The Big Beautiful Bill Compliance Check

A 2025 Guide for Behavioral Health Provider

Understand the new federal changes & what they mean for your business

What is the Big Beautiful Bill Act?

Signed into law on July 4, 2025, the One Big Beautiful Bill Act includes major updates to federal wage & hour laws and employee benefits, many of which took effect immediately. This guide simplifies the most important takeaways specific to behavioral health organizations, so you can stay compliant and ahead of the curve

1 Overtime & Payroll Update

- Federal tax break that applies to mandatory overtime pay (over 40 hours/week) under the Fair Labor Standards Act (FLSA)
- Only for non-exempt employees (i.e., those eligible for overtime).

What Doesn't Qualify
- **Voluntary** overtime (i.e., if an employee chooses to pick up extra hours).
- **Bonuses** of any kind.
- **State**-mandated overtime (e.g., California's daily overtime rules)

Quick Action Checklist:
- **Track OT Type:** Flag whether overtime is mandatory (FLSA) or voluntary — only mandatory qualifies.
- **Separate OT Pay**: Set up payroll to track and report qualified OT separately on 2025 W-2s.
- **Check with Payroll Company:** Confirm if your provider (i.e., ADP, Gusto) is adding a new OT earnings code or plan to set it up manually.
- **Review Classifications:** Reassess exempt roles doing frequent OT, convert to non-exempt if needed for compliance and tax benefit.

2 Telehealth & HSA Compliance

- Telehealth can now be covered **before the deductible** in High Deductible Health Plans (HDHPs) without disqualifying HSA eligibility.
- This change is **permanent** & **retroactive** to Dec 31, 2024.

Quick Action Checklist:
- Review your **HDHP plans** to ensure pre-deductible telehealth is included.
- **Communicate** this benefit to employees to boost HSA participation & support access to care.
- Work with your broker or **benefits admin** to confirm compliance and update any plan materials.

3 Student Loan Repayment

- Employers can now contribute up to **$5,250** per employee per year **tax-free** to help pay off student loans.
- This benefit is **permanent** & will **adjust** with inflation.

Quick Action Checklist:
- Add a student loan **repayment program** as part of your benefits offering.
- Highlight this benefit in **recruiting** efforts, especially for recent grads & clinical hires.
- Confirm with your payroll or benefits provider that contributions are processed & reported correctly under **IRS Section 127.**

4 Paid Family Leave Tax Credit

- If you offer **paid family or medical leave**, either directly or through an insurance policy, you may now qualify for a federal tax credit.

Quick Action Checklist:
- Confirm **eligibility** with your insurance broker or payroll provider.
- Begin **tracking** & **documenting** leave payments to claim the credit appropriately.
- This is a great opportunity to **offset** the cost of offering paid leave to your team.

5 Dependent Care Assistance (DCAP)

- The tax-free limit for **Dependent Care FSA** contributions has increased to $7,500/year for joint filers.
- This allows working parents to **lower their taxable income** while covering childcare costs.

Quick Action Checklist:
- **Review** your DCAP/FSA plan documents and update employee communications.
- Consider **promoting** this benefit during open enrollment to support working families.

NEED HELP NAVIGATING THESE CHANGES?

At Zenly, we make HR easy for ABA organizations, especially during big, beautiful changes like the new federal bill. From adjusting policies and benefits to navigating Medicaid and ACA updates, we simplify compliance so you can focus on care. No stress, just solutions.

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