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Questions & Answers from STP Phase 2 and ECT: Process and Timings Webinar

Can we add income types over time?
Yes, if you only whitelist for a subset of the income types but then later you enhance your payroll system to include extra income types, you will need to go back through the whitelisting process and you will need to run the ECT testing that is specific to that income type to be certified for additional income types in production.

By income type - do you mean income stream?
Yes, they are referred to as "Income Types" in the Business Implementation Guide and associated documents. Income Type codes include SAW (salaries and wages) etc.

Is there a response time from ATO for EVTE registration as well?
No, but this is usually very quick. It's just an email acknowledging your registration and the replacement test Product ID to be used with submission to EVTE. You are given 10 days where both the old and new test Product IDs will be accepted.

Note that everyone will receive a new test Product ID and that there are no changes to the production Product IDs.

STP phase 1 used production data for PVT, is that the case for the final ECT?
No. All data used in ECT is test data in the test environment. You are not allowed to send live data to EVTE (TFNs, names and contact details) as this environment is not as secure as the production environment.

This is why the ATP changed the testing process. In the first round of Single Touch Payroll, developers completed some conformance testing and end-to-end testing in EVTE but would then complete production verification testing in the production environment. Here developers had to essentially complete a live pay run and the ATO would check this. If there was a problem, the pay run was either repeated or they would wait until the next pay run to check and ensure problems were fixed.

Does anyone know why the ATO are taking so long to approve deferrals?
The ATO wants to see all the deferral requests before deciding on deferral dates. They want to make equitable outcomes across DSPs for similar deferral reasons.

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Can you submit both versions of STP until January 1? If on premise and some clients are not able to do so immediately.
Yes, you can have different clients submitting different versions based on upgrade timetables but a client can't submit both versions once they have upgraded. Further, on the deferral application form you do actually have to make a declaration that you will continue to send STP 1 data until the client has been transitioned to STP 2.

If you are using a sending service provider, you should discuss your roll out with them as they are your partner in this transition. Stay in touch and make sure that you know what you can and cannot do.

What is the timeframe for this update? Do we already have a date to launch it?
STP Phase 2 was announced last year and the documentation started being released. The compliance date was originally 1 July this year. It was extended to 1 January 2022 due to issues with meeting the original date. Some DSPs have issues with meeting this new date and that is the reason for the ATO calling for deferral requests prior to 31 October so that they have time to issue deferral dates to DSPs and their clients.

So a valid reason is a client may not want the detailed gross reported until they have cleaned up employee practices?
Deferrals are granted by the ATO if the reasons for deferral are considered valid by the ATO.

Could you run through the Preliminary Test Case process?
The Test Cases are a scenario with stated data settings and expected outcomes. They vary according to the outcome being tested. This scenario approach was used in the first round of STP for Conformance Testing. DSPs are expected to run the 5 Readiness Test scenarios for STP Phase 2 and submit their results to the ATO. The ATO will look in EVTE and retrieve the submissions and check the data. If it is correct, they will provide permission to proceed onto the full Test Pack which is tailored to the DSP payroll system facilities. If there are errors in the Readiness submissions, the DSP will need to adjust their payroll and rerun the tests until approved.

If any testing scenarios are failed, will the ATO work with us to correct the issue?
Yes, they will explain what is wrong and request you make appropriate changes to ensure the output is correct - this may just be data set-up (hopefully) but could point to a requirement to change your software. This is why end-to-end testing prior to ECT will allow you to exercise all the possibilities.

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So will it mean we can quickly test our XML files on the EVTE environment then?
Yes, you are expected to perform end-to-end testing of your solution in EVTE until you
are ready for Extended Conformance Testing. Ready means confident that your solution
meets the Phase 2 requirements.

**I've registered for EVTE, but have been asked for a product delivery date, do we need
to supply that date to continue?**
The ATO is asking everyone for their expected completion dates throughout the process.
Even after registration for EVTE they will follow up after a period of time to ask when you
expect to register for ECT. When you complete ECT and are whitelisted for production,
the ATO will discuss your roll out plan for your clients. The ATO assumes you will meet the
compliance deadline of 1 January 2022 unless you have applied for and received a
deferral. That deferral process expects you to state out how many clients will transition to
Phase 2 next year (number of clients month by month). If you don't believe you can
whitelist and transition all your clients by 1 January, then you need to submit a deferral
request by 31 October, regardless of your current stage in the process.

**So if our ATO DSP review date is November and we defer to June 2022, will our revie
date change?**
If your ATO DSP review date is referring to your Operational Framework review date, then
that is independent of the STP Phase 2 upgrade. The Operational Framework review date
is focused on your data security position.

Has the ATO indicated when they will deprecate STP v1 lodgements?
No, this has not been announced. They will probably need to allow Version 3 2018
submission for quite a while. However, their deferral documents indicate a strong desire
for a client transition completion date of December 2022.

**I am a bit confused with this, is this registration voluntary at this stage or mandatory?
Confused with terminology EVT, PVT, ECT. I only set up STP.**
This webinar was focused on payroll developers and their requirement to whitelist with
the ATO. Once they are whitelisted, end users can update to STP Phase 2. End users will
be the target of an ATO information campaign shortly and this will apply pressure on DSPs
to get their products upgraded within suitable time frames or request deferrals. Once a
deferral date has been provided, DSPs can notify all their end users of the deferred
compliance date.

Note: end users (employers) can also request a deferral date from the ATO directly. This
would only be required if they can't transition to STP Phase 2 even though their payroll
provider is whitelisted and ready to upgrade them.

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Do we think that the ATO should be shutting down over the Xmas period with a 1st Jan due date?

We have been assured that the shutdown is the shortest period possible; i.e. just before Christmas to the first Monday after New Year's Eve.