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Single Touch Payroll – Headcount Calculation Guide

The Australian Taxation Office (ATO) has set a mandatory start date for employers to commence reporting via Single Touch Payroll (STP).

Mandatory STP reporting as at 1 July, 2018 will apply to all 'substantial employers' - the ATO considers businesses of 20 or more employees to be substantial. In order to determine if you are a substantial employer you will need to conduct an employee headcount on 1 April, 2018.

Once you determine you are a 'substantial employer' you will be required to report via STP, even if your employee numbers go below 20.

Which employees do I include in my headcount?

Your headcount must include the following employees:

- full-time employees,
- part-time employees,
- casual employees who are on your payroll on 1 April, 2018 and worked any time during March 2018,
- employees based overseas,
- any employee absent or on leave (paid or unpaid), and
- seasonal employees (staff who are engaged short term to meet a regular peak workload, for example, harvest workers).

Important Notes:

- Your headcount is not a count of only your full time equivalent (FTE) employees.
- If you are part of a company group, the total number of employees employed by all member companies of the wholly-owned group must be included.

When calculating your headcount, ensure that you do not include:

Your headcount must include the following employees:

- any employees who ceased work before 1 April, 2018,
- casual employees who did not work in March, 2018,
- independent contractors,
- staff provided by a third-party labour hire organisation,
- company directors,
- office holders, and
- religious practitioners.



To understand how to calculate headcount for your business, contact the ATO directly on 1300 85 22 32.