

As many of you are aware, according to the One Big Beautiful Bill ("OBBA"), employees will no longer pay federal income tax on qualified tips and overtime premium up to the IRS limit. This will impact your employees' 2025 taxable earnings as well as 2026. For 2025 year-end reporting, the IRS and Department of Labor are accepting a **reasonable calculation method** to estimate employees' overtime and tips and will not be assessing penalties for employers. (<https://www.irs.gov/pub/irs-drop/n-25-62.pdf>) CTR will be creating a memo earning that will capture the estimated overtime premium. This amount will be reported in Box 14 of the W-2 and will be labeled Est OT Premium. **If you prefer to opt out from including this information on your employee's W2s, you must contact your support representative before the final payroll of the year.** In addition, a client level report will be added detailing employee OT and Tips for 2025.

CTR will be creating 2 custom accumulators for the OT portion of the report. The **OBBA Hours worked** accumulator should be comprised of actual worked hours including overtime, in accordance with the OBBA. The OBBA Regular Earnings accumulator should be comprised of actual worked hours **excluding** overtime.

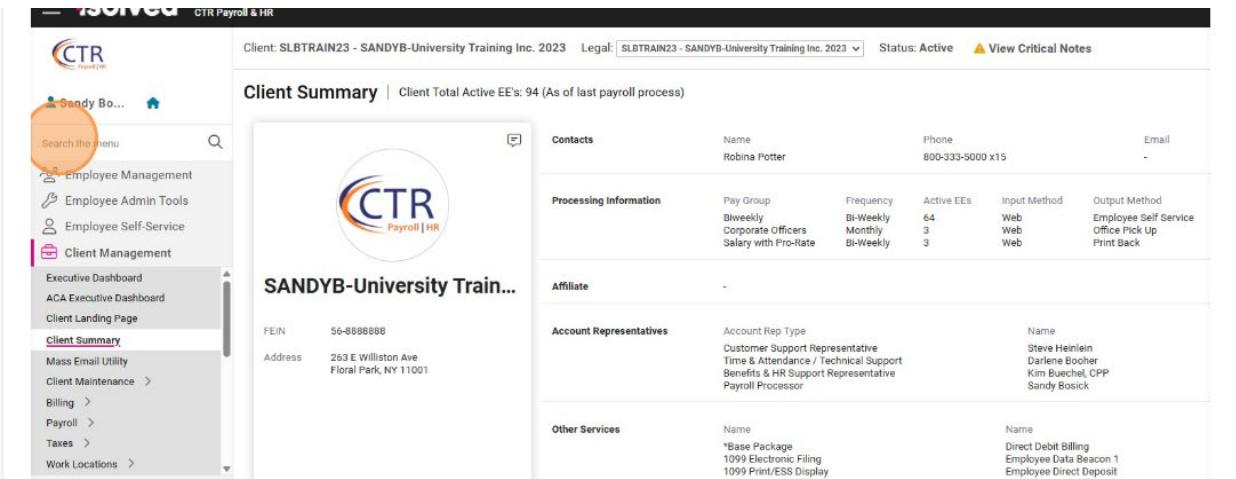
These accumulators will be established using a reasonable effort to determine which hours are considered worked hours based on the naming of your earning pay items. To ensure accurate OT reporting for 2026, **it is critical that you review the earning pay items included in the OBBA Accumulator**. The OBBA Accumulator will be available in your system for review **12/15/2025**. You can find this accumulator by **searching the menu for "accum" and selecting "Client Management>Payroll>Accumulators"**. **Search for the OBBA accumulators and click the View icon under Actions to review.** **If you have any changes to the OBBA Accumulators you must notify your designated client rep before your first payroll in January.**

For 2026, overtime premium will be calculated and stored **at the time payroll is processed**.

