

# What are the limits for meal and lodging credits for employer-provided housing in Calif.?

**Q. Our company often deducts the costs of meals and lodging from live-in employees' minimum wages. How much can we credit meals and lodging against minimum wage in California?**

**A.** Employers that cover the cost of meals and lodging for their employees may credit those costs against their minimum wage obligation. For such an arrangement to be legal, there must be a voluntary written agreement between the parties.

Under the California Wage Orders, meals must be well-balanced and nutritious to qualify, and lodging must be decent, sanitary and suitable for full-time occupancy.

The California Department of Industrial Relations issued an official notice that denotes the maximum meal and lodging credits for 2017:

A large employer (with 26 or more employees) can take a credit of \$49.38 per week for a single room occupancy and \$40.76 per week for a shared occupancy. For an employee apartment, a large employer can take a credit up to two-thirds of the "ordinary rental value," up to \$593.05 per month. If both individuals in the couple inhabiting an apartment are employed by the employer, the employer can take a credit of two-thirds of the ordinary rental value, up to \$877.27 per month.

The employer can also deduct meal credits of \$3.80 for breakfast, \$5.22 for lunch and \$7.09 for dinner.

A small employer (with 25 or fewer employees) may take a maximum of \$47.03 per week for a single occupancy room, \$38.82 per week for a shared room, two thirds of the ordinary rental value up to \$564.81 per month for an apartment and two thirds of the ordinary rental value up to \$835.49 per month for an apartment if both individuals in the apartment are employed by the employer.

The employer can also deduct \$3.62 for breakfast, \$4.97 for lunch and \$6.68 for dinner.