

FAIR LABOR STANDARDS ACT (FLSA)

Basic Wage Standards

Covered nonexempt workers are entitled to a minimum wage of not less than \$4.75 an hour, effective October 1, 1996, and not less than \$5.15 an hour, effective September 1, 1997. Overtime pay at a rate of not less than one and one-half times their regular rates of pay is required after 40 hours of work in a workweek.

Wages required by **FLSA** are due on the regular payday for the pay period covered. Deductions made from wages for such items as cash or merchandise shortages, employer-required uniforms, and tools of the trade, are not legal to the extent that they reduce the wages of employees below the minimum rate required by **FLSA** or reduce the amount of overtime pay due under **FLSA**.

The **FLSA** contains some exemptions from these basic standards. Some apply to specific types of businesses; others apply to specific kinds of work.

While **FLSA** does set basic minimum wage and overtime pay standards and regulates the employment of minors, there are a number of employment practices which **FLSA** does not regulate.

For example, **FLSA** does *not* require:

- vacation, holiday, severance, or sick pay;
- meal or rest periods, holidays off, or vacations;
- premium pay for weekend or holiday work;
- pay raises or fringe benefits; and
- a discharge notice, reason for discharge, or immediate payment of final wages to terminated employees.

The **FLSA** does not provide wage payment or collection procedures for an employee's usual or promised wages or commissions in excess of those required by the **FLSA**. However, some States do have laws under which such claims (sometimes including fringe benefits) may be filed.

Also, **FLSA** does not limit the number of hours in a day or days in a week an employee may be required or scheduled to work, including overtime hours, if the employee is at least 16 years old.

The above matters are for agreement between the employer and the employees or their authorized representatives.