



SUBJECT: Tax Information — Temporary Federal Tax Deduction for Qualified Overtime Compensation

**SUPPLEMENTAL FORM W-2 DATA — TAX YEAR 2025**

**SUPPLEMENTAL FORM W-2 DATA FOR YOUR FEDERAL TAX RETURN.** Effective for 2025 through 2028, individuals who were eligible for overtime under the Fair Labor Standards Act (FLSA) may be eligible to deduct the premium portion of FLSA overtime — the “half” portion of “time-and-a-half” (see ELM 443.1) — from their federal taxes as qualified overtime compensation pursuant to the One, Big, Beautiful Bill Act. The total amount of qualified overtime compensation for you is as follows:

**Tax Year:** 2025

**Qualified Overtime Compensation:** \$XX,XXX.XX

Eligible employees may have received postal overtime (see ELM 434.131) or penalty overtime (see ELM 434.133), which are generally more generous than FLSA overtime. However, the deduction is limited to the qualifying premium portion of FLSA overtime and does not extend to other overtimes or premiums. For most FLSA nonexempt employees, FLSA overtime is overtime paid for working more than 40 hours in a workweek. For regular rural carriers compensated under section 7(b)(2) of the FLSA, FLSA overtime is paid for working more than 12 hours in a day or 56 hours in a workweek.

The Postal Service™ makes no representation about your eligibility for this temporary federal tax deduction. The Postal Service does not provide tax advice. If you have questions about your eligibility for this deduction or this deduction generally, you can contact a qualified tax professional at your own expense. The IRS has also shared information about this temporary deduction on its website ([www.irs.gov](http://www.irs.gov)), including eligibility requirements, deduction limits, and income phase outs.

Headquarters Payroll