

Tax Reporting for Overtime

In 2025, Congress passed the One Big Beautiful Bill. A key part of this bill was to exempt overtime premiums (thresholds do apply depending on overall income) from being included in taxable income.

For the 2025 tax year, the W-2 form will remain unchanged.

- Overtime premium earnings will be reported as a separate line item in box 14 of the W-2, as other information
- To take advantage of the tax exemption in the tax year 2025, employees will include overtime premiums paid to them when filing their individual income tax returns.
- This tax exemption **does** apply to any student who received overtime premium pay in the 2025 tax year
- For more information, see the IRS website: [Guidance for Individual Taxpayers who received Qualified Tips or Qualified Overtime Compensation in 2025](#)

Example of Overtime Premium Reported in Box 14 on W-2 form and on the 12/19/2025 Payslip

Copy 2—To Be Filed With Employee's State, City, or Local Income Tax Return			OMB No. 1545-0029
a Employee's soc. sec. no.	1 Wages, tips, other comp.	2 Federal income tax withheld	119093.98 20254.23
	3 Social security wages	4 Social security tax withheld	
b Employer ID number (EIN)	5 Medicare wages and tips	6 Medicare tax withheld	72-6000848 131677.39 1909.32
c Employer's name, address, and ZIP code			Louisiana State University Office of Accounting Services Baton Rouge, LA 70803
d Control number			c.70810
e Employee's name, address, and ZIP code			
7 Social security tips			8 Allocated tips 9
10 Dependent care benefits	11 Nonqualified plans	12a Code G	5200.00
13 Statutory employee	14 Other	12b Code	15669.86
Retirement plan X	1/2FLSAOT 12741.05	12c Code	
Third-party sick pay	INS 12038.16	12d Code	7383.41
IA 0163071001	119093.98	3347.17	
15 State Employer's state ID number	16 State wages, tips, etc.	17 State income tax	
18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Earnings 15 items						
Description	Dates	Hours	Rate	Amount	YTD Hours	YTD Amount
Annual Time Pay					120.00	4,229.52
Base Pay - Hourly	11/29/2025 - 12/12/2025	73.00	35.87	2,618.51	1,854.50	65,455.46
Emergency Pay (Premium)					31.50	1,645.88
Event Premium	11/29/2025 - 12/12/2025	38.00	25.00	950.00	681.25	17,168.75
Holiday Pay					116.00	4,065.26
Holiday Worked Pay (FLSA Premium)					88.00	1,918.54
Holiday Worked Pay					88.00	3,065.06
Longevity Premium	11/29/2025 - 12/12/2025	106.00	2.00	212.00	2,666.75	5,333.50
Overtime (FLSA Premium)	11/29/2025 - 12/12/2025	22.00	23.41	515.02	563.75	12,741.05
Overtime	11/29/2025 - 12/12/2025	22.00	35.87	789.14	563.75	19,867.64
Overtime Straight	11/29/2025 - 12/12/2025	11.00	35.87	394.57	129.00	4,552.90
Paid Time Off - Other					32.00	1,114.56
Sick Time Pay	11/29/2025 - 12/12/2025	11.00	35.87	394.57	53.00	1,857.43
Uniform Allowance	11/29/2025 - 12/12/2025	0.00	0.00	400.00	0.00	700.00
				Total:	6,273.81	143,715.55