# MYOB Exo Employer Services

## Single Touch Payroll

Last modified: 12 August 2022

**myob**

# Contents

# Single Touch Payroll

Single Touch Payroll (STP) is an ATO requirement for reporting payroll data, which allows you to report to the ATO directly from your payroll software at the same time as you pay your employees. You do not need to provide payment summaries to your employees for the payments you report through STP—instead, they can view their payment information online using their myGov account.

STP is required from 1 July 2018 for employers with 20 or more employees; it is optional for employers with 19 or fewer employees for the 2018/19 financial year, but is required from 1 July 2019 for all employers.

As of the release of Exo Employer Services 2017.06, Exo Payroll supports STP reporting, once the system has been set up to use it.

The 2018.05 release updated the way Single Touch Payroll information is submitted to the ATO. The employee records in each submission are now accepted or rejected individually, which means that if any records are rejected, only those records need to be re-submitted (see "Re-submitting STP Data" on page 16).

The 2021.03 release updated Exo Payroll for the Single Touch Payroll expansion, also called STP Phase 2, that came into effect from 1 January 2022. Under STP Phase 2, more information is reported to the ATO; however, the way you submit STP returns does not change.

See the Single Touch Payroll section on the ATO website for more information on STP.

For more information STP Phase 2, see "Expanding Single Touch Payroll (Phase 2)" on the ATO website.

## Single Touch Payroll Phase 2

On 1 January 2022, STP Phase 2 was introduced, increasing the amount of information to be reported to the ATO. However, this doesn't change the way you submit STP returns:

- You still submit STP returns as part of the pay cycle.
- Due dates for pay events are still on or before pay day unless you are eligible for a reporting concession.
- Your taxation and superannuation obligations remain the same.
- Your end of year finalisation requirements remain the same.

For more information, check out these resources:

- Expanding Single Touch Payroll (Phase 2) on the ATO website.
- Release notes for MYOB Exo Employer Services 2021.09.
- Our STP Phase 2 customer guide.

# Setting up Single Touch Payroll

To set up your Exo Payroll system for Single Touch Payroll:

1. Configure system settings and generate a software ID
2. Register the software ID with the ATO
3. Set up Allowances and Deductions
4. Check employee records for missing details
5. Set security settings to control access to STP features

## Configuring System Settings

Settings that control how Exo Payroll will submit information via STP are available on the Single Touch Payroll section of the Setup Payroll window. This section has four sub-sections:

- General
- Payer
- Intermediary (optional)
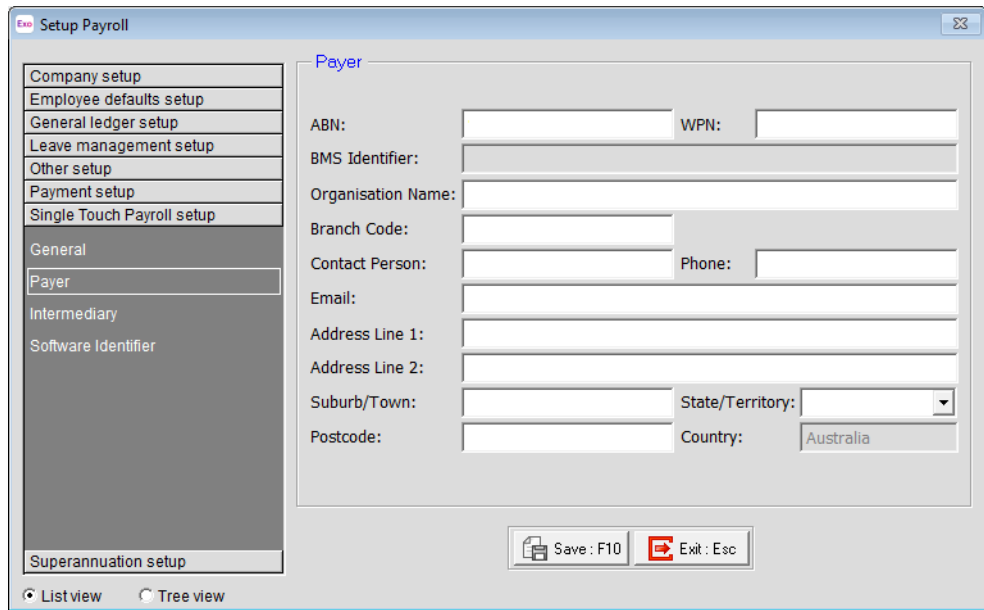- Software Identifier

## General Settings

The General sub-section lets you activate STP and specify where output files should be generated:
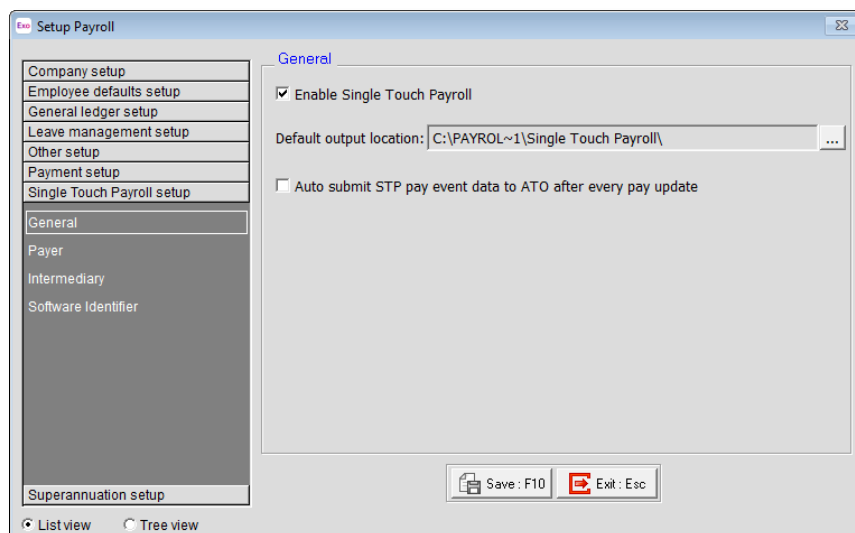


If the **Auto submit STP pay event data to ATO after every pay update** option is ticked, the STP submission process will be triggered each time a pay is updated. If it is not ticked, you must submit pay data manually (see page 13).

