### A BILL FOR AN ACT

RELATING TO LABOR.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that upholding labor laws
- 2 and the minimum wage requirements are of the highest priority in
- 3 the State. The legislature recognizes that in 2018, the United
- 4 States Department of Labor put forth additional guidelines to
- 5 ensure individuals are not being taken advantage of by
- 6 for-profit companies under the guise of offering unpaid
- 7 internships. However, these guidelines have not yet been
- 8 codified in the United States Code, nor have they been
- 9 incorporated into the Hawaii Revised Statutes. The legislature
- 10 further finds that unpaid internships at for-profit companies or
- 11 institutions must be carefully regulated.
- 12 Accordingly, the purpose of this Act is to create clear
- 13 program criteria for unpaid student internships in the State.
- 14 SECTION 2. Chapter 388, Hawaii Revised Statutes, is
- 15 amended by adding a new section to be appropriately designated
- 16 and to read as follows:

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| 1  | " <u>§</u> 38 | 8- Unpaid student internships; program criteria.      |
|----|---------------|---|
| 2  | (a) All       | unpaid internships are prohibited except student      |
| 3  | internshi     | ps. To be classified as an unpaid student internship, |
| 4  | an intern     | ship program shall meet the following criteria:       |
| 5  | (1)           | The training shall be similar to training provided in |
| 6  |               | an educational program;                               |
| 7  | (2)           | The training shall be for the benefit of the student; |
| 8  | (3)           | The student shall work under close supervision and    |
| 9  |               | shall not displace regular employees;                 |
| 10 | (4)           | The student shall not be entitled to or obligated to  |
| 11 |               | accept a paid job at the conclusion of the internship |
| 12 |               | period, and may take a job elsewhere in the same      |
| 13 |               | field;  |
| 14 | (5)           | The student shall be notified in writing that the     |
| 15 |               | student shall not receive any wages and is not        |
| 16 |               | considered an employee for minimum wage purposes;     |
| 17 | (6)           | Any clinical training shall be performed under the    |
| 18 |               | supervision and direction of a person who is          |
| 19 |               | knowledgeable and experienced in the activity;        |
| 20 | <u>(7)</u>    | The student shall not receive employee benefits;      |

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| 1  | <u>(8)</u> | The training shall be general and qualify the student  |
|----|------------|--|
| 2  |            | to work in any similar business; provided that the     |
| 3  |            | training shall not be designed exclusively for a job   |
| 4  |            | with the employer who offers the internship program;   |
| 5  | (9)        | The screening process for the internship program       |
| 6  |            | shall:   |
| 7  |            | (A) Not be the same as for employment and shall not    |
| 8  |            | have the appearance of being for that purpose;         |
| 9  |            | and  |
| 10 |            | (B) Only use criteria relevant for admission into an   |
| 11 |            | independent educational program; and                   |
| 12 | (10)       | Advertisements, postings, or solicitations for the     |
| 13 |            | internship program shall clearly discuss education or  |
| 14 |            | training rather than employment; provided that         |
| 15 |            | employers may indicate that qualified graduates may be |
| 16 |            | considered for employment.                             |
| 17 | (b)        | For the purposes of this section, "student" means any  |
| 18 | person en  | rolled at least part-time in a course of instruction   |
| 19 | leading t  | o a degree, certificate, or diploma at a secondary or  |
| 20 | post-seco  | ndary educational institution, or who is completing    |
| 21 | residence  | requirements for a degree. A person shall be deemed    |

- 1 to be a student during the time that school is not in session if
- 2 the person was a student during the preceding semester."
- 3 SECTION 3. New statutory material is underscored.
- 4 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Che ari

JAN 2 3 2025

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### Report Title:

Labor; Unpaid Internships; Students; Guidelines

### Description:

Establishes clear criteria for unpaid student internship programs under the state wage laws.

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