

One Big Beautiful Bill: FLSA Overtime Configuration in UKG Ready (Pay Calc 2)

Purpose

UKG is adding a set of rules/configurations to all U.S. companies to track FLSA-eligible Overtime and rates. These are being added automatically as a default. Depending on your specific setup, additional steps and configuration may be required.

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 four sections.

Pay Calculations 2.0

This is a list of each pay calc profile in the company. Each profile has a column for the new rules added. The rules can be disabled from this page by clicking the pencil icon next to each rule and unchecking the "Active" button. This can be done for any profiles used by employees who are exempt from overtime.

Global Setup > FLSA Overtime Setup

FLSA Overtime Setup

Pay Calculations 2.0

Each profile has been updated with new rules that support tracking FLSA overtime hours and calculating the premium portion required under the One Big Beautiful Bill Act.

Making Changes
To update or disable either of these rules, select the edit icon next to the rule. If you want to view or modify additional Pay Calc settings, click the Pay Calc Profile name. This will open the full profile with an FLSA OT tag filter pre-applied so you can easily review all FLSA-related rules.

If a Rule Shows as "Not Found"
If the column displays Not Found, it means the rule was not added to that profile or has been removed. To add it back, open the profile and create the step just as you would when adding any other Pay Calc rule.

FLSA Weekly Overtime Rule
A new FLSA Weekly Overtime rule has been added to every profile. This rule identifies all worked hours over 40 each week. You can review the settings applied to each profile in the FLSA Weekly Overtime column.

FLSA Weighted Average Overtime Rate
To calculate the premium portion of the overtime, a FLSA Weighted Average Overtime rule was added to every profile. If you have an existing Apply Weighted Average Overtime rule, this new rule considers the same hours, amounts and extra pay to determine the average rate and applies the 0.5 premium. If you do not currently have an Apply Weighted Average Overtime rule, the new one looks at the hours and rates for the FLSA overtime only and applies the 0.5 premium to the FLSA overtime.

Profile Name	FLSA Weekly Overtime	FLSA Weighted Average Overtime
16 or more hours in non-default CC	Active: Y Week Starts On: Monday Assign Time Over: 40.00 No Time Off Entries	Active: Y Period: Weekly Starting On Monday Hours: FLSA Overtime Amounts: FLSA Overtime Extra Pay: Result Rate: Rate Table 1

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 Counter – _FLSA Overtime

As part of the updated FLSA overtime configuration delivered for Pay Calc 2 customers, a new counter named **_FLSA Overtime** is automatically created. This counter will serve as the bucket to hold all FLSA overtime eligible hours.

A new counter list named **_FLSA Overtime** will also be created, containing the new counter.

Pay Calc Profile Updates

New Rule – FLSA Weekly Overtime

A new Pay Calc Rule named **FLSA Weekly Overtime** will be added automatically to all Pay Calc 2 profiles. This rule tracks weekly FLSA-eligible overtime hours and routes them into the _FLSA Overtime counter.

Purpose of the Rule

- Tracks all worked hours over 40 in the defined workweek.
- Places these hours into the _FLSA Overtime counter for premium calculation and year-end W-2 reporting.
- Operates in parallel with customer-defined overtime rules.
 - It does NOT change existing daily/weekly overtime calculations or pay.

Default Behavior

- **Weekly Threshold:** 40 hours
- **Week Start Day:**
 - Looks at any other pay calc rules and will copy the week start day from those rules to be used
 - Otherwise inherited from global week start settings
- **Included Time:** Any work time entry
- **Excluded Time:** Any time-off entry (paid or unpaid)
- **Distribution Method:** Applies hours to the last time entry first (chronological)

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DESCRIPTION:
 Applies FLSA overtime when hours exceed the limit for the week, as defined in this rule. The FLSA Overtime counter is designated for the overtime hours over the limit to be allocated to.

