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# A BILL FOR AN ACT

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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 federal  
14 Fair Labor Standards 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



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.



**Report Title:**

Unpaid Internships; Students; Guidelines

**Description:**

Establishes clear guidelines for unpaid internships under the state wage and hour law. (SD1)

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

