

### **Do I have to participate in STP?**

The short answer is yes, the legislation was passed in February 2019 for the STP initiative to become law and therefore all employers are required to participate in STP.

There are exemptions and deferrals available for some employers.

### **I currently record my pays manually and do not use a software solution, what are my options?**

If you currently use a manual system to record pays, you will need to upgrade to an STP compliant software. The ATO has released a list of providers that are releasing solutions for less than \$10 per month in order to record pays and be STP compliant.

### **Is my current software solution STP compliant?**

Your current software provider will be the best person to answer this so get in touch with them and get some assistance in setting up STP too. If you are unable to get assistance from your software provider, you can contact our office and we can assist.

### **Will I need to upgrade my payroll solution if it is not STP compliant?**

If your current software provider is not STP compliant or you are on an old version of the product, you will need to consider upgrading to an STP compliant software. We would suggest contacting your software provider first to find out how they can move you to an STP compliant system. The ATO has also released a list of providers that are releasing solutions for less than \$10 per month in order to record pays and be STP compliant so this could be an option to combine with your current software.

### **Are there any deferrals or exemptions available?**

If you are a micro employer (have 1-4 employees) you have been granted an automatic extension to 30 September 2019 to begin lodging STP reports.

If you require a deferral to start lodging through STP, you can apply for an extension of time through the ATO's online system. If your software is not ready, you would also need to follow this process.

There are some exemptions available in extenuating circumstances which can be applied for through the ATO. If you need more information please contact our office.

### **I only pay family members, do I still have to report via STP?**

There is an extension for Closely held Employees that allows them to start reporting from **1 July 2021**. Closely held employees are defined by the ATO as family members of a family owned business, directors of a company and trustees or beneficiaries of a trust. Please contact our office to confirm that you are eligible for this extension.

Please be aware that if you also pay other employees that are not closely held, you would still have to report for those employees through STP from 1 July 2019.

### **I need assistance in setting up STP in my software**

If your software is STP compliant it is more than likely you are paying a current subscription to your software provider and included in that subscription is support for any product related issues. We would recommend you contact them first to acquire assistance. If you have any further questions after speaking to your software provider, please contact our office.

### **I need more time to comply**

The ATO is providing an avenue to apply for extensions of time or deferrals based on different circumstances. Contact our office to discuss or contact the ATO directly to discuss an extension.

### **Will there be penalties for non compliance?**

The ATO have indicated that there will be no penalties issued in the first year for non compliance. After this one year grace period, if reports are consistently lodged late, penalties may apply.

### **Can I receive an exemption?**

The ATO have indicated that in extenuating circumstances, an exemption from STP may be granted. An example of this may be if you are unable to get reliable internet at your place of business.

### **Do I still have to issue payslips to my employee's?**

Yes, nothing has changed with payslips and it is still a requirement to issue payslips to employee's each pay period.

### **Is there any change to the way I pay my employees' wages and super?**

No, you can still pay your employee's using the same method you are using now, whether that be cheque, direct deposit etc. You will also continue using the same super clearing house to make payments of super.

### **Do I still have to issue payment summaries to my employees?**

No, STP will eradicate the need to supply payment summaries to your employees or the ATO at the end of the financial year. This information will be reported on the employee's myGov account and accessible to them at year end to complete their income tax return.

In the first-year employees may still need a payment summary to cover any payments that were not reported via STP throughout the year. E.g Your business previously used a manual system and only started to use online software in September 2019.

### **I have more questions, where can I go?**

The ATO's website has extensive information on STP. You may also like to look at your software provider's website for specific details regarding STP (see below for list of commonly used programs and links to their websites) If you need more tailored advice to your business, please contact Pinnacle Accounting to discuss.

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