

# FLSA and Stipends

October 24, 2018

# e-Z Payment

- FLSA 6-tier test for Stipends vs. Wages
  - The training, even though it includes actual operation of the facilities of the employer, is similar to that which would be given in a vocational school;
  - The training is for the benefit of the trainee;
  - The trainees do not displace regular employees, but work under close observation;
  - The employer that provides the training derives no immediate advantage from the activities of the trainees and on occasion the employer's operations may actually be impeded;
  - The trainees are not necessarily entitled to a job at the completion of the training period; and
  - The employer and the trainee understand that the trainees are not entitled to wages for the time spent in training.

Source:

[https://www.dol.gov/whd/opinion/FLSANA/2004/2004\\_05\\_17\\_05FLSA\\_NA\\_inter\\_nship.htm](https://www.dol.gov/whd/opinion/FLSANA/2004/2004_05_17_05FLSA_NA_inter_nship.htm)