

JAN 27 2021

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 since 2018, the
4 United States Department of Labor has put forth additional
5 guidelines to ensure individuals are not being taken advantage
6 of by companies under the guise of offering unpaid internships.
7 However, these guidelines have not yet been codified in the
8 United States Code Annotated, nor have they been incorporated
9 into the Hawaii Revised Statutes. The legislature further finds
10 that unpaid internships at for-profit companies or institutions
11 must be carefully regulated.

12 Accordingly, the purpose of this Act is to create clear
13 guidelines for establishing unpaid internships under the Fair
14 Wages Act.

15 SECTION 2. Chapter 388, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:



1 "§388- Educational internships; program criteria. (a)

2 All unpaid internships are prohibited except educational
3 internships. To be classified as an unpaid student internship
4 under this chapter, an internship program shall meet the
5 following criteria:

6 (1) The training is similar to training provided in an
7 educational program, regardless of whether it includes
8 actual operation of the employer's facilities;

9 (2) The training is for the benefit of the intern;

10 (3) The student works under close supervision and does not
11 displace regular employees;

12 (4) The activities of the student do not provide an
13 immediate advantage to the employer;

14 (5) The student is not entitled to a job at the conclusion
15 of the training period and may take a job elsewhere in
16 the same field;

17 (6) The student is notified in writing that the student
18 shall not receive any wages and is not considered an
19 employee for minimum wage purposes;



- 1 (7) Any clinical training is performed under the
2 supervision and direction of a person who is
3 knowledgeable and experienced in the activity;
- 4 (8) The student does not receive employee benefits;
- 5 (9) The training is general and qualifies the student to
6 work in any similar business; provided that the
7 training shall not be designed exclusively for a job
8 with the employer who offers the program;
- 9 (10) The screening process for the internship program:
- 10 (A) Is not the same as for employment and does not
11 have the appearance of being for that purpose;
12 and
- 13 (B) Only uses criteria relevant for admission into an
14 independent educational program; and
- 15 (11) Advertisements, postings, or solicitations for the
16 program clearly discuss education or training rather
17 than employment, although employers may indicate that
18 qualified graduates may be considered for employment.
- 19 (b) For the purposes of this section, "student" means any
20 person enrolled at least part-time in a course of instruction
21 leading to a degree, certificate, or diploma at a secondary or



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1 post-secondary educational institution, or who is completing
2 residence requirements for a degree. A person shall be deemed
3 to be a student during the time that school is not in session if
4 the person was a student during the preceding semester."

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

7

INTRODUCED BY: _____



S.B. NO. 988

Report Title:

Unpaid Internships; Students; Guidelines

Description:

Establishes clear guidelines for unpaid internships under the state wage and hour law.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

