

## Wage and Hour Division, Labor

## § 784.12

### § 784.8 “Employer,” “employee,” and “employ.”

The Act’s major provisions impose certain requirements and prohibitions on every “employer” subject to their terms. The employment by an “employer” of an “employee” is, to the extent specified in the Act, made subject to minimum wage and overtime pay requirements and to prohibitions against the employment of oppressive child labor. The Act provides its own definitions of “employer,” “employee” and “employ,” under which “economic reality” rather than “technical concepts” determines whether there is employment subject to its terms (*Goldberg v. Whitaker House Cooperative*, 366 U.S. 28; *United States v. Silk*, 331 U.S. 704; *Rutherford Food Corp. v. McComb*, 331 U.S. 722). An “employer,” as defined in section 3(d) of the Act, “includes any person acting directly or indirectly in the interest of an employer in relation to an employee but shall not include the United States or any State or political subdivision of a State or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.” An “employee,” as defined in section 3(e) of the Act, “includes any individual employed by an employer,” and “employ,” as used in the Act, is defined in section 3(g) to include “to suffer or permit to work.” It should be noted, as explained in part 791 of this chapter, dealing with joint employment that in appropriate circumstances two or more employers may be jointly responsible for compliance with the statutory requirements applicable to employment of a particular employee. It should also be noted that “employer,” “enterprise,” and “establishment” are not synonymous terms, as used in the Act. An employer may have an enterprise with more than one establishment, or he may have more than one enterprise in which he employs employees within the meaning of the Act. Also, there may be different employers who employ employees in a particular establishment or enterprise.

### § 784.9 “Person.”

As used in the Act (including the definition of “enterprise” set forth below

in § 784.10), “person” is defined as meaning “an individual, partnership, association, corporation, business trust, legal representative, or any organized group of persons” (Act, section 3(a)).

### § 784.10 “Enterprise.”

The term “enterprise” which may, in some situations, be pertinent in determining coverage of this Act to employees employed by employers engaged in the procurement, processing, or distribution of aquatic products, is defined in section 3(r) of the Act, section 3(r) states:

Enterprise means the related activities performed (either through unified operation or common control) by any person or persons for a common business purpose, and includes all such activities whether performed in one or more establishments or by one or more corporate or other organizational units including departments of an establishment operated through leasing arrangements, but shall not include the related activities performed for such enterprise by an independent contractor \* \* \*.

The scope and application of this definition is discussed in part 776 of this chapter.

### § 784.11 “Establishment.”

As used in the Act, the term “establishment”, which is not specially defined therein, refers to a “distinct physical place of business” rather than to “an entire business or enterprise” which may include several separate places of business. This is consistent with the meaning of the term as it is normally used in business and in government, is judicially settled, and has been recognized in the Congress in the course of enactment of amendatory legislation (*Phillips v. Walling*, 324 U.S. 490; *Mitchell v. Bekins Van & Storage Co.*, 352 U.S. 1027; 95 Cong. Rec. 12505, 12579, 14877; H. Rept. No. 1453, 81st Cong., first session, p. 25). This is the meaning of the term as used in sections 3(r) and 3(s) of the Act.

### § 784.12 “Commerce.”

“Commerce” as used in the Act includes interstate and foreign commerce. It is defined in section 3(b) of the Act to mean “trade, commerce,

### § 784.13

transportation, transmission, or communication among the several States or between any State and any place outside thereof.” (For the definition of “State,” see § 784.15.) The application of this definition and the kinds of activities which it includes are discussed at length in part 776 of this chapter dealing with the general coverage of the Act.

### § 784.13 “Production.”

To understand the meaning of “production” of goods for commerce as used in the Act it is necessary to refer to the definition in section 3(j) of the term “produced.” A detailed discussion of the application of the term as defined is contained in part 776 of this chapter, dealing with the general coverage of the Act. Section 3(j) provides that “produced” as used in the Act “means produced, manufactured, mined, handled, or in any other manner worked on in any State; and for the purposes of this Act an employee shall be deemed to have been engaged in the production of goods if such employee was employed in producing, manufacturing, mining, handling, transporting, or in any other manner working on such goods, or in any closely related process or occupation directly essential to the production thereof, in any State.” (For the definition of “State” see § 784.15.)

### § 784.14 “Goods.”

The definition in section 3(i) of the Act states that “goods,” as used in the Act, means “goods (including ships and marine equipment), wares, products, commodities, merchandise, or articles or subjects of commerce of any character, or any part or ingredient thereof, but does not include goods after their delivery into the actual physical possession of the ultimate consumer thereof other than a producer, manufacturer, or processor thereof.” Part 776 of this chapter, dealing with the general coverage of the Act, contains a detailed discussion of the application of this definition and what is included in it.

### § 784.15 “State.”

As used in the Act, “State” means “any State of the United States or the

### 29 CFR Ch. V (7–1–10 Edition)

District of Columbia or any Territory or possession of the United States” (Act, section 3(c)). The application of this definition in determining questions of “coverage under the Act’s definition of “commerce” and “produced” (see §§ 784.12, 784.13) is discussed in part 776 of this chapter, dealing with general coverage.

### § 784.16 “Regular rate.”

As explained in part 778 of this chapter, dealing with overtime compensation, employees subject to the overtime pay provisions of the Act must generally receive for their overtime work in any workweek as provided in the Act not less than one and one-half times their regular rates of pay. Section 7(e) of the Act defines the term “regular rate” “to include all remuneration for employment paid to, or on behalf of, the employee” except certain payments which are expressly described in and excluded by the statutory definition. This definition, which is discussed at length in part 778 of this chapter, determines the regular rate upon which time and one-half overtime compensation must be computed under section 7(a) of the Act for employees within its general coverage who are not exempt from the overtime provisions under either of the fishery and seafood exemptions provided by sections 13(a)(5) and 13(b)(4) or under some other exemption contained in the Act.

#### APPLICATION OF COVERAGE AND EXEMPTIONS PROVISIONS OF THE ACT

### § 784.17 Basic coverage in general.

Except as otherwise provided in specific exemptions, the minimum wage, overtime pay, and child labor standards of the Act are generally applicable to employees who engage in specified activities concerned with interstate or foreign commerce. The employment of oppressive child labor in or about establishments producing goods for such commerce is also restricted by the Act. The monetary and child labor standards of the Act are also generally applicable to other employees, not specifically exempted, who are employed in specified enterprises engaged in such commerce or in the production of goods for such commerce. The employer must