The Tips portion of the report will use earnings coded in your system as "Tips". These should be "Qualified Tips" (voluntary cash or charged tips) per the IRS guidelines. <https://www.irs.gov/newsroom/one-big-beautiful-bill-act-tax-deductions-for-working-americans-and-seniors>. To confirm your earning(s) for Tips are identified as such, from Client Reports - Run the 'Earning List' report. Review the "Type" for the earning. It can be any of the following to be included ("Tips Credit Card Paid", "Tips Credit Card", "Tips CC Paid (not in gross)", "Tips Not Paid", "Tips Allocated", "Indirect Tips", "Indirect Tips Paid")

How to Find and Verify Earnings used in the OBBBA Hours Worked and OBBBA Regular Accumulators

1. Click the "Search the menu" field.



CTR Payroll & HR

Client: SLBTRAIN23 - SANDYB-University Training Inc. 2023 Legal: SLBTRAIN23 - SANDYB-University Training Inc. 2023 Status: Active View Critical Notes

Client Summary | Client Total Active EE's: 94 (As of last payroll process)

Contacts	Name	Phone	Email
	Robina Potter	800-333-5000 x15	

Processing Information	Pay Group	Frequency	Active EE's	Input Method	Output Method
	BiWeekly	Bi-Weekly	64	Web	Employee Self Service
	Corporate Officers	Monthly	3	Web	Office Pick Up
	Salary with Pro-Rate	Bi-Weekly	3	Web	Print Back

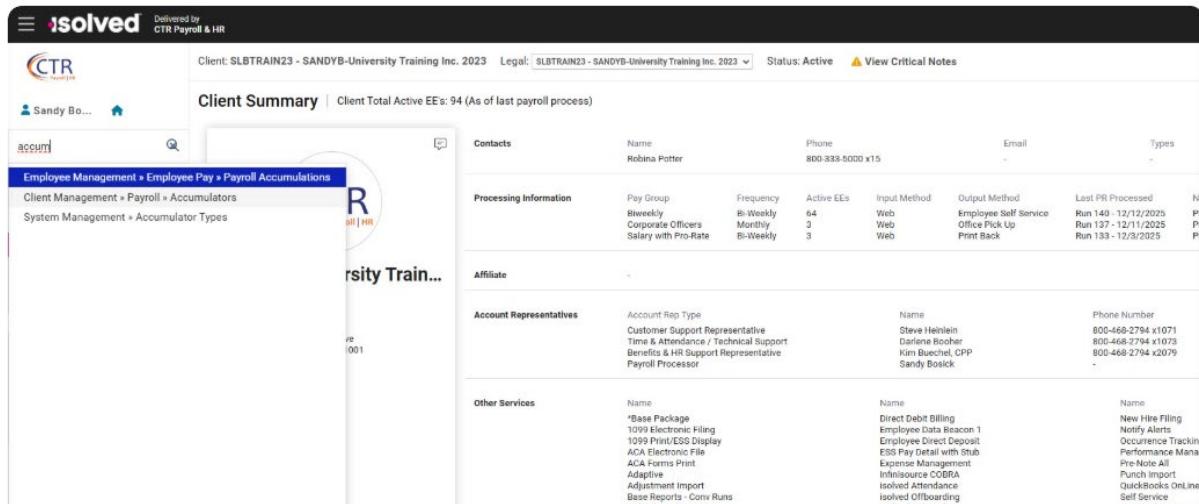
Affiliate	

Account Representatives	Account Rep Type	Name
	Customer Support Representative	Steve Heinlein
	Time & Attendance / Technical Support	Darlene Booher
	Benefits & HR Support Representative	Kim Buechel, CPP
	Payroll Processor	Sandy Bosick

Other Services	Name	Name
	*Base Package	Direct Debit Billing
	1099 Electronic Filing	Employee Data Beacon 1
	1099 Print/ESS Display	Employee Direct Deposit

FEIN: 56-8888888
 Address: 263 E Williston Ave, Floral Park, NY 11001

2. Type "accum" to locate the menu item



Delivered by CTR Payroll & HR

Client: SLBTRAIN23 - SANDYB-University Training Inc. 2023 Legal: SLBTRAIN23 - SANDYB-University Training Inc. 2023 Status: Active View Critical Notes

Client Summary | Client Total Active EE's: 94 (As of last payroll process)

Contacts	Name	Phone	Email	Types
	Robina Potter	800-333-5000 x15		

Processing Information	Pay Group	Frequency	Active EE's	Input Method	Output Method	Last PR Processed	No
	BiWeekly	Bi-Weekly	64	Web	Employee Self Service	Run 140 - 12/11/2025	PP
	Corporate Officers	Monthly	3	Web	Office Pick Up	Run 137 - 12/11/2025	PP
	Salary with Pro-Rate	Bi-Weekly	3	Web	Print Back	Run 133 - 12/3/2025	PP

