

Overtime Wages Information – Big Beautiful Bill Act

Dear Employees,

This notice provides general information regarding overtime wages under the Big Beautiful Bill Act (BBB Act).

Employees may use their pay stubs, along with Fair Labor Standards Act (FLSA) guidelines, to calculate the applicable **one-third portion of overtime wages** referenced under the BBB Act, if needed. Please be aware that **overtime wages paid by the District may differ from the portion of overtime wages that may be considered tax-exempt under the BBB Act.**

For **2025 W-2 reporting**, employers are **not required to separately report overtime wages related to the BBB Act**. Employees are responsible for determining eligibility and reporting any applicable amounts when filing their personal tax return.

Example (for illustration only – not tax advice)

Regular rate: **\$30.00/hour**

Overtime rate (**1.5×**): **\$45.00/hour**

Overtime hours worked: **100**

Total overtime wages paid: **$\$45.00 \times 100 = \$4,500.00$**

One-third portion referenced under the BBB Act: **$\$4,500.00 \times 1/3 = \$1,500.00$**

In this example, **\$1,500.00** may represent the portion of overtime wages potentially eligible for tax exemption under the BBB Act, subject to IRS rules and individual circumstances.

Helpful Resources

IRS – Big Beautiful Bill Act information:

<https://www.irs.gov/newsroom/irsgov-resources-can-help-answer-questions-about-the-on-e-big-beautiful-bill>

U.S. Department of Labor – Fair Labor Standards Act (FLSA):

<https://www.dol.gov/agencies/whd/flsa>

If you have questions about how this information applies to your personal tax situation, please consult a qualified tax professional.

Sincerely,

Payroll Department