

# BUSINESS IN 2026

## WEEKLY WEBINAR SERIES

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# Your Host



## **Gabriel S. Oberfield**

Member

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New York, NY

# Today's Agenda

## Gabe Oberfield – (12:00PM-12:10PM)

- Welcome and Agenda
- Gov't and Reg Affairs Update
  - End-of-Year 2025 Bill Signings and Vetoes in New York
  - Upcoming NYS Special Elections
  - NYS Budget Rollout

## Frank Mayer – (12:10PM-12:20PM)

- Questions on the Determination and Reporting of “Qualified Overtime” under H.R. 1

## Travis Talerico – (12:20PM-12:25PM)

- Updates on National COVID Litigation — and Implications for Providers

## Camisha Parkins – (12:25PM-12:30PM)

- The Import of an NLRB Memo on Company Computer Resources

## G. Oberfield – (12:30PM)

- 2026 Year in Review / Year Ahead Programming
- Wrap Up

# What's New in Gov't and Reg Affairs

- End-of-Year 2025 NYS bill signings and vetoes
- NYS laws enforceable as of January 1, 2026, include:
  - Restrictions on Styrofoam coolers
  - Higher tax exemptions for individuals 65+
  - Minimum wage increases
  - Easing of barriers on organ donation
- New mayors assume office: Albany, Buffalo, NYC, and Syracuse, among others
- Upcoming NYS Special Elections: February 3, 2026
  - Senate Districts 47 and 61, and Assembly District 36
- NYS legislative session kicks off this week
- State of the State (January 13) and forthcoming Executive Budget proposal
- NYS → \$212M in 2026 from Rural Health Transformation Program (part of H.R. 1)
  - Sufficient to offset Medicaid cuts?



NYS Gov. Kathy Hochul  
Credit: <https://www.governor.ny.gov/>

# No Income Taxes on Overtime



**Frank C. Mayer**

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# No Income Taxes on Overtime Compensation

- For calendar years 2025 through 2028, individuals receiving “qualified overtime compensation” may deduct the portion of their pay that exceeds their regular pay rate.
- This would include the overtime premium or “half” portion of “time-and-a-half” compensation required under the Fair Labor Standards Act (“FLSA”).  
*Example:* A nonexempt employee’s hourly rate is \$16.00, and they work one hour of overtime at an hourly rate of \$24.00. The employee may be eligible to deduct the \$8.00 premium received in excess of their regular rate for that hour of overtime.

## No Income Taxes on Overtime Compensation

- The deduction applies for income tax purposes, but not for FICA (i.e., social security and Medicare taxes).
- Qualified overtime compensation does not include compensation paid as a result of heightened state law requirements, employer policy, or negotiated collective bargaining agreements.
- Maximum deduction is \$12,500 or \$25,000 for joint filers.
- Deduction phases out for taxpayers with modified adjusted gross income over \$150,000 or \$300,000 for joint filers.

## No Income Taxes on Overtime Compensation

- The deduction is available for both itemizing and non-itemizing taxpayers.
- For 2025, employers or service recipients may use any reasonable method to determine qualified overtime as defined in guidance issued by the IRS and reporting such amounts on Forms W-2 or 1099-NEC.
- For 2025, there are no changes to withholding required.
- For 2026-2028 the IRS is required to provide updated income tax withholding requirements to address the possible deduction by individuals.

## No Income Taxes on Overtime Compensation

- For 2026-2028, Forms W-2 and 1099-NEC together with their instructions will be updated to address the reporting of qualified overtime.
- The IRS has released a draft of Form W-2, Wage and Tax Statement for 2026 which adds a new code TT in box 12 for qualified overtime reporting.
- The IRS has released Form W-4, Employee's Withholding Certificate for 2026, which addresses among other things qualified overtime.

## No Income Taxes on Overtime Compensation

- On November 21, 2025, the IRS released Notice 2025-69, Guidance for Individual Taxpayers who received among other things, Qualified Overtime in 2025. This Notice is directed at employees (not employers) as to how to report for qualified overtime on their 2025 tax returns should an employer not provide information concerning qualified overtime.
- Previous guidance issued under Notice 2025-62 states that for 2025, an employer will not be subject to penalties under IRC sections 6721 and 6722 for among other things, the failure to provide a written statement reporting the qualified overtime paid to its employees.

## No Income Taxes on Overtime Compensation

- While not a requirement to receive the penalty relief provided for in Notice 2025-62, the IRS states that employers and payors are encouraged to provide employees with separate accountings of overtime compensation such that the employee has the information the employee needs to determine if the employee can claim the deduction for qualified overtime under IRC section 225 for the taxable year 2025.

## No Income Taxes on Overtime Compensation

- For employers that choose to provide employees with information concerning qualified overtime for 2025, The IRS has suggested (3) methods:
  - (1) The employer may report the information in box 14 of Form W-2. (However, a number of practitioners have advised against reporting qualified overtime on Form W-2 for 2025 because of the litigation risk associated with reporting an incorrect amount. Specifically, IRC section 7434 allows employees to bring a civil action for fraudulent filing of an information return, with damages of \$5,000 per employee.)
  - (2) Employers may provide a separate written statement to employee of qualified overtime on an employer portal or
  - (3) Employers may provide separate written statement to employees with their 2025, Form W-2.