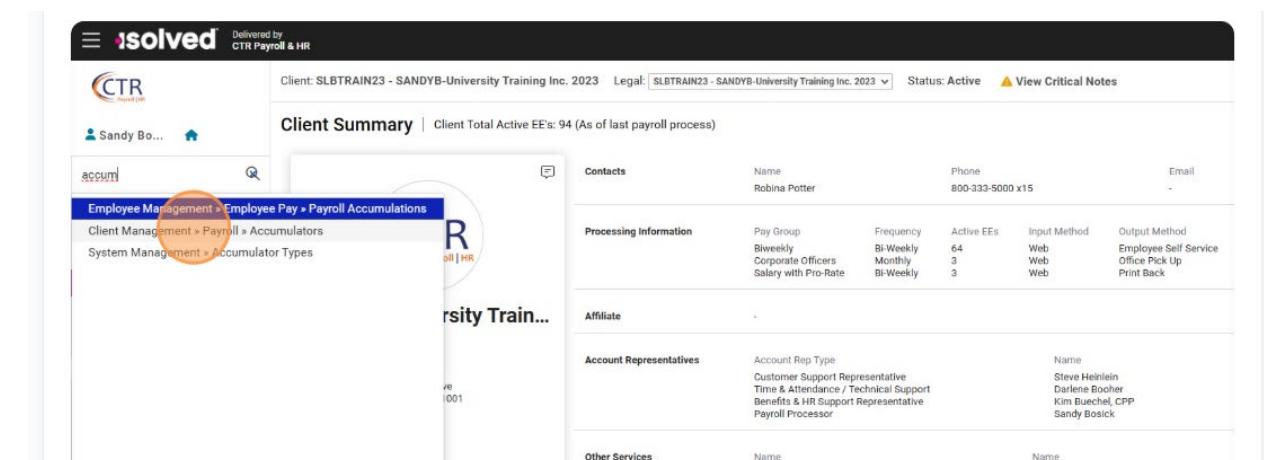
Affiliate	

Account Representatives	Account Rep Type	Name	Phone Number
	Customer Support Representative	Steve Heinlein	800-468-2794 x1071
	Time & Attendance / Technical Support	Darlene Booher	800-468-2794 x1073
	Benefits & HR Support Representative	Kim Buechel, CPP	800-468-2794 x2079
	Payroll Processor	Sandy Bosick	

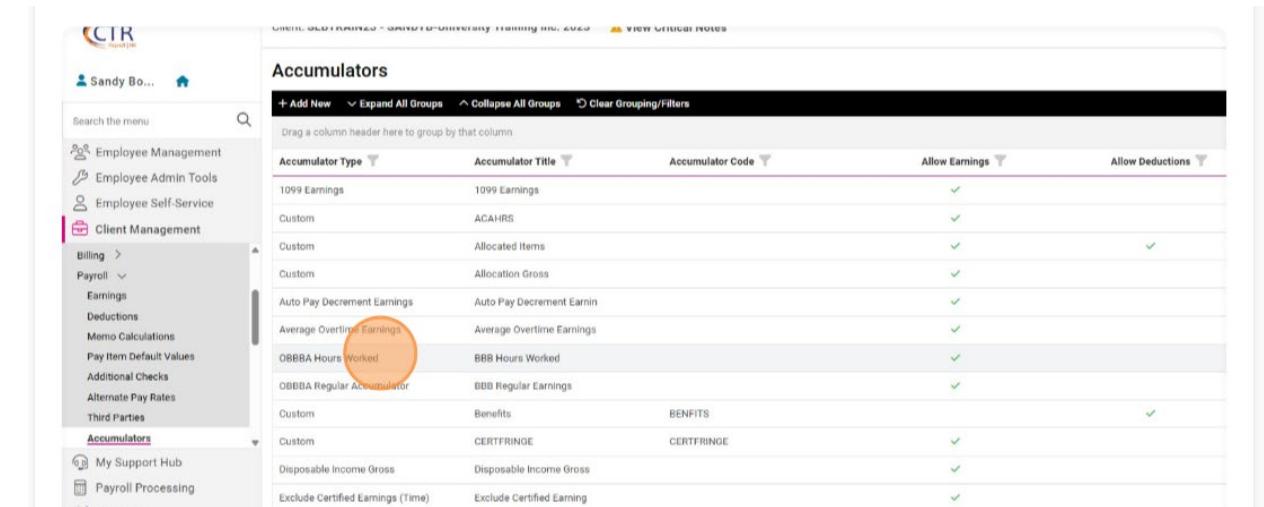
Other Services	Name	Name	Name	Name
	*Base Package	Direct Debit Billing	New Hire Filing	
	1099 Electronic Filing	Employee Data Beacon 1	Notify Alerts	
	1099 Print/ESS Display	Employee Direct Deposit	Occurrence Tracking	
	ACB Electronic File	ESS Pay Detail with Stub	Performance Management	
	ACA Reporting	Employee Direct Deposit	Payroll Audit	
	Adaptive	Infinisource COBRA	Punch Import	
	Adjustment Import	Infinisource Attendance	QuickBooks Online	
	Base Reports - Conv Runs	Infinisource Offboarding	Self Service	

