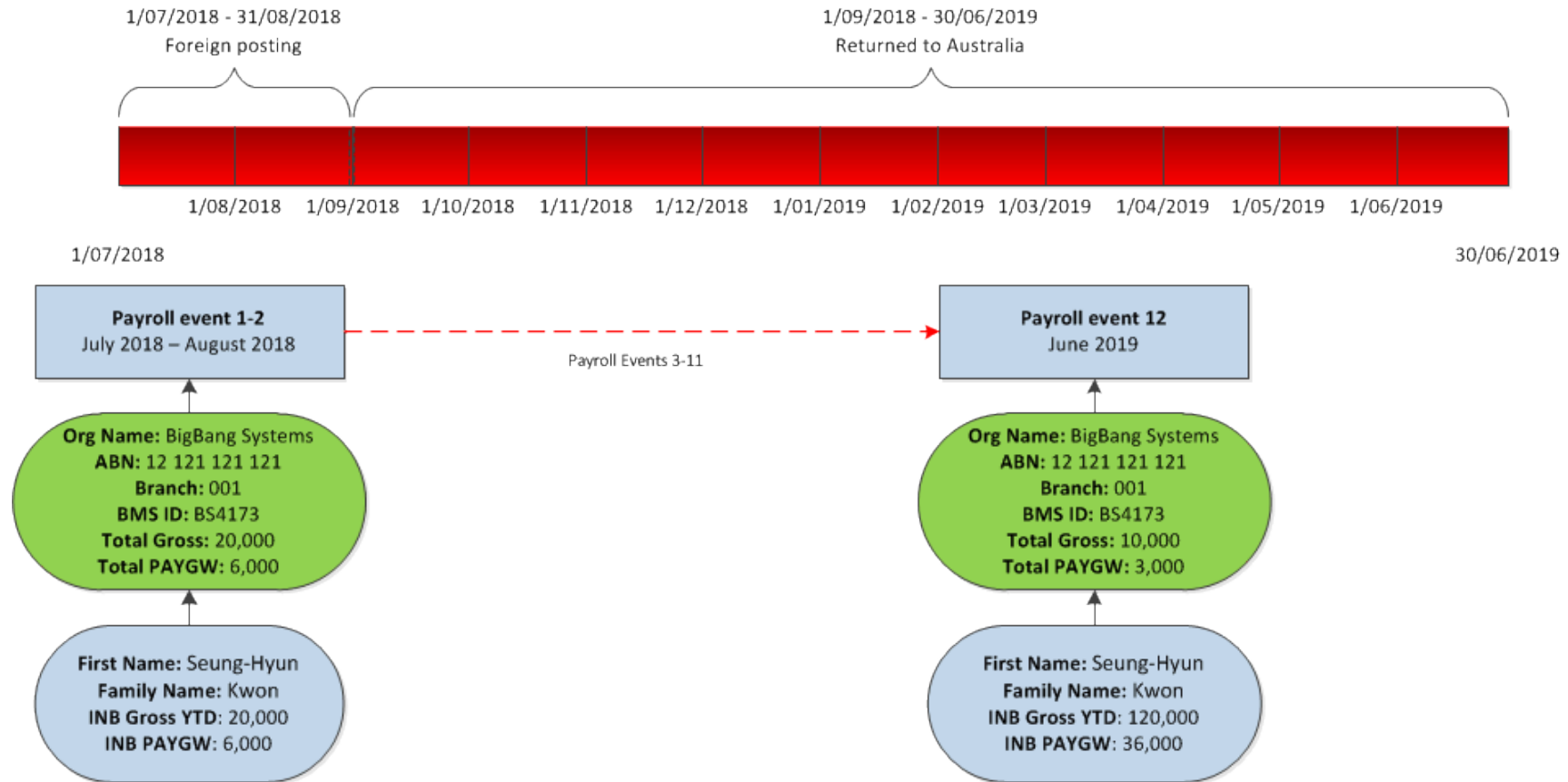
- a. If no amounts are withheld for the foreign country then payments should be reported as individual gross payments and withholding.

6.1.9.2.a.i Scenario - employee is paid for working in another country, but the duration does not meet the minimum threshold period of the treaty (Not FEI)

Detail

Seung-Hyun is on a 2-month posting to a foreign country, his employer, after seeking professional advice, has determined that there is no requirement to withhold tax in that country as the duration of the foreign posting does not meet the minimum threshold period of the treaty. As such, this “foreign” income is not reported as foreign employment income, but is reported as individual non-business income.

Employee is paid \$10,000 per month.



Payroll events 1-2	Seung-Hyun is posted to a foreign country and is paid under payroll events 1 and 2. Tax is only withheld in Australia as the foreign earnings do not qualify as foreign employment income in accordance with the treaty with that foreign country. As such, the earnings are individual non-business, not foreign employment income.
Payroll events 3-11	As for payroll events 1-2.
Payroll event 12	Seung-Hyun's salary does not change throughout the year. Seung-Hyun only has individual non-business reportable income for this financial year.

6.1.9.3 Report payments as JPDA employment income

- b. If the employee is posted to the JPDA then the amounts must be reported as JPDA foreign employment income.

No scenario required please refer to the ATO website for information regarding the [Joint Petroleum development area international arrangement](#) and related [examples on withholding calculations](#)

6.1.9.4 PAYG withholding cannot be negative

- c. The employer should follow the rules for [accounting for foreign tax](#). Note: The amount of PAYG withholding cannot be negative.

Refer to scenario 6.1.1.4.c.i

6.1.9.5 Report payments as foreign employment income in a payroll event

2. An employer may provide YTD foreign employment income amounts through a payroll event (if the classification of the payment is available in payroll), throughout the financial year.

Refer to scenario 6.1.8.1.a.i

6.1.9.6 Report payments as foreign employment income in an update event

3. An employer may provide YTD foreign employment income amounts through an update event, throughout the financial year.

Refer to scenario 6.1.8.3

6.1.9.7 Once reported continue to report foreign employment income

4. If reported during the year via a payroll or an update event, the amounts should continue to be reported for each following payroll event, even if the YTD amounts remain the same. 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.

No scenario required as all YTD amounts must be reported in subsequent payroll events

6.1.10 Exempt Foreign Employment Income

6.1.10.1 Do not report exempt foreign employment income if no other payments are made

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 need it be reported through Single Touch Payroll.

No scenario required as no STP reporting required

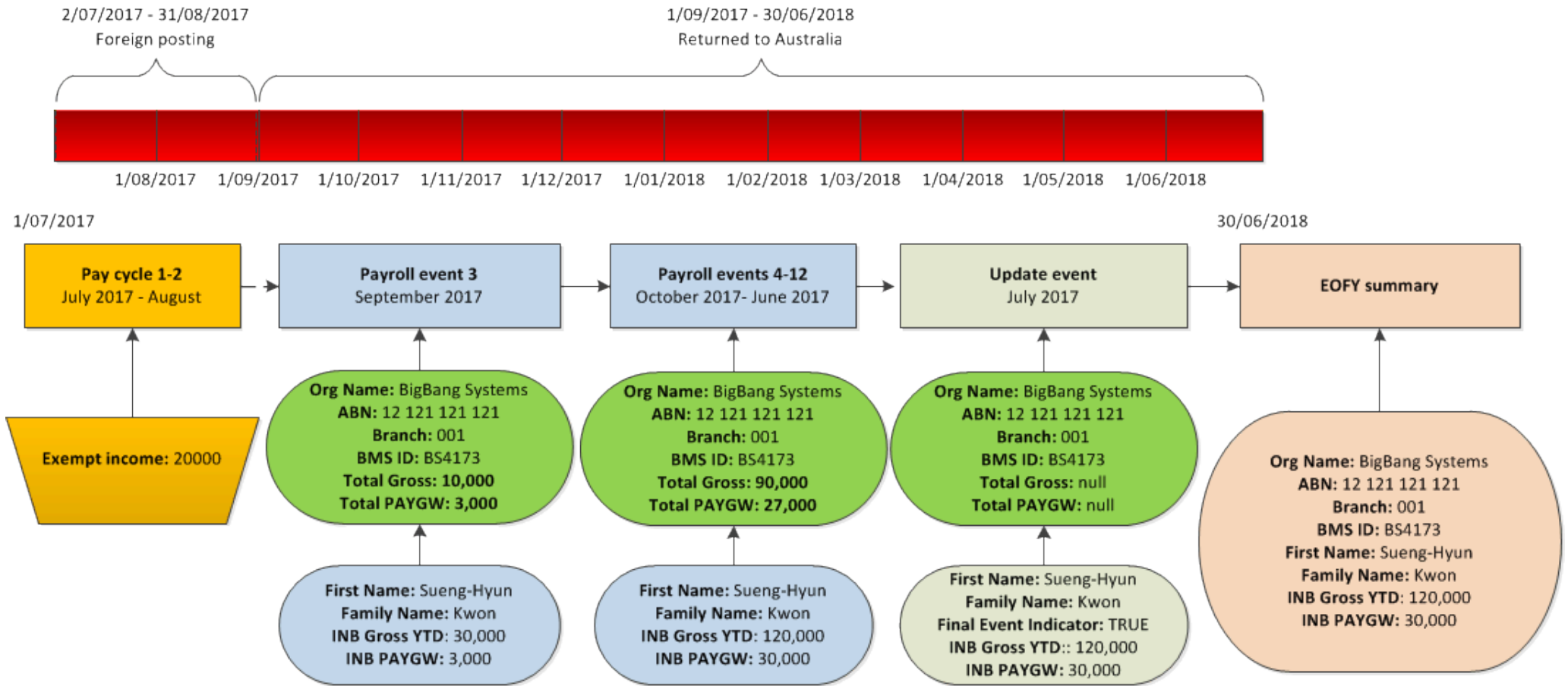
6.1.10.2 Once reported continue to report foreign employment income

- a. If the employer uses the estimates method and the employee returns early, not qualifying for the exemption, then 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.

6.1.10.2.a.i Scenario - exempt FEI EOFY assess adjusting withholding, return early – Estimates method

Detail

Sueng-Hyun works for a Non-government organisation that operates a public fund declared by the Minister to be a developing country relief fund. At the beginning of the year he has posted on foreign employment for 12 months, his employer, after seeking professional advice, has determined that the income is exempt foreign employment income. He returns early from his posting in September and is not away for 91 days. His employer must report all income but no catch up withholding is required.



Pay cycle 1-2 Sueng-Hyun is posted to a foreign country and is paid in pay cycle 1 and 2. His employer treats the income as exempt and does not report the amounts via STP. No tax is required to be withheld in Australia or the foreign country.

Payroll event 3 Sueng-Hyun returns early from the posting and resumes employment in Australia. He is paid in payroll event 3 and his employer does not catch up on the withholding. The YTD income is reported as Individual Non-Business income including the amounts not reported previously.

Payroll events 4-12 Sueng-Hyun's salary does not change throughout the year. Sueng-Hyun only has Individual Non-Business reportable income for this financial year.

6.1.10.3 Once reported continue to report exempt foreign employment income

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 payroll event (if the classification of the payment is available in payroll), throughout the financial year.

No scenario required as all YTD amounts must be reported in subsequent payroll events

6.1.10.4 Once reported continue to report exempt foreign employment income

3. An employer may provide YTD exempt foreign employment income amounts through an update event, throughout the financial year.

No scenario required as all YTD amounts must be reported in subsequent payroll events

6.1.10.5 Once reported continue to report exempt foreign employment income

4. If reported during the year via a payroll or an update event, the amounts should continue to be reported for each following payroll event, even if the YTD amounts remain the same. 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.

No scenario required as all YTD amounts must be reported in subsequent payroll events

6.2 Fix

There are times when correcting payroll reports to the ATO will be required. The instructions below provide business rules to fix payroll reports.

6.2.1 What to fix

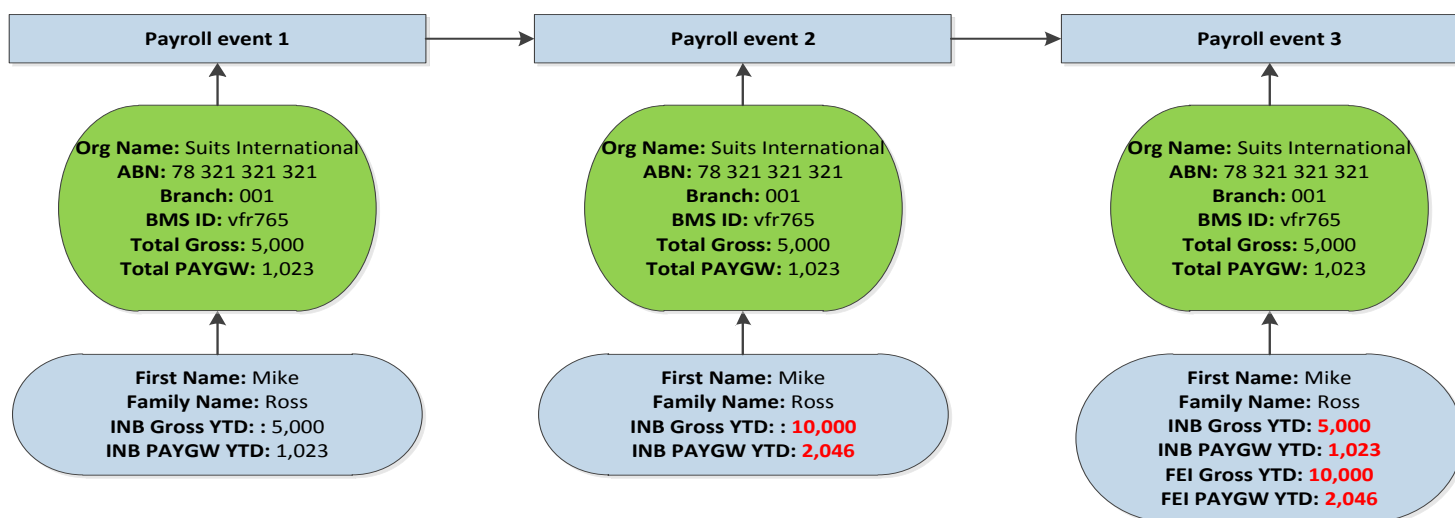
6.2.1.1 Fix via a payment subject to withholding

1. Does the fix involve 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 payroll event.

6.2.1.1.a.i Scenario - correcting a misclassification of payment through the next Payroll event

Detail

Mike Ross is employed by Suits International. Mike is paid \$5,000 per month as salary. During the financial year, he was sent to Canada to temporarily work on their Toronto Head Office. The payroll officer was not informed of this change in location, and incorrectly recorded the payment as Individual Non Business payment instead of Foreign Employment Income. The error was identified before the next payroll event.



Payroll event 1	Suits International paid Mike his salary while he is in Australia.
Payroll event 2	Suits International paid Mike his salary while he is overseas and recorded this incorrectly as Individual Non Business payment.
Payroll event 3	The misclassification of payment is corrected through the next payroll event.

6.2.1.2 Fix via a payment not subject to withholding

2. Does the fix involve a payment not subject to withholding - payments not subject to withholding are not reportable.

No scenario required

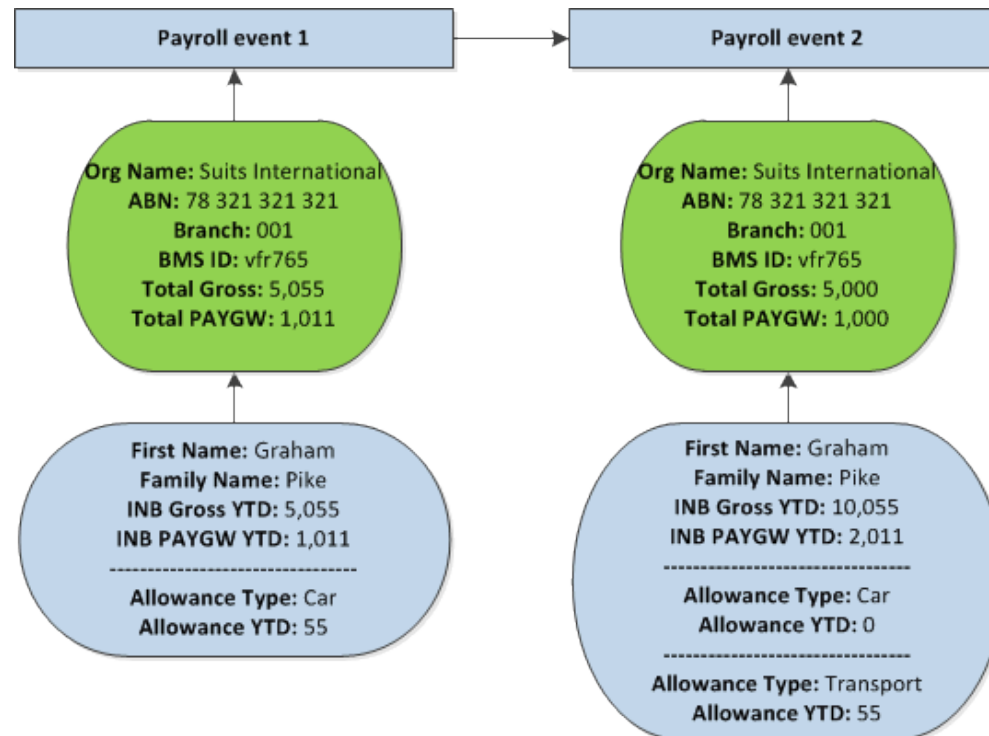
6.2.1.3 Misclassification not involving a payment

3. 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.

6.2.1.3.a.i Scenario - correcting a misclassification not involving a payment through the next Payroll event

Detail

Graham Pike is employed by Suits International. Graham is paid \$5,000 per month as salary. An allowance is incorrectly reported as 'car' instead of 'Transport' this is fixed in the next regular pay cycle.



Payroll event 1	Suits International paid Graham his salary. Including \$55 Car allowance
Payroll event 2	Suits International paid Graham his normal salary of \$5,000 and fixed the misclassification of an allowance type from car to transport.