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## Payer Settings

The Payer sub-section is where you specify the details of your company that will be included in STP submissions:
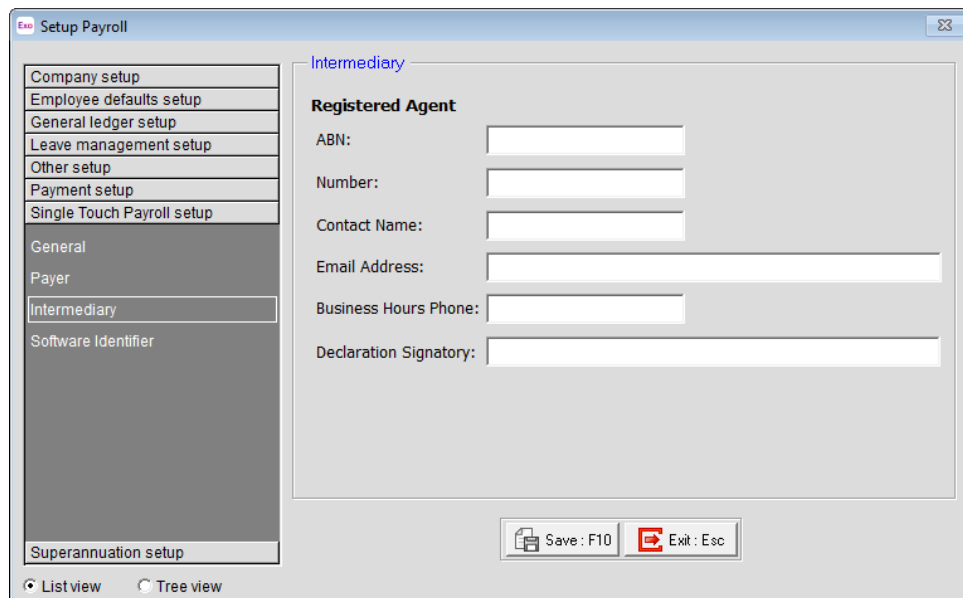


## Intermediary Settings

For businesses that use an intermediary organisation, e.g. a tax agency who files on their behalf, the Intermediary sub-section lets you enter details of this organisation (this is optional).
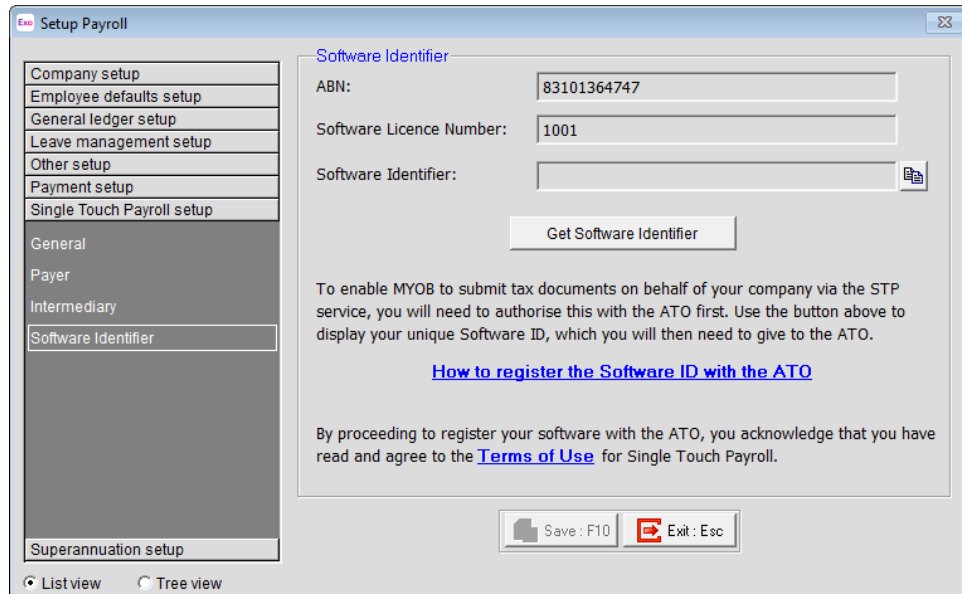
## Software Identifier Settings

You must authorise MYOB to submit pay run data to the ATO via STP—to do this, you will need to supply a software ID. This ID is retrieved on the Software Identifier sub-section.



Click **Get Software Identifier** to retrieve a software ID using an online service. The ID will appear in the **Software Identifier** field—if an ID cannot be retrieved, an error message will appear instead (see page 21). Clicking the ⏹ button copies the ID to the clipboard.

# Registering the Software ID with the ATO

As well as configuring the STP settings in Exo Payroll, you must also authorise MYOB to submit tax documents on behalf of your company via the STP service. On the Single Touch Payroll Setup > Software Identifier section of the Setup Payroll window, click the Get Software Identifier button below to display your unique Software ID, which you will then need to supply to the ATO.
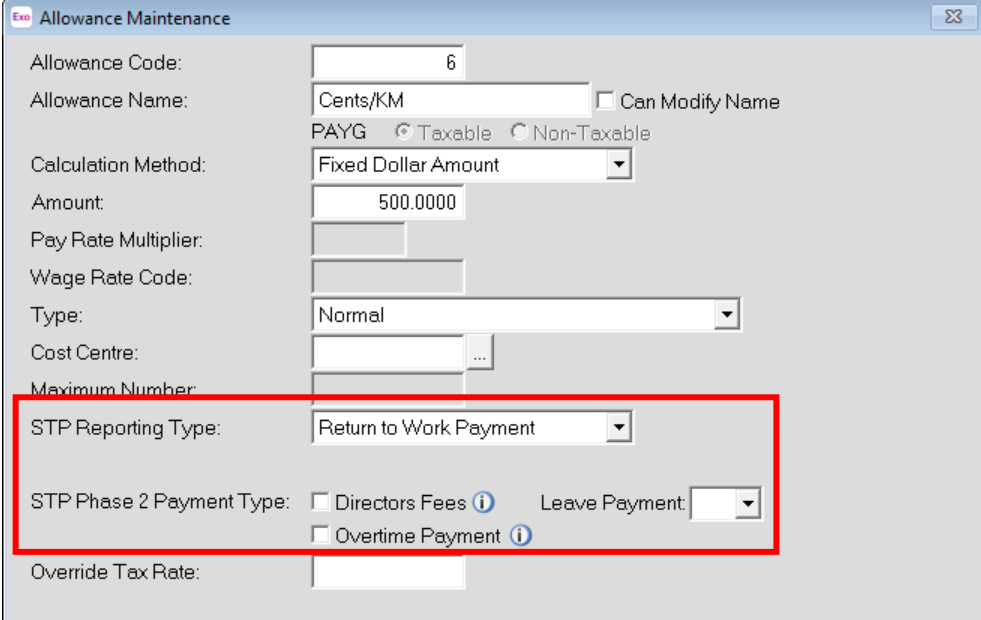
There are two ways you can register the Software ID with the ATO:

