

U.S. Department of Labor

Employment Standards Administration
Wage and Hour Division
Washington, D.C. 20210



DEC 23 1985

MEMORANDUM NO. 143

TO: ALL CONTRACTING AGENCIES OF THE FEDERAL GOVERNMENT AND THE DISTRICT OF COLUMBIA

FROM: *Herbert J. Cohen*
HERBERT J. COHEN
Deputy Administrator

SUBJECT: Repeal of Daily Overtime Compensation Requirements Applicable to Employees Performing on Federal and Federally Assisted Contracts

On November 8, 1985, the Department of Defense Authorization Act of 1986, Pub. L. No. 99-145, was enacted into law.

A provision of this law amends the Contract Work Hours and Safety Standards Act (CWHSSA) and the Walsh-Healey Public Contracts Act (PCA) to eliminate the requirement that contractors pay employees performing on Federal or Federally assisted construction contracts, and Federal service or supply contracts, time and one-half their basic rates of pay for hours worked in excess of 8 hours per day on or after January 1, 1986. Overtime compensation will continue to be required under these statutes for hours worked in excess of 40 hours per week.

Revisions to the applicable contract labor standards regulations (29 CFR Parts 4 and 5 and 41 CFR Part 50-201) to delete references to these daily overtime requirements will be published in the near future.

Contracting agencies should be aware that certain contractors may continue to have obligations to pay daily overtime compensation pursuant to State or local laws, collective bargaining agreements, or employment contracts after January 1, 1986. However, whether contractual provisions agreed to prior to January 1, 1986, requiring overtime compensation after 8 hours of work can be enforced after January 1, 1986, is a question of contract law between the parties independent of the Department of Labor's authority under CWHSSA and PCA. Accordingly, the Department will take no action to enforce daily overtime requirements with respect to hours worked on any Federal contracts after January 1, 1986.