6.2.1.4 Overpayment within the current financial year

4. 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.

Refer to scenario 6.1.1.5.a.i

6.2.2 When an employer needs to report a fix

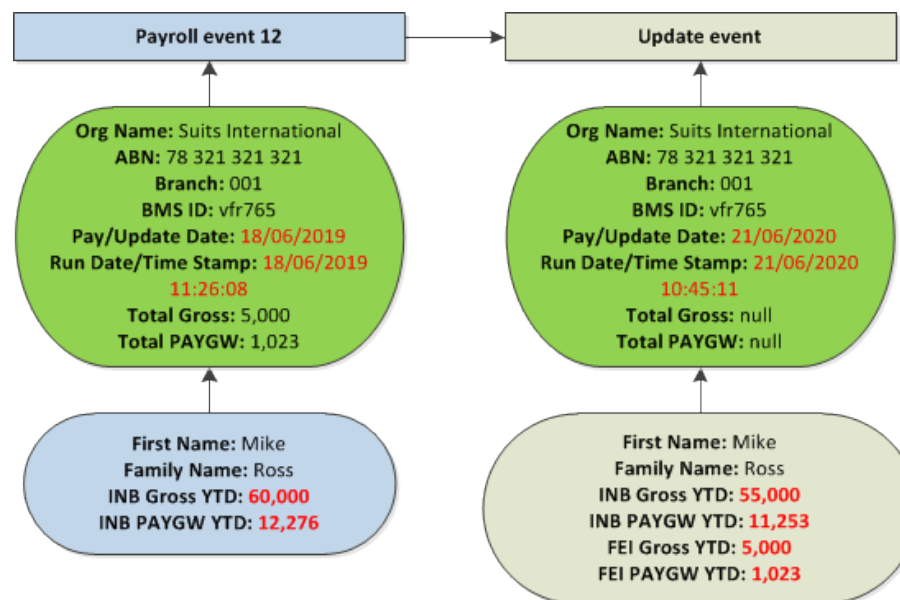
6.2.2.1 Report a fix within 14 days

1. An employer must report a fix within 14 days from when the issue is detected.

6.2.2.1.a.i Scenario - correcting a misclassification of payment through an Update event

Detail

Mike Ross is employed by Suits International. Mike is paid \$5,000 per month as salary. A month before the end of the financial year, he was sent to Canada to temporarily work on their Toronto Head Office. The payroll officer was not informed of this change in location, and incorrectly recorded the payment as Individual Non Business payment instead of Foreign Employment Income.



Payroll event 12 Suits International paid Mike incorrectly report his salary as an Individual Non Business payment.

Update event 1 The misclassification is identified and fixed within in 14 days through an update event.

6.2.2.2 Defer report a fix to the next regular pay cycle

2. An employer may choose to report a fix in the next regular pay cycle 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

Refer to scenarios in section 6.1.3.3 regarding reporting in next regular pay cycle

6.2.2.3 Report a fix via an update event

3. An employer may report a fix in an update event.

Refer to scenario 6.2.2.1.a.i

6.2.3 Fixing reporting errors – employee data

6.2.3.1 Fix employee data

1. Where the latest employee information reported does not reflect the current information in the employers payroll system, then a fix should be reported.

Refer to scenario 6.2.1.1.a.i

6.2.3.2 Fix employee data in next regular pay cycle

2. This may be reported within the employee record, in the next regular pay cycle report for the employee.

Refer to scenario 6.2.1.1.a.i

6.2.3.3 Fix employee data in update event within 14 days of identification

3. Alternatively, the information may be provided in an update event, within 14 days of being identified.

Refer to scenario 6.2.2.1.a.i

6.2.4 Fixing reporting errors – employer data

6.2.4.1 Fix employer data

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

Refer to scenario 6.1.4.3.a.i

6.2.4.1.a Fix employer data – large withholders

a. For large withholders this follows the existing business process. (See ATO website)

No scenario required, refer to [when to pay and report on activity statements](#)

6.2.4.1.b Fix employer data – small and medium withholders

b. For small and medium withholders, this may involve adjustments through the activity statement.

No scenario required, refer to [when to pay and report on activity statements](#)

6.2.4.1.b.i *Prior BAS period*

i. Where the adjustment relates to a business activity statement (BAS) which has already been lodged, then the employer should revise the BAS for the period ([see website – reporting PAYG withholding errors](#))

No scenario required, refer to [when to pay and report on activity statements](#)

6.2.4.1.b.ii *Current BAS period*

ii. Where the adjustment relates to a BAS which is yet to be lodged, then 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.

No scenario required, refer to [when to pay and report on activity statements](#)

6.2.5 Overpayment within a financial year

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

6.2.5.1 Report current year overpayment via payroll event

1. If the overpayment is identified within the financial year that the overpayment occurred, then the employer may report the reduction in a payroll event at the next regular pay cycle, or through an update event.

Refer to scenario 6.1.1.5.a.i

6.2.5.1.a Employee overpayment in payroll event shows reduced employee YTD amount

- a. Where the overpayment is reported through a payroll event, then the employees YTD amounts should be reduced to reflect the overpayment. Note: YTD amounts cannot be negative.

Refer to scenario 6.1.1.5.a.i

6.2.5.1.b Employee overpayment in payroll event shows reduced employer period amount

- b. Where the overpayment is reported through a payroll event, then the amounts of the overpayment should be reflected in the employer level reported W1 and W2. Note: these period amounts can be negative.

Refer to scenario 6.1.1.5.a.i

6.2.5.1.c Employee overpayment in update event shows reduced employee YTD amount

- c. Where there is no future payment to the employees YTD amounts should be reduced to reflect the overpayment through an update event. Note: YTD amounts cannot be negative.

No scenario required – follow guidance in scenario 6.1.1.5.a.i regarding reduced YTDs in payroll event

6.2.5.1.d Employee overpayment in update event requires manual BAS adjustment for a small and medium withholder

- d. If the employer reports the overpayment via the update event then the adjustment will not be reflected in any activity statement prefill and the employer should adjust the pre-fill amounts to reflect the overpayment.

Refer to scenario 6.1.4.3.a.i which demonstrates BAS pre-fill adjustment

6.2.5.1.e Employee overpayment in update event requires PAYG withholding remittance reduction

- e. Large withholders will follow the existing guidance and reduce the next payment by the relevant amount withheld.

No scenario required as large withholders should follow existing guidance

6.2.6 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.

6.2.6.1 Misclassification reported in pay or update event

1. The employer may report the adjustment in a payroll event at the next regular pay cycle for the employee, or through an update event.

Refer to scenarios 6.2.1.1.a.i and 6.2.2.1.a.i

6.2.6.2 Retrospective adjustments to employer W1 not required

2. The employer is not required to adjust the previously reported W1 amount.

No scenario required

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

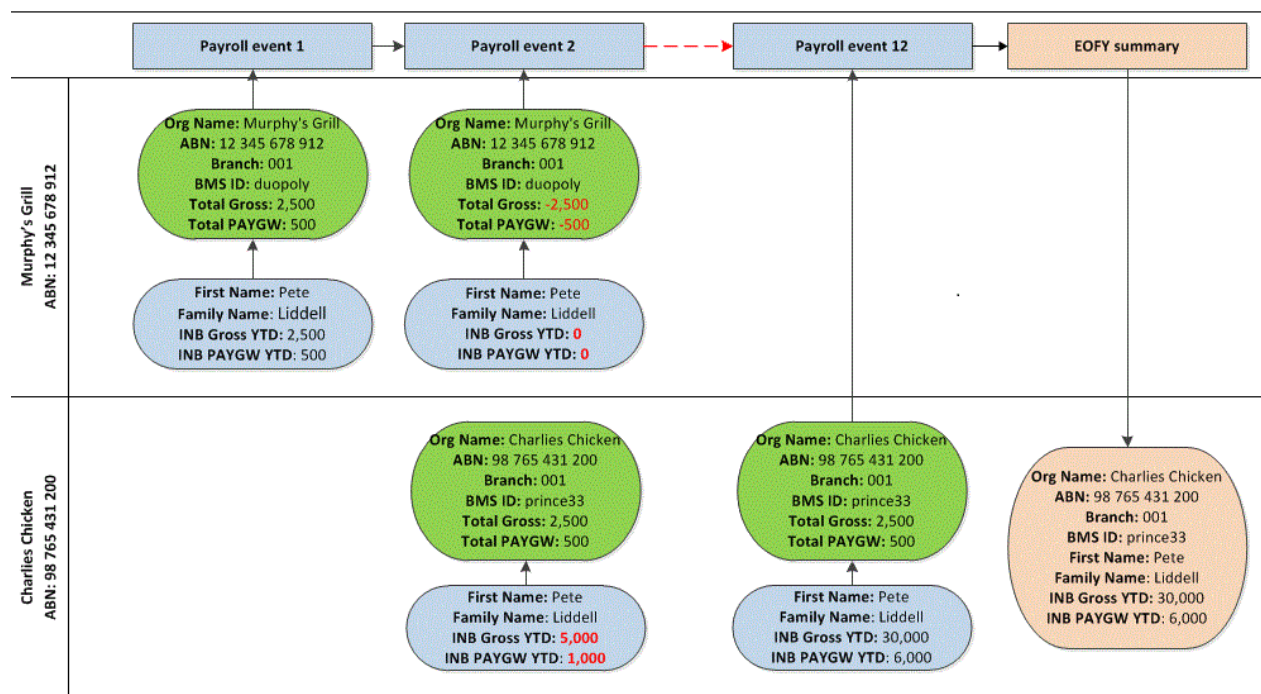
6.2.7.1 Correct employee YTD amounts reported by incorrect ABN/Branch

1. If an employee has been reported under an incorrect ABN, then the employer needs to report these amounts under the correct ABN and adjust the employee YTD amounts on the incorrect ABN.

6.2.7.1.a.i Scenario - reporting obligation under wrong ABN and corrected in the next regular pay cycle

Detail

Jo Murray is the owner of Murphy's Grill (ABN: 12 345 678 912) and Charlies Chicken (ABN: 98 765 431 200). Pete Liddell is a chef at Charlies Chicken. Jo manages both sets of accounts and accidentally pays Pete through Murphy's Grill.

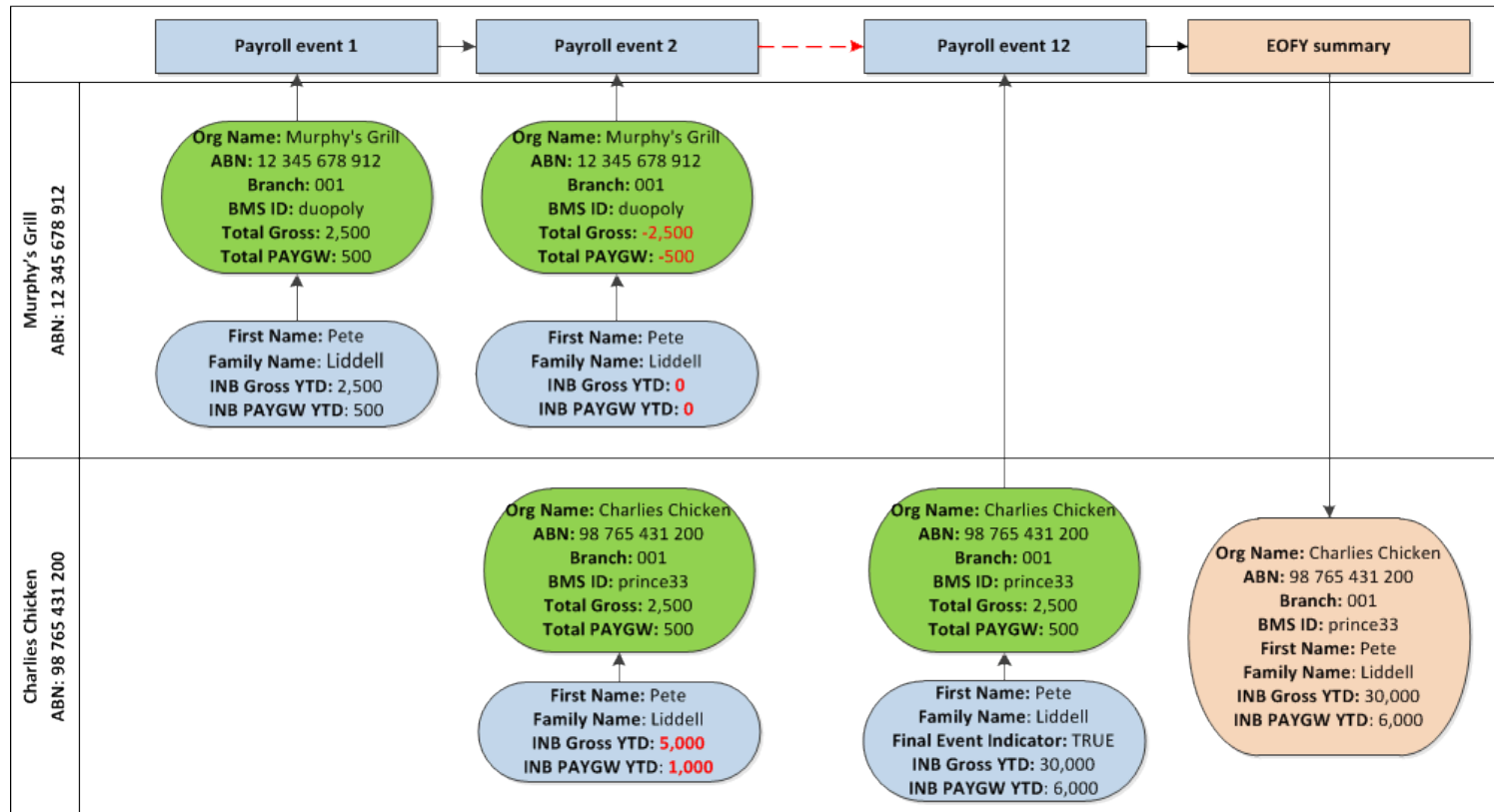


Payroll events 1	Pete is incorrectly paid \$2,500 through Murphy's Grill.
Payroll events 2	Pete's YTD balances for Murphy's Grill are zeroed out through the next regular pay cycle payroll event. Charlies Chickens next regular pay cycle event contains \$2,500 correction for payroll event 1 and \$2,500 actual payment for payroll event 2.
Payroll events 3 - 12	Pete is paid from payroll event 3 onwards through Charlies Chicken
EOFY summary	A single EOFY summary from Charlies Chicken is available to Pete via ATO Online services in myGov. No EOFY Summary is created for Murphy's Grill as it is zero YTD.

6.2.7.1.a.ii Scenario - reporting obligation under wrong ABN and corrected in an update event

Detail

Jo Murray is the owner of Murphy's Grill (ABN: 123 456 789) and Charlies Chicken (ABN: 987 654 321). Pete Liddell is a chef at Charlies Chicken. Jo manages both sets of accounts and accidentally pays Pete through Murphy's Grill.



Payroll events 1	Pete is incorrectly paid \$2,500 through Murphy's Grill.
Update Event	An update event is sent to the ATO to Zero out YTD balances for Pete at Murphy's Grill. An update event is sent to the ATO to update YTD balances for Pete at Charlies Chicken.
Payroll events 2 - 12	Pete is paid from payroll event 2 onwards through Charlies Chicken
EOFY summary	A single EOFY summary from Charlies Chicken is available to Pete via ATO Online services in myGov. No EOFY Summary is created for Murphy's Grill as there is a zero YTD Balance.

6.2.7.2 Report employee ABN/branch misclassification via pay or update event

2. These amounts may be reported via a payroll event at next regular pay cycle or through an update event.

Refer to scenarios 6.2.7.1.a.i and 6.2.7.1.a.ii

6.2.7.3 Fix employer period amounts when correction to ABN/branch

3. Where there is an adjustment required to the PAYG withholding remitted, reflect these amounts against the correct ABN, then:

6.2.7.3.a Fix employer period amounts for large withholders

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.

6.2.7.3.b Fix employer period amounts for small and medium withholders

b. For small and medium withholders, the activity statement will need to be revised or adjusted, to correct the remittance to the ATO against the correct ABN.

6.2.8 Full file replacement

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

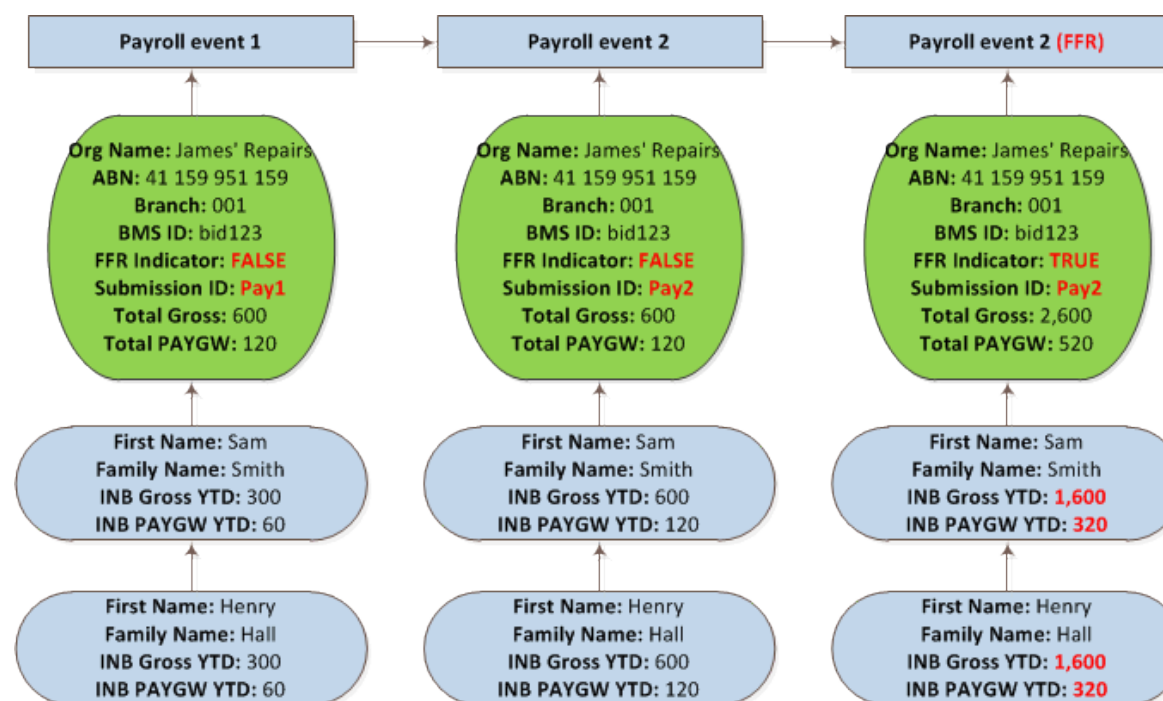
6.2.8.1 Replace only latest payroll event

1. For each BMS a full file replacement may only be used to replace the latest payroll event for a regular pay cycle.

6.2.8.1.a.i Scenario - employer successfully submits Full File Replacement

Detail

Sally is the payroll officer for James' Repairs. She runs a regular payroll event and sends it to the ATO. After sending the payroll event, Sally identifies that she has not included the Christmas bonus for all employees in the payroll event. Sally makes the correction and submits a Full file replacement to the ATO.



