The following are details regarding the implementation of the State Minimum Wage increase for BGSU student employees paid by the hour:

What are the specifics of the minimum wage increase?

As a result of the passage of Issue 2 in November 2006, the Ohio minimum wage is evaluated each September. Based on information announced October 2014, the Ohio minimum wage will increase to $8.10 per hour as of January 1, 2015. According to BGSU’s office of Payroll Accounting, the increase will go into affect with the January 16, 2015 payday, which corresponds to the December 21, 2014 through January 3, 2015 pay period.

Who is affected by this law and how will the University comply?

Student employees paid an hourly wage via the BGSU payroll system and whose hourly BASE RATE is less than $8.10 will receive a pay adjustment to bring their current base rate to $8.10. Pay adjustments will be made via a programmed batch process late in December. Individual departments do not have to take action to increase the wages of their students who are not making a base rate of at least $8.10 per hour. Student Employment Services (SES) and ITS will assist with testing, verification, and compliance as well as monitoring and updating individual payroll adjustments to ensure compliance with the law.

What are the primary components of student wages?

Jobs are created and posted at a specified BASE RATE to ensure that all students hired into the same positions earn the same starting rate. At any time departments can modify the base rate for a position, due to changes in the job duties, department restructuring, or other factors. When a department requests a change in the base rate for a specific job, all students in that job receive the same change in their base rate. (Implementing this change requires collaboration between the department and SES.)

Merit raises are awarded by departments to individual students for exemplary service, typically in an amount from $.05-$0.20 per hour. Merit raises are noted separately from the base rate in the payroll system, and are added to the base rate when calculating total hourly rate for student paychecks. Merit raises stay within the department or unit, depending on the department structure and practice.

Longevity raises can be awarded by departments to individual students based on continued satisfactory service, typically in an amount from $.05-$0.20 per hour. Longevity raises are noted separately from the base rate in the payroll system, and are added to the base rate when calculating total hourly rate for student paychecks. Longevity raises stay within the unit/department.

What about merit and longevity premiums previously awarded to students in recognition of exceptional performance or time on the job?

During the process to increase base rates to $8.10, students will maintain their existing merit and longevity premiums. These premiums for exemplary work (merit) and hours worked in the department (longevity) will be added to the base rate of $8.10 in determining a student’s total hourly wage.
What about students who are currently making at least $8.10 per hour?

It depends. Students whose BASE RATES are already $8.10 or higher will not receive the mandated wage increase as part of this across-the-board adjustment. However, students with a base rate less than $8.10 who have earned merits and/or longevity raises (bringing their total hourly wages to more than $8.10) will receive a pay adjustment increasing their base rate to $8.10. In these cases, earned merits/longevity premiums will be maintained (i.e., added to the base rate) in students’ payroll records.

What will be done about the students whose base rates are already $8.10 or higher - will they get a similar pay increase?

Not unless the department specifically requests a change in the base rate for the particular job, and identifies the students in that job. The $8.10 minimum is mandated by state law. The decision to increase the base rates for other jobs will be left up to departments. Any wage compression that occurs as a result of the mandated pay increase is to be addressed by employers. SES will not make any adjustments to student wages (other than the minimum wage) without specific written documentation from the department (i.e., forms).

What if I want to make adjustments in my department’s current wage structure to coincide with the minimum wage increase?

In order to make adjustments to jobs not affected by the minimum wage increase, and to have those changes in place for the first payday 2015, we ask that you submit the appropriate paperwork to SES by December 8, 2014. We offer individual phone and in-person consultation appointments for departments considering restructuring of student wage rates. During the appointment, we will suggest ways to simplify and/or restructure your job hierarchies, discuss options for implementation, and schedule the process for your department.

Given that the Ohio Minimum Wage is evaluated annually and considered for an increase each September, what proactive steps can departments take to simplify their student employee wage structures, minimize salary compression, and streamline the administration of student employment?

Departments have the ability to restructure jobs and position descriptions to align wage rates to accommodate annual increases in the minimum wage. Actions include:

- Review existing job descriptions across the department and eliminate jobs that are obsolete.
- Centralize the responsibility for job analysis (creating new positions) and compensation (determining base rates) within the department, unit, or college to eliminate duplication, wage compression, and ambiguous job titles and descriptions.
- Create a classification system for student employment positions and pay grades (base rates) to define positions by levels of complexity, job knowledge, technical competencies, and supervisory requirements (e.g., Student Assistant 1, Student Assistant 2). This will enable supervisors to reward outstanding job performance or continuous service by promoting students into higher-level positions with corresponding base rates.
  - Identify student jobs with similar core functions that may have distinct or unique titles.
  - Categorize jobs with similar requirements (knowledge, skills, and abilities) that are compensated at the same rate.
- Adoption of a department-wide job classification system that takes into account students’ existing merit raises and converts a student in a “base rate plus merit” situation into a new classification that consists of only a base rate.
Plan for regular review of student work performance to coincide with the (probable) annual increase of the state minimum wage (determined in September and implemented the following January 1st).

What about the jobs I currently have posted whose base rates are less than $8.10?

You do not have to notify SES regarding any of your current job postings. We will update them online and in the job posting database, WorkNet. Each department will receive an updated Job Index Listing as a result of this process.

What if I have questions about this document or the adjustments due to the Ohio Minimum Wage increase?

Please contact any of the staff members listed below:

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