

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!

- All-In
- Relentless Problem Solvers
- Exercise 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?

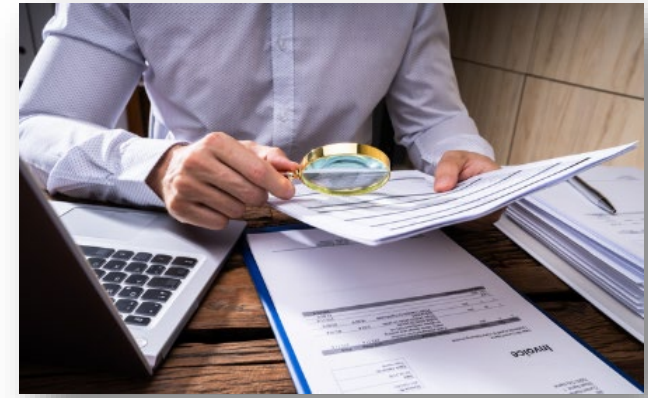
- Employers now may — **but are not required to** — include the qualifying overtime in the employee's W-2 form. If an employer chooses not to include the deductible overtime on the W-2 form, the employer **still has obligations and must provide the employee with detail on any overtime that is potentially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



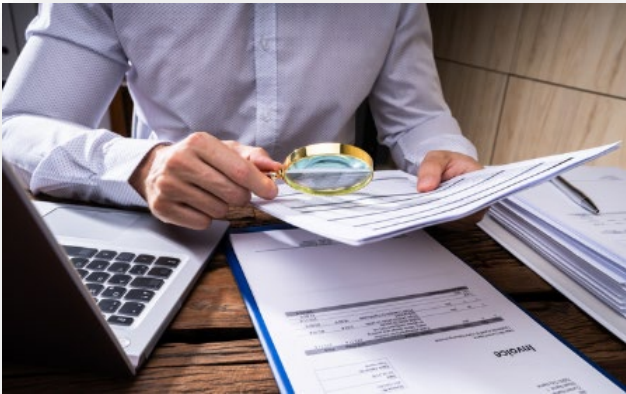
Are you a Payroll only Client with a Bi-Weekly/Semi-Monthly/Monthly Pay Frequency?

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



Sandy Bo...

Search the menu

Employee Management

Employee Admin Tools

Employee Self-Service

Client Management

My Support Hub

Payroll Processing

Payroll Entry

Client: SLBTRAIN23 - SANDYB-University Training Inc. 2023 Legal: SLBTRAIN23 - SANDYB-University Training Inc. 2023 Pay Group: Biweekly Status: Active

Time Entry Grid

Pay Date: 1/9/2026 Payroll Period: 12/22/2025 - 1/4/2026

Template: Regular - Sandy Org Category: ALL Status: Active

Entry Report

Entry Export

 Value: Employee Type: ALL

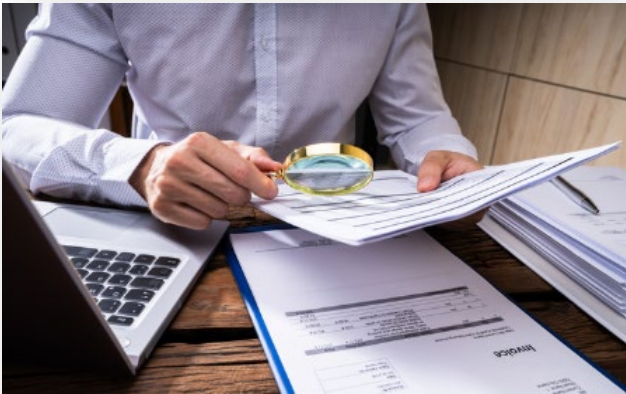
☐ Show Sort ☐ Expand Employee Name ☒ Show Total Hours/Units ☐ Show Total Dollars ☐ Show Total Deductions ☐ Show Total Taxes

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



CTR
Payroll | HR

Sandy Bo...

Search the menu

Employee Management

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My Support Hub

Payroll Processing

Payroll Entry

Time Entry Grid

Individual Time Entry

Void Third Party Checks

Time Entry Totals

Additional Check Entry Grid

Timecard Import

Labor Entry Grid

Remove Pending Checks

Payroll Entry Setup

Reporting

System Management

Security

< 2 of 2 >

Humphrey Watson

Pay Group: Biweekly

Salary: 3923.08

Work Location: BELLEROSE...