Payroll event 1	James' Repairs sends payroll event 1.
Payroll event 2	James' Repairs sends payroll event 2 without the Christmas bonus.
Payroll event 2 (FFR)	James' Repairs sends payroll event 2 with Full file Replacement Indicator. ATO cancels the original payroll event Pay2 and records the new payroll information.

6.2.8.2 Reference to the payroll event submission ID being replaced

2. The full file replacement must contain the Submission ID of the payroll event to be replaced.

Refer to scenario 6.2.8.1.a.i

6.2.8.3 Replacement not possible if originally reported employees have been included in a subsequent update event

3. A full file replacement cannot be submitted if any employee information submitted in the original payroll event file has been changed by a subsequent pay or update event.

No scenario required

6.2.8.4 Only a payroll event can be replaced

4. An update event cannot be replaced.

No scenario required

6.3 Finalisation - Declaration that 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 employees MyGov payroll page, to show that the STP reported information is final for the financial year.

An employer may make the declaration at any time during the financial year, or after the end of the financial year up to the 14 of July, or 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 the 31 July 2019.

Final Declaration

The declaration is made by an employer setting the final indicator for each employee.

6.3.1 Finalisation during the financial year

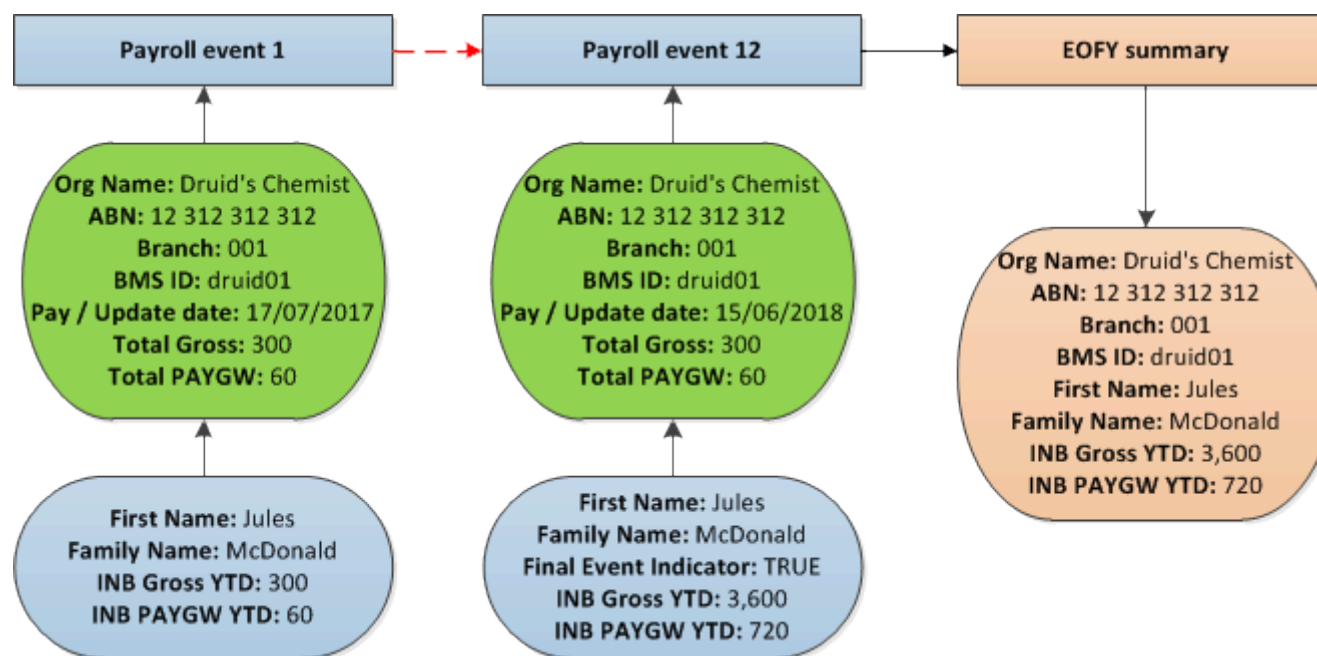
6.3.1.1 Finalisation occurs at employee level

1. The final indicator is reported per employee as a part of the employee record.

6.3.1.1.a.i Scenario - employer submits the Final Event Indicator before the 14 of July

Detail

Jules receives \$300 per month as salary for the financial year. Druid's Chemist declares, as part of a payroll event, that Payroll event 12 is the final event for Jules. The final event is submitted to STP before the end of financial year cut-off date.



Payroll event 1 Jules is paid under payroll event 1. Jules' salary does not change throughout the year.

Payroll event 12 This is the last payroll event of the year and includes the Final Event Indicator.

EOFY summary The EOFY Summary is generated for Jules.

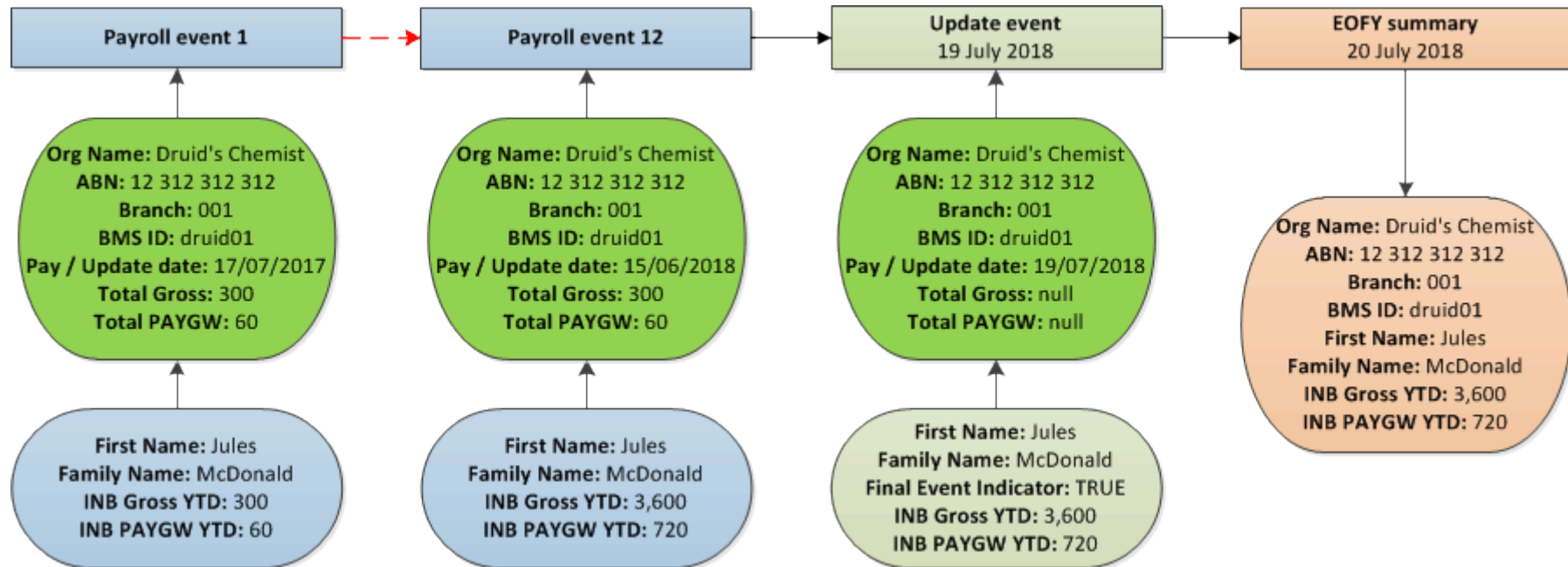
6.3.1.2 Finalisation via pay or update event

2. A final event indicator may be provided in a payroll event or update event.

6.3.1.2.a.i Scenario - employer submits the Final Event Indicator via update event

Detail

Jules receives \$300 per month as salary for the financial year. Druid's Chemist declares, as part of an update event, the final event for Jules. The final event is submitted to STP after the end of financial year cut-off date.



Payroll event 1-12	Jules is paid under payroll events 1 to 12. Jules' salary does not change throughout the year.
Update event	This is event includes the Final Event Indicator.
EOFY summary	The EOFY Summary is generated for Jules.

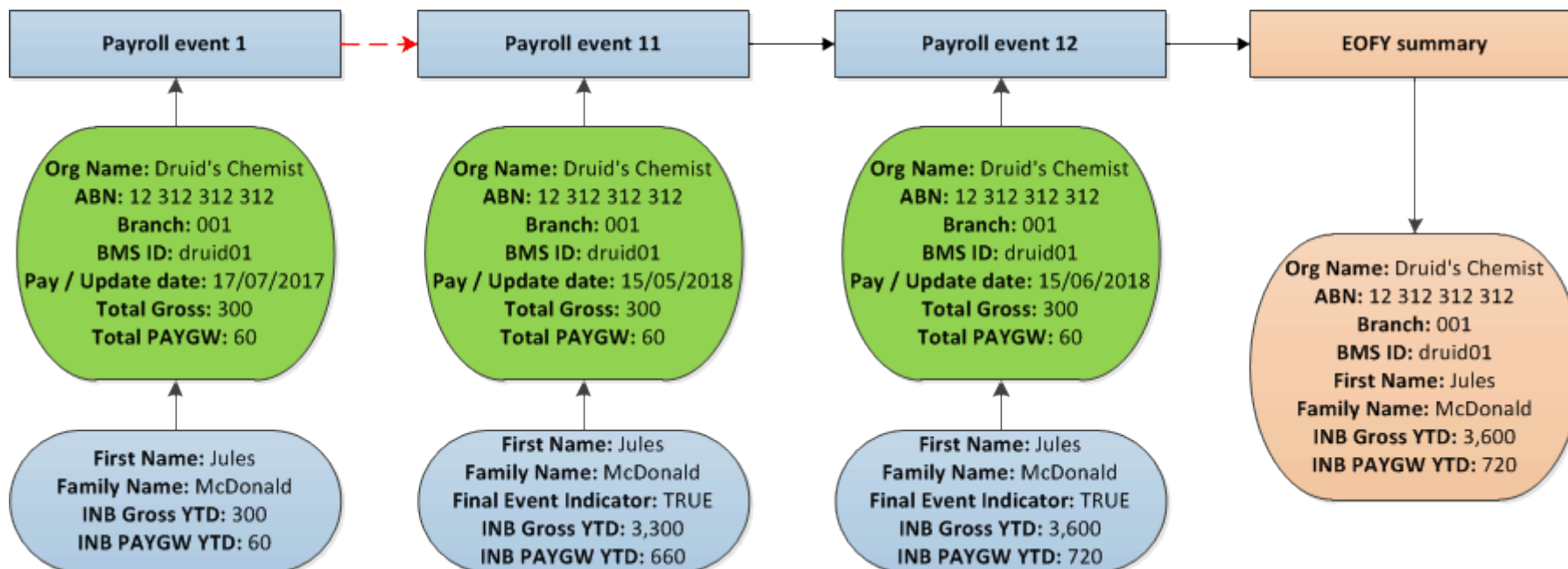
6.3.1.3 Finalisation before EOFY relieves part year payment summary obligation

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.

6.3.1.3.a.i Scenario - employer submits a finalised event during the financial year

Detail

Druid's Chemist has provided the Final Event Indicator for Jules, but has realised that another event needs to be sent for the same financial year.



Payroll event 1	Jules is paid under payroll events 1 to 10. Jules' salary does not change throughout the year.
Payroll event 11	The Final Event Indicator is applied to the second-last Payroll event for the financial year.
Payroll event 12	This is the last payroll event of the year and includes the Final Event Indicator.
EOFY summary	The EOFY Summary is generated for Jules. This information is viewable via ATO Online services in myGov. Income tax return prefill is available after 30/06

6.3.1.4 Finalisation indicator visible via ATO Online services in myGov

4. Making this declaration will update the employee's myGov display, to show that the STP information from the employer is final for the financial year. Note: Pre-fill information will not be available until after 30 June.

Refer to scenario 6.3.1.3.a.i

6.3.1.5 Payment made to employee subsequent to before EOFY finalisation

5. Where the employer makes another payment to the employee in the financial year, this may be reported in a later pay event.

Refer to scenario 6.3.1.3.a.i

6.3.1.5.a One-off payment after before EOFY finalisation

- 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.

Refer to scenarios in section 6.1.7.2

6.3.1.5.b Ongoing payments after before EOFY finalisation

- b. If the employer expects that there will be further reports for the employee, for example, they have been re-hired, then the employer should not mark these later reports as final.

Refer to scenarios in section 6.1.5.3

6.3.1.5.c Employee myGov view for Payments after before EOFY finalisation

- 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, then the ATO will update the employee's myGov display to show the later amounts as year to date and not final.

No scenario required

6.3.2 Finalisation after the end of the financial year

6.3.2.1 Finalisation of all employees by 14 July

1. Employers must provide the final indicator for all employees by the due date (14 July of the following year or deferred due date – 14 August 2018, 31 July 2019).

Refer to scenario 6.3.1.1.a.i

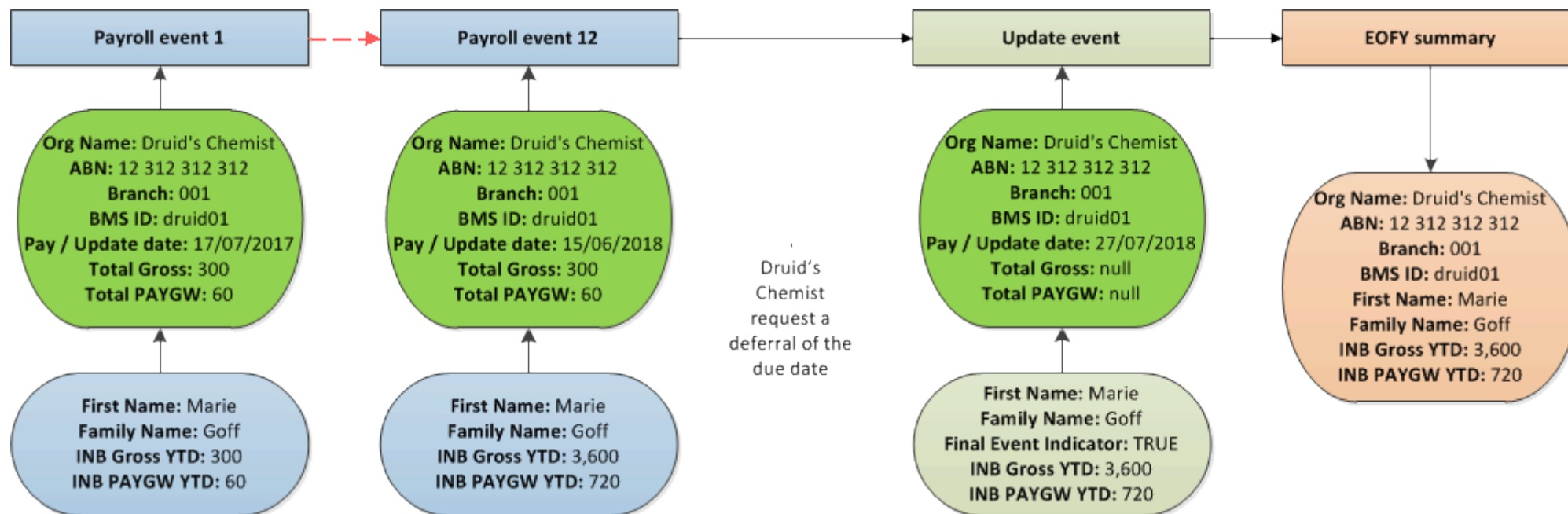
6.3.2.1.a Deferral request if employer cannot finalise all employees by 14 July

a. The employer should request an additional deferral of the due date from the ATO, if they cannot finalise by the due date.

6.3.2.1.a.i Scenario - employer requests deferral of due date for EOFY

Detail

Marie Goff receives \$300 per month as salary for the financial year. Druid's Chemist is unable to finalise their STP reporting by 14 Jul due to key personnel being unavailable. They contact the ATO to request a deferral, which is granted. An update event with the declaration for Marie is provided on 27/07/2018.



Payroll event 1-12 Marie is paid under payroll events 1 to 12. Marie's salary does not change throughout the year.

Update event This is event includes the Final Event Indicator.

EOFY summary The EOFY Summary is generated for Marie.

