What is Fair Pay For A Paid Intern

ASK THE EXPERT

Question: Our organization would like to bring onboard a few interns over the next year or two. How do we determine if these should be paid or unpaid interns? If they are paid interns how do we establish a fair level of compensation?

The Differences Are In The Details

Recent conversations on the topic of interns in the workplace have centered on the question of whether or not interns should be paid. Recently we have seen 'crackdowns' on organizations that harboured many an unpaid intern. As a result of the recent spotlight and subsequent scrutiny some organizations have dropped their unpaid internships programs, although many still remain.

Across the country there are now fairly clear rules in place Provincially and Federally regarding paid and unpaid internships. There are specific education or training programs and institution that are eligible based on established criterion in your Province or Territory. With a review of eligible programs you should be able to quickly determine the internship status as paid or unpaid.

At Least Minimum Wage

If you discover that have to pay your intern or choose to pay your intern there are several factors to weigh in establishing fair compensation. Setting wages for interns can be a tricky process. On one hand interns are doing work and potentially bringing ideas, energy and more into the workplace, which can free up your existing resources. On the other hand interns often require more time and energy for training, supervision.

Across the country a paid intern would be considered an employee and, as such the Employment Standards Act for each jurisdiction would apply. Although there are Provincial variations in rules to determine what qualifies as an unpaid intern the general definition of what constitutes an employee is fairly consistent. An "employee" is a person who performs work for an 'employer'. This includes persons being trained by an employer unless part of an approved unpaid internship' or other programs. This means that, at a minimum, interns are eligible for the minimum wage in your jurisdiction.

Fair Compensation For Contributions

Of course the requirement to pay minimum wage is not the end of the conversation. Internship programs can include a range of interns of various levels of skill and experience including 3rd and 4th year or graduating college and university students, graduate and Ph.D. students, internationally educated professionals and others who can contribute real value to an organization. As a result paying the 'minimum wage' may not be appropriate compensation for your interns.

Determining the wage of an internship, as with any position, should be based on many factors. The educational and training requirements, skills, years of experience, level of responsibility and other factors are still relevant. In the case of an internship this can be weighted against the costs of the intern in terms of the training and supervision required to manage the intern. Even highly capable interns will require additional staffing time and resources, as the internship program itself will have requirements for meetings, reporting and supervision that will have a cost to your organization. Trying to find a way to balance what you give with what you are getting is fair consideration.

Equal to or Less Than Entry Level Pay

In setting a wage consider the job in alignment with other positions in your organization. If the position plays a role similar to an entry-level position, in terms of qualifications and contributions, you may choose to pay equal to or slightly below an entry-level employee (assuming you do not pay below minimum wage). The justification for paying lower will be the additional requirements of the internship in conjunction with the fact that generally the intern will usually have slightly less experience and skills compared to an entry level employee in the same department.

As you move up the scale in terms of qualifications and expectations you should keep in mind a comparison of the interns role to that of other employees. Interns are often only available for a short time and may not be able to contribute to bigger projects, take on leadership roles among other things. As a result the wage you offer an intern should reflect the reality that most interns require more of your time and resources. While you may find a highly qualified intern who does not require any support you generally have to build the internship criterion and wage for the many and not the few exceptions. As such, paying an intern less than an employee in job that is similar may be appropriate and justifiable.

Setting a fair wage for an internship you want to continue should not be based solely or even largely on the first intern. It should be based on the role the internship will play in your organization. Consider it as you would any other position.

There was a time when the experience of an internship offered a competitive edge in the labour market such that the lack of monetary compensation was acceptable to many interns. Today many organizations and the interns themselves recognize that the work of interns is work and requires fair and appropriate compensation.