



Employee onboarding, orientation, and training: Are they required to be paid?

When new employees join a company, they often go through training or onboarding activities like orientation sessions, paperwork completion, and job-specific instruction. These tasks raise a crucial question: are employers required to compensate employees for this time? The answer largely depends on the nature of the activities and their connection to the employee's role.

When does a candidate become an employee?

Determining when a candidate transitions from being an applicant to an employee is essential for understanding whether activities like onboarding, orientation, or training are compensable. This distinction is particularly relevant in industries like unionized construction, where the referral process involves dispatch systems and pre-employment.

Applicant (candidate) stage:

At this stage, an individual has been referred to an Employer. Employers may require applicants to participate in activities such as pre-employment screenings, including drug tests or physical fitness tests absent CBA language creating a different condition.

Generally, these activities are not compensable because the applicant is not yet an employee. Courts have consistently ruled that pre-employment activities fall outside the scope of employment and are not subject to wage requirements.

What about orientation periods?

Orientation sessions, including tasks like reviewing company policies, completing paperwork, and attending introductory meetings, are generally compensable. This is because these activities are required by the employer and directly benefit the organization.

What happens if an employee quits or separates during orientation?

If an employee completes a short orientation period – let's say one hour – and then resigns the same day, they are still entitled to compensation for the time worked. Key points to consider include:

Wages owed:

1. Employers must pay employees for all hours worked, including orientation, even if the individual quits or is fired immediately afterward. This aligns with the FLSA requirements to pay for all compensable work performed, as long as the individual was considered an employee.

Final paycheck:

2. State laws govern when and how final paychecks must be issued. For example, some states require immediate payment upon termination, while others allow payment on the next regular payday.
3. Your Collective Bargaining Agreement may have more stringent requirements than state law; ensure compliance with the site local CBA.

Costs of onboarding:

4. Employers cannot deduct the cost of training or onboarding from the employee's wages unless explicitly allowed by state law and agreed upon in advance.

When is training compensable?

The Fair Labor Standards Act (FLSA) provides guidelines for determining whether training time is compensable. Training is typically paid unless it meets all the following criteria:

1. Attendance is outside regular working hours:
 - Training must occur outside the normal working schedule.
2. Participation is Voluntary:
 - If the training is optional, it may not require compensation.
3. The Training is Not Directly Related to the Job:
 - General education or career-development training, not tied to an employee's current role, can be non-compensable.
4. No Productive Work is performed during the training
 - If the employee performs tasks that benefit the employer during training, they must be paid.

For example, an employee attending mandatory safety training, learning new job-specific systems, or completing onboarding paperwork is entitled to compensation, as these activities are integral to their role.

Understanding the distinction between applicants and employees, as well as the rules governing compensable activities, are essential for ensuring compliance with labor laws and fostering good work relations. By doing so, employers can avoid disputes and maintain compliance with legal and contractual obligations.

Additional resources through the DOL Wage and Hour Division can be found [here](#).

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