

Safeguarding Against Legal Disputes

Paid/Unpaid Internships

According to the National Association of Colleges and Employers (NACE), the leading source of information and guidance on the employment of the college educated, “The decision whether or not to compensate interns is a big issue today considering a recent heightened scrutiny of internships and employers. In May 2010, the U.S. Department of Labor (DOL) issued a six-part test to determine if an employer is required to provide payment for an internship.”

If the following criteria are met, an employer is not legally required to pay an intern:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training that would be given in the educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees;
4. The employer that provides the training derives no immediate advantage from the activities of the intern, and on occasion its operations may be impeded;
5. The intern is not necessarily entitled to a job at the conclusion of the internship; and
6. The employer and the intern understand that the intern is not entitled to wages. (NACE: <http://www.naceweb.org/j022015/internship-legal-issues.aspx>)

Criteria for Internships According to NACE

If the above criteria are met/followed, it is the opinion of NACE, that the educational experience can be considered a legitimate internship.

To protect your company from legal retaliation, Northwood University recommends your internship framework meet these guidelines:

- The experience must be an extension of the classroom: a learning experience that provides for applying the knowledge gained in the classroom. It must not be simply to advance the operations of the employer or be the work that a regular employee would routinely perform.
- The skills or knowledge learned must be transferable to other employment settings.
- The experience has a defined beginning and end, and a job description with desired qualifications.
- There are clearly defined learning objectives/goals related to the professional goals of the student’s academic coursework.
- There is supervision by a professional with expertise and educational and/or professional background in the field of the experience.
- There is routine feedback by the experienced supervisor.
- There are resources, equipment, and facilities provided by the host employer that support learning objectives/goals.

For more information on NACE guidelines regarding the legal issues of Internships:

<http://www.naceweb.org/j022015/internship-legal-issues.aspx>