FEIN: 56-8888888
 Address: 263 E Williston Ave, Floral Park, NY 11001

3. Click "Client Management » Payroll » Accumulators" or simply Navigate to "Client Management » Payroll » Accumulators" menu.

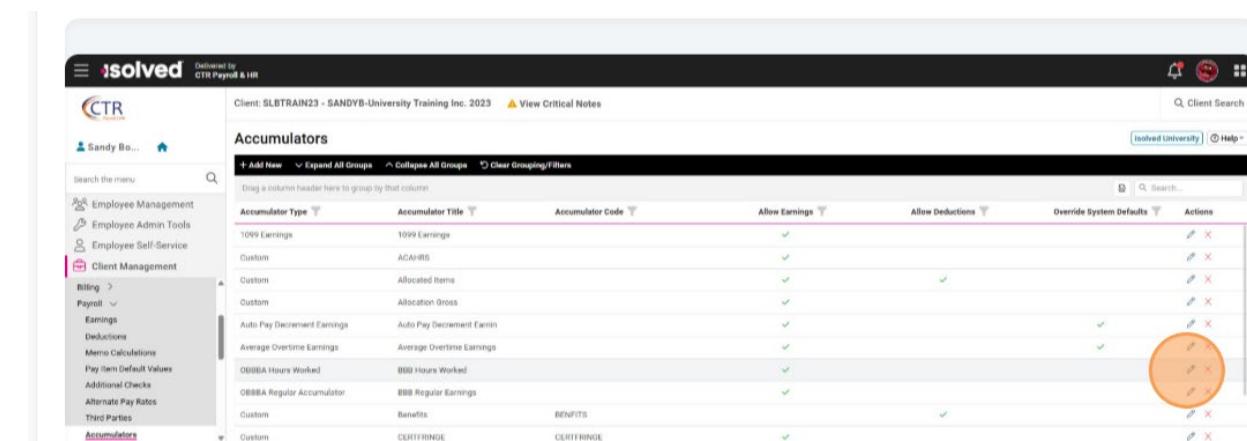


4. Select the "OBBA Hours Worked"

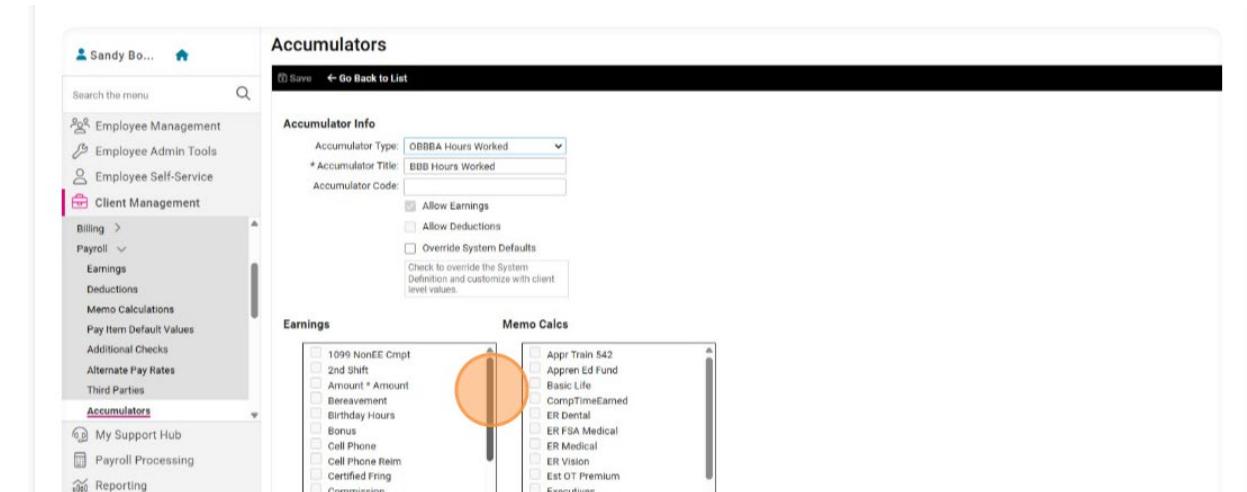


Accumulator Type	Accumulator Title	Accumulator Code	Allow Earnings	Allow Deductions
1099 Earnings	1099 Earnings		✓	
Custom	ACAHRS		✓	
Custom	Allocated Items		✓	
Custom	Allocation Gross		✓	
Auto Pay Decrement Earnings	Auto Pay Decrement Earnings		✓	
Average Overtime Earnings	Average Overtime Earnings		✓	
OBBA Hours Worked	BBB Hours Worked		✓	
OBBA Regular Accumulator	BBB Regular Earnings		✓	
Custom	Benefits	BENFITS		✓
Custom	CERTFRINGE	CERTFRINGE	✓	
Disposable Income Gross	Disposable Income Gross		✓	
Exclude Certified Earnings (Time)	Exclude Certified Earnings		✓	

