

**Pittsburg State University
Interoffice Memorandum
Human Resource Services**

Memo To: Deans, Directors, Chairs, Contact Persons &
Timekeepers

From: Michele Sexton

Date: July 5, 2007

Subject: Implementation of Minimum Wage Increase

On May 25, 2007, President Bush signed into law the Fair Minimum Wage Act of 2007. The Act increases the federal minimum wage from \$5.15 to \$7.25 per hour over the next 26 months (from \$5.15 to \$5.85; \$5.85 to \$6.55; and \$6.55 to \$7.25). We have two categories of student employees that are affected by this change: 1) Hourly paid student employees in positions originally or currently paid \$5.15 per hour, including those that have been awarded \$0.25 per hour/ per year of service incentive; and 2) Hourly paid student employees in positions approved to be paid more than \$5.15 per hour from non-General Use funds. PSU will implement the first increase (+\$0.70) **effective with the July 15, 2007 pay period**. Procedures to change the hourly rate for the different groups are as follows:

1) Hourly paid student employees in positions originally or currently paid \$5.15 per hour, including those that have been awarded \$0.25 per hour/ per year of service incentive:

HRS will increase hourly rates for student employees paid \$5.15, \$5.40, \$5.65 or \$5.90 by \$0.70 cents effective with the July 15, 2007 pay period as follows:

<u>Current rate of pay*</u>	<u>Rate effective 7/15/07</u>
\$5.15	\$5.85
\$5.40	\$6.10
\$5.65	\$6.35
\$5.90	\$6.60

* Current rate is the rate paid on 7/14/07.

Hourly student employees will retain the \$0.25 per hour/per year of service incentive.

DEPARTMENTS WILL NOT NEED TO INITIATE CHANGES FOR THESE STUDENTS. Their pay rates will be changed by HRS.

2) Hourly paid student employees in positions approved to be paid more than \$5.15 per hour from non-General Use funds:

Departments will need to initiate a pay rate change to raise a student's pay rate to a minimum of \$5.85 per hour effective with the July 15, 2007 per period. The department may raise rates above \$5.85 as appropriate for their budget. Rate changes above \$5.85 must be approved by the Vice President, Administration & Campus Life.

Timekeepers: Use the GUS student appointment process to revise the pay rate BY July 20th.

The next increase of the federal minimum wage will take place July 13, 2008 (\$0.70 increase from \$5.85 to \$6.55 per hour) and again on July 12, 2009 (\$0.70 increase from \$6.55 to \$7.25 per hour).

The FY 08 student hourly budgets will not be increased. Please visit with the appropriate Vice President/Dean after analyzing the fiscal impact of the minimum wage increase and the impact on your departmental hours of operation.

Please contact Michele Sexton (x. 4188) or Kayla Devereaux (x. 4121) if you have questions.