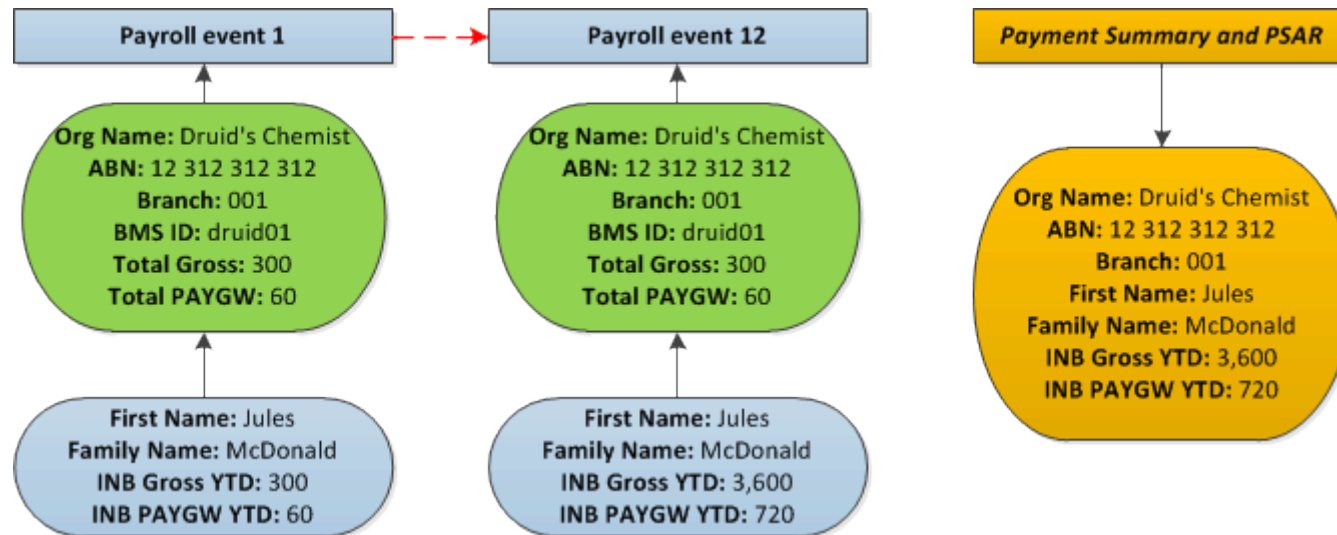
6.3.2.1.b If finalisation or deferral not granted by 14 July, penalties may apply

b. If the employer does not provide the final event indicator by the due date, then they must provide a payment summary to their employees. Compliance Note: where these payment summaries are not provided by the 14 of July the employer may be subject to a penalty.

6.3.2.1.b.i Scenario - employer finalises employee record outside of STP

Detail

Jules receives \$300 per month as salary for the financial year. Druid's Chemist does not submit the Final Event Indicator before the EOFY cut-off date, and chooses to provide a payment summary to Jules, and a payment summary annual report to the ATO, outside of STP.



Payroll event 1-12	Jules is paid under payroll events 1 to 12. Jules' salary does not change throughout the year.
Payment Summary and PSAR	Druid's chemist provides a payment summary to Jules, and a payment summary annual report to the ATO, outside of STP.

6.3.2.1.c If employer failed to meet STP EOFY finalisation, payment summary annual report (PSAR) obligation met through update event

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, the employer can meet the obligation to provide a payment summary annual report to the ATO, by finalising through the update event.

Refer to scenario 6.3.2.2.a.i

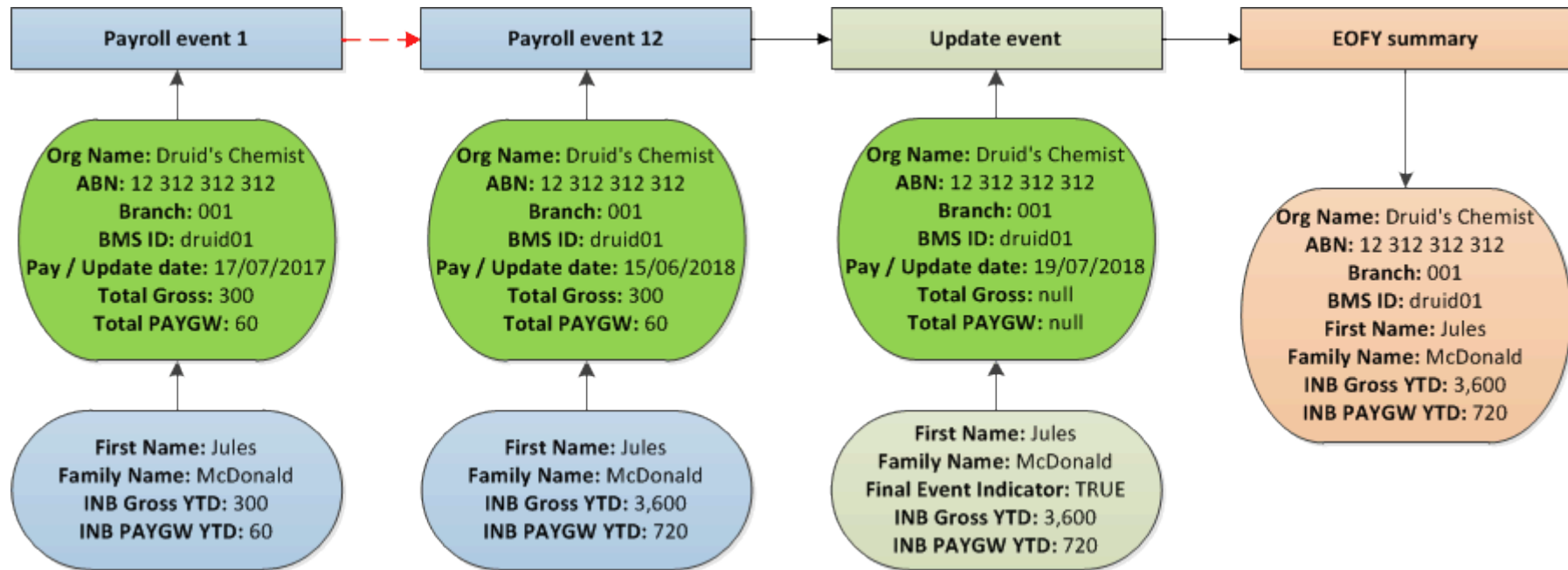
6.3.2.2 Finalisation after EOFY via update event only

2. Where the final indicator is provided after the end of the financial year, it must be provided through an update event.

6.3.2.2.a.i Scenario - employer submits the final event Indicator after the 14th of July

Detail

Jules receives \$300 per month as salary for the financial year. Druid's Chemist declares, as part of an update event, the final event for Jules. The final event is submitted to STP after the end of financial year cut-off date.



Payroll event 1-12	Jules is paid under payroll events 1 to 12. Jules' salary does not change throughout the year.
Update event	This is event includes the Final Event Indicator.
EOFY summary	The EOFY Summary is generated for Jules.

6.3.3 Reportable Fringe Benefit Amount (RFBA)/Reportable Employer Superannuation Contributions (RESC)

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

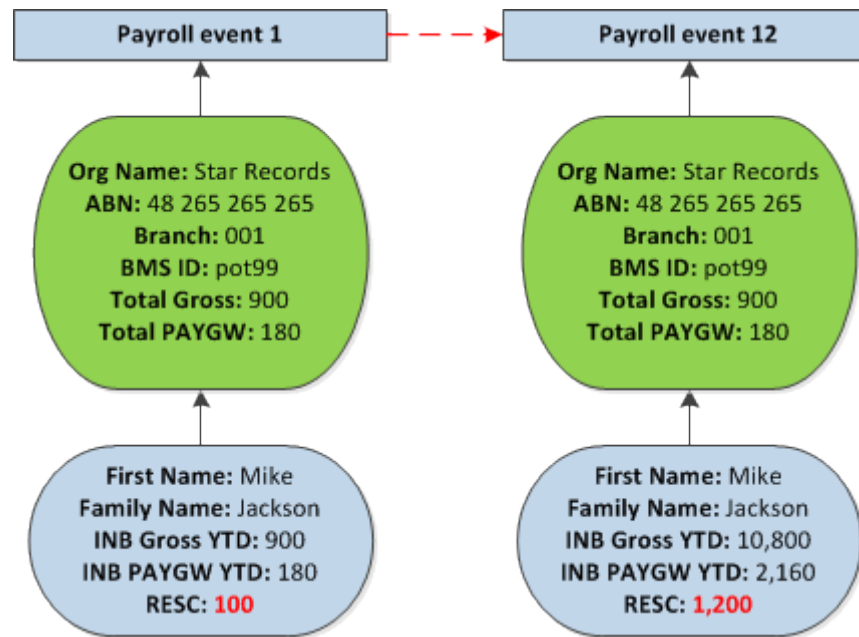
6.3.3.1 RFBA/RSCA via a payroll event

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

6.3.3.1.a.i Scenario - RESC is reported through Payroll event

Detail

Mike Jackson is an employee of Stars Records. Mike receives \$1,000 per month as salary. He has arranged to salary sacrifice 10% of his gross earnings for superannuation. RESC information is available during regular payroll cycle.



Payroll event 1 Mike is paid his salary. RESC is included as part of the payroll event.

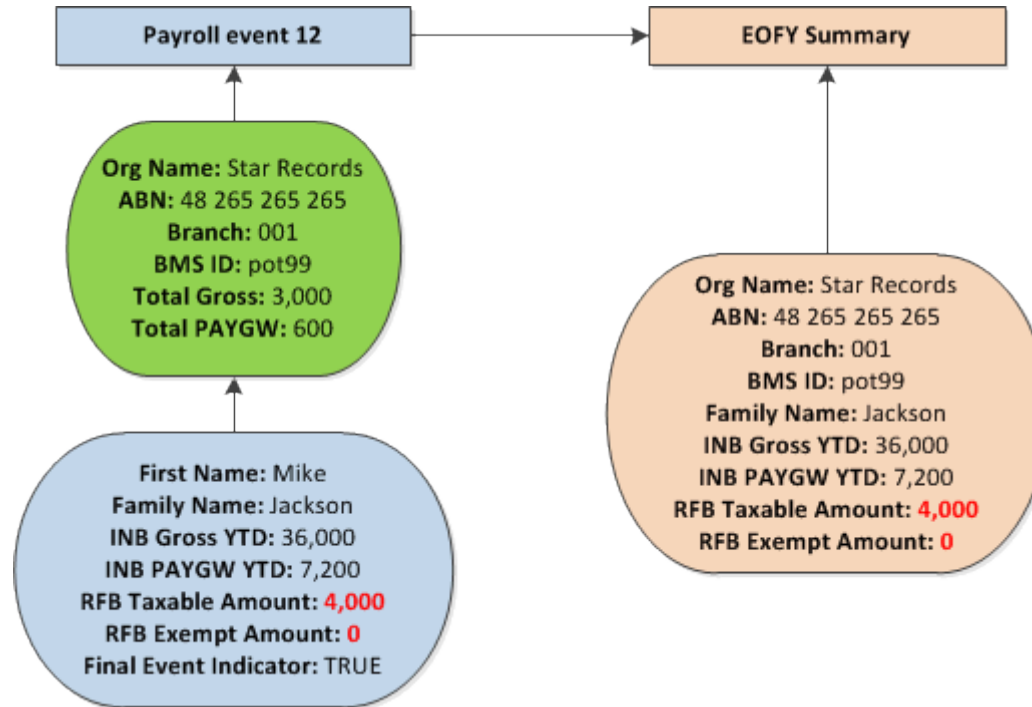
Payroll events 2-11 Mike's salary does not change throughout the year.

Payroll event 12 This is the last payroll event of the year and the RESC is included.

6.3.3.1.a.ii Scenario - RFBA is reported through Payroll event

Detail

Mike Jackson is an employee of Star Records. Mike is paid \$3,000 per month. Star Records provided Mike a fringe benefit with grossed-up taxable amount of \$4,000. Star Records is not exempt from FBT under section 57A of the FBTA 1986. The FBT information is managed by a third party supplier who provided the information to Star Records before the last payroll cycle. FBT amount is reported on the last payroll event of the year.



Payroll event 12	Star Records reported to ATO the RFBA of Mike Jackson through the last payroll event.
EOFY Summary	EOFY Summary is available to Mike Jackson via ATO Online services in myGov.

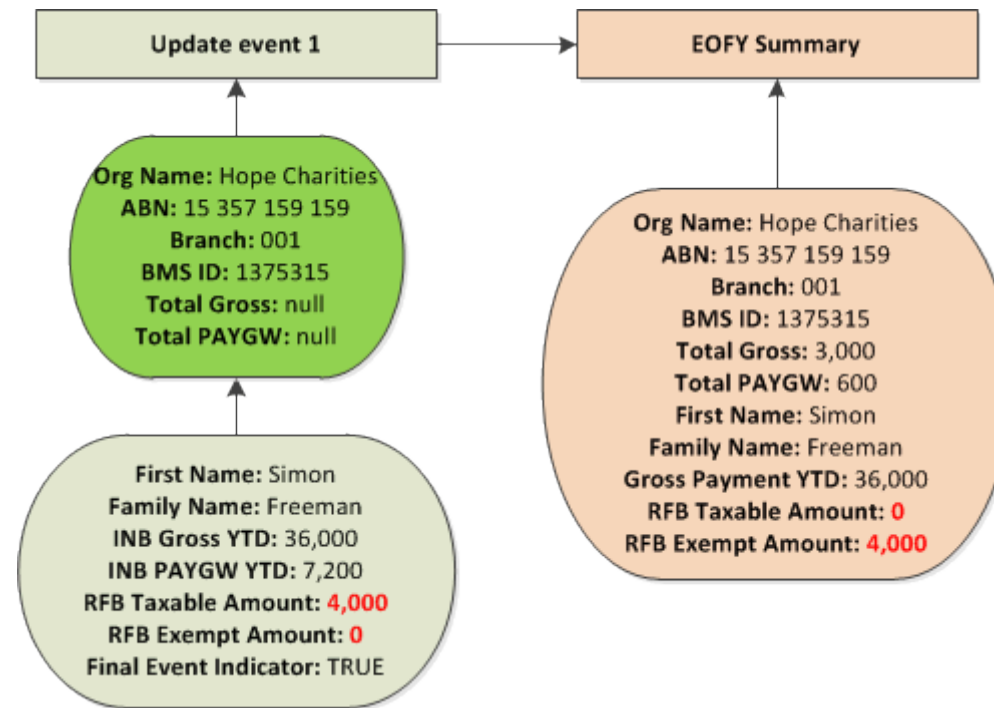
6.3.3.2 RFBA/RSCA via an update event

2. An employer may provide year to date RFBA and RESC through an update event, throughout the financial year.

6.3.3.2.a.i Scenario - RFBA is reported through an Update event

Detail

Simon Freeman is an employee of Hope Charities. Hope Charities provided Simon a fringe benefit with grossed-up taxable amount of \$4,000. Hope Charities is exempt from FBT under section 57A of the FBTA 1986. The FBT information is not available in payroll but is managed through a third party supplier, Fringe Pay. Fringe Pay provided the FBT information to Hope Charities after the last payroll cycle. FBT information is then sent as an Update event to the ATO.



Update event 1	Hope Charities reported to ATO the RFBA for Simon Freeman through an update event.
EOFY Summary	EOFY Summary is available to Simon Freeman via ATO Online services in myGov

6.3.3.3 Once reported, RFBA/RESC must continue to be reported

3. If reported during the year via a payroll or an update event, the amounts should continue to be reported for each following payroll event, even if the YTD amounts remain the same.

No scenario required as all YTD amounts must be reported in subsequent payroll events

6.3.3.4 RFBA/RESC reported via update with finalisation

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.

Refer to scenario 6.3.3.2.a.i

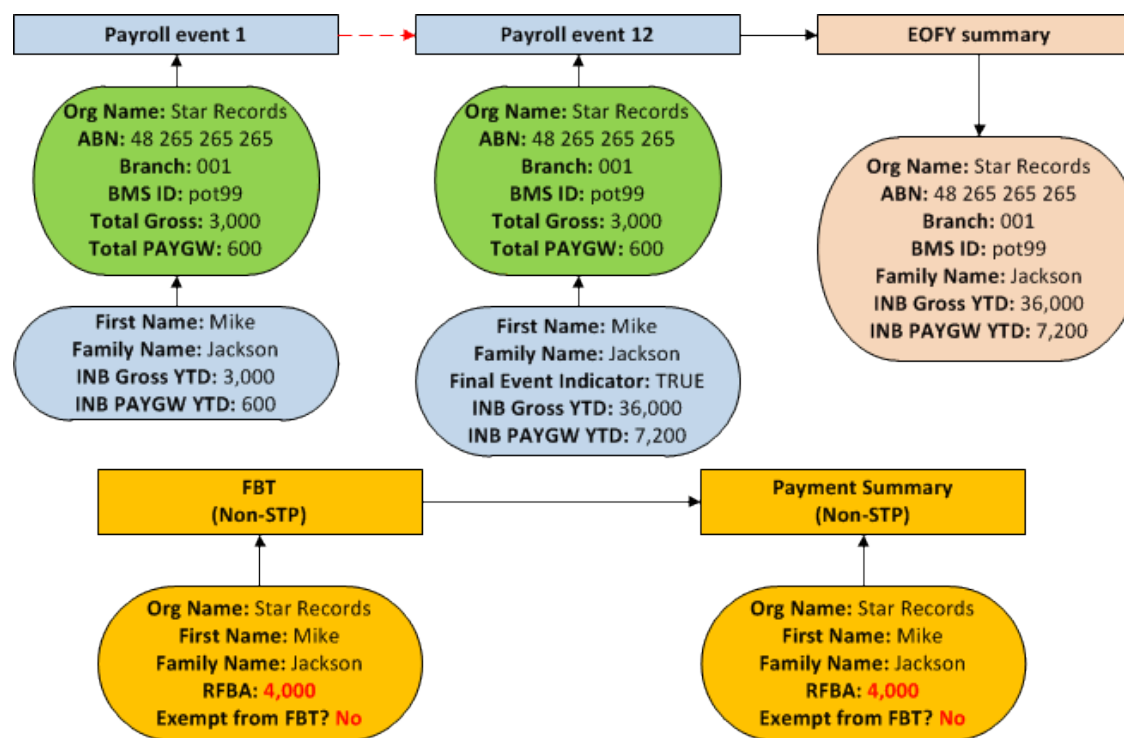
6.3.3.5 If RFBA/RESC not reported via STP, then payment summary

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.

