

Interns: Is It Finally Time To Pay The Piper?

This time of year, many college students are wrapping up their spring semesters. If they haven't already, they will soon be canvassing for internships to get a foothold in the job market. Does your corporation utilize the services of interns? If so, do you offer them payment? You may want to reconsider if you do not, as you may be breaking the law by not properly compensating them for their "work."

Why NOW?

Why is this suddenly an issue when interns have been working for free or for a small stipend for years? There were several high-profile class-action lawsuits brought forth in 2011 by interns who maintained they worked many hours to the benefit of their employers and were not compensated. Riding on the heels of economic hardships that have befallen many since 2008, these interns stated they should have been compensated for their free labor, and that companies using interns were taking advantage of free workers for their own benefit – and some reportedly benefitted greatly. It also posed an unfair advantage to those students who were more financially well-off, as they could afford to work for free, gaining experience and industry contacts while students who supported themselves needed to get paying jobs and missed out. Truth is, the law has not changed. Employers are just more under the microscope today.

What Do You Need To Know?

- If you are an employer who uses interns, you must still follow a host of state and federal labor regulations. According to the Fair Labor Standards Act, **an intern cannot take the place of an employee.**
- They must compliment your existing staff and operate under their close supervision.
- The internship must be primarily educational in nature, and employers may not bait interns with the promise of employing them.
- Lastly, the employer cannot gain any immediate advantage from the activities of the intern. This last statement is open to many interpretations, making it very gray to some, and leaving companies like yours foggy on how to keep yourself in the clear.

What Can I Do?

Employers today need to be aware of the intricacies concerning internships and revisit their intern policies. Technically, if someone is acting like an employee, and performing job functions as such, they are not an intern, even if you classify them as an intern, and should be compensated for all hours worked.

While many corporations have started to err on the side of paying minimum wage just to be sure, others are still confused as to how to properly and *legally* deal with interns. Many companies feel that they won't be targets of a lawsuit so they need not worry.

Whatever your stance, it may not sit well with you to chance litigation over an issue such as this one which has such an easy fix. Perhaps you still have questions or want to know more about this sticky

situation as your company moves forward. McCloskey Partners can help you learn more about the best way your company can address the issue of interns. Contact us today for personalized human resources assistance to help your business thrive.

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