Required Settings
 Weekly Overtime _FLSA Overtime (Sun - Sat)
 Time Over
 • 40.00
 _FLSA Overtime Override

Filters & Additional Settings
 What Counts Toward _FLSA Overtime
 • Any Work Time Entry
 • No Time Off Entries
 _FLSA Overtime Distribution Rule
 1. Last Time Entry (Chronologically)

TAGS:
 FLSAOT

FLSA Weekly Overtime, System Id: 593612290

Note: This rule uses calculated time, which may include rounded time or guaranteed minimum time. If you'd like to exclude these from the calculation, additional configuration may be required. If you use any Time Off categories that you consider 'worked hours' that are eligible towards FLSA Overtime, you can update the rule filters to include them. For customers with a different time period or hours threshold for FLSA-eligible overtime (e.g., fire departments or police departments), you may need to replace this rule with a different rule to track overtime hours into the new _FLSA Overtime counter. The "Non-Rolling Period (N-Days) Overtime" rule is often used to track overtime hours in these scenarios

Pay Calc Profile Updates (continued)

New Rule – Apply Weighted Average Overtime Rate to FLSA Overtime

A new pay calc rule named **Apply Weighted Average Overtime Rate to FLSA Overtime** will be added automatically to all Pay Calc 2 profiles

For Pay Calc Profiles that **currently have** an Apply Weighted Average Overtime Rate rule, the system automatically copies the settings from the existing rule and applies them to the new rule, with the multiplier set to 0.5 and applied to the _FLSA Overtime counter. This will then apply the same logic as closely as possible being used to calculate your current WAOT rate to the FLSA Overtime rate and just apply the premium.

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DESCRIPTION:

Allows you to apply the weighted average overtime rate to the employee's processed FLSA time.

Required Settings

Apply Weighted Average Overtime Rate To:

- Counter: **_FLSA Overtime** , Multiplier: **0.50**

Hours: **WAOT Rule PC Time**

Amounts: **WAOT Rule PC Time**

Extra Pay: **Bonus**

Result Rate: **Rate Table 2**

TAGS:

FLSAOT

Apply Weighted Average Overtime Rate to FLSA Overtime, System Id: 593611010

For Pay Calc Profiles that **do not have** an Apply Weighted Average Overtime Rate rule, the new rule will use a counter list with only the _FLSA Overtime hours and amounts included with a multiplier of 0.5 being applied. This will take the normal rate already being applied to FLSA Overtime and the 0.5 multiplier will make sure only apply the premium portion is applied.

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DESCRIPTION:

Allows you to apply the weighted average overtime rate to the employee's processed FLSA time.

Required Settings

Apply Weighted Average Overtime Rate To:

- Counter: **_FLSA Overtime** , Multiplier: **0.50**

Hours: **FLSA Overtime**

Amounts: **FLSA Overtime**

Result Rate: **Rate Table 1**

TAGS:

FLSAOT

Apply Weighted Average Overtime Rate to FLSA Overtime, System Id: 593612546

Pay Prep Profile Updates

New Initial Records Step – Counter Records (FLSA Overtime)

A new Counter Records step is automatically added to the **Initial Records** section in each Pay Prep Profile. This sets up the new FLSA Overtime hours and amounts to be included in the pay prep results when timesheets are processed.

This new record is set to "Export" by default.

 Counter: **FLSA Overtime**


FIELD	SETTINGS
Counter	Group by
Date Range	Group by Day
Time Off Category	Group by
Shift Premium	Group by
Cities (Cost Center 1)	Group by
Station (Cost Center 2)	Group by
Department (Cost Center 3)	Group by
Overrides (Cost Center 4)	Group by
Coffee Shop (Cost Center 5)	Group by
EIN (Cost Center 6)	Group by
Job Costing (Cost Center 7)	Group by
CMS (Cost Center 8)	Group by
Imports (Cost Center 9)	Group by
Jobs (HR) (Cost Center 10)	Group by
Hourly Rate: Rate Table 1	Group by
Piece Rate: Rate Table 1	Group by
Hourly Rate: Rate Table 2	Group by
Piece Rate: Rate Table 2	Group by
Time	Sum Up
Quantity	Sum Up
Amount	Sum Up

 **COUNTER FILTER**

Always

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 not 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 Comma, (For Binary Value Use HEX Notation 0xFF)

Generate Labels ☒

Use Decimal Separator Defined In Company Locale ☐

Records Columns

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

Payroll Export Formats (for non-Ready Payroll customers) (continued)

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

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	☒