

Overtime Reporting Guidance for 2025

(Per IRS Guidance: [“One Big, Beautiful Bill” Provisions](#))

Overview

Beginning in **2025**, the IRS requires **overtime pay** to be reported as a **separate part of income** for employee personal income tax deductions. At this time, the IRS has **not yet issued specific guidance** on how overtime income should be displayed on 2025 W-2 forms. Drafts of 2026 W-2 forms are currently under review.

ProviderPro Payroll Handling

For agencies processing payroll through **net pay in ProviderPro and currently using weighted overtime**, overtime is calculated using the **FLSA half-rate premium** method. This approach aligns with the preliminary IRS direction to identify and report the “**half rate premium**” portion of overtime earnings separately. For customers **not using weighted overtime** or **not calculating payroll through net pay** within ProviderPro, overtime calculations will need to be completed **manually or outside the ProviderPro system**.

Recommended Temporary Reporting for 2025

Until final IRS guidance is published, ProviderPro users should provide overtime details directly to employees using the following report:

Report: *PR Wage Results History Summary by Employee and Wage Type*

Steps:

1) Filter by Date and Wage Type

- Set the date range for the 1st day of your 1st pay period of the year through the last day of your last pay period of the year.
- Filter for the **Overtime** wage type (use your system’s wage type name if customized).

Payroll Reports

Jump To: Layout Style Filters Sort Titles Delivery

Set the filters to select the records that should appear in your final report

Report / Subreport
Select the report or subreport to set filters for.
Wage Results History

Filters: Aggregate Filters

Filters

☐ Batch Number Between

And ☐ Cost Center Equals

AND ☐ Date Between

AND ☐ Employee Equals

AND ☐ Job Title Equals

AND ☐ Wage Type Equals

AND ☐ Employee Transaction ID Pay Run One of

Payroll Group: All

Year: 2025

Pay Period: <None>

Pay Runs: <None> All Clear

Add Filter Add Custom Field Filter

Add Filter Group

Filters Summary

Back Next Run Report Cancel

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2) Select Delivery Option (from the *Delivery* tab):

a) Mail Merge / Excel Export

- i) Use *Save to Folder* → *Excel* format to merge with an agency form letter or communication.

The screenshot shows the 'Payroll Reports' application window with the 'Delivery' tab selected. The 'Save to Folder' radio button is chosen under 'Select the delivery method and enter any related information needed'. The 'Split Report Property' section shows 'File Type' as 'Microsoft Excel' and 'File Name' as 'IS\Testing\2025 OT Amounts.xls'. A 'Save Only' link is visible on the left. At the bottom are 'Back', 'Run Report', and 'Cancel' buttons.

b) Email Delivery

- i) Use *Split Report Property* → *Split by Employee*
- ii) Select *Send Email* and verify all employees have an active email address for the type chosen.

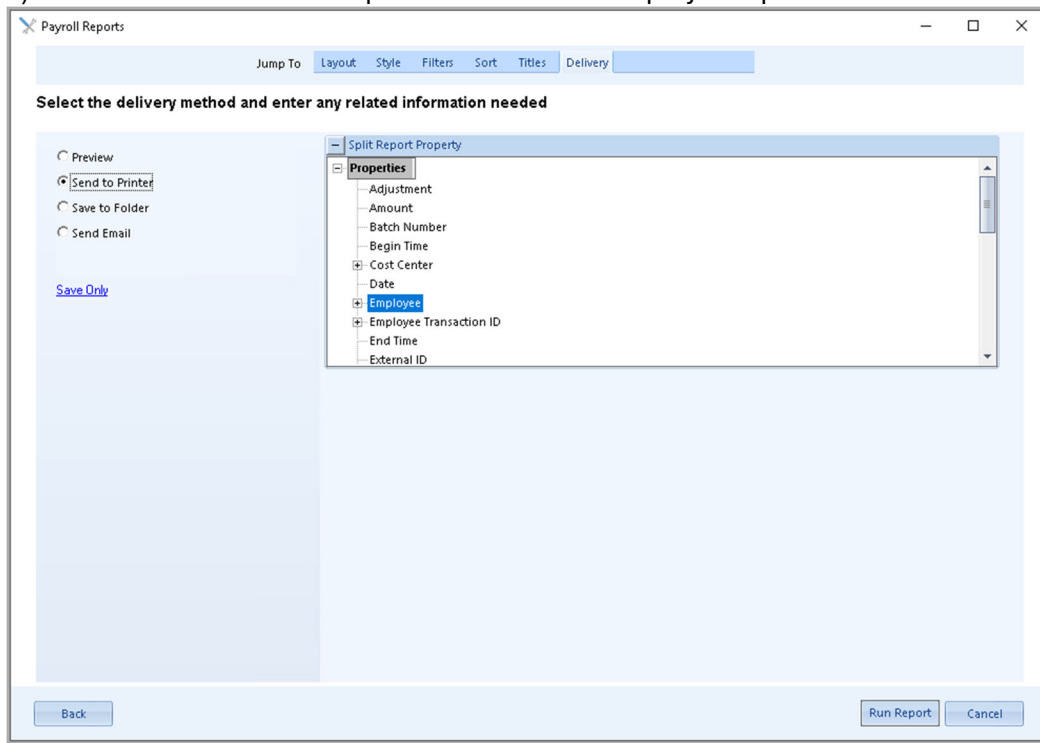
The screenshot shows the 'Payroll Reports' application window with the 'Delivery' tab selected. The 'Send Email' radio button is chosen. The 'Split Report Property' section is expanded, showing a tree view with 'Employee' selected. Below this, the 'File Type' is 'Microsoft Excel', 'Address Type' is 'Send to Email Address 1 in Employees', and 'Email Subject' is '2025 Overtime Amounts for Reporting'. The 'Email Body' text area contains a pre-written message about 2025 overtime earnings. At the bottom are 'Back', 'Run Report', and 'Cancel' buttons.

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c) Printed Copies

- i) Use *Split Report Property* → *Split by Employee*
- ii) Select *Send to Printer* to produce individual employee reports.



Next Steps

ProviderPro will continue to monitor IRS updates and will issue additional guidance or system adjustments once final reporting requirements are confirmed.