OBBB Overtime Compliance 2026

What You Need To Do!

December 23rd 2025

Agenda

- OBBB compliance – Why?
- Updating Import Spreadsheets
- Time Entry Instruction

We ARE CTR!

- **A**ll-In
- **R**elentless Problem Solvers
- **E**xercise the Basics Better than Anyone

Thank You For Joining

Thank you for joining our Webinar on OBBB Overtime Compliance 2026 – What you need to do!

All Participants have been muted for this webinar.
We will review where to direct your questions at the end of the webinar. We will also send this presentation to all registrants.

Please be sure to register for the rest of our webinars. You can find these on your client landing page.

In addition, all previous webinars can be found on our YEAR-END resource page on our website. https://ctrhcm.com

Why do you need to be Compliant?

Multiple Choice:

A.)   HR folks traditionally have nothing to do at year end, so this fills their plate.
B.)   There's not enough compliance paperwork in HR, this satisfies a real need.
C.)   This may or may not make sense, but the government said so.
D.)   Employers always bear the burden with respect to payroll and compliance.
E.)   C and D.

What Compliance Rules are in Play?

- Employers now may — **but are not required to** — include the qualifying overtime in the employee's W-2 form. If an employer chooses not to include the deductible overtime on the W-2 form, the employer **still has obligations and must provide the employee with detail on any overtime that is potentially deductible in some form**.

- Overtime was ALWAYS calculated on a defined workweek (which really shouldn't change –absent rare circumstances.)

- FLSA, state and CBA issues

What do you need to do?

Is your Pay Frequency Weekly?
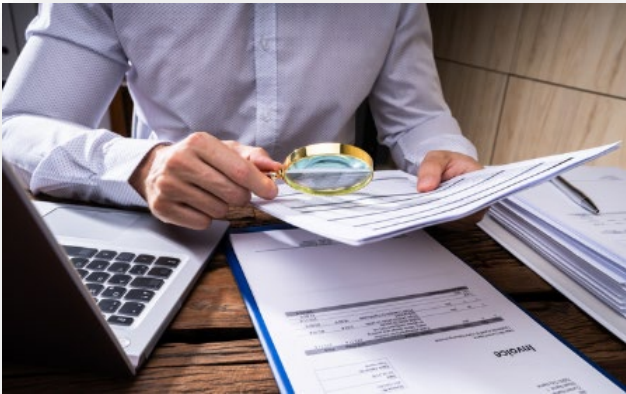**Do you use iSolved iTime?**

NOTHING DIFFERENT ☺
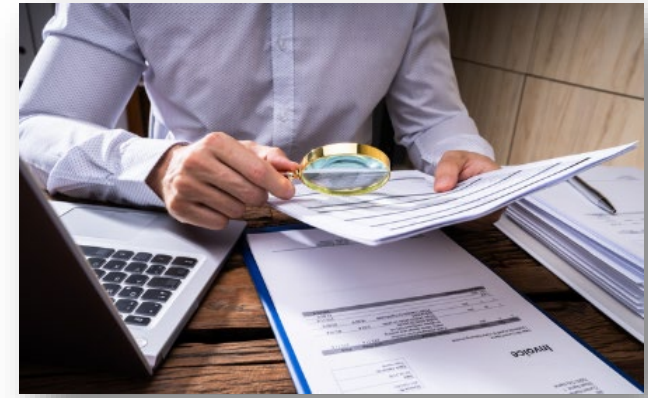
Are you a Payroll only Client with a Bi-Weekly/Semi-Monthly/Monthly Pay Frequency?

You will need to denote WEEK NUMBER for those specific Worked Hours!!

Manually Entering Hours?

Additional Column is now available "Week Number"

1. **Select Week 1, Week 2, …. or Week 5 as applicable**

NAME	**SALARY/RATE**	**BLOCK**	**TOTAL HRS/UNITS**	**PROJECT**	**POSITION**	**WEEK NUMBER**	**PTO-NO TIME (EARN HRS)**	**REGULAR (EARN HRS)**	**OT (EARN HRS)**	**DOUBLE TIME (EARN HRS)**	
Watson, Humphrey	Rate: 12.0192	⊖	93.00					80.00	13.00		
		✕	42.75			Week 1		40.00	2.75		
		✕	50.25			Week 2		40.00	10.25		

Manually Entering Hours?(cont.)

Additional Column was added "Week Number"

1. Select Week 1, Week 2, …. or Week 5 as applicable
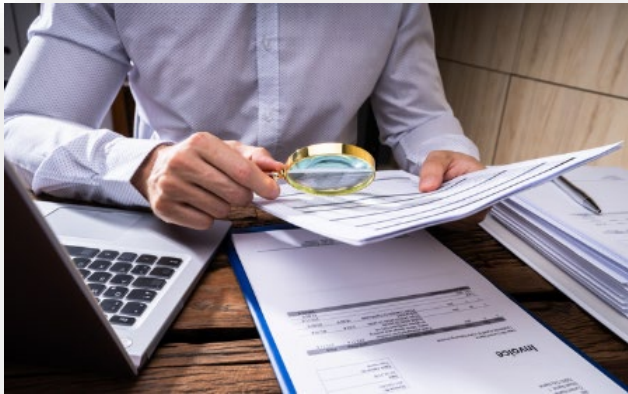
Importing Hours?

You must change the File used to Import Hours.