# Updates on National COVID Litigation – and Implications for Providers



## Travis R. Talerico

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# The Import of an NLRB Memo on Company Computer Resources



## Camisha L. Parkins

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# The Computer Use Policy at Issue

We are each entrusted with Company computer assets and systems (“Computer Resources”) to aid us in our job duties. Computer Resources belong to the Company and include email, voicemail, internet and intranet access, and computer software, as well as the data they contain. Each of us has a responsibility to protect Computer Resources from damage, alteration, theft, fraud and unauthorized access. We have a responsibility to use Computer Resources in an efficient, professional, ethical, and lawful manner. We may never use Computer Resources to download, display or store material that is unlawful, inappropriate or offensive. If you receive such content, report the incident to your manager or Human Resources immediately. Do not use Computer Resources to send unauthorized solicitations or conduct business for other organizations.

Remember that electronic messages (such as emails and text messages) and posts on social media and networking sites (such as blogs, chat rooms, Facebook, Instagram, Twitter and LinkedIn) are permanent, transferable records that can impact the Company. Before sending or posting an electronic message, always ask yourself if you would want the general public to read the message – because someday it may.

Associates should avoid comments that violate Company policies or that are false, malicious, obscene or that might reveal confidential, proprietary or trade secret information. Nothing in this policy should be construed to limit associates’ rights to discuss their wages, hours or working conditions or otherwise engage in protected concerted activities under Section 7 of the National Labor Relations Act. If you are ever unsure about posting comments or information, ask Human Resources before proceeding.

While you may make limited personal use of Computer Resources, you need to ensure that your use does not interfere with your ability to do your work or with workplace productivity in general. Your use of Computer Resources must be professional, ethical and lawful.

Company materials (including all copies) may only be used for Company purposes, in accordance with all applicable Company policies, and must be returned to the Company when you are no longer under the Company’s employ. To the extent permitted or as required by law, for business reasons and in order to carry out our legal obligations (including, but not limited to, those arising out of our role as an employer), all use of Computer Resources,

including, but not limited to, emails transmitted or stored, Teams chats and conversations, other messaging, Internet browsing, web sites visited, files uploaded or downloaded, phone numbers dialed and calls received, may be monitored by the Company, including personal use, and including your use of Computer Resources to access online Web sites and services, and to access personal accounts to the extent there is a legitimate business, legal or compliance purpose for monitoring use of personal accounts. When you use Computer Resources to access personal accounts, it may be possible for the Company to see the pages and messages that you view, in real time or thereafter, even without using your password. Back-up copies of messages and files may exist, despite user deletion. The Company reserves the right to monitor, intercept, retrieve and delete any content stored in, created on, received from or sent through its systems or on its property, either in real time or when stored, for any reason, without the permission of any user, and without notice, in each case to the extent permitted or as required by law. By using Computer Resources for personal purposes, you consent to this and forego any expectation of privacy. You have no right or expectation of privacy when using Computer Resources.

# Weekly Webinar: Year in Review & Year Ahead

Join us each Tuesday in January as we:

- Look back at the highlights, milestones, and lessons from this past year.
- Look forward to continuing to bring you timely insights and updates that matter most to your organization.

# Workplace 2026

## Annual Labor & Employment Law Conference

Date	Location
Thursday, June 11, 2026	Albany
Thursday, May 21, 2026	Corning
Thursday, June 25, 2026	Long Island
Thursday, June 18, 2026	New York City
Thursday, June 4, 2026	Rochester
Tuesday, June 23, 2026	Saratoga Springs
Thursday, May 28, 2026	Syracuse
Tuesday, June 9, 2026	Westchester

Registration for all programs will be available starting Spring 2026

# Questions?



## Gabriel S. Oberfield

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## Government and Regulatory Affairs Update

Gabe Oberfield, [goberfield@bsk.com](mailto:goberfield@bsk.com)

## No Income Taxes on Overtime

Frank Mayer, [fmayer@bsk.com](mailto:fmayer@bsk.com)

## Updates on National COVID Litigation – and Implications for Providers

Travis Talerico, [ttalerico@bsk.com](mailto:ttalerico@bsk.com)

## The Import of an NLRB Memo on Company Computer Resources

Camisha Parkins, [cparkins@bsk.com](mailto:cparkins@bsk.com)

### Sexual Harassment Prevention Training

To combat harassment in the workplace, every New York State employer must provide harassment prevention training for all employees annually.

For more information on Bond's online sexual harassment training [click here](#) or email [bondonline@bsk.com](mailto:bondonline@bsk.com)

# Thank You

The information in this presentation is intended as general background information.

It is not to be considered as legal advice.

Laws can change often, and information may become outdated.

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