



Sustainability in Action

## All Employees

### WHAT TO DO NOW

Please review and update your personal information in Workday to guarantee that all necessary notices and updates are distributed correctly.

- Validate your home and work address in Workday.
  - All changes must be entered by **December 22, 2025**.
  - The home address on file, in Workday, will be used to process your W-2 forms, benefits, etc.
- Confirm that your work location address is accurate in Workday
  - If there is a mistake, contact your HR partner right away to discuss the next steps.

## W-2s & Taxes

### WHAT TO KNOW

- Register on ADP's website to access your 2025 W-2 online and locate previous years as needed.
- Follow ADP registration instructions to set up your account.
- If you prefer to receive your W-2s electronically, turn off the physical mailing option. Opting out of paper W-2s offers a more secure distribution method and helps conserve paper and time.
- If you worked for multiple Republic Services (RSI) or US Ecology locations in 2025, you may receive multiple W-2 forms.
- It is recommended to use your W-2 for tax filing rather than your last pay stub.
- While the Payroll department strives to include all taxable income on your final pay statement, some information may be received after final payment.
- Consult your tax advisor if you have questions about reporting your income for tax purposes.

## W-4 General Information

### WHAT TO REVIEW

- Review your W-4 elections each year, especially if you have claimed exempt status
- If you claimed exempt in 2025, you must submit a new W-4 between **January 1, 2026, and February 17, 2026**
  - If you do not submit a new W-4 by the deadline, your exempt election will expire, and withholding will revert to the IRS default tables by the end of February 2026.
  - This online tool helps users check their withholding to find the right amount for their situation.  
<https://www.irs.gov/individuals/tax-withholding-estimator>

## State Tax General

### WHAT TO DO NOW

- Employees who reside in a different state from where they work
  - Some states require you to withhold taxes for your work and resident states (for example, Kansas residents working in Missouri).
  - These will be shown on your W-2s in boxes 16 and 17 (separate W-2s for each state).
  - You can check these taxes on your pay stubs to help plan your tax filing next year.

### ALABAMA OVERTIME EXEMPTION

The Alabama State income tax exemption on overtime wages ended on June 30, 2025. Since that date, any overtime pay received by employees is now subject to Alabama state income tax.

### MINNESOTA PAID FAMILY LEAVE

Starting January 2026, Minnesota paid leave premiums will be paid through payroll deductions from employee wages, with contributions also made by employers. This means employees will see deductions from their paychecks starting January 2026 to fund paid leave benefits, ensuring financial support during employees' time off.

## New Year Updates

The "No Tax on Overtime" provision, part of the federal One Big Beautiful Bill Act ("OBBBA"), which was signed into law in July 2025 and will be effective for the 2025 tax year through 2028. This provision impacts how you can treat some of your overtime earnings when you file your federal income tax return.

### WHAT HAS CHANGED FOR YOU:

The new law lets eligible employees claim a federal income tax deduction of up to \$12,500 (\$25,000 for married couples filing jointly) for the premium part of qualified overtime wages. This deduction reduces your taxable income, which could lead to a larger tax refund or a lower tax bill when you file your yearly federal tax return.

### WHAT HAS NOT CHANGED:

- **Tax Withholding:** Your federal income tax withholding will continue as usual. Your regular and overtime wages are subject to federal income tax, Social Security, and Medicare withholding. The employer's payroll process remains unchanged, and you, the employee, claim this benefit on your personal income tax return.
- **State and Local Taxes:** The deduction under the OBBBA only applies to federal income tax. Your overtime wages may remain subject to any applicable state and local income taxes, depending upon state and local laws.
- **Payroll Reporting for 2025:** For the 2025 tax year, your Form W-2 will not have a separate box for the qualified overtime premium. The IRS will provide guidance on using a "reasonable approximation" method to calculate this amount for your tax return. Beginning with the 2026 tax year, the IRS is expected to issue revised forms that include separate reporting for this amount.

### CAP INCREASES FOR 2026:

- The Projected Social Security Limit for 2026 is \$184,500 (maximum taxes of \$11,439)
- Dependent care account limits increased to \$7,500 for 2026

## New Year Updates - continued

- Flexible Spending Accounts (FSA):
  - **Health Care FSA:** Annual contribution limit increasing to **\$3,400** for 2026
    - Maximum carryover limit increasing to **\$680**
  - **Dependent care FSA:** Annual contribution limit increasing **\$7,500** per household for 2026
- Health Savings Account (HSA):
  - For 2026, the HSA contribution limits are increasing to **\$4,400** for self-only coverage and **\$8,750** for family coverage. Employees 55+ who are not enrolled in Medicare may make an additional **\$1,000 catch up contribution.**
- Projected 401(k) limit increases for 2026 - \$24,500 employee limit (up from \$23,500), \$8,000 catch-up\* for age 50+ (up from \$7,500) and super catch-up\* for ages 60-63 remains \$11,250
  - \* *If your **FICA wages were over \$150,000 in 2025**, catch-up contributions must be made as after-tax Roth contributions in 2026. Republic will adopt a "deemed Roth" by converting pre-tax elections to Roth for impacted participants who do not have a Roth election. If your **FICA wages were \$150,000 or less**, you can choose to make catch-up contributions such as **pre-tax or Roth.***