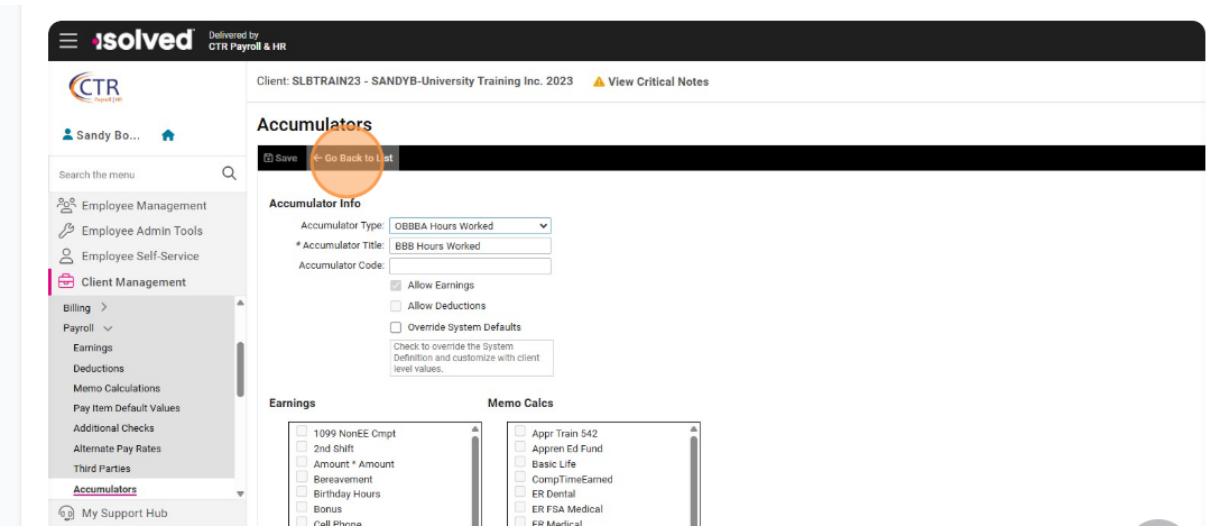
5. Click the Pencil or View icon here.



6. Use the Scroll bar in the "Earnings" section to verify the codes selected are those that represent WORKED hours, including, but not limited to, 'Regular', 'Overtime', 'Double Time', Shift Differential, Holiday Worked', etc. - This should **NOT** include Non-worked earnings such as 'PTO', 'Sick', etc. **NOTE ANY ITEMS THAT SHOULD/SHOULDN'T BE THERE**



7. Select "Go Back to List"



Client: SLBTRAIN23 - SANDYB-University Training Inc. 2023 [View Critical Notes](#)

Accumulators

[Go Back to List](#)

Accumulator Info

Accumulator Type: **OBBBA Hours Worked**

* Accumulator Title: **BBB Hours Worked**

Accumulator Code:

Allow Earnings
 Allow Deductions
 Override System Defaults
Check to override the System Definition and customize with client level values.

