

U. S. DEPARTMENT OF LABOR
WAGE AND HOUR DIVISION
Washington

OVERTIME PAY IN DEFENSE BONDS AND STAMPS MEETS WAGE-HOUR REQUIREMENTS

Deductions made for the purchase of Defense stamps or bonds, when authorized by the employee, are recognized as legal deductions under the Fair Labor Standards Act, Acting Administrator Baird Snyder of the Wage and Hour Division, U. S. Department of Labor, announced today. Many inquiries had come from employers as increasing numbers of workers arranged for purchase of Defense Bonds during the last week.

"Employees are urged to give serious consideration to a plan under which they can allot their overtime pay to be put into Defense Bonds and stamps," Mr. Snyder said. "Various kinds of these allotment plans are now being worked out by A. F. of L. and C. I. O. unions in different parts of the country among workers engaged in production for victory, and this program appears to be spreading rapidly."

Where deductions are made for Defense Bonds, they must be the amount actually paid for the Bonds and not the face value of the Bonds. These deductions are sanctioned inasmuch as they fit the requirement under the law that such transactions involve no profit for the employer or anyone connected with him and are made at the voluntary direction of the employee concerned.

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