

Facts to Remember

- Unpaid internships in the public sector and for non-profit organizations, where the intern volunteers without expectation of compensation, are generally permissible.
- Unpaid internships generally should not be used by the employer as a trial period for individuals seeking employment at the conclusion of the internship period.
- In general, the more an internship is structured around a classroom or academic experience as opposed to the employer's actual operations, the more likely the internship will be viewed as an extension of the student's educational experience.

What do interns say about compensation?

"I am a full-time student working 40 hours a week at my paying job and 15 hours a week at my unpaid internship. If I received compensation for my internship it would allow me to work less than 40 hours at my other job and I could put more time into my internship."

-Sara

"All my professors have told me that internships are necessary for getting a job post-graduation. My current internship is unpaid so I have to work two other jobs while attending school fulltime just to pay my bills."

-Kelly



Students in the Professional Journalism Internship class

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Is Your Internship Program in Compliance with Federal Law?



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Deciding on intern compensation

When determining whether or not to pay interns, the answer relies on whether the intern is covered by the minimum wage and overtime provisions of the Fair Labor Standards Act.

The FLSA covers “any individual employed by an employer.” The verb “employ” is defined to mean “to suffer or permit to work.”

Although the law does not require all interns to be paid, studies have shown benefits, for both the employer and the intern, when the positions offer even a small wage.

Students are aware that most internships are not going to bring in the big bucks, but a modest wage could increase the level of intern applicants.

- According to past studies, students are often attending school fulltime and working at least one part-time job.
- Consequently, unpaid internships are often not an option for students who come from low-income households.

Benefits of Interns

Journalism Interns...

- Cost less than regular employees
- Are excited to be working in their chosen field
- Are educated in the most recent technology
- Are talented at time management and setting priorities
- Will network to gain future employment

Fair Labor Standards Act

The FLSA applies to all companies that have at least two employees directly engaged in interstate commerce and have annual sales of at least \$500,000. It restricts an employer’s use of unpaid interns.

Six Prong Test

According to the FLSA “interns are, in most cases, employees of their host organization and therefore as employees they should receive monetary compensation equal to or greater than the federal minimum wage.”

There are some circumstances under which individuals who participate in for-profit private sector internships may do so without compensation. The students are not considered employees, if **all** the following criteria apply:

1. The training, even though it includes actual operation of the facilities of the employer, is similar to that which would be given in an educational environment
2. The training is for the benefit of the students
3. The students do not displace regular employees, but work under their close observation
4. The employer that provides the training derives no immediate advantage from the activities of the students, and on occasion operations may be impeded
5. The students are not necessarily entitled to a job at the conclusion of the training period
6. The employer and the students understand that the students are not entitled to wages for the time spent in training

Frequently Asked Questions

What is a fair wage?

The FLSA defines a fair wage as the federal minimum wage. If an intern works in an area with a state minimum wage, he or she is entitled to the higher wage amount.

Can an employee be required to perform work outside of the employee’s job description?

Yes. The FLSA does not limit the type of work an employee can do. However, this should be communicated between the employer and employee to avoid confusion.

Does it matter what other organizations or corporations are paying?

No, according to a recent survey of college students, interns care more about experience rather than pay. But students are time-strained and may have to choose a paid job over an unpaid internship.

For more information check: The Department of Labor

<http://www.dol.gov/whd/flsa/index.htm>

U.S. Office of Compliance

http://www.compliance.gov/employeerights/er_fairlabor.html

Information Current as of April 2015