

# MEMBERS UPDATE



**MARCH  
2021**



In this month's members update we look at:

- ATO announced STP Phase 2 now 1 January 2022
- STP reporting changes for small/micro employers from 1 July 2021
- Legislated superannuation increase from 9.5% to 10% from 1 July 2021
- Annual reconciliation for annualised salaries under many modern Awards

## Welcome to the March 2021 member's update

The major announcements this month are in relation to STP and the timing of Phase 2 and the requirements for reporting through STP for small and micro employers in the new Financial Year.

As we seem to be gathering pace and moving through the months quickly, it is time to remember the legislated super changes that are in place with SG due to increase to 10% in the new Financial Year. For payroll, it is worth starting to think of the impact for your own employees and start planning for the increase with your HR and Finance teams.

Annualised salaries are currently a hot topic and it may be time for you to start the annual reconciliation for your Award covered employees that have been paid under an annualised salary arrangement since the introduction in many Awards from 1 March 2020.

## ATO announced STP Phase 2 now 1 January 2022

Payroll software providers in particular breathed a sigh of relief as the ATO considered the timing for the introduction of STP Phase 2 and have announced that the mandatory commencement date will be delayed for 6 months and now start 1 January 2022. This will give software providers more time to meet the new requirements and should give more time for employers to prepare and understand the impact to processing of the STP file. At this stage there is no action required by payroll, as the focus is currently on the development of the stage 2 STP pay event file in consultation with the ATO.

More details through the ATO:

<https://www.ato.gov.au/Business/Business-bulletins-newsroom/Tax-Time-and-reporting/Expansion-of-Single-Touch-Payroll/>

## STP reporting changes for small/micro employers from 1 July 2021

For small (19 or less employees) and micro employers that previously had exemptions for not reporting through STP there are some planned changes for STP reporting effective 1 July 2021. From this date, small employers with closely held payees must be reporting details of these payees through STP. Employers have the option to report this information on a quarterly basis.

Micro employers (1-4 employees) will need to start reporting through STP from 1 July 2021 unless they apply for another concession or deferral through the ATO.

If you are impacted by this change, more details can be found on the ATO website:

<https://www.ato.gov.au/Tax-professionals/Newsroom/Digital-interaction-with-us/Changes-to-STP-reporting-from-1-July/>

## Legislated superannuation increase from 9.5% to 10% from 1 July 2021

We have had a number of members queries asking about whether the super guarantee (SG) percentage will be increasing effective 1 July 2021. As it stands, this is a legislated increase and unless there is a change in the legislation in the coming months, then this increase will be required. As employers you will need to prepare to make the change for the first payrun in the new Financial Year.

We would recommend to start having the conversations with your HR/Finance team/clients to understand the pay impacts, including for employees under a total remuneration package which is inclusive of super.

The ATO link showing the legislated super guarantee increases:

<https://www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?anchor=Superguaranteepercentage>

## Annual reconciliation for annualised salaries under many modern Awards

1 March 2020 marked the introduction of new annualised salary clauses in a number of modern awards. If you are an employer paying annualised salaries under the relevant modern award for the last 12 months, then it may be time for you to complete your annual reconciliation for your employees. You do this by comparing the amount actually paid to your affected employees over the past year with the amount that would have been payable under the relevant modern award. Any shortfalls identified must be paid within 14 days.

Fairwork has more details on this topic:

<https://www.fairwork.gov.au/about-us/news-and-media-releases/website-news/past-website-news/new-rules-for-annualised-wage-arrangements>



Please join us for our March members webinar where we will be discussing **“Public Holidays”** to be held on **Tuesday 16th of March at 1pm.**

**CLICK HERE TO REGISTER**

## VIP Members Area:

As part of your membership, you have access to all our monthly webinars which cover a wide range of payroll topics and act as a useful 30-minute refresher on specific topics. Whilst you are on the members page, then remember to check out all the useful resources such as an excel redundancy calculator and LSL matrix. In the VIP members area, there is also a wealth of information and FAQs if you need a little guidance in a particular area of payroll, such as how to handle an overpayment. We are constantly updating and adding to this resources section, for example we recently added a comprehensive guide to purchased leave schemes (found in the leave section). We recommend bookmarking this page and use it as your first port of call when you need some guidance as we know that payroll is so complex that it's impossible to remember everything!