# STP Phase 2: Steps for a successful transition

Changes are on the horizon for Single Touch Payroll (STP) Phase 2, the next stage of the STP journey.

#### So, what happens now?

To help you make the transition, Xero is rolling out changes in three stages so you're ready for STP Phase 2 reporting before the end of the year. We're developing transition tools so you can update payroll data smoothly and with ease.

## Follow these key transition stages to get moving



Stage 1

## **Starting late August: Employee Transition**

Using the employee transition tool, you'll be able to update existing employee records to capture relevant STP Phase 2 items – like whether they're an employee or contractor.

## **Coming soon: Pay Item transition**

With the pay item transition tool, you can identify and replace non-compliant pay items with the new earnings categories defined by STP Phase 2. These new pay items are already available in Xero Payroll if you'd like to get a head start.



Stage 2



### **Coming soon: Leave categories**

Paid leave is being broken down into additional subcategories for Phase 2, with the leave transition tool you may need to update your existing leave categories to meet the new reporting requirements

With the above three steps completed in Xero Payroll, you'll be ready to report STP Phase 2 to the ATO before Xero's deferral ends

Woo hoo!