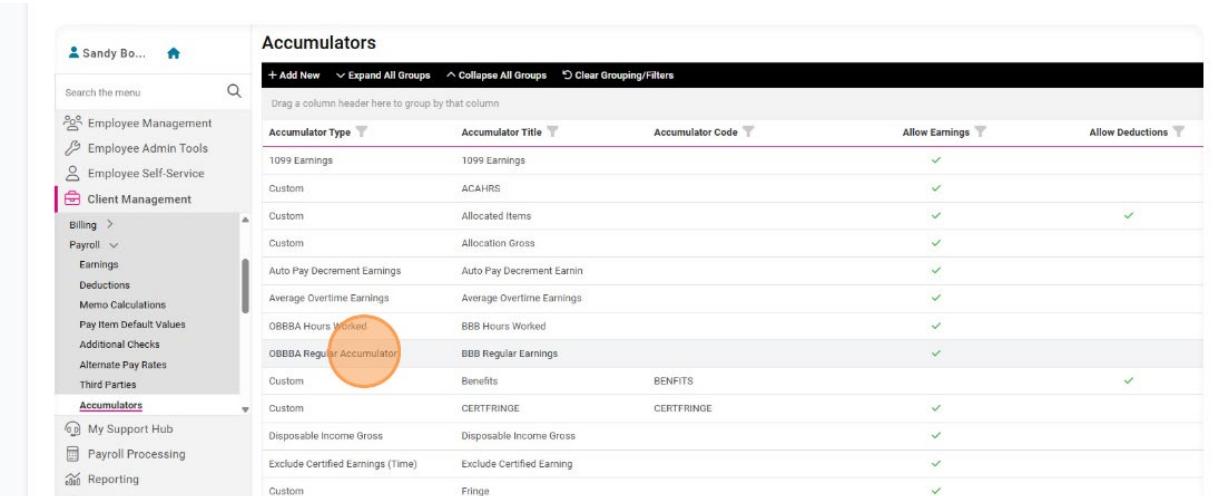
Earnings

1099 NonEE Compt
 2nd Shift
 Amount * Amount
 Bereavement
 Birthday Hours
 Bonus
 Call Phone

Memo Calcs

Appr Train 542
 Appren Ed Fund
 Basic Life
 CompTimeEarned
 ER Dental
 ER FSA Medical
 ER Marital

8. Select the "OBBBA Regular Accumulator"



Accumulators

[+ Add New](#) [Expand All Groups](#) [Collapse All Groups](#) [Clear Grouping/Filters](#)

Drag a column header here to group by that column

Accumulator Type	Accumulator Title	Accumulator Code	Allow Earnings	Allow Deductions
1099 Earnings	1099 Earnings		<input checked="" type="checkbox"/>	
Custom	ACA-IRS		<input checked="" type="checkbox"/>	
Custom	Allocated Items		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Custom	Allocation Gross		<input checked="" type="checkbox"/>	
Auto Pay Decrement Earnings	Auto Pay Decrement Earnings		<input checked="" type="checkbox"/>	
Average Overtime Earnings	Average Overtime Earnings		<input checked="" type="checkbox"/>	
OBBBA Hours Worked	BBB Hours Worked		<input checked="" type="checkbox"/>	
OBBBA Regular Accumulator	BBB Regular Earnings	BENEFITS	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Custom	CERTFRINOE	CERTFRINOE	<input checked="" type="checkbox"/>	
Disposable Income Gross	Disposable Income Gross		<input checked="" type="checkbox"/>	
Exclude Certified Earnings (Time)	Exclude Certified Earnings		<input checked="" type="checkbox"/>	
Custom	Fringe		<input checked="" type="checkbox"/>	