6.3.3.5.a.i Scenario - employer is STP enabled but FBT amount is not submitted through STP

Detail

Mike Jackson is an employee of Stars Records. Mike is paid \$3,000 per month. Star Records provided Mike a fringe benefit with grossed-up taxable amount of \$4,000. Star Records is STP enabled and not exempt from FBT under section 57A of the FBTA 1986. Its FBT information is managed by a third party supplier, Fringe Pay, that is not STP enabled. A separate payment summary for the FBT amount must be provided by Star Records to its employees.



Payroll events 1-12	Mike Jackson is paid his salary and this is reported to ATO through STP
EOFY Summary	EOFY Summary is available to Mike Jackson via ATO Online services in myGov.
FBT (Non STP)	Fringe Pay managed the FBT of Star Records.
Payment Summary (Non STP)	Payment Summary for the FBT amount is issued by Star Records for Mike Jackson.

6.3.4 Lump sum E

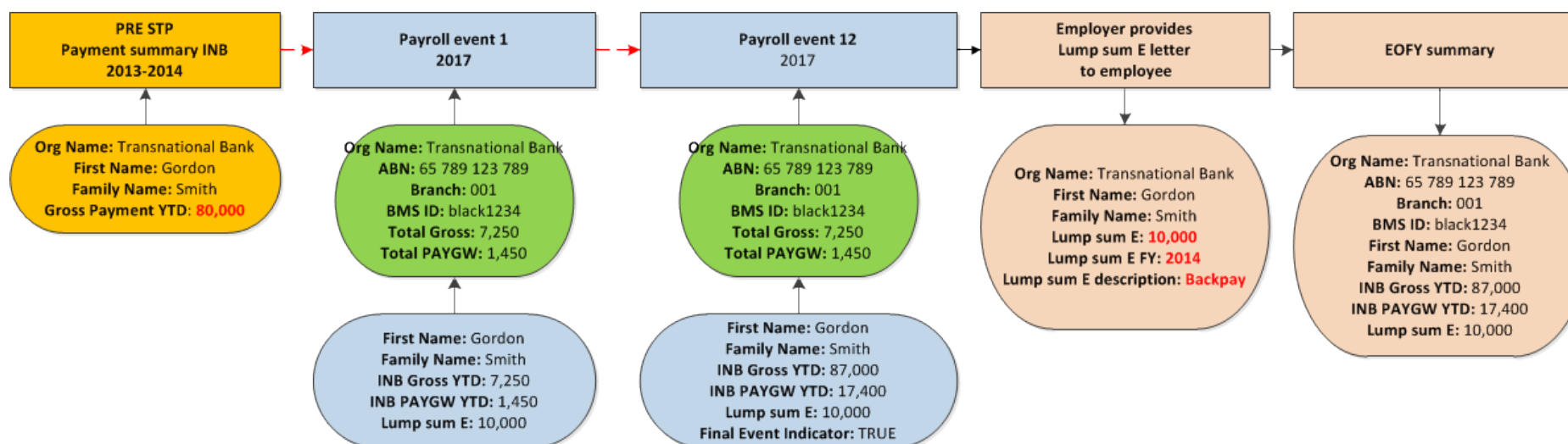
6.3.4.1 Lump sum E letters still required under STP

- 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.

6.3.4.1.a.i Scenario - employer pays a lump sum payment in arrears to an employee

Detail

On 15/07/2017 Gordon receives \$10,000.00 as back pay from 2014 from his employer Transnational Bank. Gordon's income reported on his 2014 payment summary was \$80,000. In 2017 Gordon's salary is \$100,000. Gordon's employer must include the payment as a Lump Sum E in the next payroll event and provide Gordon with a breakdown of the Lump Sum E payment for each financial year it belongs to.



Payment summary INB 2013-2014	Gordon receives his payment summary for the 2013-2014 year before Single Touch Payroll.
Payroll event 1 2017	Gordon receives \$10,000 back pay from 2013-2014. Transnational Bank reports the lump sum E payment in the payroll event.
Payroll event 12 2017	At the end of the financial year Transnational Bank finalises the financial year by providing the ATO with a Final Event Indicator as part of last payroll event.
Lump Sum E letter	Transnational bank provides Gordon with a breakdown of the Lump Sum E payment including the FY, amount for each FY and description. The employer must provide the employee with the breakdown of Lump Sum E payments
EOFY summary	An EOFY summary is available to Gordon via ATO Online services in myGov that includes the Lump Sum E payment

6.3.5 Lump sum D

6.3.5.1 If only Lump sum D, no STP report required

1. If lump sum payment D is the only payment made to the payee for the financial year, no tax should be withheld nor need it be reported through STP.

No scenario required as no STP reporting required

6.3.6 Amended finalisation after the end of the financial year

6.3.6.1 Finalised prior year identification of amendments to be reported within 14 days

1. Where the need for an amendment is identified, the employer has 14 days to report the amendment.

Refer to scenario 6.2.2.1

6.3.6.2 Finalised prior year amendments reported via update event

2. After the end of financial year, amendments to employee payroll information must be reported via an update event. Note: 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.

Refer to scenario 0

6.3.6.3 Impact on income tax return pre-fill of finalised prior year amendments

3. Where the employer believes that a previously finalised employee record needs to be amended, they should notify this as soon as possible, as the previously finalised amounts will be available for the employee, as pre-fill amounts for their income tax return.

Refer to scenario 6.3.6.4.a.i

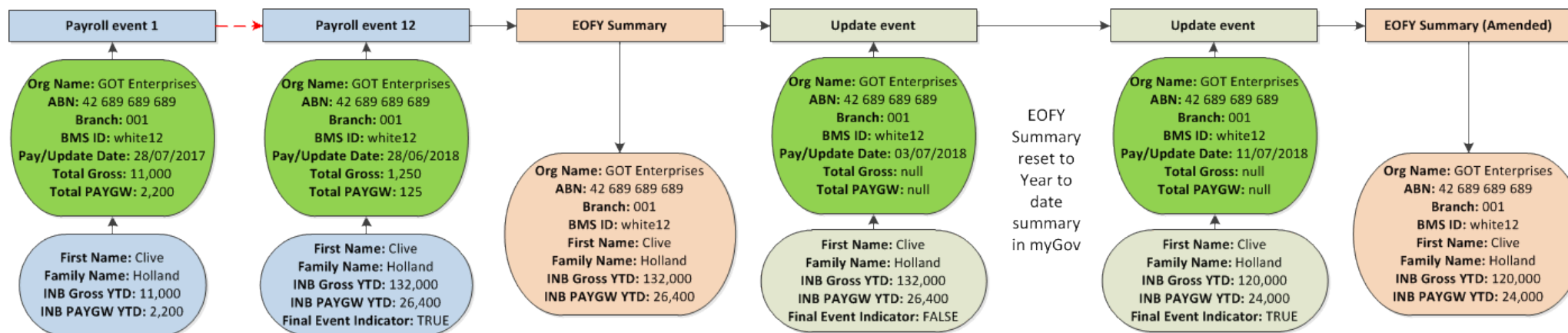
6.3.6.4 If finalised prior year amendment details not available, reset finalisation via update event

- 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. Note: 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.

6.3.6.4.a.i Scenario – reset finalisation via an update event

Detail

Clive Holland is an employee of GOT Enterprises. Clive receives \$11,000 per month as salary. There was an error in the reporting of Clive's details and GOT Enterprises requires some time to calculate the correct figures. To ensure that Clive is not provided incorrect information in his income tax return pre-fill GOT Enterprises resets Clive's finalisation to FALSE while it conducts an investigation into the figures. GOT Enterprises calculate the correct figures and provide them in an update event along with a final event indicator of TRUE; Clive can view an amended EOFY Summary via ATO Online services in myGov and correct information pre-filled in Clive's income tax return.



Payroll event 1-12	Clive Holland is paid his salary throughout the year. GOT Enterprises provide a final event indicator of TRUE in payroll event 12
EOFY Summary	An EOFY summary is available to Clive to view and print via ATO Online services in myGov.
Update Event	An update event is submitted to reset the final event indicator to FALSE to allow GOT Enterprises to review Clive's details. The EOFY summary in ATO Online services in myGov is set back to year to date summary and pre-fill is reset.
Update Event	An update event is submitted with the correct information for Clive along with a final event indicator of TRUE.
EOFY Summary (Amended)	An amended EOFY Summary is available for John to view and print in ATO Online services in myGov.

6.3.6.5 Amend finalised prior year for up to 5 years

5. Employers can amend finalised data reported through STP up to 5 years after the end of financial year using an update event.

No scenario required

6.3.7 Overpayment identified after EOFY

6.3.7.1 Prior year overpayment reported within 14 days

1. An employer must report an overpayment within 14 days from when the error is detected.

Refer to scenario 6.3.7.2.a.i

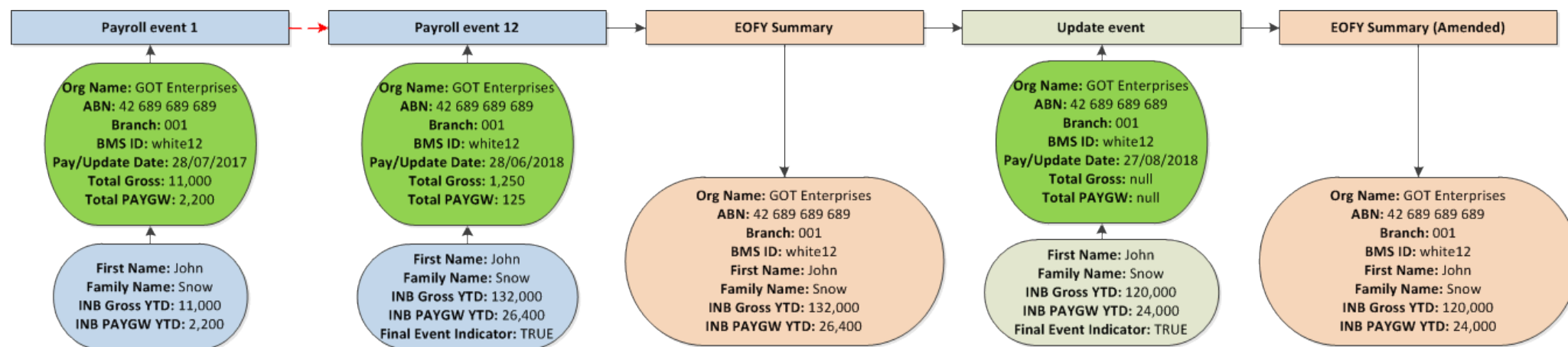
6.3.7.2 Prior year overpayment reported via update event

2. Corrections to employee payroll information after the end of financial year must be carried out via an update event.

6.3.7.2.a.i Scenario - overpayment identified on the next financial year

Detail

John Snow is an employee of GOT Enterprises. John receives \$11,000 per month as salary. John's contract with GOT Enterprises only states \$10,000 per month as salary. John is overpaid by \$12,000. The error was not discovered until an audit was conducted in August (23/08/18) of the next financial year, the correction was made on 27/08/2018.



Payroll event 1-12 John Snow is paid his salary throughout the year. John is overpaid \$12,000 in total.

EOFY Summary An EOFY summary is available to John to view and print via ATO Online services in myGov.

Update Event Update event is submitted to correct the error made in the 2017-2018 financial year.

EOFY Summary (Amended) An amended EOFY Summary is available for John to view and print in ATO Online services in myGov.

6.3.7.3 Prior year overpayment to amend payments, not PAYG withholding

3. The update should detail the reportable amounts the employee received in the relevant financial year. Do not adjust the amount of tax withheld.

No scenario required, refer to ATO website for guidance on [overpayments in a prior financial year](#)

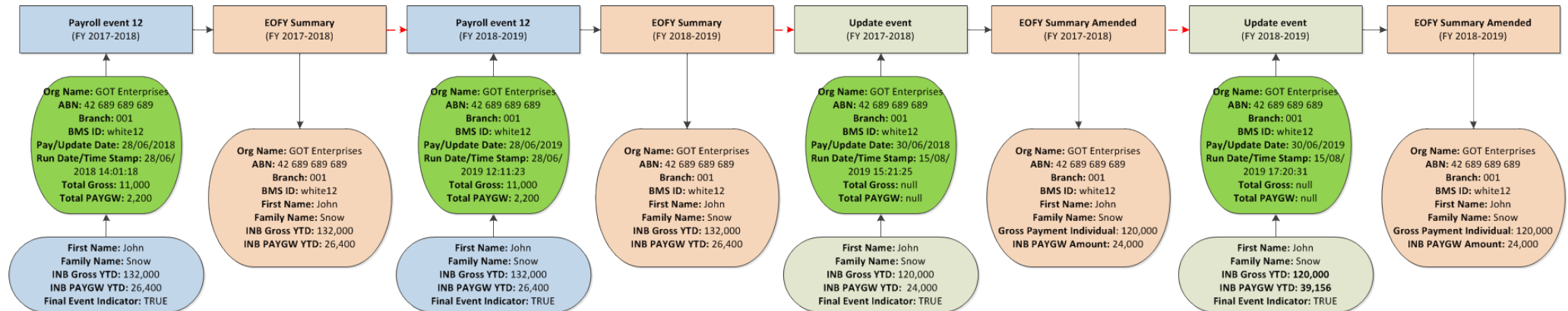
6.3.7.4 Prior year overpayment to amend per year impacted

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).

6.3.7.4.a.i Scenario - overpayment over multiple financial years where all are reported under Single Touch Payroll

Detail

John Snow is an employee of GOT Enterprises for the past 2 financial years. John receives \$11,000 per month as salary. John's contract with GOT Enterprises only states \$10,000 per month as salary. John is overpaid by \$12,000 each year. The error was not discovered until an audit was made after 2 financial years all of which were reported under Single Touch Payroll.



Payroll event 12 (FY 2017-2018)	John Snow is paid his salary throughout the year. John is overpaid \$12,000.
EOFY Summary (FY 2017-2018)	John printed his EOFY Summary and paid his income tax return.
Payroll event 12 (FY 2018-2019)	John Snow is paid his salary throughout the year. John is overpaid \$12,000.
EOFY Summary (FY 2018-2019)	John printed his EOFY Summary via ATO Online services in myGov and paid his income tax return.
Update Event	Update event is submitted to correct the error made in the 2017-2018 financial year.
EOFY Summary Amended (FY 2017-2018)	Amended EOFY Summary is available for John to view and print in ATO Online services in myGov.
Update Event	Update event is submitted to correct the error made in the 2018-2019 financial year.
EOFY Summary Amended (FY 2018-2019)	Amended EOFY Summary is available for John to view and print in ATO Online services in myGov.

6.4 Transition to Single Touch Payroll during a financial year

6.4.1 Transition into STP

An employer may commence STP reporting at any time throughout a financial year. To support employers transitioning to STP during a financial year, a number of transition pathways will be supported. The business rules and supporting scenarios provide guidance, on various methods that may be used to transition into STP and also include rules that relate to the activity statements.

6.4.1.1 STP reporters to be pre-registered for PAYG withholding

1. Employers must be registered for PAYG withholding prior to submitting their first payroll event.

No scenario required

6.4.1.2 STP reported data relieves employer of reporting that data via payment summary

2. An employer, who provides STP reports for employees (active/inactive and terminated) through STP, will have met their reporting obligations and will not have to provide a payment summary. Employers may transition into STP using one of the following methods.

