

One Big Beautiful Bill: FLSA Overtime Configuration in UKG Ready (Pay Calc 1)

Purpose

UKG is adding a set of rules/configurations to all U.S. companies to track FLSA-eligible Overtime and rates. Depending on your specific setup, additional steps and configuration may be required. The Pay Calc 1 solution for OBBB compliance is built within the Pay Prep profile and utilizes a new record set and rules to identify FLSA OT hours and calculate the premium rate.

FLSA Overtime Setup Page

A new FLSA Overtime Setup menu option has been added under *Settings > Global Setup > FLSA Overtime Setup*.

This page brings together most of the configuration changes applied to the company for FLSA Overtime tracking, provides information on these changes, and serves as a single location to update settings as needed. The page includes three sections.

Pay Prep Profiles

This includes a list of all of your Pay Prep profiles. You can navigate directly to the profile by clicking the profile name link.

Pay Prep

Below is a list of your Pay Prep Profiles. Select any Pay Prep Profile Name to open the profile and make adjustments as needed.

For Pay Calc 2 environments, a new Counter Records step has been added to the Initial Records section of each Pay Prep Profile. This step creates a resulting records set named "FLSA Overtime" and is enabled for export by default. This allows the FLSA Overtime hours identified during Pay Calc processing to flow cleanly into Pay Prep and be mapped to an earning code or export code for payroll reporting.

Profile Name
Copy of Default
Default NEW
Distribution Rounding
Exclude Negative Retro
Hours Worked Accrual
Rounding Test
Salary-Reduce Worked Time

Payroll Export Codes

This includes a list of all of the Payroll Export Code lists. You can navigate directly to the list by clicking the list name link. For clients who are exporting a payroll export file, the export code 1-3 can be entered directly here. For clients with Ready Payroll, this export code is not required.

Payroll Export Codes

Below is a list of your Payroll Export Code Lists. For each list, a new record has been added at the top to ensure FLSA Overtime results can be sent to payroll for year-to-date tracking and reporting.

If your organization uses Ready Payroll, the new FLSA Overtime record has been automatically mapped to the "OBBBA Qualified OT Premium" earning code.

If your organization exports a payroll file, you may enter the appropriate Export Code 1-3 below and it will update the table.

To make updates directly to the table, click the Export Code List name to go straight to the full export code table.

Profile Name	Delete Code Item	Code Item Details
Default		Description: Mapping for FLSA Overtime Earning/Deduction Code: OBBBA Qualified OT Premium Counter: FLSA Overtime Code (1-3) FLSA OT

Payroll Export Format

This is a list of all of the Payroll Export Formats enabled in your company. You can navigate directly to the Payroll Export Format page by clicking the name of the export. You can also enable the new FLSA Overtime records to be included in your existing payroll export formats from this page.

Payroll Export Format

Below is a list of your Payroll Export Formats. To include FLSA Overtime in a specific export file, check the box in the Export FLSA Record column for that format.

To modify the export format configuration directly, simply click the Payroll Export Format Name to open the full setup page for that format.

Note: If your export format references specific pay records within the individual column settings, you may need to make additional updates to ensure the FLSA Overtime results are included correctly. Review your column mappings to confirm that all expected FLSA fields are captured.

