



e-News

Monday, 29th November 2021

STP Phase 2 Education Series Part 1: Disaggregation of Gross Pay Items



Over the next few weeks, I will provide an educational series on STP Phase 2 via this newsletter.

Part 1 of this series looks at one of the key changes to STP - the disaggregation of gross pay items in your payroll.

For the current STP Phase 1, it is acceptable to lump pay items such as paid leave, overtime, bonuses, and salary sacrifice into gross pay on a payslip. When STP

Phase 2 begins on 1 January 2022, this will change.

STP Phase 2 requires a disaggregation or breakdown of pay items, such as those shown in the graphic above, into separate lines on the payslip. Further, it requires a breakdown of each allowance type you pay to employees. In conjunction with this, each pay item will need to be mapped to a relevant STP code within your software for correct reporting to the ATO. Your software provider is working hard to ensure that you will be able to prepare your payroll to meet STP 2 standards, including code mapping.

Below is a graphic displaying the pay items to be included in each income payment type. Here is a [link from the ATO explaining the STP codes which will be mapped to these income types](#).

Remember, STP Phase 2 begins on 1 January 2022, however, your software provider may not be ready until later in 2022. We advise that you check with your provider to ensure you are ready to update your payroll when the time comes.

Income Payment Types

Gross (new definition) Ordinary hours Casual loading & Shift Penalties Workers comp duties Flexi time & Piece rates Time for travel and training Daily rates Charge out rates Anything else that isn't individually reported	Allowances Cents per Kilometre Award Transport Payments Laundry Overtime Meal Allowances Domestic or Overseas Travel Allowances and Overseas Accommodation Allowances Tool Allowances Task Allowances Qualification Allowances Other Allowances: • Uniform • Private Vehicle • Home Office • Transport/Fares • General • JobKeeper	Overtime
Paid Leave <ul style="list-style-type: none">• Cash out of leave in service• Unused leave on termination• Paid Parental Leave• Workers' Compensation• Ancillary and Defence Leave• Other Paid Leave		Bonuses and Commissions
		Directors' Fees
		Salary Sacrifice <ul style="list-style-type: none">• Superannuation• Other Employee Benefits

Latest Articles



New Work-Mindset

Over the last few weeks, I have completely turned my beliefs about work, upside down and inside out.



Stapled Super Funds

From 1st November 2021, when a new employee starts working for you, you must pay their super into their "Stapled Super Fund" if he/she does not provide you with a choice of fund.



Director ID

Are you a director? You need to read this! Director ID is coming in November 2021.



Travel Diaries

Now that travel is back on the agenda, here is a refresher for business

owners about using travel diaries.

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