



## SUBMISSION FORM

All submission forms must include the following information. Separate submission forms must be turned in for each eligible program. **Deadline: Friday, April 3, 2026.** Please include this submission form as the first page of your electronic entry. Contact [Gage Harter](#) with any questions.

### PROGRAM INFORMATION

County: \_\_\_\_\_

Program Title: \_\_\_\_\_

Program Category: \_\_\_\_\_

### CONTACT INFORMATION

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Department: \_\_\_\_\_

Telephone: \_\_\_\_\_ Website: \_\_\_\_\_

Email: \_\_\_\_\_

### SIGNATURE OF COUNTY ADMINISTRATOR OR DEPUTY/ASSISTANT COUNTY ADMINISTRATOR

Name: Monica Smith-Callahan

Title: Deputy County Manager for Community Affairs

Signature: Monica Smith-Callahan

## **Program Overview**

The FLSA Overtime Reporting Dashboard was developed in response to the One Big Beautiful Bill Act (OBBBA), which introduced a “no tax on overtime” deduction beginning in tax year 2025. Because calculating FLSA-qualified overtime requires navigating complex rules particularly in counties where overtime pay practices exceed federal minimums, employees face significant challenges determining what portion of their earnings qualifies for the deduction. To support staff and promote accuracy, Henrico County launched an automated reporting tool that consolidates payroll and timecard data into a single, employee-ready summary of FLSA-qualified overtime.

Designed collaboratively by IT, HR, and Finance, the dashboard transforms a full year of payroll activity into a summary deduction amount, reducing an estimated six hours of manual effort per employee. The program aligns with IRS implementation guidance issued in late 2025 and positions the County ahead of the 2026 federal requirement for employers to provide the deduction amount. By offering accurate calculations in an accessible format, the tool helps employees complete tax filings with greater confidence and less confusion.

Implementation of the program followed a rapid but rigorous development timeline, including requirements design, logic validation, and user acceptance testing before its February 9, 2026 launch. The dashboard draws from 2025 payroll and timekeeping records, applies FLSA and County rules, and produces a clear summary of overtime hours

and eligible pay components. Employees across the organization can access the report, supported by job aids, communication materials, and recorded town hall demonstrations. The program has delivered measurable benefits in its initial rollout, including substantial time savings, reduced inquiries to HR and Finance, and more consistent understanding of a complex new tax provision. With thousands of non-exempt employees eligible for the deduction, early adoption metrics show strong engagement, and usage is expected to increase as the tax deadline approaches. Beyond immediate impact, the FLSA Overtime Reporting Dashboard establishes a sustainable, repeatable model that can be reused in future tax years, reflecting Henrico County's commitment to innovation, employee support, and sound financial governance.

### **Problem/Challenge/Situation Faced by Locality**

The OBBBA's overtime deduction affects thousands of non-exempt employees nationwide, but calculating FLSA-qualified overtime is intricate. While FLSA sets minimum standards for overtime pay, Henrico County's internal pay practices often exceed those requirements, resulting in higher overtime payments in many cases. This creates extra challenges for employees trying to accurately calculate FLSA qualified overtime for the no tax on overtime deduction, as multiple components such as premium rates and special differentials must be properly included or excluded. In November 2025, the IRS issued implementation guidance encouraging, though not yet requiring, employers to assist employees in calculating FLSA-qualified overtime; full employer provision of the deduction

amount becomes mandatory in calendar year 2026. Against widespread misinformation and partial advice circulating online, we saw a clear need to provide accurate calculations to reduce the burden on employees who would otherwise cross-check a year of pay statements and timecards.

Our goal was twofold: (1) accuracy and compliance with FLSA-based deduction logic, and (2) employee experience, minimizing time and confusion during 2025 tax preparation. The result is a reporting tool that translates payroll detail into a summary deduction figure, includes authoritative source references, and encouragement for employees to seek professional tax advice. This program improves access to reliable information and positions the county ahead of the 2026 requirement.

### **How The Program Fulfilled Award Criteria**

This tool tackles a new, complex tax provision by transforming raw payroll/timecard data into a direct, employee-ready deduction figure, well ahead of the 2026 employer mandate.

