



What the building and construction industry needs to know about Single Touch Payroll

Single Touch Payroll (STP) has streamlined the way employers report their employees' tax and super information to the ATO. Over 350,000 employers across the country are now reporting through STP each payday.

The ATO understands that not all employers are the same, not all industries employ people in the same way, and not all employers process their payroll the same way.

If you are ready to take the next step and start reporting, either directly through STP or through quarterly reporting via a BAS agent (if eligible), or you still need time to get ready – we've summarised the most important and relevant information for employers in the building and construction industry to help you get ready.

This guide will help you to understand:

- What STP reporting is
- What you need to do to get ready for STP and what your options are
- How to manage seasonal workers and family employees (closely-held).

What is Single Touch Payroll?

STP is a new way of reporting tax and super information to the ATO. You'll need to send the ATO your employees' salary and wages, pay as you go (PAYG) withholding and super information every time you pay them. You need to start STP reporting between 1 July 2019 and 30 September 2019. You can also report quarterly if you meet some conditions or you can ask for more time if you need it.

Master the STP basics

STEP 1: Find your STP reporting solution

There are different STP solutions that suit different employers' needs.

- Report using STP payroll or accounting software. To report this way, you'll need to:
 - Choose a product
 - Connect to the ATO
 - Upload your data
 - Start reporting;

Discuss which solution best suits your business with your registered tax or BAS agent.

A register of STP-ready software is available at api.gov.au/productregister

- Report through a registered tax or BAS agent or payroll service provider.

STEP 2: Start reporting

Once you've decided on the solution that's right for you, take a look at the ATO's [STP small employer guide](#). The guide includes a link to a [get ready checklist](#) that will help employers start reporting.

You *don't* need to change your pay cycle – you can continue to pay your employees weekly, fortnightly or monthly. You *will* need to report super information to the ATO every pay period.

You *won't* need to give your employees a payment summary at the end of the financial year for the information reported and finalised through STP.

Employees will access this through myGov or through their tax agent if they use one.

STEP 3: Tell your employees.

Check the right people in your business know about STP – especially if you have someone else responsible for running your payroll.

Concessions for building and construction employers

The ATO understands a one-size fits all approach doesn't work for the building and construction industry. Some employers may be eligible for STP reporting concessions to help you navigate the realities of your industry.

You will only be eligible for a concession if all amounts owing to the ATO are either not yet due or subject to a payment plan; and if all lodgement obligations are either not yet due or subject to a deferral.

Concessions are available for:

- Seasonal and intermittent employers
- Closely held payees
- Micro employers
- Lack of reliable internet

Concession for seasonal or intermittent employers

Eligibility: You may be eligible for to report quarterly if you normally don't have any employees for most of the financial year, but employ 19 or fewer seasonal or intermittent workers for three months or less, e.g. for short-term projects or peak periods.

If you normally have no employees for most of the financial year, then employ 20 or more seasonal or intermittent employees for three months or less, the ATO will consider your application on a case-by-case basis.

The three-month or less period for seasonal or intermittent employees does not need to be consecutive.

How to apply:

You or your registered agent can apply by logging in to the ATO's business portal. Select 'Manage employees' and then 'STP deferrals and exemptions'.

For more detail visit <https://www.ato.gov.au/business/single-touch-payroll/concessional-reporting/seasonal-and-intermittent-employers/> and follow the prompts.

To be eligible, you must apply for a quarterly reporting concession by 30 September 2019.

Concession for family-run construction businesses (closely held)

Eligibility: Smaller building and construction businesses are often family-run. These staff are called closely held payees. Anyone who is directly related to the entity from which they receive payments is a closely held payee. Directors or shareholders, and beneficiaries of a trust are also considered closely held payees.

You may not pay your closely held payees regularly. For example, they may take a drawing when there is cash available in the business or they may use loan accounts rather than through a typical payroll process.

Options for closely held payees for small employers:

- You do not need to report closely held payees through STP in the 2019–20 financial year
- You do need to start reporting your closely held payees through STP from 1 July 2020.

Concessions for quarterly reporting

If you're a small employer, you can also choose to report closely held payee information quarterly through an STP-enabled solution. If you would like to report more frequently (such as monthly) you can do so. You should report this monthly pay event on the 21st day of the following month (this is the same due date as monthly activity statements).

How to apply: You do not need to apply for this concession, however you will need to notify the ATO of your closely held payees for the 2020-21 financial year.



Need more time?

It's OK if you're not ready, but you'll need to apply for a deferred STP start date. Log into the ATO [Business Portal](#) to apply. Your registered tax or BAS agent can also apply for a deferral on your behalf. For more information about deferrals, visit ato.gov.au/STPdeferrals

Concession for 1-4 employees (micro employers)

If you have four or fewer employees you may be able to choose a no-cost or low-cost STP reporting solution or report via your registered tax or BAS agent on a quarterly basis. This option will be available until 30 June 2021.

Eligibility: To be eligible for quarterly reporting, you must:

- have between 1-4 employees on the day of application
- lodge your activity statements electronically through a registered tax or BAS agent
- have non-computerised payroll – this could include running your payroll manually and keeping records on a spreadsheet or paper.

A range of no-cost and low-cost reporting solutions are available in addition to existing commercial STP solutions. These solutions are required to be affordable (costing less than \$10 per month), take only minutes to complete each pay period and not require the employer to maintain the software.

Find out more at ato.gov.au/stpsolutions

Lack of reliable internet access

Eligibility: Access to a reliable internet connection can be a particular challenge for businesses in regional and remote Australia. You can apply for a deferral or exemption if you experience:

- an inability to connect to the internet
- a connection that requires multiple attempts
- dropouts or disconnections
- exceedingly slow data transfer.

How to apply: You can apply for a deferral or exemption through the ATO Business Portal or by speaking to your registered tax or BAS agent. If you're unable to lodge a portal request you can phone the ATO on **13 28 66**.

Long service leave and redundancy schemes

Employers in the building and construction industry may make regular contributions to a long service leave or redundancy scheme for their employees. If you're an administrator of one of these schemes, and you don't use STP-enabled payroll software to manage payments to members, you are exempt from reporting those payments through STP for the 2018–19 and 2019–20 financial years. You will need to start reporting these payments through STP from 1 July 2020.