Format Name	Export FLSA Record
CSV	☐

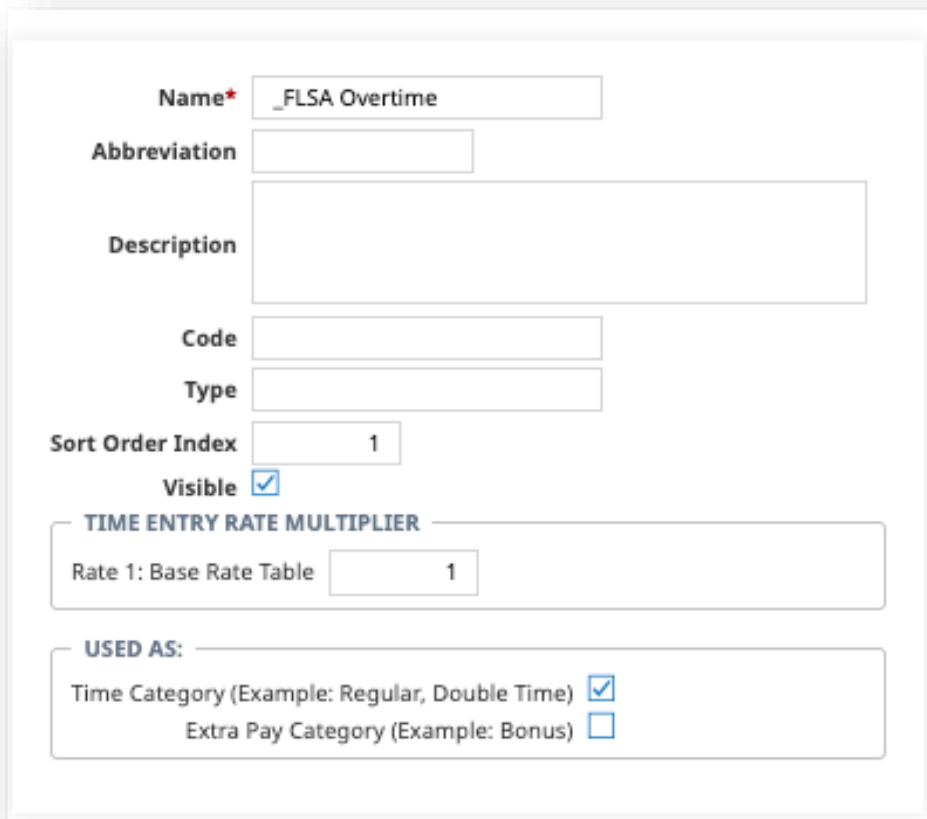
Configuration Updates

New Earning Code – OBBBA Qualified OT Premium

A new earning code **OBBBA Qualified OT Premium** has been created. This rolls up to the earning type “OBBBA Qualified OT Premium.” This is a memo earning code and will not be paid to the employee, but is used to track the FLSA OT and will map to Box 12 on the W2 with code “TT.”

New Pay Category – _FLSA Overtime

As part of the updated FLSA overtime configuration delivered for Pay Calc 1 customers, a new Pay Category named **_FLSA Overtime** is automatically created.



The screenshot shows a configuration form for a new Pay Category. The fields are as follows:

- Name***: _FLSA Overtime
- Abbreviation**: (empty)
- Description**: (empty)
- Code**: (empty)
- Type**: (empty)
- Sort Order Index**: 1
- Visible**: ☒
- TIME ENTRY RATE MULTIPLIER**: (header)
 - Rate 1: Base Rate Table: 1
- USED AS:** (header)
 - Time Category (Example: Regular, Double Time): ☒
 - Extra Pay Category (Example: Bonus): ☐

Pay Prep Profile Updates

New Initial Records Step – Calculated Time Entries V2

A new **Calculated Time Entries V2** step is added to the Initial Records section of the Pay Prep Profile.

The resulting record's name is **Worked Hours for FLSA Overtime** and includes **Work Time Entries Only** and is not exported. This step groups time by week and is used to collect all worked hours that can be used in a processing rule to find time over 40 hours in a week for FLSA Overtime.

Note: The week start date from your global settings is used in the Group by Week "date range" settings. If your timesheet start dates do not match this global setting, you will need to update the start date here to match your timesheets.



FIELD	SETTINGS
Date Range	Group by Week(Sun-Sat)
Pay Category	Group by
Time Off Category	Group by
Shift Premium	Group by
Cities (Cost Center 1)	Group by
Departments (Cost Center 2)	Group by
Jobs (Cost Center 3)	Group by
Imports (Cost Center 5)	Group by
Activities (Cost Center 6)	Group by
Cost Center 9	Group by
Jobs (HR) (Cost Center 10)	Group by
Hourly Rate: Base Rate Table	Group by
Piece Rate: Base Rate Table	Group by
Time	Sum Up
Piecework	Sum Up



INCLUDE/EXCLUDE	SETTINGS
Entry Types	Work Time Entries Only

Outputs: Worked Hours For FLSA Overtime

Simple Weekly Overtime Rule

A **Simple Weekly Overtime** rule is added to the Processing Rules section. This rule looks at all of the Worked Hours for FLSA Overtime and puts any hours over 40 into a set of records named **FLSA Overtime Hours**. It inherits the weekday start from the Global Settings and defaults to put any hours over 40 into the FLSA Overtime Hours record. This record is not exported.

