

Maryland State Department of Education
Division of Rehabilitation Services
Employer Fact Sheet:
Internships/Unpaid Work-Based Learning Experiences

The Maryland State Department of Education, Division of Rehabilitation Services (DORS) administers the public vocational rehabilitation (VR) program that helps individuals with disabilities obtain and maintain gainful employment. Research has confirmed that participation in internships and work-based learning experiences increases the likelihood that an individual with a disability will achieve gainful employment.

The purpose of this fact sheet is to provide information regarding internships/unpaid work-based learning experiences for DORS consumers.

Overview of Internships or “Work-Based Learning Experiences”

An unpaid work-based learning experience or internship with a company is a learning experience for the DORS consumer and is an extension of the consumer’s vocational rehabilitation program.

(Note: "Company" in this fact sheet refers to for-profit businesses or nonprofit, charitable or religious organizations that provide an unpaid work-based learning experience to a DORS Consumer.)

An internship meets the following six criteria:

1. The internship, even though it includes actual operation of the facilities of the employer, is similar to training which would be given in an educational environment.
2. The internship experience is for the benefit of the intern.
3. The intern does not displace regular employees, but works under close supervision of existing staff.
4. The employer that provides the training derives no immediate advantage from the activities of the intern; and on occasion its operations may actually be impeded.
5. The intern is not necessarily entitled to a job at the conclusion of the internship.
6. The employer and the intern understand that the intern is not entitled to wages for the time spent in the internship.

An internship/unpaid work-based learning experience with a company that does not meet these six criteria may be considered employment under the Fair Labor Standards Act (FLSA). An employee would be entitled to minimum wage and overtime compensation for hours worked over 40 in a workweek. (US Department of Labor, Wage and Hour Division, [Fact Sheet #71: Internship Programs under the Fair Labor Standards Act](#)).

Workers’ Compensation for DORS Consumers

Under Maryland law, [Education Article §21-310, Annotated Code of Maryland](#), a DORS consumer who is placed with an employer in an unpaid work-based learning experience is a covered employee for purposes of Worker’s Compensation coverage for medical services and treatment under the State’s worker’s compensation laws.

Employer Cost to Cover DORS Consumers for Workers' Compensation

Workers' compensation premiums are based on the rates established for categories of employment within industries multiplied by an employer's payroll for each category. The number of workers' compensation claims made against a particular employer may also impact the cost of premiums (e.g., an employer's experience rating). Since DORS consumers in unpaid work-based learning experiences/internships do not increase an employer's payroll for any category, little or no additional cost in premiums should occur.

While there may be little or no increase in workers' compensation premiums, the law requires the State Department of Education to reimburse the employer the cost of the intern's workers' compensation coverage or \$250, whichever is less, for each DORS consumer participating in an unpaid work-based learning experience/internship. To receive reimbursement, forward documentation of the premium and an invoice for the amount, not to exceed \$250, to: DORS, Administration & Finance Director, 2301 Argonne Drive, Baltimore MD 21218 or Darlene.Peregoy@maryland.gov.

Next Steps

If you are interested in hosting a DORS consumer in a work-based learning experience at your place of business, contact DORS. DORS staff will work with the company to identify an appropriate candidate who will meet with you and visit your place of business. To formalize the internship, the DORS consumer, DORS staff and a representative of the company will sign an agreement, *Internship Agreement: Unpaid Work-based Learning Experiences*, detailing expectations and understandings.

More Information: Please contact [Wanda Peele](mailto:Wanda.Peele@maryland.gov), Business Relations Director, 410-554-9408, wanda.peele@maryland.gov