



## Monthly Information Newsletter – Tax & Super

July 2022

### STP year-end finalisations ... due soon!

**Employers need to make STP finalisation declarations by 14 July each year. As your registered agent, we can assist you in this important, upcoming process.**

If you have 20 or more employees, you should be reporting closely-held (related) payees each pay day along with arms-length employees. The finalisation due date for closely-held payees is 30 September each year.

A "closely-held (related) payee" is an individual directly related to the entity from which they receive payments (for example, family members of a business, directors or shareholders of a company, or beneficiaries of a trust).

For small employers (19 or fewer employees) who only have closely-held payees, the due date for end-of-year STP finalisation will be the payee's income tax return due date.

For an employer with a mixture of both closely-held payees and arms-length employees, the due date for end-of-year STP finalisation for closely-held payees is 30 September each year. All other employees are due 14 July each year.

Before making your finalisation declaration, make sure your STP information is correct. If you can't make a finalisation declaration by the due date, you will need to apply for a deferral. We can take this up for you.

You can finalise your data earlier if it's ready. The sooner you finalise your employees' information, the sooner they will be able to lodge their tax returns for 2021/22.

This finalisation process is explained in detail in the STP employer reporting guidelines, including amendments for current and previous financial years. As noted, we can assist you in this process.

When you have reported and finalised your employees' information through STP, you are exempt from:

- providing payment summaries to your employees
- lodging a payment summary annual report.
- For payments to your employees that were not reported through STP, you still need to:

- give a payment summary to your employees
- provide the ATO with a payment summary annual report for these payment summaries.

If you identify that you need to make an amendment after you have submitted a finalisation declaration, you'll need to submit these as soon as possible. You can make the amendments to finalised STP data in your STP solution.

The ATO recommend you tell your employees when you make an adjustment that will be reflected in their income statement. If they have already lodged their tax return they may need to lodge an amendment.

You will need to tell your employees:

- you are no longer required to provide them with a payment summary for the information you've reported and finalised through STP
- they can access their year-to-date and end-of-year income statement online through myGov or talk to their registered tax agent
- 'income statement' is the new term for their payment summary (if they don't already know this from last year)
- to wait until their income statement is 'Tax ready' before lodging their tax return
- to check their personal details and if necessary, update with both you and the ATO (incorrect personal details may prevent them from seeing their STP information).

If an employee does not have a myGov account, they can easily create one online. They can also talk to their tax agent who will have access to their income statement information.

#### DISCLAIMER

All information provided in this article is of a general nature only and is not personal financial or investment advice. Also, changes in legislation may occur frequently. We recommend that our formal advice be obtained before acting on the basis of this information.

***Our liability may be limited by a scheme approved under Professional Standards Legislation.***