The 'Weekly Overtime Rules' window shows the following configuration:

- Name Of Week Total Records To Process:** Worked Hours For FLSA Overtime
- Resulting Regular Hours Records Name:** Worked Hours Under 40
- Resulting Overtime Hours Records Name:** FLSA Overtime Hours
- Use Specific Total Records To Process:** ☐
- Name Of Specific Total Records To Process:** (dropdown)
- Start Weekday:** Sunday
- Overtime If Worked More Than:** 40:00 (hh:mm) A Week
- Additional Hours To Count Towards Overtime:** (dropdown)
- Export:** ☐ (next to Resulting Regular Hours Records Name)
- Export:** ☐ (next to Resulting Overtime Hours Records Name)
- Buttons:** Cancel, Save

Apply Blended Overtime Rate to FLSA Overtime

A new **Apply Blended Overtime Rate to FLSA Overtime** rule is added to the Process Records section in the Pay Prep Profile and is responsible for calculating the FLSA premium (the 0.5 half-time component). This new rule calculates the 0.5 FLSA premium by determining the correct blended rate based on all worked hours for the week.

If you need the blended rate calculation to use different record sets, edit the rule and adjust the Records to Process or Overtime Pay Records fields as needed.

The Divider of 2 takes the blended rate from the worked hours and divides by 2 to get the 0.5 premium to be applied to the FLSA Overtime hours. This rule also assigns the FLSA Overtime Pay Category to these records in the pay prep results.

The 'Apply Blended Overtime Rate To FLSA Overtime' window shows the following configuration:

- Name Of Records To Process:** Worked Hours For FLSA Overtime
- Resulting Records Name:** FLSA Overtime
- Export:** ☒
- Warning:** This Rule Will Calculate Per Week For FLSA Overtime
- Overtime Pay Records:** FLSA Overtime Hours
- Shift Records:** (dropdown) Multiplier: 1
- Shift Records:** (dropdown) Multiplier: 1
- Divider:** 2
- Result Rate:** Rate 1 Base Rate Table
- Precision:** 0.0001 Cent
- Count Piecework Amounts:** ☐
- TIME RECORD FILTER:** Time Off Categories: ☒ All ☐ Specific
- Buttons:** Cancel, Save

Payroll Export Code List Updates

New record added to Payroll Export Code List

A new record is added to the top of each Payroll Export Code List to ensure the _FLSA Overtime counter is recognized in payroll mapping.

For Ready TLM + Ready Payroll Clients

This will be automatically mapped to the new OBBBA Qualified OT Premium memo earning code.

Payroll Code List

ADD	INSERT	CLONE	EDIT	DELETE	PAYROLL E/D CODE	DESCRIPTION	REC. NAME	RECORD TYPE	REC. COUNTER LIST
					1	OBBBA Qualified OT Premium	Mapping for FLSA Overtime		FLSA Overtime
					2	Regular		Total Salary Time 2	
					3	Regular			Reg 2

For Ready TLM without Ready Payroll clients

This will be added automatically, but it will not be mapped to an earning code.

On the FLSA Overtime Setup page, you will see each export code list under the Payroll Export Codes section. Each list will show the new FLSA Overtime mapping record with an option to type in the Export Code 1-3 on this page. The FLSA OT will then map to this export code. The Export Code 1-3 can also be added directly from the Payroll Export Code List by navigating to *Settings > Time & Labor Setup > Export > Payroll Export Codes*.

Payroll Export Codes

Below is a list of your Payroll Export Code Lists. For each list, a new record has been added at the top to ensure FLSA Overtime results can be sent to payroll for year-to-date tracking and reporting.

If your organization uses Ready Payroll, the new FLSA Overtime record has been automatically mapped to the "OBBBA Qualified OT Premium" earning code.

If your organization exports a payroll file, you may enter the appropriate Export Code 1-3 below and it will update the table.

To make updates directly to the table, click the Export Code List name to go straight to the full export code table.

