

# SC WORKS

## PEE DEE

PEE DEE INSTRUCTION NUMBER: WIOA-19-009  
TO: Pee Dee Local Workforce Development Area Contractors  
SUBJECT: Payment of Stipends versus Wages for Work Experience  
ISSUANCE DATE: May 26, 2020  
EFFECTIVE DATE: Immediately

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**Purpose:** The purpose of this amendment is to clarify when a paid work experience activity may be classified as a “training situation” for the purpose of paying stipends versus wages to participants.


**Background:** According to the Wage and Hour Division of the USDOL, Employment Standards Administration, certain criteria are used in establishing whether a participant is an employee or a trainee of the employer site. If all criteria are met, the work experience can be considered a training situation, and therefore, stipends versus wages may be paid.

**Policy:** Effective immediately, the following criteria must be used in establishing employee versus trainee status. If all six criteria are met, a work experience activity may be considered a training situation and stipends may be paid. If any of the six criteria are not met, then a participant must be considered an employee and be paid wages.

A participant is NOT an employee of the employer site if:

1. The training, even though it includes actual operation of the facilities of the employer, is essentially a training experience similar to a vocational school;
2. The participant is primarily the beneficiary of the experience;
3. The regular employees are not displaced and the experience is closely supervised/observed;
4. The “employer” that hosts the experience derives no immediate or significant advantage (and may experience an actual downside);
5. The participant is not necessarily entitled to a job at the conclusion of the experience; and
6. There is mutual understanding between the participant and the host agency that the participant is not entitled to wages for this time because the activity is essentially a training experience.

**Inquiries:** Questions pertaining to this instruction should be directed to Joette Dukes at (843) 669-3138.



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Joette R. Dukes, Workforce Development Director

Attachment:

<file:///F:/Work%20Experience.TA.Final.10.18.pdf>