Unpaid Internship Considerations

Unpaid Internships and the Fair Labor Standards Act

Under the Fair Labor Standards Act, interns are entitled to receive at least minimum wage unless the position may be categorized as a Trainee/Learner position. The U.S. Department of Labor has established a six-part test for determining whether a position qualifies as a Trainee/Learner position and may be unpaid. *Any internship that does not satisfy each part of Trainee/Learner test must pay at least the minimum wage.*

Department of Labor Trainee/Learner Test:

- The training is similar to what would be given in a vocational school or academic educational institution.
- The training is for the benefit of the trainee or student.
- The trainee or student does not displace regular employees, but work under close observation.
- The employer derives no immediate advantage from the activities of the trainee or student, and on occasion the employer’s operations may be impeded.
- The trainee or student is not necessarily entitled to a job at the conclusion of the training period.
- The trainee or student understands that they are not entitled to wages for the time spent in training.

The following guidelines are helpful in determining whether an internship satisfies the DOL Trainee/Learner test above. An unpaid internship should meet most or all of the criteria below:

- The work performed in the internship is an integral part of the intern’s course of academic study (e.g. a practical application of material taught in the classroom).
- The intern receives, or is eligible to receive, academic credit (either from Carnegie Mellon or another institution) for the internship.
- The intern must prepare a report of his/her experience during or after the internship for review by a faculty supervisor (perhaps as a condition of receiving credit).
- The work performed is primarily for the purpose of learning as opposed to tasks that primarily benefit the employer and would normally be performed by paid employees.
- The internship will provide an opportunity for the intern to learn a skill, process, or other business function.
- The majority (i.e. greater than 50%) of the internship is spent shadowing employees and/or learning and developing skills.
- There is educational value to the work related to the intern’s course of academic study.
- A faculty or staff member closely supervises the intern.
- The internship identifies learning and development objectives, preferably in writing.
• It is clear that the intern is not guaranteed a job upon completion of the internship.

For unpaid internships, it is particularly important to clearly communicate, in writing, the fact that the internship is unpaid. A written description of the internship, including a summary of the learning goals, should also be provided to prospective interns.

Additional Considerations for Unpaid Internships

• Individuals accepting an internship should be provided with a letter documenting the length of the internship, the amount of hours per week, the educational goals of the internship, and the fact that the internship is unpaid.
• Interns who receive academic credit from Carnegie Mellon for the internship must be enrolled at the University during the internship (including summer semester).
• International students may be required to obtain appropriate work authorization before being permitted to participate in an unpaid internship. Please consult with the Office of International Education and the Office of the General Counsel.
• In order to insure that unpaid interns have proper insurance coverage, all departments using unpaid interns should provide the following information prior to the start of the internship period to Risk Management & Insurance Office at bcappo@andrew.cmu.edu and jemorris@andrew.cmu.edu: Intern name, time period of internship, department of internship, part-time or full-time student (if no, additionally provide the name of the intern’s health insurance company and policy number).
• Appropriate safety training should be provided to all interns based on the tasks they will be asked to perform. Please contact the Environmental Health & Safety Department for assistance with this training.
• Departments should consider the intellectual property rights of unpaid interns. Carnegie Mellon students are generally subject to the University’s Intellectual Property Policy, but students from other schools may be subject to other policies. This is particularly important if unpaid interns will perform work on sponsored projects. Before allowing an intern to participate in a sponsored project, it may be necessary to obtain approval of certain terms and conditions. For guidance, contact the Office of Sponsored Projects.
• The administration of any educational program at Carnegie Mellon, including unpaid internships, is subject to the University’s Statement of Assurance, which, among other things, prohibits the University from discriminating on the basis of race, color, national origin, creed, ancestry, sex, handicap, religion, belief, age, veteran status, sexual orientation or gender identity, or in violation of federal, state or local laws or executive orders.