

FLSA-865

March 24, 1983

This is in reply to your letter of March 16, 1983. You ask whether your company may, under the Fair Labor Standards Act (FLSA), use a semi-monthly wage installment when it uses a 12-hour 6-week repeating schedule of 10 workdays "on" followed by 4 days "off".

You state the work groups will be divided into three shifts, A, B, and C. and they will work the following 6-week schedules:

A: 36/36/36/36/48/48

B: 36/36/48/48/36/36

C: 48/48/36/36/36/36

The semi-monthly wage installment is based on a weekly calculation of the amount of wages due when the above work shifts are worked. The semi-monthly wage installment is based on a 3-year average of the wages that would be due if the employees worked every hour of the scheduled hours, including the overtime compensation that would be due when more than 40 hours are worked in a workweek. You plan to pay the employees a constant semi-monthly wage amount. However, you state that the time worked during a prior pay period will be reviewed to determine whether the semi-monthly wage installment needs adjustment to reflect additional or fewer hours of work than those scheduled hours used to calculate the semi-monthly wage installment. You ask whether your company's proposed semi-monthly pay plan meets the guidelines outlined in our opinion letter of January 14, 1983.

It is our opinion that your company's pay plan conforms to that opinion letter and thus complies with the monetary requirements of the FLSA.

Sincerely,

William M. Otter
Administrator