Refer to scenarios 6.4.1.2.a.i, 6.4.1.2.b.i, 6.4.1.2.c.i, 6.4.1.2.d.i and 6.4.1.2.e.i

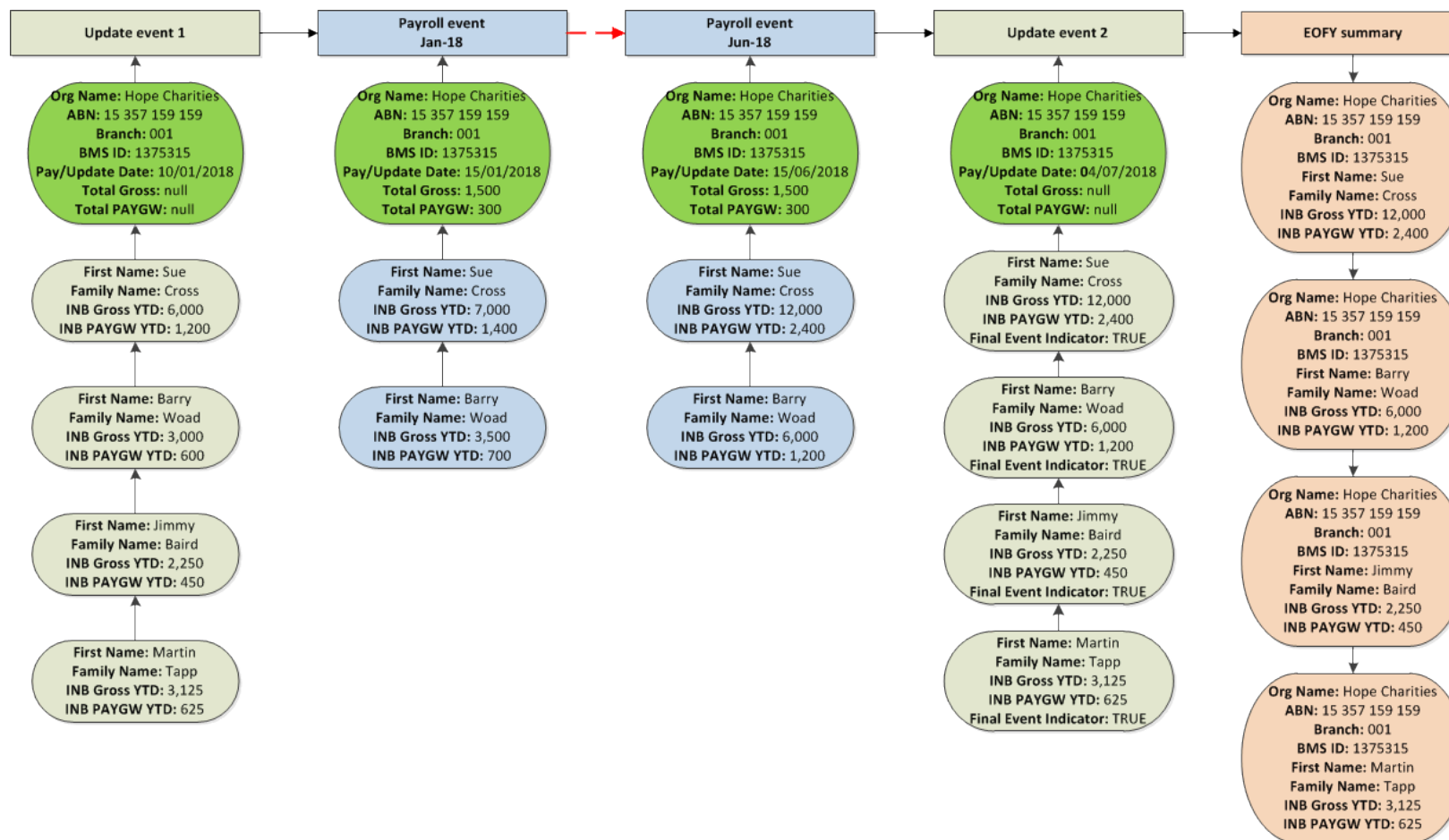
6.4.1.2.a Transition with opening balance for total employees via update event

a. An employer may provide an Opening YTD Balance for all employees (active/inactive and terminated) in an update event.

6.4.1.2.a.i Scenario – employer reports all employees in an update event to transition to STP

Detail

Hope Charities purchases STP enabled software in January and wants to start reporting via Single Touch Payroll. They choose to submit an update event before their first payroll in January to report the YTD amounts for all of their employees (active/inactive and terminated). They include 4 employees in the update two of which ceased employment in November (Jimmy Baird and Martin Tapp).



Update event 1	Hope Charities uses their new BMS to submit the YTD amounts for all employees including the employees that ceased employment prior to reporting via STP.
Payroll event Jan-18	This is Hope Charities first payroll event in STP and they only include the employees being paid (Sue Cross and Barry Woad)
Payroll event Jun-18	This is Hope Charities last payroll event for the financial year, they only include the employees being paid (Sue Cross and Barry Woad)
Update event 2	Hope Charities finalises all their employees (including the ceased employees) by providing a final event indicator for each of them in this event.
EOFY summary	EOFY summaries are available to all employees via ATO Online services in myGov.

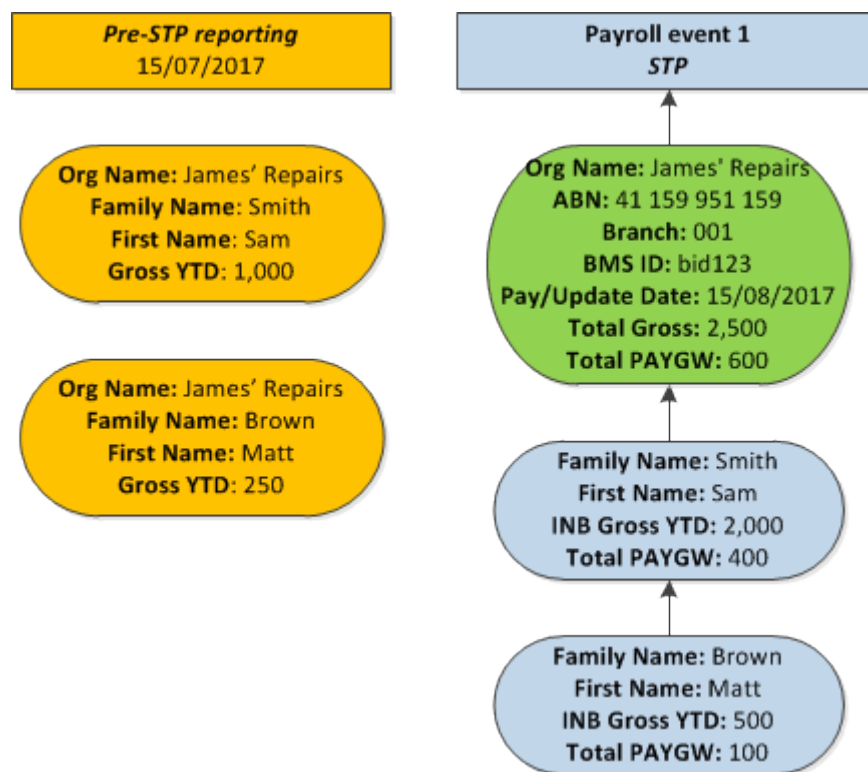
6.4.1.2.b Transition via payroll event

b. An employer may report all employees being paid and inactive/terminated employees YTD information in the first payroll event.

6.4.1.2.b.i Scenario - both employees continue to be employed during the financial year when employer becomes STP-enabled

Detail

James' Repairs wants to be Single Touch Payroll enabled. During the year he submits his first payroll information through Single Touch Payroll. James' Repairs has two employees, Sam Smith and Matt Brown. Sam receives \$1,000 per month and Matt receives \$250 per month as Gross Payments. For Scenario 1a, both Sam and Matt are active employees of James' Repairs at the time of transition to Single Touch Payroll.



Pre STP	James' Repairs is not STP-enabled. ATO does not have a record of the payroll event.
Payroll event 1 STP	James' Repairs decides to be STP-enabled. They use a BMS to submit the payroll information. ATO records Sam's Gross YTD and Matt's Gross YTD which include pre Single Touch Payroll amounts.

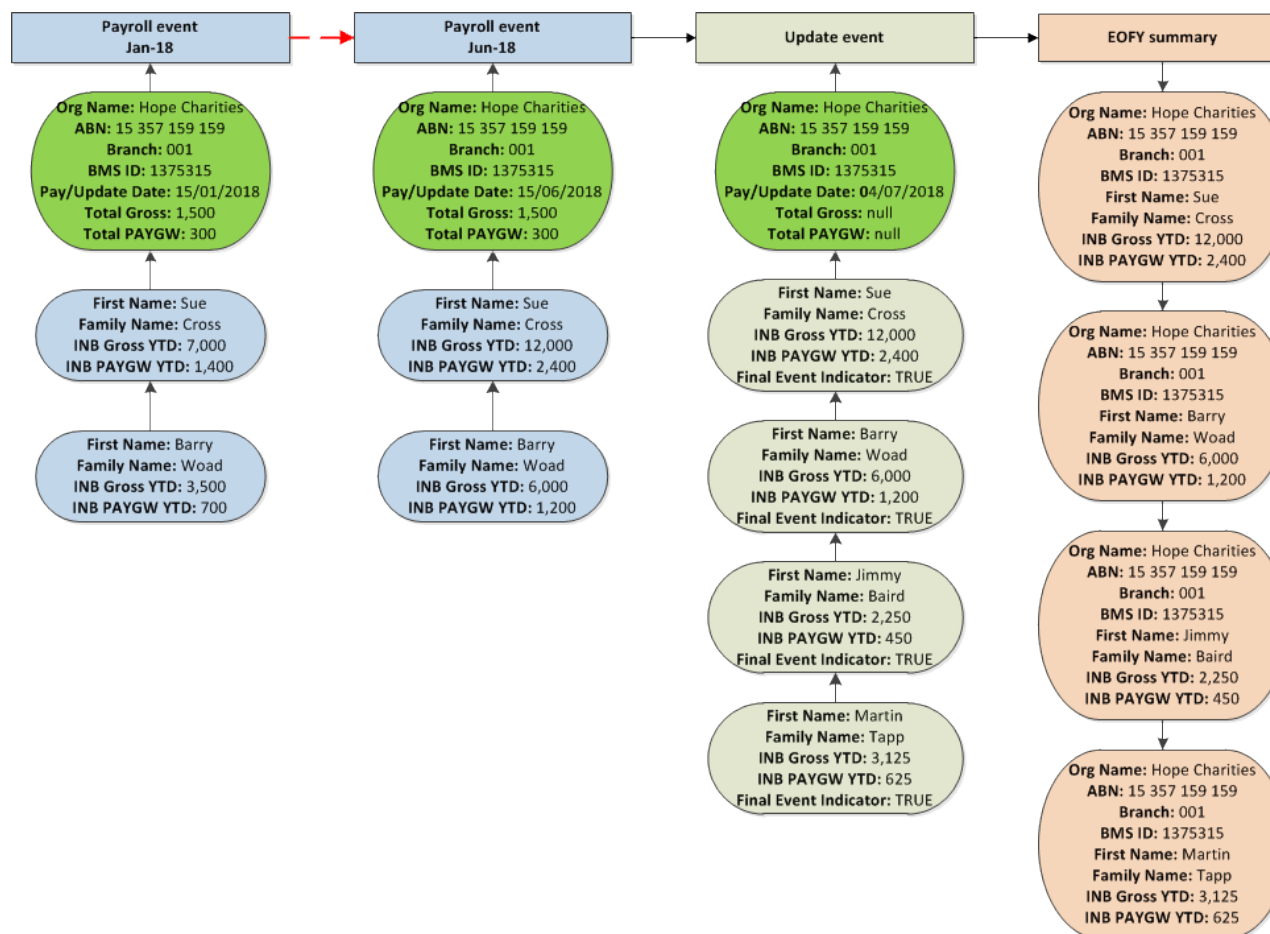
6.4.1.2.c Transition through both payroll event and update event for all employees by 14 July

c. An employer may report year to date amounts for employees through a payroll event. YTD amounts for inactive/terminated employee's may be reported in a later update event, which must be lodged by the 14th of July or the deferred due date.

6.4.1.2.c.i Scenario – employer transitions to STP via both payroll and update events

Detail

Hope Charities purchases STP enabled software in January and wants to start reporting via Single Touch Payroll. They choose to include only employees being paid in their first payroll in January. As part of their EOFY process they provide an update event which provides final event indicators for all employees including two employees that were terminated prior to them commencing reporting in STP.



Payroll event Jan-18	This is Hope Charities first payroll event in STP and they only include the employees being paid (Sue Cross and Barry Woad)
Payroll event Jun-18	This is Hope Charities last payroll event for the financial year, they only include the employees being paid (Sue Cross and Barry Woad)
Update event	Hope Charities finalises all their employees (including the ceased employees) by providing a final event indicator for each of them in this event.
EOFY summary	EOFY summaries are available to all employees via ATO Online services in myGov.

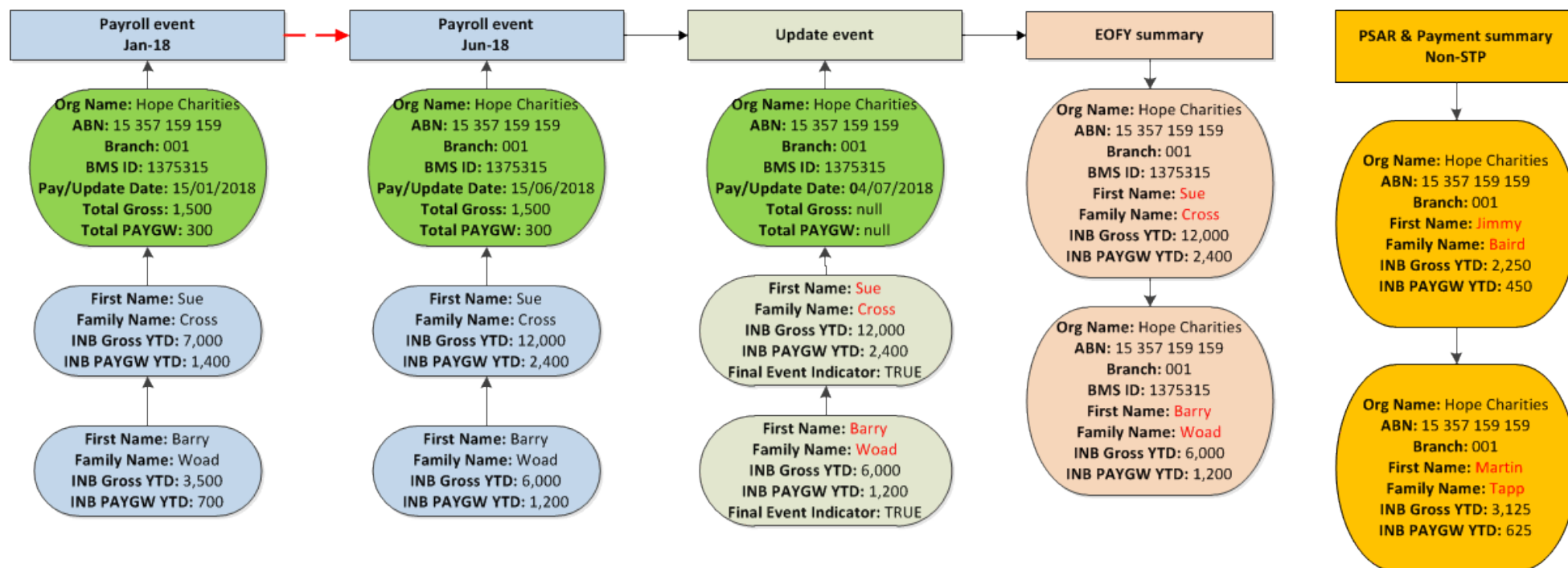
6.4.1.2.d Transition only active employees via payroll event, payment summary for terminated employees

d. An employer may report year to date amounts for all employees being paid in the first regular pay cycle, through a payroll event and provide a payment summary and payment summary annual report, for terminated and inactive employees.

6.4.1.2.d.i Scenario – employer transitions to STP via payroll for active employees only

Detail

Hope Charities purchases STP enabled software in January and wants to start reporting via Single Touch Payroll. They choose to include only employees being paid in their first payroll in January. As part of their EOFY process they provide an update event which provides final event indicators for active employees only. Employees that were terminated prior to them commencing reporting in STP are reported via existing channels.



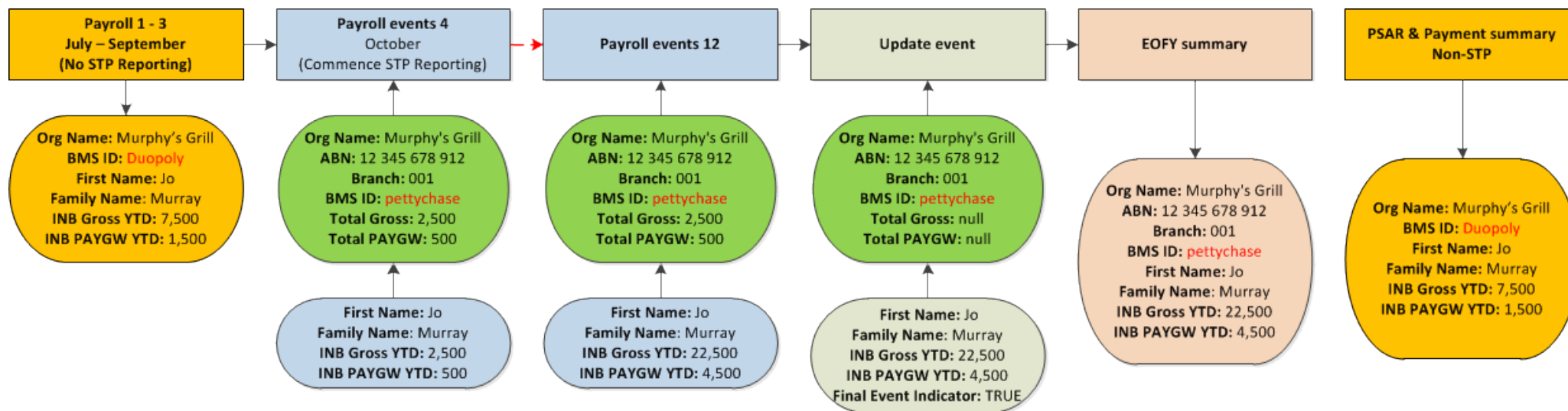
Payroll event Jan-18	This is Hope Charities first payroll event in STP and they only include the employees being paid (Sue Cross and Barry Woad)
Payroll event Jun-18	This is Hope Charities last payroll event for the financial year, they only include the employees being paid (Sue Cross and Barry Woad)
Update event	Hope Charities finalises all their active employees by providing a final event indicator for each of them in this event.
EOFY summary	EOFY summaries are available to the active employees via ATO Online services in myGov.
PSAR & Payment Summary	Hope Charities provides payment summaries to Jimmy Barid and Martin Tapp and a PSAR to the ATO via existing channels.

6.4.1.2.e Commence STP Reporting without Opening Balances, Payment Summary for Closing Balance not Converted

e. An employer may begin STP reporting employee amounts, from zero in a payroll event and provide a payment summary and a payment summary annual report to the ATO, for prior amounts not reported through STP.

