

**875—217.36(91D) Payment where additions or deductions are involved.**

**217.36(1)** This chapter applies only to the applicable minimum wage for all hours worked. Any deduction indicated in this chapter as being permitted must meet the requirements of Iowa Code section 91A.5.

To illustrate, where an employee works 40 hours a week at a cash wage rate of \$3.85 an hour and is paid \$154 in cash free and clear at the end of the workweek, and in addition is furnished facilities valued at \$10, no consideration need be given to the question of whether the facilities meet the requirements, since the employee has received in cash the applicable minimum wage of \$3.85 an hour for all hours worked. Similarly, where an employee is employed at a rate of \$5 an hour and during a particular workweek works 40 hours for which cash payment of \$200 is made, the employer having deducted \$30 from wages for facilities furnished, whether the deduction meets the requirement of this chapter need not be considered, since the employee is still receiving, after the deduction has been made, a cash wage in excess of the required minimum hourly wage.

Deductions for board, lodging, or other facilities may be made in workweeks even if the deductions reduce the cash wage below the minimum, provided the prices charged do not exceed the “reasonable cost” of the facilities. When items are furnished the employee at a profit, the deductions from wages are considered to be illegal only to the extent that the profit reduces the wage (which includes the “reasonable cost” of the facilities) below the required minimum.

**217.36(2)** Deductions for articles such as tools, miners’ lamps, dynamite caps, and other items which do not constitute “board, lodging, or other facilities” may likewise be made if the employee nevertheless received the required minimum wage in cash free and clear; but to the extent that they reduce the wages of the employee in any such workweek below the minimum required, they are illegal. However, any deduction indicated as being permitted must meet the requirements of Iowa Code section 91A.5.

SOURCE: 29 CFR 531.36.