



# Getting ready for Single Touch Payroll

Are you ready for Single Touch Payroll? Our checklist can help sort you out. In eight steps, you can determine whether STP applies to you, what's involved with a pay run, and how to fix any payroll errors after you've filed. If you still have questions, be sure to attend one of our STP [webinars](#) in the coming weeks and check out our [STP page](#).

Step	Activity	Activity Owner	Complete?
1	<b>Before you start</b>		
	Review the <a href="#">ATO Single Touch Payroll</a> information		
	Complete a headcount of employees as at 1 April each year commencing 1 April 2018.		
	Save a copy of the headcount with your payroll records.		
	If 20 or more employees start using Single Touch Payroll from 1 July 2018 or when it is activated in your Xero file.		
2	<b>Review organisation settings in Xero</b>		
	Correct Legal / Trading Name		
	ABN		
	Telephone Number		
	Email Address		
3	<b>Check Employee records for</b>		
	Full name		
	Address		
	Email address		
	Date of birth		
	Tax file number		
	Employment status		
	Add Termination Dates for employees no longer active.		



Step	Activity	Activity Owner	Complete?
4	<b>Tax &amp; BAS Agents check Xero HQ Practice Settings for your business</b>		
	ABN		
	Address		
	Telephone number		
5	<b>Review set up of Pay Items</b>		
	Review Pay Items for W1 checkboxes selected as required.		
	Ensure Allowances are set up as the correct type. Some allowances need to be set up as Ordinary Earnings. Find information from the <a href="#">ATO</a> or contact your Advisor or industry association for further details.		
	Reconcile Payroll to general ledger accounts.		
6	<b>To Opt in to Single Touch Payroll when it is activated in your Xero file:</b>		
	Go to Pay Runs		
	Select Opt in to Single Touch Payroll		
	Check Organisation details are correct		
	If you a Tax or BAS Agent check Agent also check your details are correct		
	Post manual journals if recording tax depreciation		
	Connect Xero to the ATO by either: <ul style="list-style-type: none"><li>· Call the ATO on 1300 852 232; or</li><li>· Use the ATO's <a href="#">Access Manager</a> if you have an Auskey</li></ul>		
7	<b>Each Pay Run</b>		
	Process and Post the Pay Run as per normal		
	Select the green 'File' button		
	Read and accept the information in the Authorisation to File screen. This will submit the payroll information to the ATO. The new File section in the Payroll menu will provide the filing status and history of submissions.		



Step	Activity	Activity Owner	Complete?
8	<b>How to amend errors in Pay Runs</b>		
	Pay runs Filed with the ATO will be locked so can not be amended.		
	Make amendments in next pay run or use Unscheduled Pay Runs to make corrections		
9	<b>End of Financial Year</b>		
	Review and reconcile payroll reports to the general ledger accounts		
	'Finalise' the payroll year in Xero. This indicates to the ATO that the information they are now being sent is the final version and can be used for pre-filing tax returns		

**Links:**

**Get Ready for Single Touch Payroll**

<https://www.ato.gov.au/business/single-touch-payroll/get-ready-for-single-touch-payroll/>

**Xero Single Touch Payroll Blog**

<https://www.xero.com/blog/2018/05/single-touch-payroll-coming-xero-ready/>

**ATO's Access Manager:**

<https://am.ato.gov.au/>

**ATO's Withholding for Allowances:**

<https://www.ato.gov.au/Business/PAYG-withholding/Payments-you-need-to-withhold-from/Payments-to-employees-Allowances-and-reimbursements/Withholding-for-allowances/>

If you have any questions about any of the information presented, please contact Xero support, the ATO, or your relevant accounting / bookkeeping industry body for best practice.