6.4.1.2.e.i Scenario - no STP reporting from old BMS. No data migrated to new BMS. YTD amounts start again from zero. Starts STP reporting in new BMS

Detail



Payroll events 1 – 3	Jo is paid through Duopoly a non STP-Enabled BMS. No payroll events are reported to the ATO.
Payroll events 4 - 12	Jo is paid from payroll event 4 onwards through Petty Chase an STP-Enabled BMS. Payroll events are reported to the ATO.
Update event	At the end of the financial year, a Final Event Indicator is provided as part of an update event from Petty Chase BMS.
EOFY summary	A single EOFY summary is available to Jo via ATO Online services in myGov.
PSAR & Payment Summary	Murphy's Grill provides a Payment Summary covering payroll 1 to 3 to Jo Murray and PSAR to the ATO

6.4.1.3 Business activity statement (BAS) transition

3. Activity statement transition process will include:

6.4.1.3.a Large withholders not to report W1/W2 via BAS

a. PAYG withholding section will be removed from the activity statement for large withholders who report via STP.

No scenario required

6.4.1.3.b BAS pre-fill for small and medium withholders to start from July 2018

b. From July 2018 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 payroll event for activity statements.

Refer to scenario 6.1.4.3.a.i which demonstrates BAS pre-fill

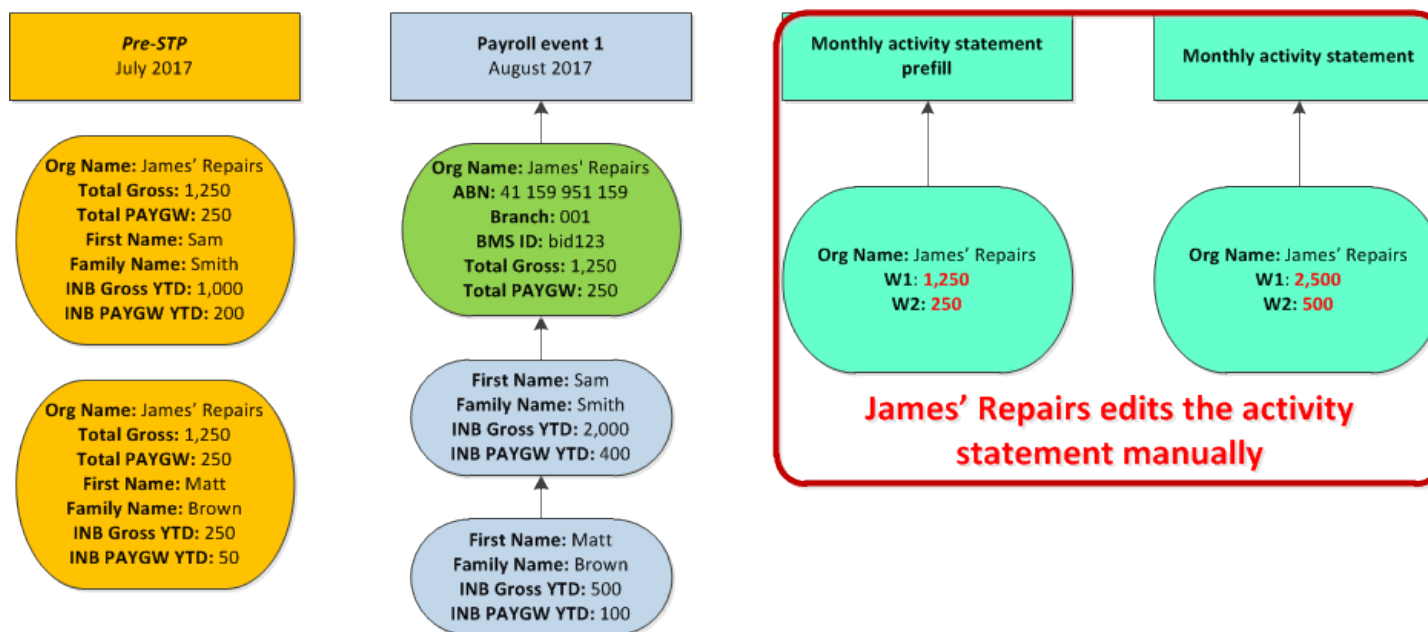
6.4.1.3.b.i BAS pre-fill adjustments required for non-STP reported amounts

- i. The employer will need to change the activity statement prefill amount, to include withholding amounts not reported via STP.

6.4.1.3.b.ii Scenario - the employer transitions to Single Touch Payroll reporting in the middle of the activity statement period

Detail

James' Repairs wants to be Single Touch Payroll enabled. During the year he submits his first payroll information through Single Touch Payroll. James' Repairs has two employees, Sam Smith and Matt Brown. Sam receives \$1,000 per month and Matt receives \$250 per month as Gross Payments. The employer transitions to Single Touch Payroll reporting in the middle of the activity statement period.



Pre STP	James' Repairs is not STP-enabled. The ATO does not have a record of the payroll.
Payroll event 1 STP	James' Repairs decides to be STP-enabled. He uses a BMS to submit the payroll information. The ATO records Sam's Gross YTD and Matt's Gross YTD that include the pre Single Touch Payroll amounts.
Monthly activity statement Prefill	The ATO will prefill the activity statement with the period amounts from Single Touch Payroll. The amounts not reported via Single Touch Payroll will not be included in prefill.
Monthly activity statement	James' Repairs edits the activity statement manually to include Pre Single Touch Payroll amounts and submits.

6.4.1.4 Transition employee PAYG withholding details without declaration field

4. If the first STP report does not contain the employee declaration, with the employee withholding details, then this is not a TFN declaration.

Refer to scenario 6.5.2.6.a.i for rules relating to no employee declaration provided with employee withholding details

6.4.2 Transition between business management software (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.

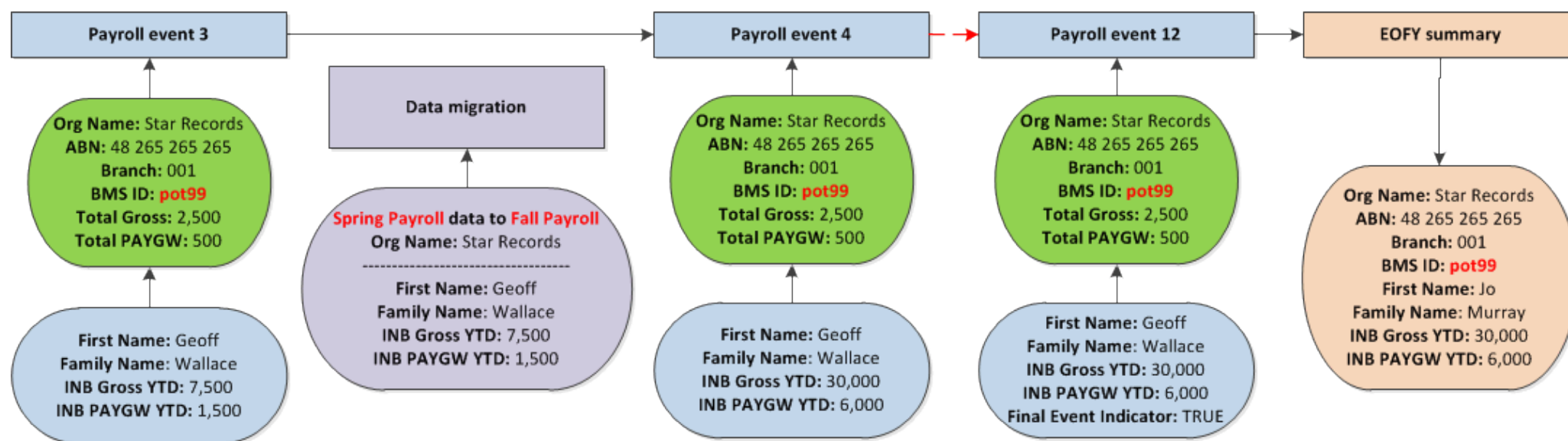
6.4.2.1 Continuity of BMS if replaced

1. An employer may migrate YTD information to the new BMS and use the original BMS ID.

6.4.2.1.a.i Scenario - data migrated to new BMS with BMS ID maintained

Detail

Star records purchase new payroll software (Fall Payroll) and migrate their data from their old software (Spring Payroll). They maintain the BMS ID (pot99) between both BMS's and the YTD amounts are continued.



Payroll events 3	Geoff Wallace is paid through the Spring Payroll BMS. This is the last payroll event from this BMS.
Data migration	Payroll data is migrated from Spring Payroll to Fall Payroll.
Payroll event 4	Geoff Wallace is paid through the Fall Payroll BMS. This is the First payroll event from this BMS and the BMS ID of 'pot99' is maintained.
Payroll event 12	Geoff Wallace is paid through the Fall Payroll BMS.
EOFY summary	A single EOFY summary is available to Geoff via ATO Online services in myGov.

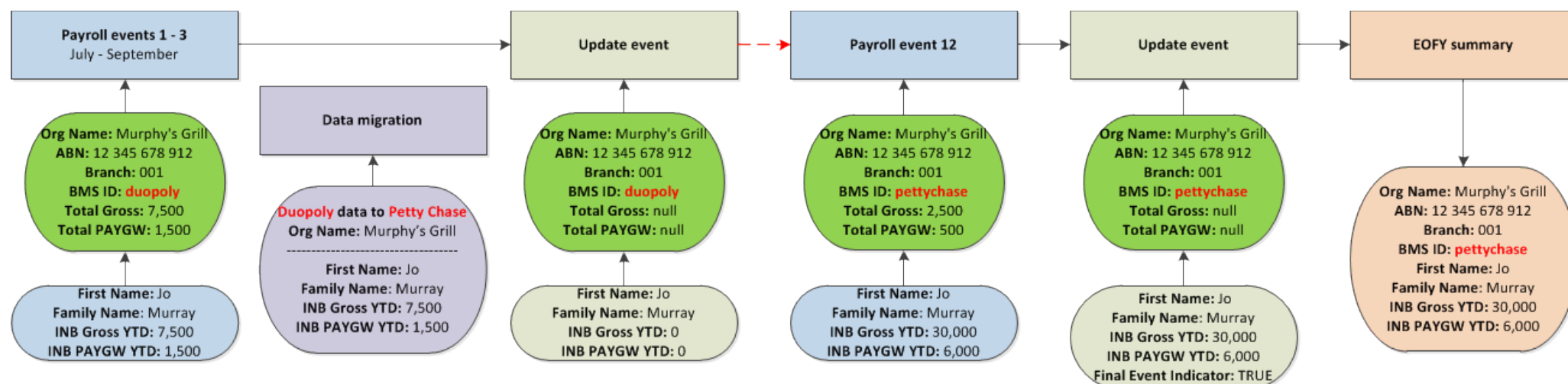
6.4.2.2 New BMS replacement requires resetting Old BMS

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.

6.4.2.2.a.i Scenario - data migrated to new BMS, previous reported values zeroed out

Detail

Jo Murray is the owner of Murphy's Grill. He has decided after using the BMS called Duopoly from the start of the year to migrate to a new BMS called Petty Chase in October to utilise new features available in the software.



Payroll events 1 – 3	Jo is paid through Duopoly until the new BMS is in place.
Data migration	Payroll data is migrated from Duopoly to Petty Chase.
Update event	An update event is sent to the ATO to zero out the YTD balances for Duopoly.
Payroll event 12	Jo is paid from payroll event 4 onwards through Petty Chase.
Update event	At the end of the financial year, a Final Event Indicator is provided as part of an update event from Petty Chase.
EOFY summary	A single EOFY summary is available to Jo via ATO Online services in myGov.

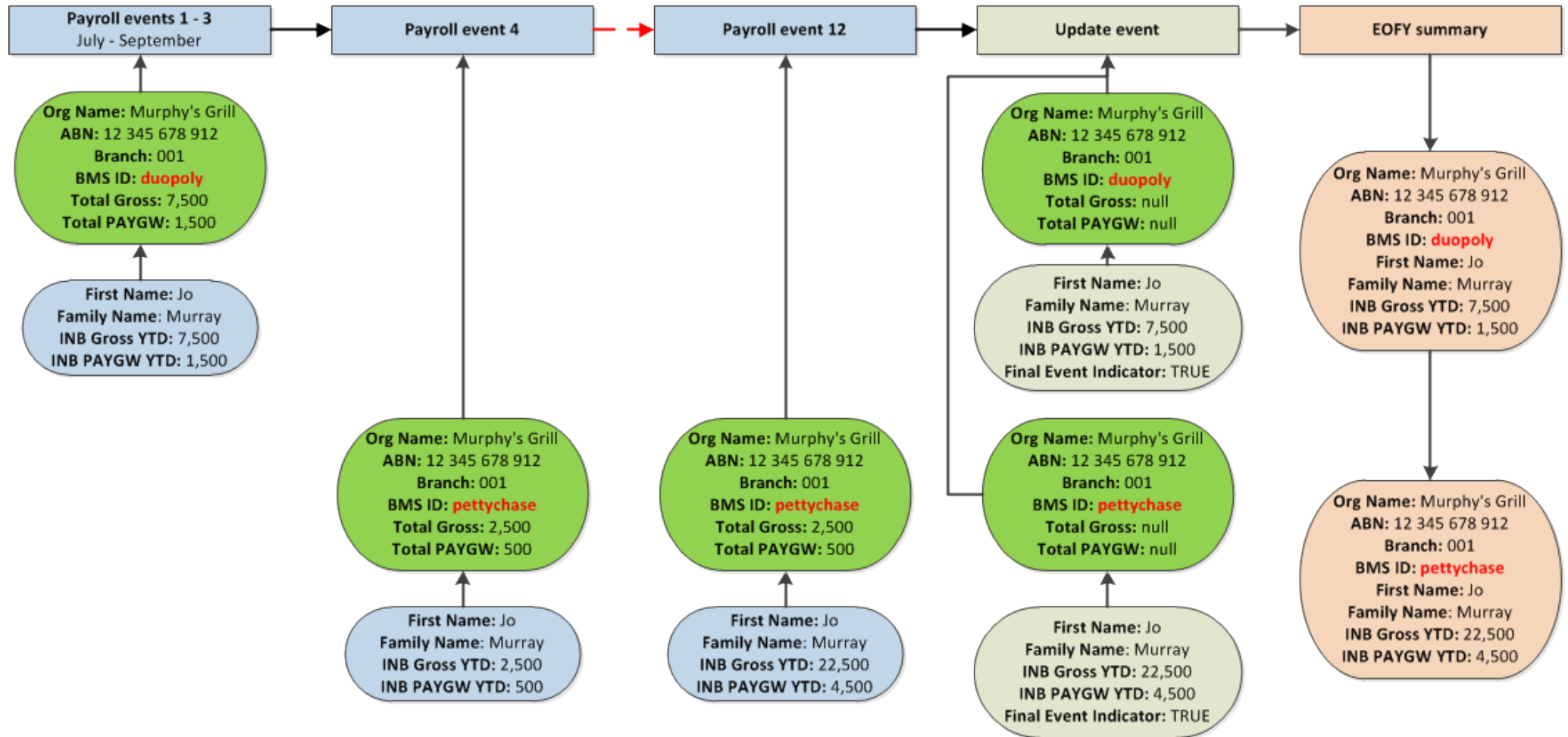
6.4.2.3 Finalisation per BMS if employee data not transitioned

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.

6.4.2.3.a.i Scenario - no data migrated to new BMS, employee YTD amounts start again from zero

Detail

Murphy's Grill has decided after using the BMS called Duopoly from the start of the year to utilise a new BMS called Petty Chase in October to. They decide to not migrate data from Duopoly to Petty Chase and report from zero in Petty Chase.



Payroll events 1 – 3	Jo Murray is paid through Duopoly up until the new BMS is in place.
Payroll events 4 - 12	Jo Murray is then paid from payroll event 4 onwards through Petty Chase. His YTD totals will start from zero from Petty Chase.
Update event	At the end of the financial year, Final Event Indicators are provided as part of an update event from both Duopoly and Petty Chase.
EOFY summary	Two EOFY summaries are available to Jo via ATO Online services in myGov.

6.5 Commencement of a new employee

6.5.1 Commencement date

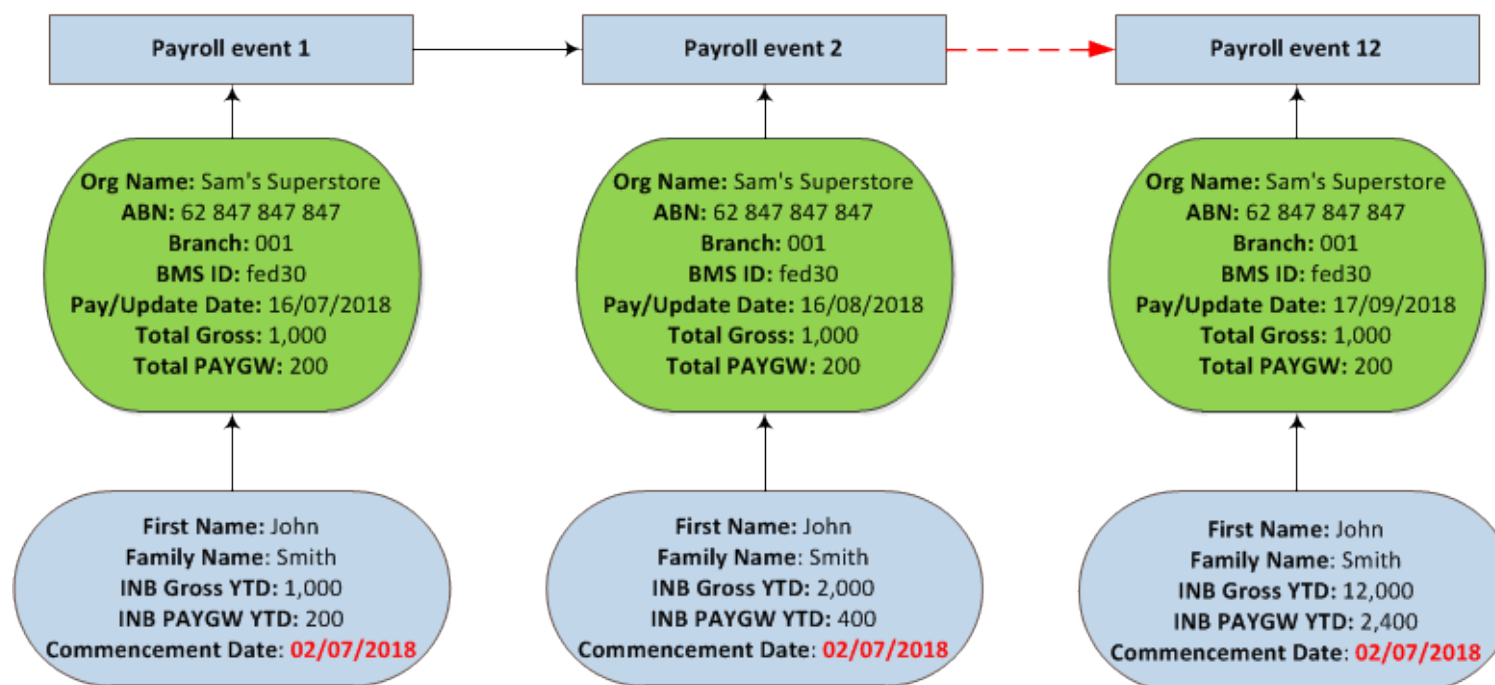
6.5.1.1 Report commencement date if captured

1. If the employer captures the commencement date, then the commencement date must be reported.

6.5.1.1.a.i Scenario - employer provides the Payee Commencement Date on the first payroll event and all subsequent payroll events

Detail

Sam's Superstore hires a new employee John Smith on 02/07/2018



Payroll event 1 John starts work for Sam's Superstore on 02/07/2018. His employer reports the Payee Commencement Date. The ATO records the commencement date and uses it as the start date for the relationship.

