

Overtime premium compliance in the era of OBBBA

On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) became law, **reshaping how employers and employees manage overtime.** With this new legislation, accurate overtime premium reporting **isn't optional—it's compliance.**

What's changing under OBBBA

Employee tax benefit

Starting in 2025, employees can deduct qualified overtime premiums from taxable income—up to \$12,500 for individuals and \$25,000 for joint filers through 2028.

Employer reporting

2025: Employers may provide a separate overtime premium statement.
2026 forward: Overtime premiums must be reported directly on Form W-2, Box 12, Code TT.

Withholding adjustments

A new Form W-4 (draft 2026) allows employees to factor in their overtime premium deduction.



Why overtime premiums matter.

Breaking out overtime premiums isn't just best practice—it's compliance.

$$\text{\$100} + \text{\$50} = \text{\$150}$$

Straight time
for 5 hours

Overtime
premium

Total overtime
pay

How Viventium helps

Compliance is moving fast. Viventium's OTP support is designed for exactly this moment:

- Built to meet today's FLSA rules
- Future-ready for tomorrow's OBBBA requirements
- Delivering clarity, compliance, and confidence in every paycheck

With Viventium, you have an ally
who simplifies complexity and
keeps you ahead of change.

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