

★ TO ALL EMPLOYEES ★ NEW TAX DEDUCTIONS FOR TIPS & OVERTIME PAY!

Starting with your 2025 tax return, you may be eligible for a new federal deduction for tips and/or overtime pay:

- Up to \$25,000 can be deducted for reported + unreported tips
- Up to \$12,500 can be deducted for eligible overtime compensation
- These deductions phase out at \$150,000 (single) or \$300,000 (married filing jointly) in income

TO CLAIM THIS, YOU'LL NEED:

- A record of all tips received (including any you reported to your employer and any you included on your tax return)
- Overtime pay, broken down by total vs. premium (if available)

These deductions will be entered on your 2025 personal income tax returns on a new IRS form: **Schedule 1 A (Additional Deductions)**

Please save any payroll records, tip reports, or overtime summaries. If you have questions, we recommend working with a tax professional.

Note that if all your overtime was at time and one-half, then the amount of your deduction is one-third of the total overtime wages.