Profile Name	Delete Code Item	Code Item Details
Default		Description: Mapping for FLSA Overtime Earning/Deduction Code: OBBBA Qualified OT Premium Counter: FLSA Overtime Code (1-3)

Payroll Export Formats (for non-Ready Payroll customers)

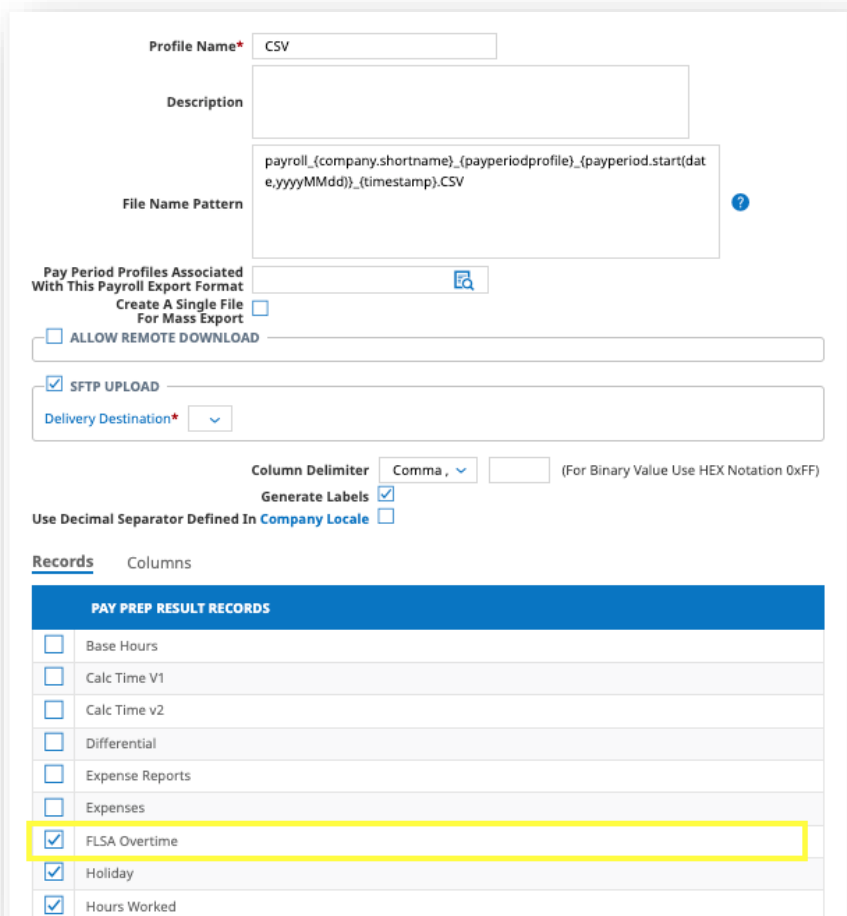
For customers exporting data to a third-party payroll vendor, each **Payroll Export Format** must be updated to include the new FLSA Overtime results. By default, the records will not be included on any of the Payroll Export files as each vendor may have their own requirements for how this is reported.

If you would like to include it in a payroll export, there are two options to do this.

Option 1 – Enable within each Payroll Export Format

1. Navigate to *Settings > Time & Labor Setup > Export > Payroll Export Formats*
2. Open the export format you are updating
3. Find the Pay Prep Result Records section
4. Check the box next to FLSA Overtime
5. Click Save

Repeat for any additional export formats. If your individual columns reference specific pay records or your vendor has specific requirements for how FLSA Overtime is reported, additional changes may be needed to your payroll exports.



Profile Name* CSV

Description

File Name Pattern
payroll_(company.shortname)_(payperiodprofile)_(payperiod.start(date,yyyyMMdd))_(timestamp).CSV

Pay Period Profiles Associated With This Payroll Export Format

Create A Single File For Mass Export ☐

☐ ALLOW REMOTE DOWNLOAD

☒ SFTP UPLOAD

Delivery Destination*

Column Delimiter (For Binary Value Use HEX Notation 0xFF)

Generate Labels ☒

Use Decimal Separator Defined In ☐

Records Columns

PAY PREP RESULT RECORDS	
☐	Base Hours
☐	Calc Time V1
☐	Calc Time v2
☐	Differential
☐	Expense Reports
☐	Expenses
☒	FLSA Overtime
☒	Holiday
☒	Hours Worked

Option 2 – Enable from the FLSA Overtime Setup Page

1. Navigate to *Settings > Global Setup > FLSA Overtime Setup*
2. Under the Payroll Export Format section, enable the "Export FLSA Record" checkbox next to any export formats you would like to include this on.
3. If needed, you can navigate directly to the Payroll Export Format page by clicking on the name of the export

Payroll Export Format

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