



*Putting the human back into human resources*

## **Summer Brings Interns into the Labor Market**

As students finish their studies for the school year, many are hoping to find a place to get some hands on experience to bolster their resume, as well as to begin using the information they have learned in school. That combined with employers looking for ways to cut expenses could create significant expose for employers.

The myths still exists that a company can title the worker as an intern, and in the process, avoid the need for payment of wages. After all, the company reasons that they are in fact training the person to do the job. However, the myth is wrought with flaws for the company.

Many newly graduated students, or those still working to complete their education are reluctant to come forward and complain about the lack of wages, when they are being provided an opportunity to make a name for themselves. They value the exposure as well as the opportunity to list a job on their resume.

The California Labor Code clearly outlines that any person who provides labor must receive at least minimum wage for hours that they work, as well as payment of premium overtime wages when they work in excess of either eight (8) hours in a day, or forty (40) hours in a given week. Furthermore, California Labor Code is equally clear that workers may not volunteer labor, nor may they waive any right to payment of wages for labor performed.

Some companies have established plans with their local college or university that allows for an internship program that provides the student with hands on experience in trade for classroom credit or other academic credit. Such a program must be established with the school in writing, and must be approved by the accredited learning institution for instructional or other academic credit in exchange for the hands on learning experience in order to qualify as an unpaid internship.

Enforcement efforts by the California Employment Development Department are focused on companies who fail to correctly pay workers. Certainly an incorrectly managed internship program will subject the company to financial exposure for unpaid wages in the event of an audit. Additionally, the company may find that they have significant cost associated with failure to issue appropriate itemized pay stubs for wages that should have been paid, as well as for payroll taxes that have not been properly handled on unpaid wages.

Lastly, employers should be aware of California Labor Code as it applies to workers who are under the age of 18 years old, and not yet graduated from high school. Employers must maintain a work permit on file for any employee under the age of 18 who has not yet graduated from school or become legally emancipated under state law. There are some narrow exceptions to the requirement for a work permit in the case of very small family businesses or small family farms. Employees between the age of 12 and 15 years of age are restricted in the number of hours they may work during a school summer break, as well as restricted in the hours of the day in which they may work. Violations of the California Child Labor Laws are subject to penalties from \$500.00 to \$10,000.00, as well as possible criminal penalties.