- By phone—call the ATO on 1300 852 232.

- Online (requires an AUSkey login):

    1. Log in to the ATO's Access Manager website (https://am.ato.gov.au/) and click **My hosted SBR software services** in the left-hand menu.

    2. Click **Notify the ATO of your hosted service**.

    3. Click the ABN link for MYOB AUSTRALIA PTY LTD.

    4. Paste or type your Software ID into the **Add Software IDs** field and click **Next**.

    5. Click **Save**.

# Setting up Allowances and Deductions

## Allowances

When Single Touch Payroll is enabled, the **Payment Summary Type** dropdown on the Allowance Maintenance window is replaced with an **STP Reporting Type** dropdown:

The **STP Reporting Type** dropdown has the following options:

- Include in Gross Payments – the Allowance will be included in employees' gross income amounts. Equivalent to the "None" Payment Summary type.

- Show Separately – equivalent to the "Work Related Expenses" Payment Summary type. When this option is selected, amounts for the Allowance will not be included in gross income, but will be broken out into categories. Specify the category for this Allowance using the **Single Touch Payroll Category** field. (see below).

- CDEP Payments – equivalent to the "CDEP Salary or Wages" Payment Summary type.

- Lump Sum Payment A – equivalent to the "Lump Sum Payment A" Payment Summary type.

- Lump Sum Payment B – equivalent to the "Lump Sum Payment B" Payment Summary type.

- Lump Sum Payment D – equivalent to the "Lump Sum Payment D" Payment Summary type.

- Lump Sum Payment E – equivalent to the "Lump Sum Payment E" Payment Summary type.

- Non Reportable – equivalent to the "Other Income" Payment Summary type.

- Exempt Foreign Employment Income - equivalent to the "Exempt Foreign Emp Income" Payment Summary type.

- Return to Work Payments – new for STP Phase 2

> **Note:** The Payment Summary equivalent of the selected type is displayed next to the **STP Reporting Type** dropdown.
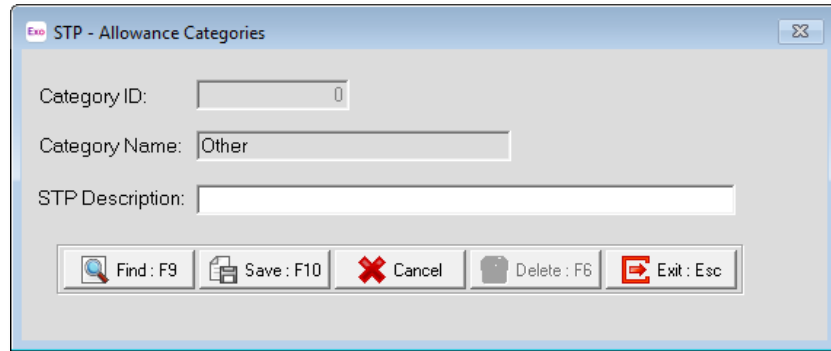
Under STP Phase 2, more Allowance options are available:

- **Directors Fees** – tick this checkbox if the Allowance relates to fees paid to the director of a company, or someone who performs the duties of the director of a company.
- **Overtime Payment** – tick this checkbox if the Allowance relates to payment outside of an employee's normal hours of work.
- **Leave Payment** – for Allowances that relate to the payment of leave, this dropdown lets you categorise the leave payment as one of:
    - Cash out of leave in advance
    - Unused leave on termination
    - Workers' compensation
    - Ancillary and defence leave
    - Other paid leave

## Allowance Categories

When the "Show Separately" option is selected, you must select a reporting category for the Allowance from the new **Single Touch Payroll Category** field.
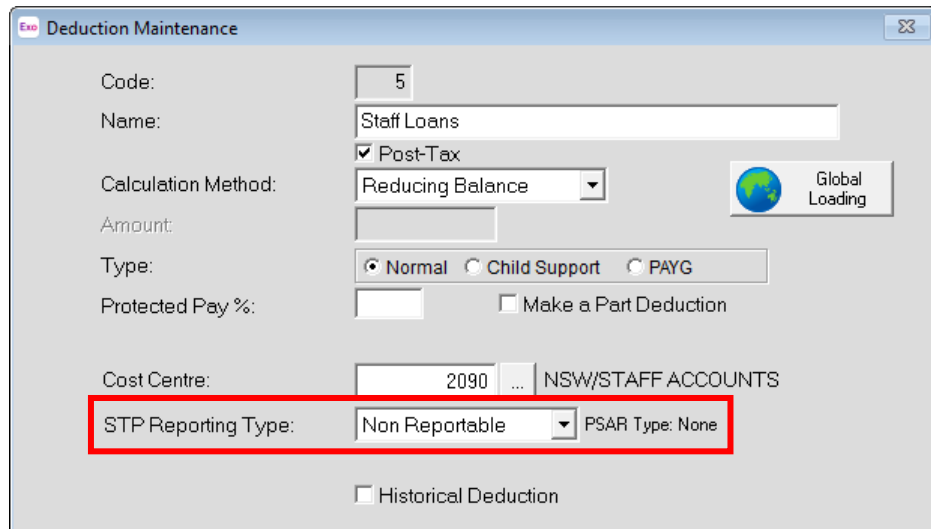
The new Allowance Categories window lets you set up and edit STP categories for Allowances. Select **Single Touch Payroll > Allowance Categories** from the Maintenance menu to open the Allowance Categories window:



The default categories specified by the ATO (Car, Transport, Laundry, Meals, Travel and Other) are included as read-only records, but you can add and edit new records using this window.

