

# DLK ADVISORY

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## GETTING YOUR SMALL BUSINESS READY FOR STP REPORTING

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Have you sorted out Single Touch Payroll (STP) arrangements for your small business? If not, it's time to get cracking! From 1 July 2019, STP reporting will become mandatory for all employers, including small businesses (ie those with fewer than 20 employees) that have previously been exempt. The ATO has set a three-month transition period between 1 July and 30 September for you to get your STP reporting fully operational.

STP is an electronic reporting system that requires employers to submit payroll information such as salaries, wages, allowances, PAYG withholding and superannuation contributions to the ATO directly through their payroll software (or third party service provider) when they pay their employees.

Many businesses will take care of this in-house with payroll software that can connect to the ATO. Alternatively, you can arrange for a registered tax or BAS agent to report on your behalf.

You'll still give your staff a payslip each pay cycle (eg monthly or fortnightly), but you'll no longer need to prepare payment summaries at the end of the financial year because your staff will be able to access all of their STP information through the ATO website. If your business has "closely held payees" who are not paid a regular salary, talk to your adviser about flexible reporting arrangements that may be available to you.



If your business already has payroll software, check with your provider whether it is compliant and whether you need an upgrade. If you don't have existing software or want to find a new solution, refer to the ATO's website for help finding a provider. As well as publishing a list of all commercially available STP software solutions, the ATO has a separate list of "low-cost" and "no-cost" solutions that have been designed for "micro" businesses with four or fewer employees.

Although small businesses can start reporting any time up until 30 September 2019, if you need more time to get ready, you can apply online for a deferred start date through the ATO's business portal. You can also apply for an exemption from STP reporting for one or more financial years if you operate in an area with poor or no internet.

Don't wait until the last minute – talk to us to get started now. No matter how small or large your business is, we can help you find the right solution to match your STP reporting needs and ensure you're ready for the deadline.

## **CONTACT**

If you have any queries, please feel free to contact us.

Adam Mallabone  
adam.mallabone@dlkadvisory.com.au

Ben Melin  
ben.melin@dlkadvisory.com.au

David Lilja  
david.lilja@dlkadvisory.com.au

DLK Advisory  
Level 10, 99 Queen Street, Melbourne VIC 3000

T: +61 3 9923 1222

[www.dlkadvisory.com.au](http://www.dlkadvisory.com.au)

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