



Updates to Single Touch Payroll for Xero Users

Xero has released Step 1 to get ready for Single Touch Payroll Phase 2.

Step 1 involves updating your employee profiles with additional information required by the ATO. We have included some screenshots guide your through this process. You will need to complete this for each of your active employees.

Go to Payroll – Employees


Select ‘Update’ and complete the below steps for each employee.

Next payment date	Action required	
26 Sep 2022	Update details for STP2	Update
26 Sep 2022	Update details for STP2	Update
21 Sep 2022	Update details for STP2	Update
21 Sep 2022	Update details for STP2	Update

Select what type of employee you have as per below:

Additional employment details

Select employment type


The type you select affects your tax obligations. [Check if your payee is an employee or contractor](#) 

<input type="radio"/> Employee An employee works in your business and is part of your business	<input type="radio"/> Contractor A contractor runs their own business
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Select the employee's income type.

Note: Closely held payees is defined as an individual directly related to the entity from which they receive payments. For example: family members of a family business, director or shareholders of a company, or beneficiaries of a trust.

Select income type

The type you select affects the pay items that can be included in pay templates and payslips. [Learn more about income types on Xero Central](#) 

Income type

Select type 

- Salary and wages
- Closely held payees
- Working holiday maker

Select the employee's tax scale type

Additional tax details

Regular

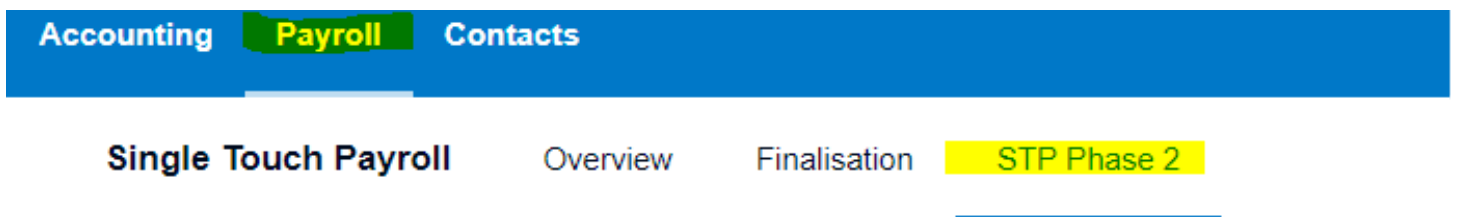
Horticulturists or shearers

Actors, variety artists and other entertainers

Seniors or pensioners

Once this has been completed for all employees, you have completed Step 1. Steps 2, 3 and 4 will be released in the coming months, with everything being update by March 2023.

Xero have additional information regarding STP Phase 2, and this can be found in the below noted location within your Xero file.



For more information please call our office.

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