## Deductions

When sending information via STP, a reporting category must be specified for each Deduction. When STP is enabled, the **Payment Summary Type** dropdown is replaced with an **STP Reporting Type** dropdown:



This dropdown has the following options:

- Non Reportable – equivalent to the "None" Payment Summary type.

- Fees – equivalent to the "Deductions" Payment Summary type.

- Workplace Giving – equivalent to the "Workplace Giving (DGR)" Payment Summary type.

> **Note:** The Payment Summary equivalent of the selected type is displayed next to the **STP Reporting Type** dropdown.

# Existing Allowances and Deductions

When STP is enabled on a site with existing Allowances and Deductions, each record's **Payment Summary Type** is converted to an **STP Reporting Type** as follows:

| Existing Payment Summary Type | New STP Reporting Type |
|---|---|
| **Allowances** | |
| None | Include in Gross Payments |
| Work Related Expenses | Show Separately (with the **Single Touch Payroll Category** set to "Other") |
| CDEP Salary or Wages | CDEP Payments |
| Lump Sum Payment A | Lump Sum Payment A |
| Lump Sum Payment B | Lump Sum Payment B |
| Lump Sum Payment D | Lump Sum Payment D |
| Lump Sum Payment E | Lump Sum Payment E |
| Other Income | Non Reportable |
| Exempt Foreign Income | Exempt Foreign Employment Income |
| **Deductions** | |
| None | Non Reportable |
| Deductions | Fees |
| Workplace Giving (DGR) | Workplace Giving |

After STP is enabled, you will need to review all Allowances with the "Show Separately" reporting type and make sure that the **Single Touch Payroll Category** is set appropriately (see "

Allowance Categories" on page 7).

# Checking Employee Records

The ATO requires that the following details are supplied for all employees in an STP data file:

- Date of Birth
- An ABN or TFN
- Address Line 1
- Suburb
- State
- Post Code

> **Note:** A phone number and email address are optional, but if they do exist, they must contain valid information.

Before using STP for the first time, select **Single Touch Payroll > Validation Check** from the Pay menu. This will check your data and produce a document containing details of any missing or invalid information. You can then use this document to update all records and ensure that they contain all of the required information. (The validation check is also run automatically before data is submitted to the ATO—see below.)

## Employee Records in STP Phase 2

When reporting under STP Phase 2, employees also require an *income stream type*, which is a further level of classification under their tax scale—the options available for an employee's income stream type depend their tax scale setting. A *country code* must also be supplied for employees with the following income stream types:

- IAA (Inbound Assignees to Australia)
- WHM (Working Holiday Maker)

The system assigns employees a *Tax Treatment Code*, which is reported via Single Touch Payroll. An employee's Tax Treatment Code is assigned based on their settings in the Tax Classification section of the Employee Maintenance window.

On upgrading MYOB Exo Employer Services to 2021.03, default values will be entered for employees' income stream types and tax treatment codes. The first time you open Exo Employer Services are upgrading to 2021.03, a window will appear, showing you an overview of the changes that have been made to each employee record:
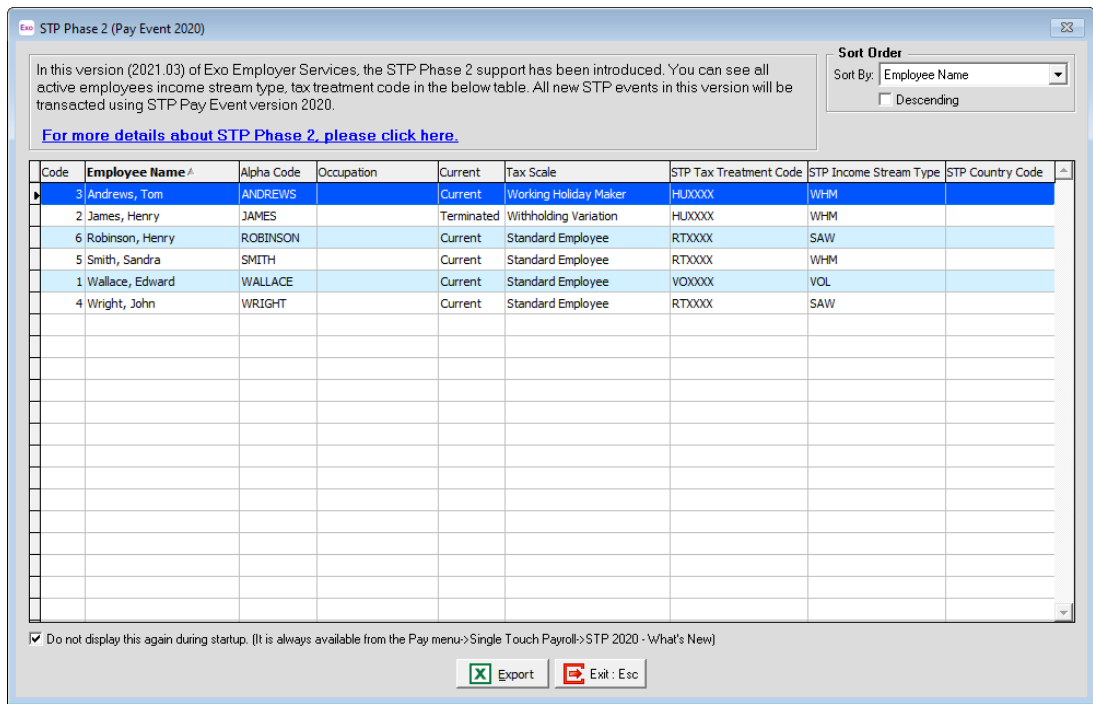
This window shows all current employees and any employees who were terminated after 1 July 2021. Check each employee's details, and if you need to change their income stream type or country code, go to the Standard Pay tab of the Employee Maintenance window and update them.

