



# Overtime and Tips Reporting Changes Under the OBBA Act

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To help you prepare for upcoming compliance changes, isolved is sharing important updates related to the One Big Beautiful Bill (OBBA) Act. This federal legislation introduces new tax reporting requirements that will affect overtime and tip reporting beginning with the 2025 tax year and expanding in 2026.

Key points:

- 2025: Estimated overtime premiums will be reported on employee W-2s in Box 14 as "Est OT Premium."
- 2026: The IRS is expected to introduce new guidance and codes for reporting voluntary tips in Box 12.
- Action: Review clients' earnings code setup to confirm voluntary and non-voluntary tips are tracked separately.

isolved is making system updates to support these changes and ensure a smooth transition once federal guidance is finalized.

**[Read the Full Update: The One Big Beautiful Bill Act – Tax Years 2025 and 2026](#)**