Department: 40 - IT

NoJobLevel:

Employee #: 1008

Status: Active

Hire Date: 12/4/2024

Division: 01 - Operations

Benefit Class:

Individual Time Entry | Pay Date: 1/9/2026 | Payroll Period: 12/22/2025 - 1/4/2026

Check Type

Pay Frequency

Total Hours / Units

Total Earnings

Tot

Regular Check

109.00

0.00

+ Add New

Preview Check

Refresh

Template: Regular - Sandy

Show Accrual Balances

Show State

Earning	Rates & Scheduled Pay	Block	Hours / Units	Dollars	Override Rate	Week N...	Department (No Home Value)	Job (40)	Fund (No Home Value)	Date (No Home Value)	Unio (No Home
PTO-NO TIME		<input type="checkbox"/>									
Regular	Rate: 12.0192	<input checked="" type="checkbox"/>	40.00			Week 1					
		<input checked="" type="checkbox"/>	40.00			Week 2					
OT		<input checked="" type="checkbox"/>	2.75			Week 1					
		<input checked="" type="checkbox"/>	10.25			Week 2					
Double Time											
2nd Shift											
Bonus		<input type="checkbox"/>									
Bereavement	Rate: 12.0192	<input type="checkbox"/>									
Birthday Hours		<input type="checkbox"/>									
Cell Phone Reim											
Jury	Rate: 12.0192	<input type="checkbox"/>									
Commission		<input type="checkbox"/>									
Cell Phone		<input type="checkbox"/>									
1099 NonEE Cmpt		<input type="checkbox"/>									
Holiday	Rate: 12.0192	<input type="checkbox"/>	8.00			Week 2				1/1/2026 - Day 11	
		<input checked="" type="checkbox"/>	8.00			Week 1				12/25/2025 - Day 4	
Total			109.00	0.00							

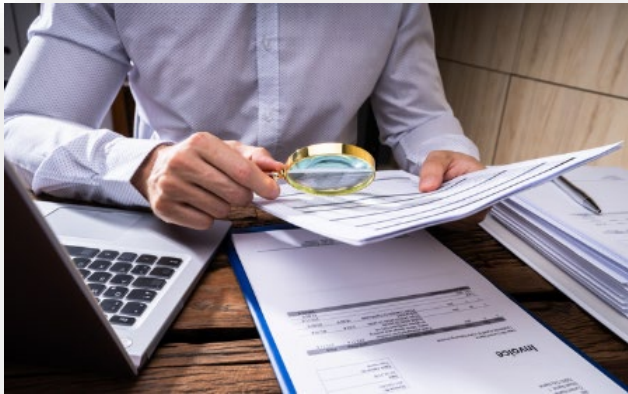
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Importing Hours?

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



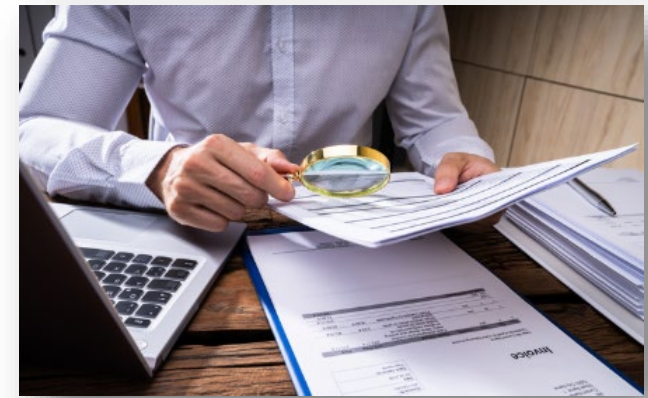
	A	B	C	D	E	F	G
1	Legal	PayGroup	Key	Name	PayItem	Hours	WeekNumber
2	SLBTRAIN2	Biweekly	1008	Watson, Humphrey	EREG	40	1
3	SLBTRAIN2	Biweekly	1008	Watson, Humphrey	EOT	2.75	1
4	SLBTRAIN2	Biweekly	1008	Watson, Humphrey	EREG	40	2
5	SLBTRAIN2	Biweekly	1008	Watson, Humphrey	EOT	10.25	2
	SLBTRAIN2	Biweekly	1040	simson, jennifer			

Importing Hours?(cont.)

You must change the File used to Import Hours.

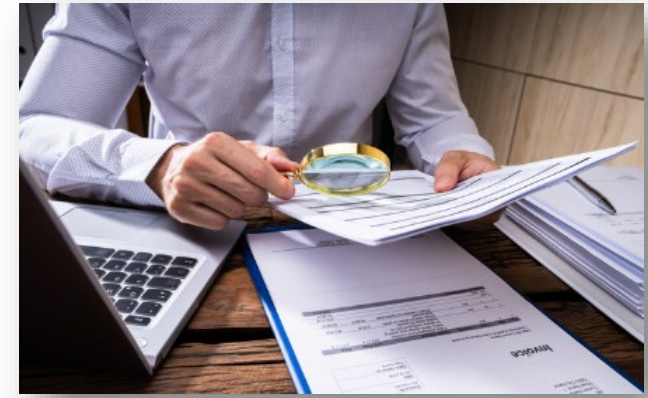
Using Time Import Version 2 – i.e. 1(one) Column per Earning

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
03-Oct	1720		80		21.5	0.75	16.125
05-Sep	1720		80		21.5	1.75	37.625
30-May	1720		80		21.5	1	21.5
04-Apr	1720		80		21.5	1.5	32.25
07-Mar	1720		80		21.5	6.25	134.375
07-Feb	1720		80		21.5	14.75	317.125
24-Jan	1720		80		21.5	22.5	483.75
							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?



A photograph of a smiling woman with blonde hair wearing a denim jacket, with a blurred man in the background. The image is framed by orange bars at the top and bottom.

Thank You