

U.S. DEPARTMENT OF LABOR
WAGE AND HOUR AND PUBLIC CONTRACTS DIVISIONS

F. D.

WASHINGTON, D.C. 20210

JUL 27 1970

27 CC 301

This is in reply to your letter of June 16, 1970, concerning the application of section 3(m) of the Fair Labor Standards Act to a union contract clause relating to the furnishing of meals.

Our letters of May 8 and May 28, 1970 reflected our understanding of the union contract clauses which you submitted for our opinion. As we previously indicated to you, the text of these clauses is not completely clear on the point in question. We understood the text as meaning that the employees are given meals free of charge.

This was based upon certain statements in the agreement which we quoted in our letter of May 8, 1970, particularly the sentence, "All meals served as provided herein for the convenience of the Employer shall be excluded from the gross income of the employee for Federal Income Tax purposes". We believe this exclusion would also exclude the cost of such meals as part of wages under section 3(m), pursuant to the provision that the cost of meals shall not be included as part of wages to the extent that such costs are excluded by terms of a bona fide collective bargaining agreement.

Sincerely,

ROBERT D. MORAN

Robert D. Moran
Administrator