> Note: You can open this window again by selecting **Single Touch Payroll > STP 2020 – What's New** from the Pay menu.

On the Standard Pay tab, fields display the employee's **Tax Treatment Code**, **Income Stream Type** and **Country Code** (if required):
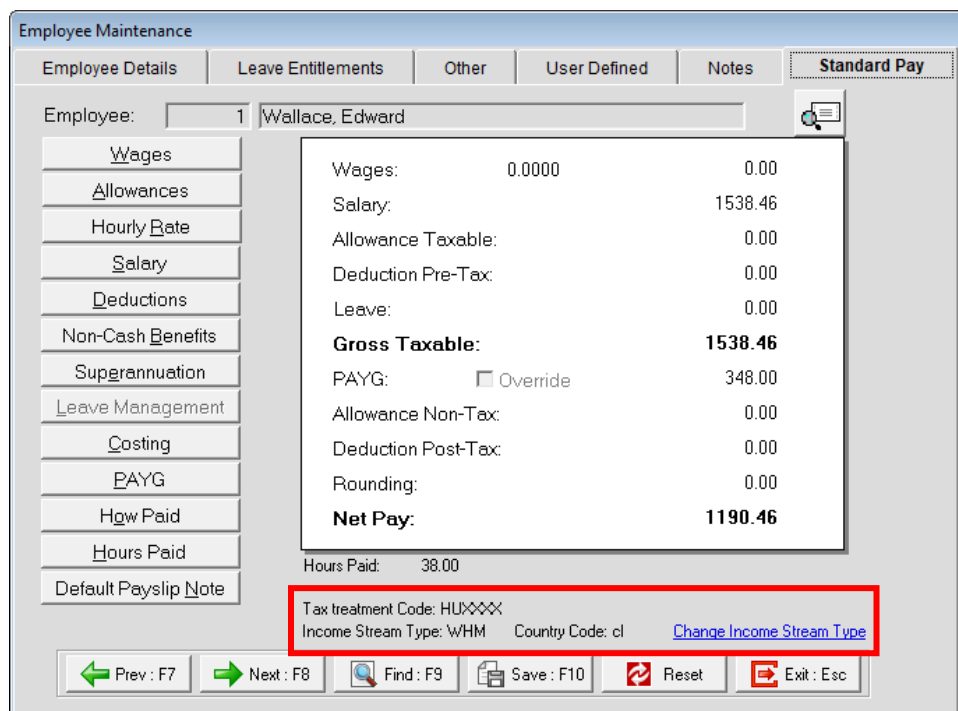
Clicking the **Change Income Stream Type** link displays a screen where you can change the Income Stream Type and enter a Country Code:



The available options in the **Income Stream Type** dropdown change depending on the Tax Classification selected on the Employee Details tab. The **Home Country (Code)** dropdown is only available for Income Stream Types that require one.

# STP Security Settings

You can restrict access to the Single Touch Payroll functions by using the two STP-related User Security settings:

- **Single Touch Payroll- Allowance Category**: Controls access to the Allowance Categories window (see page 7).

- **Single Touch Payroll- Send STP**: Controls access to the Single Touch Payroll window and all of the functions available from it (see page 13).

After an upgrade to Exo Employer Services 2017.06 or later, these settings will be enabled for the Admin user only. Add these settings on the Access Rights tab of the User Security window to grant access to the STP functions to other users as appropriate.

# Submitting Data via STP

Once STP is set up and activated, you can submit data for pays after they are updated.

## Automatic Submission

If automatic submission has been enabled on the Setup Payroll window (see page 2), STP data is sent as soon as a pay is updated. Before being sent, the data is checked and an error message appears if any validation errors (e.g. missing information in one or more records in the data) are detected:
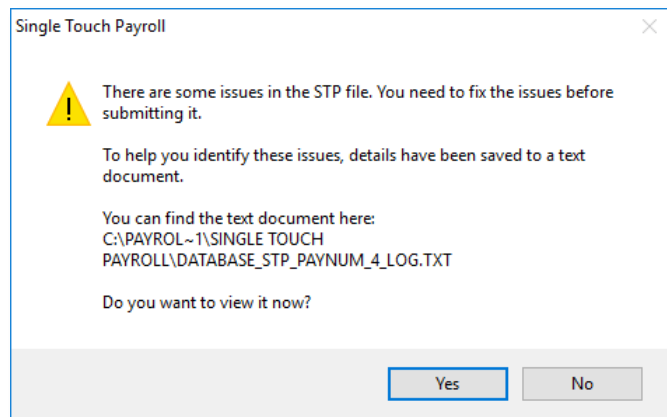


> **Note:** You can run this validation at any time by selecting **Single Touch Payroll > Validation Check** from the Pay menu.

If no errors are detected, a declaration window appears:



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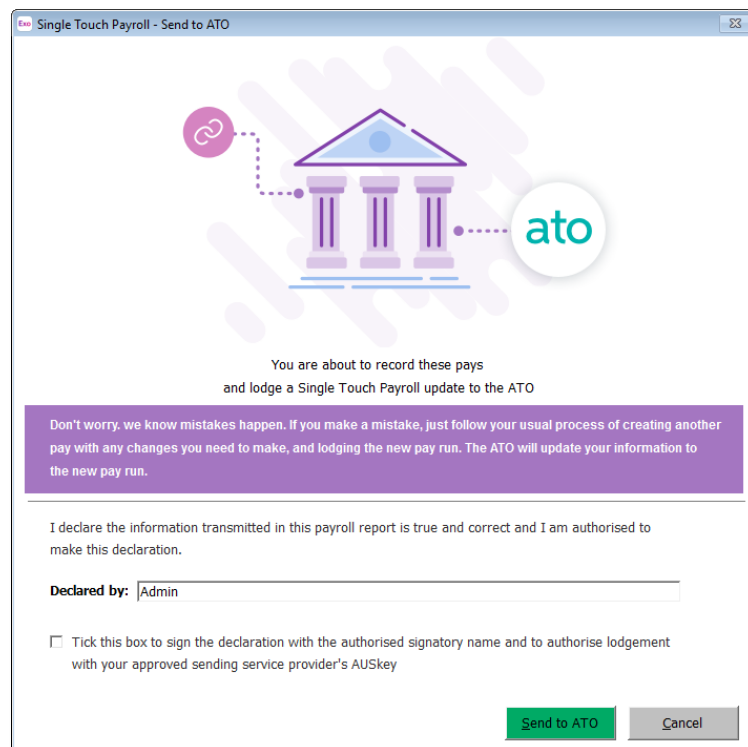
Enter the name of the person responsible for submitting via Single Touch Payroll, tick the declaration check box, then click **Send to ATO** to submit the data.

