

Monday

U. S. Department of Labor

- 11 2, 1945

Wage and Hour and Public Contracts Divisions

165 West 46th Street

New York 19, N. Y.

ANNUAL WAGES UNDER WAGE-HOUR LAW

Of the 21,000,000 workers covered by the Federal Fair Labor Standards Act, fewer than 10,000 are employed under annual wage contracts filed with the Wage and Hour Division, U. S. Department of Labor, under a provision of the law that offers exemption from overtime premium pay, the Division announced today.

The contracts are filed under Section 7(b)(2) which allows exemption from overtime premiums for work up to 12 hours a day or 56 hours a week where the worker is employed "on an annual basis in pursuance of an agreement with his employer, made as a result of collective bargaining by representatives of employees certified as bona fide by the National Labor Relations Board, which provides that the employee shall not be employed more than two thousand and eighty hours during any period of fifty-two consecutive weeks." Time and one-half pay after 40 hours a week is normally required under the Act.

Only 58 employers and one association, with their employees, have so far taken any action under this annual wage provision, and it is within this group of firms that the fewer than 10,000 workers under such agreements are to be found. Over 500,000 establishments are subject to the Act.

1 Note to Editor: A list of industries and unions which have filed agreements with Divisions, together with some typical contract provisions, is available on request. 7