

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date March 23, 1943

To Chairman Eccles

Subject: Prior Approval of Premium

From Kenneth B. Williams *KBW*

Payments for 48-Hour Week

In response to your request, I sent you a memorandum, dated February 19, concerning the question of whether payment of overtime rates to employees required to work longer hours as a result of the mandatory 48-hour order constituted a wage increase which required prior approval of the War Labor Board or the Treasury. At that time there was no official ruling on the matter.

On March 11, the War Labor Board issued an order clarifying the matter. The order requires approval of the War Labor Board before overtime rates can be paid employees whose hours have been lengthened, unless one or more of the following conditions is met:

1. Overtime rates are required by the Fair Labor Standards Act or other Federal, State, or local laws.
2. Overtime rates are required by collective bargaining agreements.
3. Overtime rates have been paid such employees by the employer as a matter of custom or established practice.

Straight-time rates for the extra hours worked can be paid without approval of the War Labor Board.

Presumably, the Treasury will follow the War Labor Board interpretation in the area under its jurisdiction.

Specifically, it appears that a junior officer doing administrative work and earning \$3000 a year who is not a member of a union and whose employer has not customarily paid overtime rates to junior officers can not now be paid overtime rates without prior official approval.

*Copy to 2803.
3/25/43.*