9. Click the Pencil or View icon here.

Accumulators

and All Groups Collapse All Groups Clear Grouping/Filters

Search... isolved University Help

	Accumulator Title	Accumulator Code	Allow Earnings	Allow Deductions	Override System Defaults	Actions
	1099 Earnings		✓			edit delete
	ACAHRS		✓			edit delete
	Allocated Items		✓	✓		edit delete
	Allocation Gross		✓			edit delete
Earnings	Auto Pay Decrement Earnings		✓		✓	edit delete
Earnings	Average Overtime Earnings		✓		✓	edit delete
Hours Worked	BBB Hours Worked		✓			edit delete
Accumulator	BBB Regular Earnings		✓			edit delete
Benefits	BENFITS			✓		edit delete
	CERTFRINGE	CERTFRINGE	✓			edit delete
Gross	Disposable Income Gross		✓		✓	edit delete

10. Use the Scroll bar in the "Earnings" section to verify the codes selected are those that represent REGULAR WORKED hours, EXCLUDING OVERTIME. This should NOT include Non-worked earnings such as 'PTO', 'Sick', etc. NOTE ANY ITEMS THAT SHOULD/SHOULDN'T BE THERE

Accumulators

Save Go Back to List

Accumulator Info

Accumulator Type: **OBBA Regular Accumulator** edit

* Accumulator Title: **BBB Regular Earnings** edit

Accumulator Code: edit

Allow Earnings edit

Allow Deductions edit

Override System Defaults edit

Check to override the System Definition and customize with client level values.

Earnings

1099 NonEE Cnpt edit

2nd Shift edit

Amount * Amount edit

Bereavement edit

Birthday Hours edit

Bonus edit

Cell Phone edit

Cell Phone Reim edit

Certified Fring edit

Commission edit

Memo Calcs

Appr Train 542 edit

Appren Ed Fund edit

Basic Life edit

CompTimeEarned edit

ER Dental edit

ER FSA Medical edit

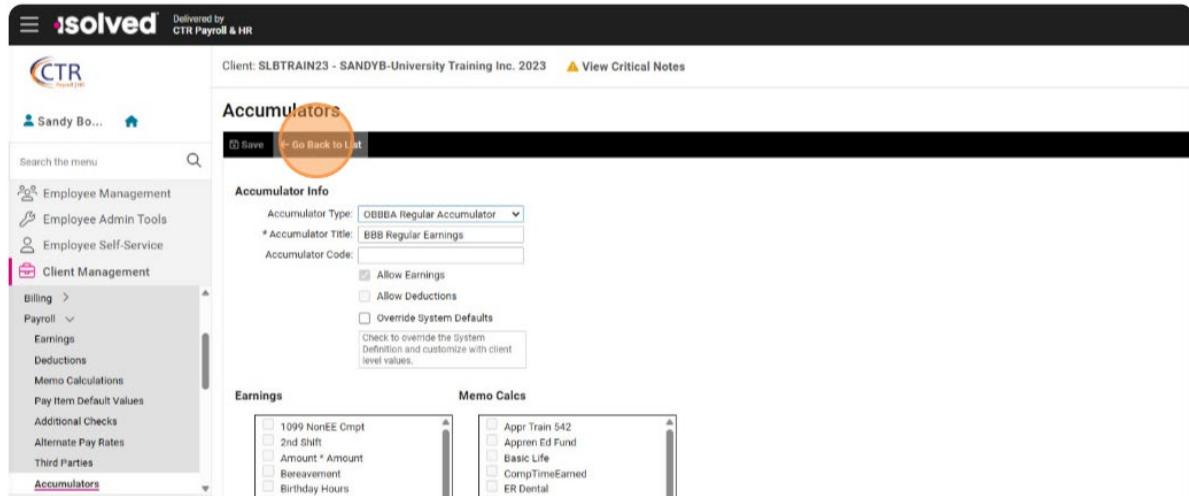
ER Medical edit

ER Vision edit

Est OT Premium edit

Executives edit

11. Click "Go Back to List"



isolved Delivered by CTR Payroll & HR

Client: SLBTRAIN23 - SANDYB-University Training Inc. 2023 View Critical Notes

Accumulators

Accumulator Info

Accumulator Type: OBBBA Regular Accumulator
 * Accumulator Title: BBB Regular Earnings
 Accumulator Code:

Allow Earnings
 Allow Deductions
 Override System Defaults

Check to override the System Definition and customize with client level values.

Earnings

- 1099 NonEE Cmpnt
- 2nd Shift
- Amount * Amount
- Bereavement
- Birthday Hours

Memo Calcs

- Appr Train 542
- Appren Ed Fund
- Basic Life
- CompTimeEarned
- ER Dental