



SINGLE TOUCH PAYROLL (STP) PHASE 2

Below we have outlined the changes from STP phase 1 to phase 2, plus some additional changes.

How is STP Phase 2 different from Phase 1?

What is changing?

To support the new reporting requirements under STP Phase 2, your STP solution will need additional configuration to support Phase 2 reporting. To be STP2 compliant, your payroll software will require additional information around:

- Employees
- Payment items
- Deductions
- Salary sacrifice
- Child support payments

What stays the same?

The purpose of STP is to automate information where your STP enabled payroll solution sends payment, tax and super information directly to the ATO. The following process and information shared will not change:

- How and when you lodge your STP reports
- End of year finalisation requirements
- Your tax and super obligations
- The due date of your reports

The benefits of Phase 2

The aim of the new phase is to streamline employer interactions with multiple government agencies and improve the employee government payments. The benefits of Phase 2 include:

- No longer lodging electronic tax declarations
- Issuing of separation certificates
- Reduced interactions with Centrelink & Services Australia
- Earlier notification of possible payment issues

Essentially this will allow other government industries to have more up to date information in real time. This seems to be headed towards more Centrelink and services Australia for either family tax benefits, child support and Job seeker. For some businesses, the way they process their pay runs may not change as they could be already allocating different payments separately. For example, already splitting annual leave, allowances and ordinary wages.

What if I make a mistake in reporting?

The ATO has already expressed the will be no penalties for genuine mistakes until the 31/12/2022. This will give businesses time to implement any changes correctly.

Useful Links for STP Phase 2

- The link below is for Single touch Payroll Phase 2 frequent asked questions from Quick Books Online.

<https://quickbooks.intuit.com/learn-support/en-au/2021/single-touch-payroll-stp-phase-2-faq/00/748360>

- The link below is for Single touch Payroll Phase 2 and link to guides for different categories such as pay, leave and deductions.

QBO should have updated their systems to allow for any additional categories needed to be selected for pay runs.

<https://quickbooks.intuit.com/learn-support/en-au/payroll-compliance/single-touch-payroll-stp-phase-2-hub/00/1027524>

- Please find below the link for more information from the ATO using single touch payroll.

[https://www.ato.gov.au/Business/Single-Touch-Payroll/Expanding-Single-Touch-Payroll-\(Phase-2\)/](https://www.ato.gov.au/Business/Single-Touch-Payroll/Expanding-Single-Touch-Payroll-(Phase-2)/)