



Tips and overtime: the add-on checklist

New federal deductions let many workers deduct tips and overtime pay for tax years 2025 through 2028. Use this with our tax appointment checklist.

Tips: deduct up to \$25,000 a year.

Income limit: both shrink above \$150,000 of modified AGI (\$300,000 joint).

Overtime counts only the extra "half" of time-and-a-half, not your whole overtime check.

Overtime: deduct up to \$12,500 (\$25,000 married filing jointly).

No itemizing needed. A valid SSN is required; married couples must file jointly.

Social Security and Medicare taxes still apply to tips and overtime.

BRING FOR TIPS

- ☐ W-2 and any employer statement of tips
- ☐ Your tip log or monthly tip reports to your employer
- ☐ 1099-NEC or 1099-K if you earn tips as self-employed
Drivers, booth renters, freelancers
- ☐ Payment-app statements showing tips
- ☐ Your job title
The job must be on the IRS list of occupations that customarily receive tips

BRING FOR OVERTIME

- ☐ W-2 and any employer statement of overtime
- ☐ Pay stubs showing overtime hours and your regular rate
- ☐ A note of any weeks you worked over 40 hours at a second job

DOES THIS TIP COUNT?

- ☐ Cash, card or payment-app tip the customer chose to leave
Counts
- ☐ Share of a tip pool
Counts
- ☐ Mandatory service charge added to the bill
Does not count
- ☐ Free meals, tickets or other items
Does not count

COMMON JOBS THAT MAY QUALIFY

Servers, bartenders, baristas, hotel and casino staff, hair and nail stylists, rideshare and delivery drivers, movers and home service workers. Check your exact job against the IRS list before you count on the deduction.

Make sure you get every dollar of the deduction.
We'll check your tips and overtime the right way.

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