

BANKERS ADVISED TO CONSIDER ALL EMPLOYEES SUBJECT
TO THE FAIR LABOR STANDARDS ACT

The Wage and Hour Division of the U. S. Department of Labor today told bankers it would seem advisable to consider all employees of banks subject to the Fair Labor Standards Act of 1938. This advice was contained in the following letter released by Elmer F. Andrews, Administrator of the Division, typical of those being sent out by the Division to bankers and bank employees all over the country:

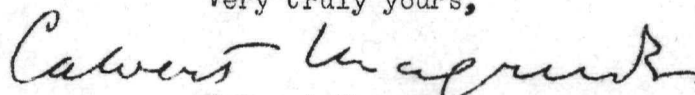
Sir:

Mr. Andrews has asked me to answer your recent letter, in which you inquire about the applicability of the Fair Labor Standards Act of 1938 to the employees of banks.

As indicated in paragraph 12 of our Interpretative Bulletin No. 6, a copy of which is enclosed, banks are not considered service establishments within the meaning of the exemption granted by Section 13(a)(2) for "any employee engaged in any retail or service establishment the greater part of whose selling or servicing is in intrastate commerce."

The Act, therefore, applies to all employees of banks who are engaged in interstate commerce or in the production of goods for interstate commerce. On the basis of a preliminary study already made, it is the opinion of this office that the type of work performed by many employees of banks brings them within the coverage of the Act. The Wage and Hour Division, however, is presently engaged in a detailed investigation of the varied activities of employees of banks to determine more precisely the status of bank employees under the Act. In addition to the question of what employees must be considered as engaged in interstate commerce because of the activities in which the particular employee engages, the further question is being investigated whether the activities of all the employees of banks are so closely interwoven with activities in interstate commerce as to be a part thereof. At this time, therefore, in view of Section 16(b) of the Act which gives employees the right to recover double the amount of any unpaid minimum wages or unpaid overtime compensation, it would seem advisable to consider all the employees of banks to be subject to the Act.

Very truly yours,



Calvert Magruder,
General Counsel

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