If the submission is successful, a confirmation message appears and the STP submission's status is updated to "Pending". If any errors occur during the submission attempt, they will be displayed, and the batch's status will change to "Not Sent".

The status can be checked on the Single Touch Payroll window (see below).

# Manual Submission

If automatic submission has not been enabled, you can submit via STP on the Single Touch Payroll Submissions window. You can also use this window to view detailed information on all STP batches, and check the status of submissions.

Open the Single Touch Payroll Submissions window in one of the following ways:

- Select **Single Touch Payroll > Submissions** from the Pay menu.
- Click the ato toolbar button.
- Select Step 6 of the Pay Cycle:
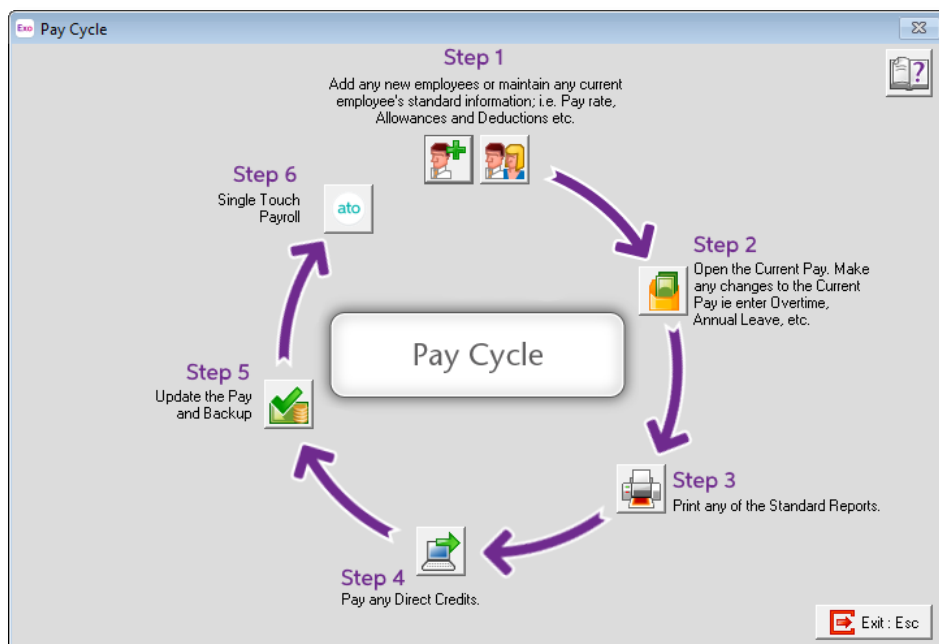
The Single Touch Payroll Submissions window displays all pays that the system has generated STP data for:



From this window, you can:

- Manually submit STP data to the ATO (see page 15)

- View the details of an STP submission (see page 15)

- Export the contents of the main grid to an Excel spreadsheet

- Resend a submission that contained errors (see page 16)

## Submission Statuses

The Single Touch Payroll Submissions window also displays the status of all STP submissions, which can be one of:

- No status – no attempt has been made to submit the data to the ATO yet.

- Not Sent – an attempt to send the data to the ATO failed.

- Pending – the data has been successfully submitted to the ATO, but no response has been received yet.

- Accepted – the data has been submitted to the ATO, and an acceptance response has been received.

- Partly Accepted – some employee records in the submission were accepted by the ATO, but some were rejected.

- Not Accepted – the ATO has received the data, but rejected it.

Click the **Refresh Status** button to update the status of the selected batch.

> Note: An **ATO Status** column displaying the status of each pay has also been added to the Pay List window.

Response times from the ATO can vary according to the size of the payroll and the status of the ATO's services. It can take between a few minutes and a few hours to receive a response, depending on these factors. We do not recommend clicking the **Resend to ATO** button (see page 16) if a submission is taking a long time to update its status—this will re-start the submission process from the beginning, which will only make it take longer to update.

## Manually Submitting an STP Batch to the ATO

Where automatic submission has not been enabled, you can manually send STP data for a pay by selecting it on the Single Touch Payroll Submissions window and clicking the **Send to ATO** button (or by double-clicking on it).

> **Note:**  A **Send to ATO** button has also been added to the Pay List window.

As with an automatic submission, the data is checked for errors, and you are required to tick a declaration before lodging the submission with the ATO (see "Automatic Submission" on page 12).

# Viewing the Details of an STP Batch

To view detailed information of the STP data for a pay, select a pay on the Single Touch Payroll Submissions window and click **Details**. This opens the STP Submission Details window:



If the submission has the status "Not Accepted" or "Partly Accepted", an extra Errors tab is available on the lower grid. This tab displays details of the error(s) that were found in the submission, which will need to be corrected before the submission can be re-sent. In addition, for submissions with the "Not Accepted" status, an **Email to Support** button becomes available next to the **Status** field in the Response section at the top right—clicking this button copies the response details into an email to MYOB Support.

Click the **Export** button to create an Excel document containing all of the details displayed on the window. The Excel document is a workbook containing multiple tabs:

- Payer – contains the employer details from the top left of the window.
- Payee – contains the employee details from the grid in the bottom half of the window.
- Response Summary – contains details of the ATO's response to the submission from the top right of the window.
- Pay Details – contains details of the originating pay run from the top right of the window.
- Response Detail - this tab only appears if the submission was rejected. It contains details of the error(s) that caused the submission to be rejected.

