

**To:** Bowdoin employees  
**From:** Heather Stowe  
**Date:** January 20, 2026  
**Re:** 2025 Tax Withholding Updates

On July 4, 2025, Public Law 119-21, known as the One Big Beautiful Bill Act (OBBBA), became law and contained numerous tax law changes, with some beginning in calendar 2025, including a provision where:

*Certain individuals who receive qualified overtime compensation may deduct the qualified overtime compensation that is reported on a Form W-2*

However, the IRS has announced that Form W-2 for tax year 2025 will not be updated to reflect qualified overtime compensation. The College is making this information available as follows:

- **Form W-2, Box 1** includes total wages, including overtime compensation.
- **Form W-2, Box 14** will include qualified overtime compensation, if applicable, with the description "**Overtime**"

Please note, qualified overtime compensation only includes the premium portion "half" in time-and-a-half of overtime pay and does not include shift/weekend differentials.

Please consult with a qualified tax professional to understand your eligibility and how to claim the new deduction.

Sincerely,  
Heather Stowe, CPP  
Director of Payroll and Accounts Payable  
Bowdoin College | Controller's Office