

## The Fair Labor Standards Act

"Section 7 (b) No employer shall be deemed to have violated subsection (a) by employing any employee for a workweek in excess of that specified in such subsection without paying the compensation for overtime employment prescribed therein if such employee is so employed.

### ANNUAL GUARANTEE:

(2) In pursuance of an agreement made as a result of collective bargaining by representatives of employees certified as bona fide by the NLRB, which provides that during a specified period of fifty-two consecutive weeks the employee shall be employed not more than 2240 hours and shall be guaranteed not less than 1840 hours ... and not more than 2080 hours of employment for which he shall receive compensation for all hours guaranteed or worked at rates not less than those applicable under the agreement to the work performed and for all hours in excess of the guarantee which are also in excess of the maximum workweek applicable to such employee under subsection (a) or 2080 in such period at rates not less than one and one-half times the regular rate at which he is employed ... "

This is the legal basis for the rural compensation system. The basic requirements of the Act, as applied to rural carriers, are as follows:

1. The employee shall be employed on an annual basis at a guaranteed annual wage.
2. The guarantee must be a minimum of 1840 and a maximum of 2080 hours.
3. The employee shall receive overtime compensation for all hours actually worked in excess of:
  - (a) 12 hours in one day;
  - (b) 56 hours in one week;
  - (c) 2080 hours in one year.
4. The employee may not actually work more than 2240 hours during the 52-week guarantee period.