

810-3-72-.03

**Overtime Pay Exemption Pursuant to Act
2024-437: U.S. Fair Labor Standards Act
Alignment.**

(1) For periods beginning on October 1, 2024, and ending June 30, 2025, gross income does not include amounts paid as overtime in accordance with the U.S. Fair Labor Standards Act.

(2) For employers governed by the National Railway Labor Act, the exemption applies to hourly component overtime compensation as defined in applicable collective bargaining agreements.

(3) Exempt overtime reporting requirements beginning October 1, 2024, require the following to be reported on the employers monthly (Form A-6) or quarterly (Form A-1) withholding tax return:

(a) The total amount of exempt overtime paid for the period.

(b) The total number of employees to which it was paid during the period filed.

(4) The exempt overtime wages included in box 14 of the employees annual Forms W-2 should correspond to the total exempt overtime wages reported with the monthly/quarterly filings for the year.

Author: Kathleen Abrams and Neal Hearn

Statutory Authority: §§40-2A-7(a)(5) and 40-18-14, Code of Ala. 1975.

History: Repealed: Filed July 27, 1988. **New Rule:** Published October 31, 2024; effective December 15, 2024.