Its innovation is threefold:

- **Policy-to-Data Translation:** Encodes FLSA qualification rules and local pay practices (which exceed FLSA minimums) into reproducible logic, avoiding the pitfalls of ad-hoc manual calculations.
- **Employee-Centered Design:** Delivers a single report that replaces hours of manual reconciliation, emphasizing clarity, accuracy, and accessibility.

- **Governance & Replicability:** Built entirely with county resources, following sound financial management and data governance practices. The approach can be replicated by other counties using standard payroll/timekeeping systems and a rule-based calculation layer.

By proactively exceeding IRS guidance and providing county-computed results the program meets NACo's criteria for innovation, measurable outcomes, improved administration, enhanced citizen (employee) understanding, and accountability. It elevates the quality of internal public service delivery while laying the groundwork for 2026 compliance.

### **How The Program Was Carried Out**

**Objective:** Deliver an employee-accessible report that computes FLSA-qualified overtime for the 2025 tax year using costed payroll data, reducing manual effort and error risk.

**Timeline & Start Date:**

- **Concept & design:** November 2025.
- **Build & validation:** November–December 2025.
- **User Acceptance Testing:** January 2026.
- **Launch:** February 9, 2026 (production release and communications).

**County Role & Team:** This was a county-led collaboration among IT (data engineering, system integration), Finance (payroll logic, costing), and HR (policy alignment, employee communications). The county designed requirements, implemented logic, tested accuracy

against sample cases, and deployed the tool using existing payroll systems and reporting platforms.

**Clientele & Access:** All current non-exempt employees with qualifying overtime in 2025 can access their personalized report. Communications emphasize that the tool is a research aid; employees should consult tax professionals for filing decisions, eligibility nuances, and deductions limits.

**Process & Workflow:**

- Extract 2025 payroll and timekeeping data for each employee.
- Apply FLSA qualification logic and county pay rules to derive eligible overtime amounts.
- Generate an employee-level report that aggregates overtime hours and applicable earnings components.
- Provide a clear summary and downloadable output to assist tax preparation.
- Maintain governance: change control, audit trails, and periodic recalculation.

**Partners:** Internal only. We relied on published guidance from the Internal Revenue Service, Government Finance Officers Association, and the US Department of Labor.

### **Financing and Staffing**

The program was built with existing systems and staff. Costs primarily consist of staff time for requirements, development, testing, and communications. No new capital purchases or external consulting were required.

## Program Results

### Time Savings:

Manual calculation of FLSA-qualified overtime using a year of pay statements and timecards takes an estimated 6 hours per employee. The tool automates this, saving nearly all that effort. For 7,300 non-exempt employees, that equates to 43,800 hours saved during tax season.

### Adoption & Reach:

Between February 9 and February 24:

- Distinct user sessions: 2,177.
- Total number of page events (page clicks): 46,889.
- Percentage of qualifying employees using the tool over two weeks: 29.8%. (Note this percentage is expected to climb as we approach the federal tax filing deadline, April 15.)

### Employee Experience:

- Reduced confusion and errors arising from inconsistent online guidance; a single authoritative source improves confidence.
- 24 / 7 access for non-exempt staff with variable schedules and complex overtime patterns.

### Operational Benefits:

- Fewer one-off inquiries to HR/Finance payroll teams.

- Empowered employees with a valuable tool and a comprehensive Frequently Asked Questions (FAQ) document to help navigate the new deduction process.
- Held town hall meetings with applicable employees to explain the tool, demonstrate its functionality, and outline available resources.
- Recorded all sessions for employees who were unable to attend, ensuring access to the same information and guidance.
- Streamlined documentation for 2026 when employers must provide the deduction amount; the tool establishes process discipline and auditability.

[Link to employee FAQ document](#)

### **Executive Summary of Program**

The FLSA Overtime Reporting Dashboard is a county-developed tool designed to help non-exempt employees navigate the complex “no tax on overtime” deduction introduced by the One Big Beautiful Bill Act. By transforming a full year of payroll and timekeeping data into an accurate, employee-ready calculation of FLSA-qualified overtime, the dashboard eliminates hours of manual reconciliation and provides clear guidance ahead of the 2026 employer mandate. Built collaboratively by IT, HR, and Finance, the tool improves accuracy, reduces confusion, and supports operational efficiency by reducing internal employee phone support calls and emails. Early adoption metrics show strong engagement, and the program sets a replicable model that advances Henrico County’s commitment to innovation, employee support, and sound financial administration.