



Could this be you? Hiring summer interns without violating the Fair Labor Standards Act

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Viacom, Inc. has just become the latest of several global media companies to enter into a multi-million dollar class action settlement with thousands of former interns. The interns, who worked at Comedy Central, MTV, Nickelodeon and other Viacom programs in New York and California, alleged they were unpaid or were paid less than minimum wage to do work comparable to that of paid employees.

As prospective interns approach businesses for summer learning opportunities, employers are well-served to adhere to the following guidance found in the Fair Labor Standards Act:

1. The internship is similar to training which would be given in an educational environment;
2. The internship experience is for the benefit of the intern;
3. The intern does not displace regular employees but works under close supervision of existing staff;
4. The employer derives no immediate advantage from the intern's activities and, on occasion, its operations may actually be impeded;
5. The intern is not necessarily entitled to a position at the conclusion of the internship; and
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

Failure to follow these requirements could result in costly violations of state or federal wage and hour laws for back pay, overtime pay, attorneys' fees and potential penalties, not to mention tax exposure for misclassifying the interns and not withholding taxes.

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