

**Compensation Planning Instructions  
Undergraduate Students  
Fiscal Year 2027**

This memo provides parameters and information to guide your unit in budgeting for your undergraduate student compensation for fiscal year 2027. The President is recommending these parameters to the Board of Regents as part of the overall University budget. The fiscal year 2027 budget recommendation will be considered for approval by the Board of Regents in June.

Please note, there is a central HRMS implementation of the following pay plan parameters. Increases will be processed centrally by the Workforce Data Management team.

Student employees covered by these parameters include:

- Undergraduate student employees on all University of Minnesota campuses, including job classifications 2221 through 2226.

**Salary Floor**

For FY27, the floor or minimum hourly rate for undergraduate student workers will be \$15.25 per hour. Every student employee must be paid at or above the floor. Returning student workers should still receive increases to their hourly rate of pay.

**Annual Pay Increases**

There is no standard salary increase budget for student employees. Salary adjustments and/or lump sum increases may be granted at any time during fiscal year 2027 at the discretion of the unit.

**Promotional Increases**

Units that have established criteria for promotional increases for their undergraduate students may continue to follow these procedures.

**Overtime**

Students must be paid overtime, one and a half times the individual's regular rate of pay, when a student employee works in excess of 40 hours per week.

**Working with Student Employees**

You may refer to the following link for more information on working with student employees, including general hiring and management information:

<https://hr.umn.edu/Supervisors/Working-Student-Workers/Hiring-and-Managing-Student-Workers>

**Questions**

If you have further questions, please refer to your campus/college/unit's HR department.