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# Single Touch Payroll (STP) Phase 2

## What's happening under STP Phase 2

Under STP Phase 2, the Australian Government will require employers to report additional information through STP on or before each payday. This information will include details such as income or payment type and the reason for any cessation of employment.

This expansion of STP is intended to reduce the compliance burden for employers and individuals who currently report information to multiple government agencies.



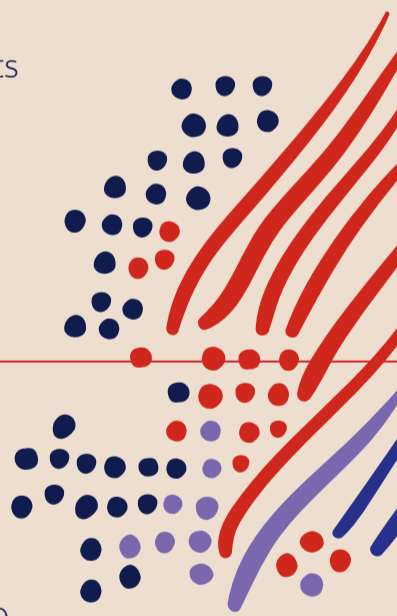
## The Benefits

### To Employees

- **Reduced effort and error** in calculating and reporting income for the purposes of income support payments
- **Improved accuracy** and timeliness of payments
- **Greater visibility** on how changes to income affect entitlements
- **Reduced** employment income related debts
- **Increased equity** in determining an individual's capacity to pay debts

### To Employers

- **Remove duplication** and eliminate need for Employment Separation Certificates, manual reporting of child support deductions, and the submission of TFN declarations to the ATO
- **Remove the need** to provide employees with payment summaries
- **Remove requirement** for submitting payment summary annual report to the ATO



## Be compliant with STP Phase 2

While there is nothing that businesses need to do right now, they should talk to their service providers in the coming months to ensure they will be compliant for STP Phase 2 reporting by 1 January 2022.

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