Assignment 8

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**Introduction**

The Wage and Hours Act, also called the Fair Labor Standards Act was passed on June 25th in 1938. In legal understanding, the Fair Labor Standard Act is defined as, “A federal law that established minimum wages, with overtime pay eligibility, enforce recordkeeping and established child labor standards that can affect full time and part-time workers in the private sector as well as in federal, local and state governments”(International Labour Law Reports Online, n.d.). Under this act, the government of the United States of America was made to set a minimum wage. Initially, a wage of 25 cents per hour, which is very low, was assigned as the responsibility of the government, which was increased up to 40 cents by 1945 (International Labour Law Reports Online, n.d.). Under this act, child labor was also banned in all the businesses that were engaged in interstate commerce. President Franklin considered Fair Labor Standard Law as one of the most important New Deal reforms that was positioned next to the Social Security Act. The crux of regulation has its origin in the recognition that workers are also consumers and they should be given due rights. A laborer was expected to be given material conditions so that the nation can be pulled out of the depression imposed by the newly arrived traditions and mechanics (Gould IV, 2019).

The employment covered by the Fair Labor Standard Act included enterprises having the employees who engaged in any kind of interstate commerce. The act was also applicable to the people and employees who were engaged in the business of buying and selling goods or working in the import and export of the material goods. So, it can be said that almost all the businesses in the United States were covered by this law. Also, there were major complications in the understanding of hourly wages, overtime wages, and the regulations for youth and child labor (Gould IV, 2019).

**Reasons**

The reasons for the issuance of the Fair Labor Act were both a personal emotional appeal and a public responsibility. The essence of emotional appeal can be associated with an incident. Roosevelt got a letter from a group of workers, containing a description of the cut down of wages from $11 per week to $4 to $6 a week. This emotional message was floated by a girl in the crowd who was pushed back by the police. President Franklin Roosevelt got a glimpse of it and he got that note, after reading which, he commented, "Something needs to be done regarding the elimination of child labor as well as long starvation wages”. This appeal along with a self-analysis of empowering laborers made Roosevelt win the election of 1936 and he passed the Fair Labor Standard Act (Gould IV, 2019).

The second major reason for passing the law was to protect the workers from different kind of abuses that were reported to occur during the time of the Industrial Revolution as well as the Great Depression. Paying small wages and employing workers for long hours was common at that time. Generally, FLSA was introduced with three folded aims asserting that workers should be paid a living wage, they should be paid for overtime work, and that there be no recognition of child labor (Gould IV, 2019).

**Consequences of Not Being in Place**

There are several consequences for the violation of the Fair Labor Standard Act (FLSA) that involve incorrect payment of minimum wages, no wages for overtime or emphasizing child labor. There are different penalties offered on different levels taking into account that the United States Department of Labor (USDOL) has announced two significant consequences of the lack of legal implications. Firstly, USDOL has announced that there would be a substantial increase in the penalties that are imposed by civil money so that it can impose and look for significant violations of the federal Fair Labor Standard Act (FLSA) and other related regulations. The amount decided for the penalties, more or less than $1,100 for every violation, which will either be repetitive or an intentional act, in terms of overtime, as well as minimum wage requirement. It is also added that this assessment is just "per-person charge" that is based on the number of employees who are unlawfully paid (Turk, 2019). Also, an employer’s transgression can be considered as repetitive violation that can invite more consequences and penalties, for example, a violation in terms of minimum wages is found in proceeding USDOL investigation that can be a predicate for the employer in a subsequent investigation. This investigation in the future might uncover overtime violations (Turk, 2019).

Child Labor penalties permit USDOL to assess a monetary penalty that might reach $11,000 for each of the workers whose age is less than 18 years, and he is employed in child labor restrictions. Any injury as a result of child labor is also punishable, causing a penalty of up to $50,000 (Turk, 2019). Now, this penalty has also doubled where the current penalty makes up $54,910. Also, FLSA also calls for doubling the penalty that is imposed in the case of a repetitive act or any willful violation, where the penalty can exceed up to $109, 820 (Turk, 2019).

**Current Federal Minimum Wage Rate in the United States**

The current federal minimum wage rate in the United States is not acceptable; it is $7.25 per hour and this wage has not been increased since July 2009. There are some cities, countries, and states that have a higher minimum wage rate. It means that when the minimum wage of any city, state or a country is higher than the federal wage rate, then the employees are required to pay workers with more amount. Although it is announced that the minimum wage rate in the federal government is going to increase by July 1, 2020. It was also announced that the tipped employees who are performing their work in any connection with the covered federal contract are to be paid a minimum of $7.55 per hour (Turk, 2019). Still there are two major reasons for the unacceptance of wages,

Firstly, the wage rate is more than the other relative and compared departments which highlight that the employees will automatically be behooved to work extra or at other jobs so that they can get their needs filled (England & Alcorn, 2018). The comparison between the wage rate is one of the major elements in resigning from older jobs and looking for other jobs. This gap not only demotivates employees but it can have impact on the quality of work as well because money is one of the solid motivations behind achieving desirable and commendable results (England & Alcorn, 2018).

Another reason that defies current wage rate to be unacceptable is that reduced wage rate is one of the major elements in creating gaps in economy. There is a reduced household spending that ultimately paves the way for lowering the GDP and mitigating growth in the job itself. Economists highlight that there would be a reduced employment rate in the country because of a lack of opportunities and motivation to grow (England & Alcorn, 2018). Also, the stance of poverty will be automatically reduced because majority of the people will be self-sufficient in terms of their needs. An individual who worked 7.25 dollars in an hour then he earns about $ 15,080 in a whole year and is found to be 20% higher than the poverty level that was found by federal economists in 2015, making 4 12,331 for a single person household who was under 65 years of age. This aggregate is much sufficient to address the stance that the federal minimum wage is not acceptable, it is degrading economy and human life (England & Alcorn, 2018).

References

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