FLSA and Stipends
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: