

Submission reference: 2015/06

6 March 2015

ATO - Single touch Payroll discussion paper

ASFA responded to the ATO request for comments on the Single Touch Payroll discussion paper.

In a series of general comments ASFA:

- notes the ATO has been consulting on this initiative with software engineers and the payroll industry since at least July 2014
- raises concerns that the ATO has only recently engaged with the superannuation industry
- raises concerns at the apparent narrow scope of the project with respect to payroll deductions
- raises concerns with the proposed implementation timeframe
- raises concerns with recent advice that the Single Touch Payroll proposal extends to the payment by superannuation funds of PAYG withholdings on benefit payments to the ATO on an as-deducted basis
- urges that no firm commitment be given to including superannuation fund withholding payments in the Single Touch Payroll projects scope until extensive and detailed consultation has been undertaken with the superannuation industry and a full cost benefit analysis has been undertaken.
- suggests that the Single Touch Payroll project be subject to further rigorous analysis, including a review of the proposed scope and detailed mapping of the activities required of both the private and public sectors.

In responding to each of the questions posed in the consultation paper, ASFA considered the perspective of an employer's payroll operations and the proposed increased frequency of superannuation contribution payments, but not the myriad of issues that will follow from the proposal that the project would also cover PAYG withholdings from superannuation benefit payments.

ASFA considers that PAYG withholdings from superannuation benefit payments should be subject to a separate consultation paper and process.

In responding to the questions posed in the consultation paper, ASFA worked on the assumption that there would be no disturbance to the arrangements under which superannuation funds receive SuperStream compliant messages through channel A. That is, ASFA is working on the assumption that there is no proposal to change the current legislated requirement for employers to comply with the Superannuation Data and Payment Standards nor to the method by which they are required to comply.