# Re-submitting STP Data

Once data for a pay has been submitted to the ATO, you can re-submit it if you need to. The **Send to ATO** button changes to **Resend to ATO**—click this button to submit the data again. Any changes in the data will overwrite the data that was sent previously.

The **Resend to ATO** button performs different functions and displays different information messages depending on the status of the selected STP submission:

- If the status is "Not Accepted" or "Not Sent", the entire submission is resent.
- If the status is "Accepted", clicking **Resend to ATO** first displays a confirmation message, informing the user that the submission has already been accepted. The user can continue to resend the submission or cancel.
- If the status is "Partly Accepted", this means that the submission as a whole has been accepted, but one or more of the employee records included in the submission have been rejected. Clicking **Resend to ATO** creates a new submission that corrects the original—see page 17.
- If the status is "Pending", Exo Payroll first refreshes the submission's status (as if the **Refresh Status** button had been clicked), then takes an action depending on the updated status:
  - If the submission's status is now "Accepted", a message appears informing the user that the submission has been accepted, so does not need to be resent.
  - If the submission's status is now "Not Accepted", a message appears informing the user that the submission has been rejected by the ATO, and recommending that they check its details before attempting to resend it.
  - If the submission's status remains "Pending", the submission will be resent if it is 72 hours since it was first sent. If it has not been 72 hours, a message will be displayed and the submission will not be resent.

## Correcting Partly Accepted Submissions

If a submission contains any errors in the employee records, its status will be "Partly Accepted" and the Errors tab on the STP Submission Details screen will show details of the errors that caused them to be rejected.

Once the errors have been corrected, select the submission on the Single Touch Payroll Submissions window and click **Resend to ATO**. You are asked to confirm that the errors in the original submission have been corrected:
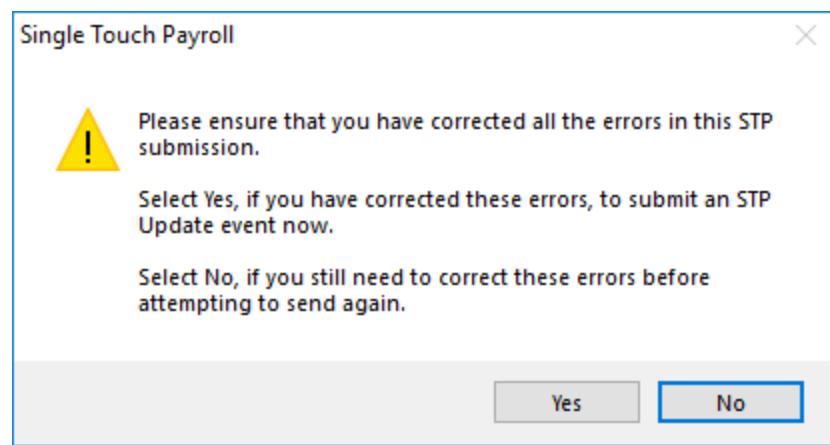


Clicking **Yes** creates a new submission containing only those employee records that were rejected in the original submission. The new submission's **STP Type** column displays "Update" and its **Is Correction?** column contains "Yes". The **Notes** column of the original submission is updated to show the ID of the correcting submission.

You can re-send a correcting submission, creating another new submission that corrects the correction. This process can be repeated until all errors are corrected. At each point, only those employee records that still have errors will be included in the submission.

# Finalising STP Data

At the end of each financial year, you must send a finalisation declaration for each employee. This supplies year-end totals of the STP data for each employee, and indicates that you have provided all of their information for the financial year through STP reporting. To send a finalisation declaration for some or all employees, select **Single Touch Payroll > Finalisation** from the Pay menu. This opens the Single Touch Payroll - Finalisation window:



This window lists all employees with pays in the current financial year, including employees who were terminated during the year. Use the check boxes to select the employees who you want to send finalisation declarations for (or click **Select All**), then click **Send to ATO**.

The **Pay Event Version** dropdown lets you choose which version of Single Touch Payroll to submit the finalisation event under: 2018 (original STP version) or 2020 (STP Phase 2). We recommend that you select "2020", but there may be cases where you need to submit a finalisation using the old version of STP.

As with STP submissions for individual pay runs, you can also re-submit finalisation declarations for one or more employees if you need to correct the data—just open the Single Touch Payroll - Finalisation window again after correcting the data and use it to send finalisation declarations for the affected employee(s).

> **Note:** You can see when a finalisation declaration has been sent for employees on the STP Submission Details window (see page 15)—the **Is Final Pay** column on the Employee Details tab contains "Yes" for a finalisation event.

# Updating STP Data

Normally, employees' Single Touch Payroll data is updated during the pay run, when STP data for a pay is sent to the ATO. In certain rare cases, it may be necessary to update employees' STP data outside of a pay run. To update STP data for some or all employees, select **Single Touch Payroll > Update** from the Pay menu. This opens the Single Touch Payroll - Update window:



This window functions in the same way as the Finalisation window. Use the filters and check boxes to select the employees who you want to send STP updates for (or click **Select All**), then click **Send to ATO**. The update operation updates the year-to-date totals for all selected employees without sending any information relating to a specific pay.

# FAQs & Troubleshooting

## What data is included in STP submissions?

Each STP submission includes:

- Contact information for the payer (employer)

- Contact information for the intermediary (if one is used)

- Contact and personal details for each employee included in the originating pay run

- Year-to-date pay information for each employee included in the originating pay run, including allowances, deductions, superannuation and FBT

All information included in a batch can be viewed on the STP Submission Details window (see "Viewing the Details of an STP Batch" on page 15).

> **Note:** Because each STP submission contains <u>year-to-date</u> information for all employees, the amounts on the tabs in the lower half of the window will not correspond to the amounts in the specific pay that the STP submission was generated from.

## Are Reportable Fringe Benefits included in STP?

Reportable Fringe Benefits are included in STP reporting. When you update a pay that includes Reportable Fringe Benefit amounts, they will be included in the STP submission for that pay.

If you process your Fringe Benefit amounts using a back-dated pay, see "How do I process back-dated pays?" on page 21.