Payroll events 2-12 Sam's Superstore sends the ATO the Payee Commencement Date throughout the year.

6.5.1.2 New commencement date if employee rehired with same Payroll ID

2. If the employee is rehired using the same payroll id, then the rehire commencement date should be reported.

Refer to scenario 6.1.5.3.a.i

6.5.1.2.a Cessation and commencement with same Payroll ID in same report period

a. If the employee was terminated and rehired in the same reporting period, using the same payroll ID, then the rehire commencement date should not be reported.

Refer to scenario 6.1.5.3.b.i

6.5.1.2.b Cessation and commencement in different ABN/branch in same report period

b. If the employee was terminated and rehired, under a different ABN /branch within the same group, in the same reporting period, then the commencement date should not be reported.

Refer to scenario 6.1.5.3.c.i

6.5.2 TFN declaration in payroll event

The payroll event includes employee withholding details labels, which replicate information provided to an employer on a tax file number declaration and withholding declaration.

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

See data definition for list of Employee withholding details labels.

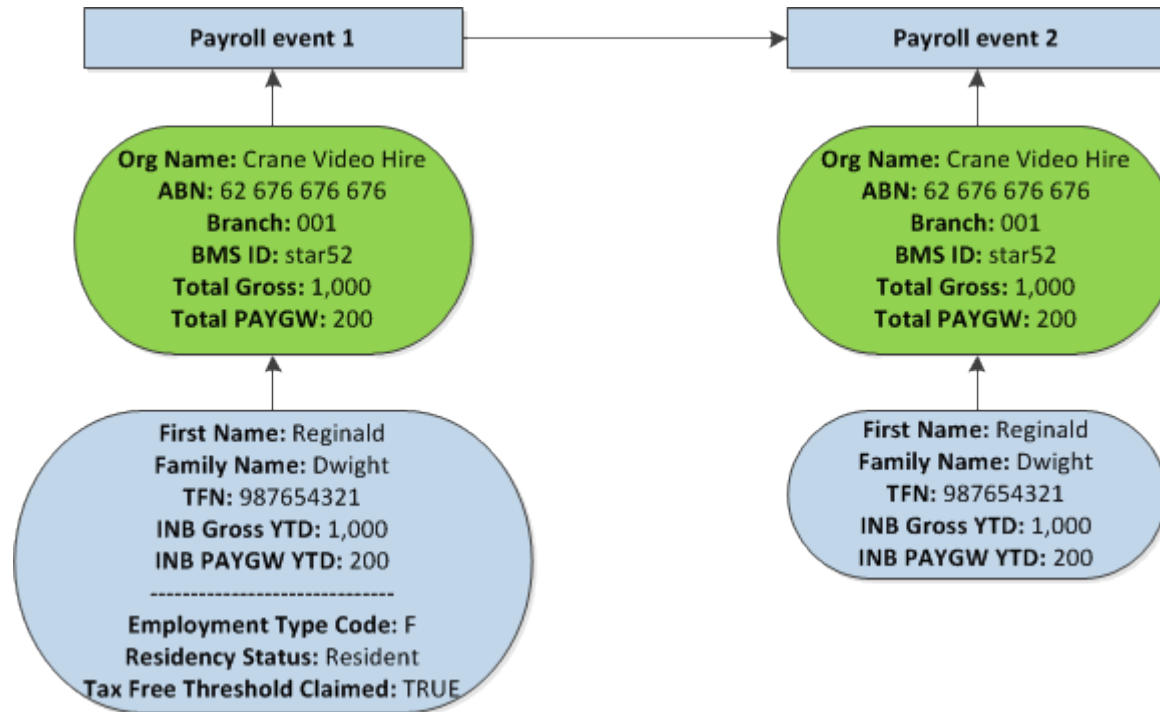
6.5.2.1 TFND via payroll event satisfies employer obligation to report

1. An employer, who provides a TFN declaration through a payroll event, has met their obligation to report a TFN declaration to the ATO.

6.5.2.1.a.i Scenario - employee starts employment and TFN declaration information is included in next payroll event

Detail

Reginald Dwight provides his tax file number declaration information to Crane Video Hire. Crane Video Hire submits Reginald's TFN declaration as part of their next payroll event. For the purposes of the below examples, only 3 TFND fields are shown. Assume that all TFND fields have been submitted.



Payroll event 1 Reginald Dwight completes a TFN declaration and the information is included in the payroll event.

Payroll event 2 Reginald Dwight continues to be paid. TFN declaration information is not included in this payroll event.

6.5.2.2 Employee PAYG withholding details without declaration, not TFND data

2. Employers may choose to include employee withholding details in a payroll event. Where the employee's declaration is not provided this does not constitute a TFN declaration.

Refer to scenario 6.5.2.6.a.i

6.5.2.3 Cannot report PAYG withholding details via update event

3. Employers cannot include employee taxation detail fields in an update event.

No scenario required

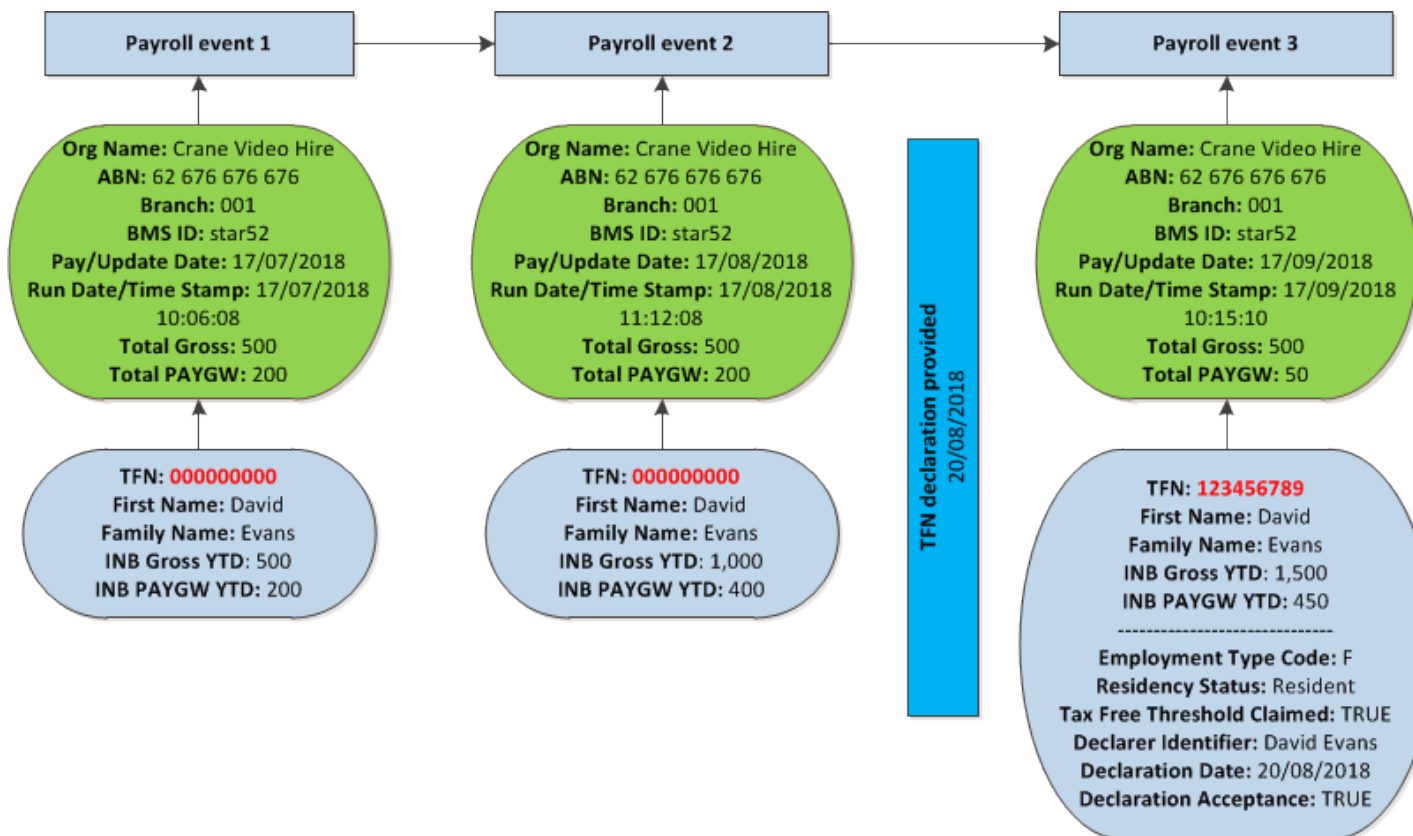
6.5.2.4 Report TFND via next payroll event

4. An employer may wait until the next payroll event to send the TFN declaration, after they received it from the employee, or if notified that the employee will not provide the TFND.

6.5.2.4.a.i Scenario - employer reports employee TFN declaration at next payroll event.

Detail

David Evans is an employee of Crane Video Hire. David has not provided a TFN declaration form. Crane Video must report exemption code 000000000 as the TFN until David can provide the actual TFN declaration.



Payroll event 1	Crane Video Hire pays David Evans \$500, reports his TFN as 000000000 and withholds at the highest tax rate.
Payroll event 2	Crane Video Hire pays David Evans \$500, reports his TFN as 000000000 and withholds at the highest tax rate.
TFN declaration provided	David Evans provides his TFN declaration to Crane Video Hire.
Payroll event 3	They pay David Evans \$500, report his actual TFN as 123456789 and withhold at the marginal tax rate.

6.5.2.4.b Report TFND via next payroll event, even if after notification requirement period

- a. If the employee is not paid within 14 days of the employer receiving a TFN declaration, then an automatic deferral will be granted until the next pay day for that employee.

Refer to scenario 6.5.2.4.a.i

6.5.2.5 Report employee declaration field if TFND data

5. Employers must include details of an employee's declaration when submitting a TFN declaration through the payroll event.

Refer to scenario 6.5.2.4.a.i

6.5.2.5.a Result of unsuccessful ATO identity matching not included in STP reporting

- 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.

No scenario required

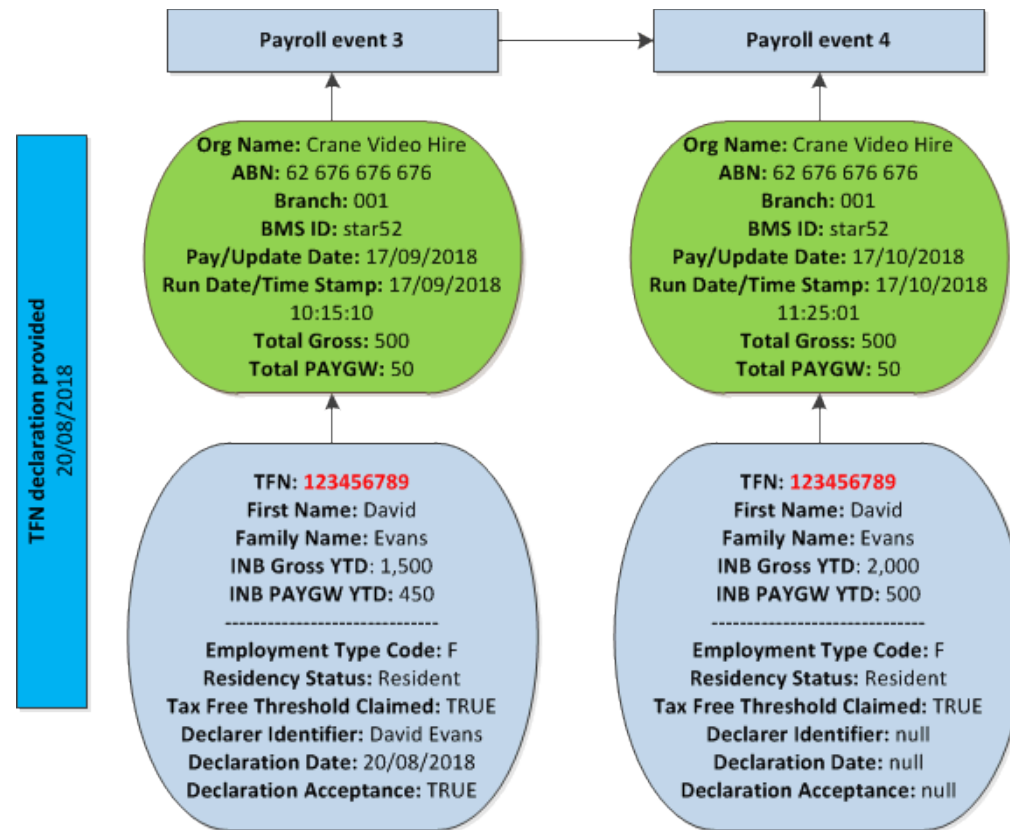
6.5.2.6 Continue to report employee PAYG withholding Details, even if not TFND data

6. Employers may continue to report employee withholding details in subsequent payroll events. The employee's declaration is not mandatory in this case, as it is only required for a TFN declaration.

6.5.2.6.a.i Scenario - employer continues to report TFN declaration data in subsequent payroll events

Detail

David Evans is an employee of Crane Video Hire. David provides a TFN declaration form. Crane Video initially reports the TFND information with David's declaration. They continue to report the information in subsequent payroll events (without the declaration).



TFN declaration provided	David Evans provides his TFN declaration to Crane Video Hire.
Payroll event 3	They pay David Evans \$500, and report his TFND information.
Payroll event 4	They pay David Evans \$500 and report TFND information without declaration provided.

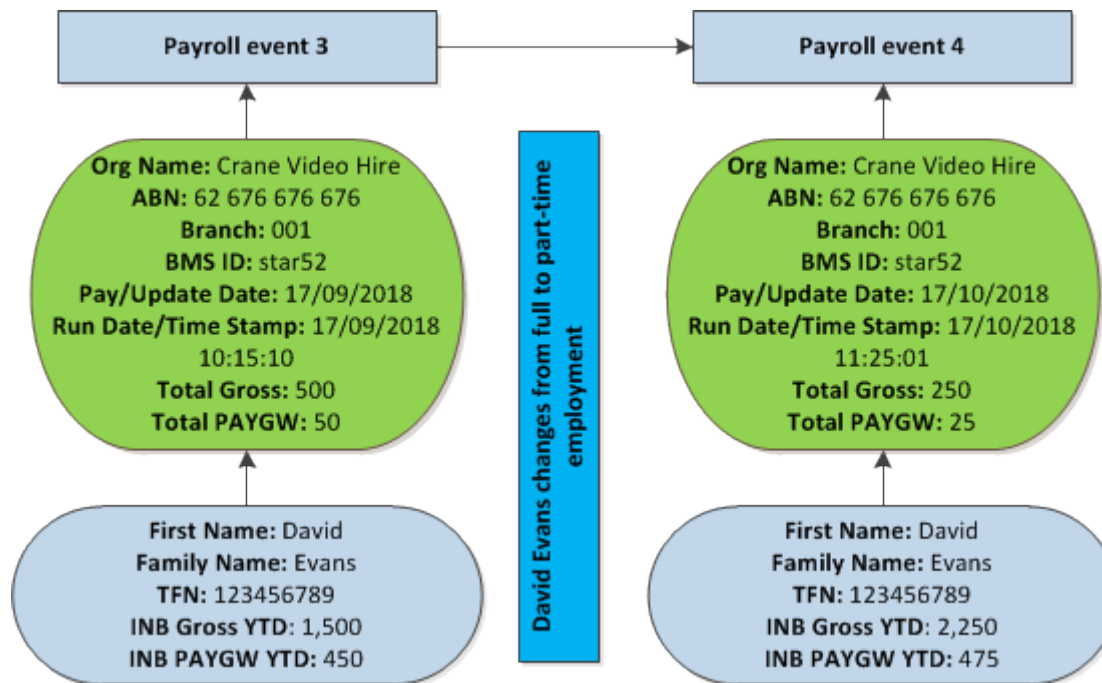
6.5.2.6.b Not obliged to report changes to employee PAYG withholding details, if other than via TFND data

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.

6.5.2.6.b.i Scenario - employer does not report change in PAYG withholding details via STP

Detail

David Evans is an employee of Crane Video Hire. David changes from full to part-time employment. Crane Video does not report the change in information to the ATO.



Payroll event 3	Crane Video Hire pays David Evans \$500
Change in information	David Evans changes from full to part-time employment
Payroll event 4	Crane Video Hire pays David Evans \$250; the change in employment type is not reported.