2026 OBBBA Overtime Premium Reporting for Payroll-Only Clients

B2E SOLUTIONS

What's New:

The amount of paid **qualified overtime premium** is to be reported on the 2026 W2, Box 12 Code TT.

What's qualified overtime premium?

* Defined by FLSA*
* Hours *worked* over 40 hours/week
* Paid at 1.5 times regular rate of pay
* Report only the premium portion (0.5)

NEW MEMO CODE

OBBBA OT Premium (0.5)

How it works:

1. Enter qualified overtime hours using new earning code
2. System will calculate earning at 0.5 of regular hourly rate

- Memo-only: Not paid
- Reports to W2

Reporting Options

Option 1: Update import file with new memo code

Contact your TLM vendor to *update* your import file to include FLSA-qualified overtime hours (and rate, if applicable) on your payroll import file, mapping them to the new memo code. ***Most efficient & accurate approach!!***

Option 2: Enter memo code hours

Hours can be *added manually* to payroll, or—*if you follow standard FLSA overtime rules*—you can set up a scheduled earning to calculate overtime automatically. *Contact* your CSR to have the scheduled earning set up.

Option 3: Year-End Upload

Submit annual qualified overtime premiums on a one-time payroll to report on W2s. *Instructions* will be provided with year end processes (end of 2026).

Option 4: Individual Review

Not sure what to do? *Contact your CSR* to determine the best approach.

Questions? clientservices@cs.b2esolutionsinc.com

*DOL Factsheet: https://www.dol.gov/agencies/whd/fact-sheets/23-flsa-overtime-pay