

In Perspective

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Hiring Interns

Benefits of Hiring Interns

If your business or organization is planning to utilize interns this summer, here's an important rule to follow: make sure the job responsibilities focus on training.

For some employers, offering student internships often involves bringing in unpaid or low-cost internships during summer months when employees are taking vacations. This can benefit the intern and company.

For students, the internship means on-the-job training that could bring future opportunities and recommendations.

If most of the interns' workplace activity is actually training experience rather than contributing to the employer's purposes, then the U.S. Department of Labor (DOL) rules allow non-payment or less-than-minimum-wage to the interns.

Labor Department Rules

In today's economy, some organizations might want to use unpaid or less-than-minimum-wage interns to fill the void of a laid-off employee. But make sure interns aren't replacing employees and don't hinder opportunities for prospective employees. The federal Fair Labor Standards Act bans both practices and many states impose additional restrictions.

Employers must pay interns at least the minimum wage unless the internship experience passes these six rules:

1. The work performed (the DOL uses the word "training") is an extension of a trade studied by the student or similar to the intern's school training.
2. The work (or training) is for the benefit of the student intern.
3. The intern does not replace regular employees, but works under their close observation.
4. The employer derives no immediate advantage from the student intern's activities. (The intern's activity is primarily an educational experience and doesn't significantly benefit the employer.)
5. The intern is not necessarily entitled to a job at the conclusion of the internship. The employer holds out no promise of future employment.
6. The employer and the intern understand that the student is not entitled to wages for the time spent in the internship.

Advantages of Paying Interns

Unpaid interns may not be beneficial in most situations. For example, unpaid interns can't

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replace paid employees who are on vacation and they are not permitted any work that significantly benefits or profits the employer.

So what should employers do? Utilize paid interns. Talented, educated, and motivated students are typically eager to gain real-world experience in the fields they are studying. They're willing to work for less than seasoned individuals. By hiring interns, you can gain productive employees at reasonable pay levels.

There are other benefits for paying fair wages to interns. Paid interns are more likely to:

- Feel more appreciated and, therefore, be more productive.
- Be enthusiastic in supporting and promoting the business or organization after the internship is over.

One day a paid intern may become an employee of your company.

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