

BUSINESS OPERATIONS INTERNS & APPRENTICES

FACT
SHEET
2.5



Agricultural business owners are often bombarded with questions and enthusiasm from community members interested in the production process, especially as local food, homesteading, and self-sufficiency continue to gain popularity. Engaging someone eager to learn as an intern or apprentice can be a win-win—they gain valuable food production knowledge, and you gain from being their mentor. However, if you want to host an intern or apprentice, there are qualifications for these programs. Falling outside of them would make that worker legally an employee, and as such, you as the business owner would be responsible for compensating them to the minimum standards of employment set by the Fair Labor Standards Act, including minimum wage, overtime pay, and other benefits laid out in the law.

This Fact Sheet is intended to help navigate these designations and make plans best suited to you and your business.

INTERNSHIPS

The intern must be the primary beneficiary of the relationship, not the employer. Said another way, the intern must gain more from the experience in training and learning than the employer gains from labor.

The following questions, outlined by the U. S. Department of Labor, help identify if the person in question is operating in the scope of an internship or employment. The test, known as the “primary beneficiary test” is flexible; no one answer determines the result.

- ✓ Whether the intern clearly understands that they will receive no compensation. Any form of compensation or suggestion of compensation would make them an

employee. Providing food or lodging can muddy the waters here, as these are forms of In-Kind Payments. (*See Fact Sheet 2.9 In-Kind Payments for more information*).

- ✓ Whether ample training is provided, if that training is structured, and if that training is similar to what would be provided in a classroom setting.

The training needs to be transferable across the industry, not training on how your operation works. Think how you would train someone to open their own business, not how you train someone to work on yours.

- ✓ Whether the internship is tied to a formal education program by integrated coursework or receipt of academic credit.

Some colleges oversee internship experiences and offer academic credit for them. Contact your local colleges and universities to inquire about this option.

- ✓ Whether the employer is accommodating to the academic calendar and the intern’s academic commitments.

Many schools’ calendars conflict with the growing and producing season. Many internships are offered on a shorter term than a seasonal hire would work.

- ✓ Whether the internship is limited to the period in which the intern is provided beneficial learning.

This has been interpreted on a task-by-task basis as well as a seasonal one. It may take 20 supervised minutes to learn to correctly weed a pathway, not 40 hours.

- ✓ The extent that the intern's work complements, not replaces, the work of a paid employee.

Similar to the above, they should be doing a task only long enough to learn it, not necessarily the length it takes to complete it.

- ✓ The extent that the intern understands that the internship period does not guarantee a paid position.

An intern cannot be hired on as a "trial basis" for paid employment.

An intern should be learning new skills throughout their experience. Often this means it costs more to run an internship program than the interns themselves bring to it. It can be a full-time job to provide educational training. The Idaho Department of Labor can help answer any questions you have on these requirements and your specific operation.

Can't Meet Requirements or Unsure

Though this test is flexible, it is unclear how lenient a court would be on your operation if it was brought before them. If you cannot clearly meet all of these standards, the best risk management strategy would be to follow all employment laws for interns – including paying at least minimum wage. (See *Fact Sheet 2.8 Employer Responsibilities for more information*).

Requirements Met

If you think you do meet all the above requirements or would be willing to, you need a plan to keep thorough records throughout your internship program, have your interns sign an onboarding statement saying they understand they are an intern, and get workers' compensation insurance coverage for them.

APPRENTICESHIPS

Similar to internships, most positions with the informal title of "apprentices" are actually legally employees. The Idaho Department of Labor has

an apprenticeship program. These are registered with the state, usually paid, and a combined effort of an educational institution and the job training provider (i.e. your business). Contact your regional apprenticeship coordinator for more information.

A NOTE ON JOB TITLES

Some farmers and ranchers prefer to title their paid positions with terms like apprentice or intern to attract candidates invested in local food production and eager to learn, rather than those just looking for temporary employment. If you are following employment laws, that is fine. They will be legally employees in the eyes of the law, but how you internally refer to them is up to you.