Using Time Import Version 1 – i.e. 1(one) Row per Earning

1. **Add a new Column "WeekNumber"**
2. **Enter 1, 2, 3, 4, or 5 as applicable**

Importing Hours?(cont.)

You must change the File used to Import Hours.

Using Time Import Version 2 – i.e. 1(one) Column per Earning

1. **Add a new Column for EACH corresponding Earning**
   "E_Regular_Hours" – Create Column "E_Regular_WeekNumber"
   "E_OT_Hours" – Create Column "E_OT_WeekNumber"

2. **Enter 1, 2, 3, 4, or 5 as applicable**
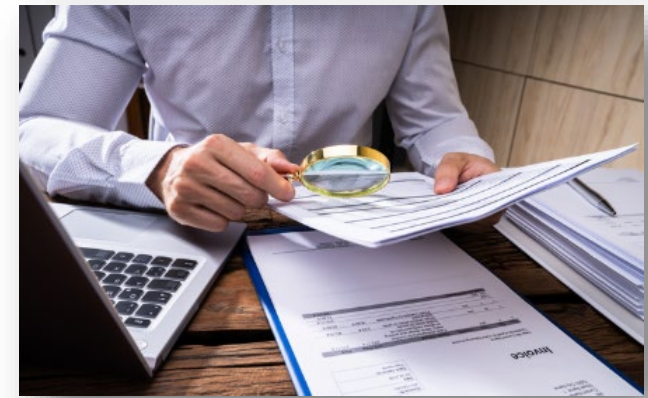
C	D	E	F	G	H	I	J
Key	Name	LaborValue2	LaborValue1	E_Regular_Hours	E_Regular_WeekNumber	E_OT_Hours	E_OT_WeekNumber
1008	Watson, Humphrey			40	1	2.7	1
1008	Watson, Humphrey			40	2	10.2	2

Are your Worked Hours and Earnings Correctly Assigned?
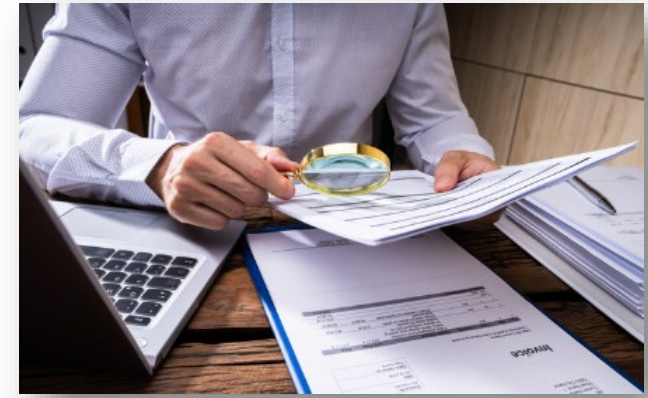
In Preparation – CTR used a reasonable effort to assign WORKED Hours and Earnings, based on the NAME of the earning(s).

Please Verify YOUR "Worked Hours" and "Regular Earnings" accumulators.

How To Find and Verify Accumulators

Worked Hours and Regular Earnings

Worked Hours
- **Regular, Doubletime, Overtime,Shift Differential Hours, etc.**

Regular Earnings ($) -
- **Regular, Doubletime, Shift Differential, NON-Discretionary Bonus.**

ISolved Overtime Reports

- **Overtime and Tips Export – Employer**
- **Overtime and Tips Export – Employee**

Estimates the Overtime Premium based on Accumulators
Sample below... Estimated OT - $682.63

Check Date	Reg Dollars (worked hours that are not FLSA OT)	divided by	Regular hours	Equals	Average Rate of pay	Multiplied by OT hours		Multiplied by .5
26-Dec	1720		80		21.5	15	322.5	161.25
03-Oct	1720		80		21.5	0.75	16.125	8.0625
05-Sep	1720		80		21.5	1.75	37.625	18.8125
30-May	1720		80		21.5	1	21.5	10.75
04-Apr	1720		80		21.5	1.5	32.25	16.125
07-Mar	1720		80		21.5	6.25	134.375	67.1875
07-Feb	1720		80		21.5	14.75	317.125	158.5625
24-Jan	1720		80		21.5	22.5	483.75	241.875
								682.625

FAQ's…..

Q. What happens if you do not make the recommended changes before your 1st payroll in January?

A. If you do not make the changes, you can continue to process your payroll the same way you have been but your employees' overtime premium pay (i.e. the "half time") may be under-stated or over-stated for tax purposes until you make the change.

Q. Will these changes impact my employees' pay or paystubs?

A. No. Your employees will see no change to their paystubs or their pay. This is simply a "behind the scenes" calculation so that the OT premium will be reported on the employees' 2026 W2s correctly.

Q. Does CTR have a resource page that I can reference for anything related to the OBBB?

A.   Yes – Check out CTR's website. We have a specific page devoted to the OBBB. https://ctrhcm.com/obbba-resources

Questions?

Thank You