

# Processing an employment termination payment (ETP)

Only available to Australian businesses using [Single Touch Payroll reporting](#)

An employment termination payment (ETP) is a lump sum payment made to an employee because their employment has finished.

ETP includes payments for unused rostered days off, payments in lieu of notice, a gratuity or 'golden handshake', and more. For a full list of payments that are and are not ETPs, see the [ATO website](#).

ETP does not include payments for unused annual leave. For more information on paying out unused annual leave to a terminated employee, see [Processing a final pay](#).

And because you'll be reporting your ETPs to the ATO with Single Touch Payroll, there's no need to create separate payment summaries for your employees. Just set up your ETP pay items and do a pay run. Easy!

1. Set up ETP pay items
2. Assign ETP pay items to terminated employees
3. Process an ETP pay run
4. Notify the ATO
5. Finalise the employee

## Related topics

- [Processing a final pay](#)
- [Creating pay items](#)
- [Assigning pay items to employees](#)
- [Do a pay run](#)

## From the community

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