## Is STP data included in company backups?

STP files will be backed up as part of a company backup if they are output to the default location. If you change the **STP file output location** from its default, STP files will not be included in backups—you must ensure that they are backed up independently.
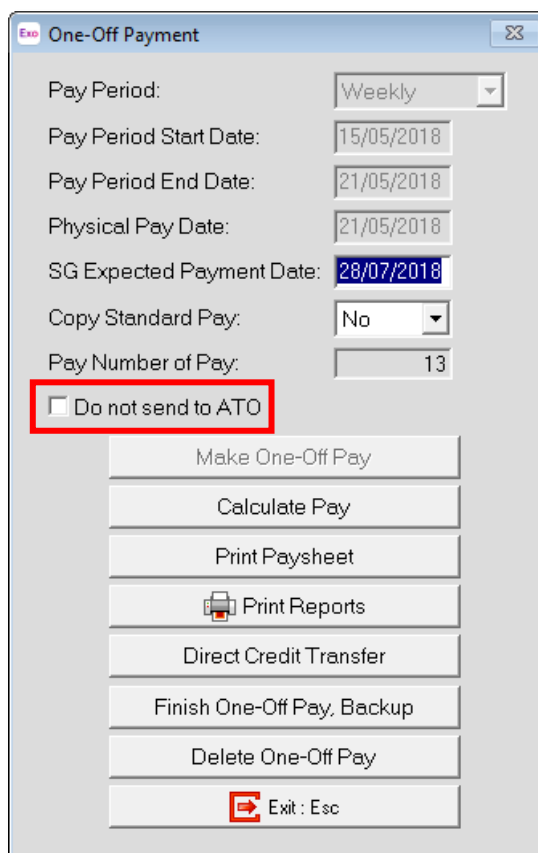
## What happens when an employee is terminated?

Termination information is included in STP data. The STP submission for a pay that contains the termination payment for an employee will include a finalisation declaration for that employee (see page 17). If the employee's termination is subsequently reversed, the next STP submission will undo the finalisation. You can also send a manual update (see page 19) to process or undo the employee's finalisation declaration.

If you process an employee's termination payment using a back-dated pay, see "How do I process back-dated pays?" on page 21.

## How do I process back-dated pays?

Back-dated pays should <u>always</u> be processed as a One-Off Pay with the **Do not send to ATO** option ticked:



After the pay has been updated, perform a manual update of STP data (see page 19). This ensure that employees' year-to-date totals are correct without sending any pay details.

## What do I do if an error appears when requesting the Software ID?

If you see the error message "Getting SID failed. The service returned a status code of 0 with a message [Unable to connect]." after clicking the **Get Software Identifier** button on the Single Touch Payroll setup section of the Setup Payroll window (see page 4), check the following:

- Check that version of 4.5 of the .NET Framework is installed. You can download the .NET Framework 4.5 from <u>Microsoft's website</u>.

- Check that the following files are installed correctly in your payroll installation folder:

    o Dev_EXO_Payroll_2019.pfx

    o Prod_EXO_Payroll_2019.pfx

## Can I use STP through a proxy server?

Exo Payroll's services use the WinHttp 5.1 protocol to consume STP services. If a company's environment uses a proxy server, they may need to set WinHttp to use the proxy server.

## What do I need to do if I move to another payroll system?

If, after enabling Single Touch Payroll in Exo Payroll, your company is moving to another payroll system during the financial year, you must zero the STP year-to-date totals for all employees in Exo Payroll, to ensure that the same data is not submitted twice. To reset employees' year-to-date totals to zero, select Single Touch Payroll > Zero Year to Date from the Pay menu. This opens the following window:



Click **Send to ATO** to update the STP data for all employees, setting all year-to-date values to zero.

## How do I update employees' BMS or Employee ID?

In some cases, it may be necessary to update employees' STP data after their employee ID code has changed or after the business management system (BMS) used to manage them has changed. These cases include:

- If an employee is rehired under a new employee code.
- If an employer changes payroll systems and assigns new employee codes in new system.
- If an employer moves employees from one database location to another, where the same system is still used but employee codes change.
- If an employer needs to change existing employee payroll IDs for other reasons.

To update employees in these cases, select **Single Touch Payroll > Update using Previous BMS/Employee ID** from the Pay menu. This opens the following window:



## What do I do if a submission fails?

If an STP submission cannot be sent to the ATO, its status will be set to "Not Sent". You will need to re-send the submission manually, by selecting it on the STP Submissions window and clicking **Resend to ATO**.

If an STP submission was successfully sent, but is then rejected by the ATO, its status will be set to "Not Accepted". Select the submission on the STP Submissions window and click **Details** to view the full details of the submission (see page 15). An extra Errors tab is available on the STP Submission Details window for Submissions with the status "Not Accepted"; this tab contains details of the errors in the data that resulted in it being rejected. In most cases, this is due to missing or invalid information. Use this information to correct the records that caused the error, then re-send the submission manually by selecting it on the STP Submissions window and clicking **Resend to ATO**. See "Re-submitting STP Data" on page 16 for more details.

If an STP submission was successfully sent, but one or more of the employee records in it were rejected by the ATO, its status will be set to "Partly Accepted". The Errors tab on the STP Submission Details window contains details of the errors that caused the employee record(s) to be rejected. Use this information to correct the records that caused the error, then send a correcting submission by selecting the original submission on the STP Submissions window and clicking **Resend to ATO**. See "Correcting Partly Accepted Submissions" on page 17 for more details.

## How do I activate STP debugging?

As of the 2018.03 release of Exo payroll, debugging options can be enabled for the STP functions. The **comacc.ini** file contains an [STP] section with the following options:

```
[STP]

Debug=ON

DebugExpiryDate=10/08/2018
```

When the `Debug` option is set to ON, log files will be created when Exo Payroll attempts one of the following actions:

- Retrieving a Software ID

- Submitting or updating pay run data

- Refreshing the status of a submission

Log file names have the format:

```
stp_debug_log_TRANSACTIONNAME_tran_DATAFOLDER_LOGGEDINUSER_TIMESTAMP.txt
```

Exo Payroll will continue to produce log files until the date specified by the `DebugExpiryDate` option. If an expiry date is not specified, logs will be produced for the current date only—the system date will be set as the expiry date when the first transaction happens.