COLORADO
Department of Labor and Employment

Division of Labor Standards and Statistics
633 17th Street, Suite 600
Denver, CO 80202-2107

Colorado Minimum Wage Fact Sheet

December 2015

This information is subject to change and does not constitute legal advice.

Article XVIII, Section 15, of the Colorado Constitution requires the Colorado minimum wage to be adjusted annually for inflation. This fact sheet describes the minimum wage and inflation adjustment process.

Colorado State Minimum Wage

- **January 1, 2016, will increase to $8.31 per hour.**
- January 1, 2015, increased to $8.23 per hour.
- January 1, 2014, increased to $8.00 per hour.
- January 1, 2013, increased to $7.78 per hour.
- January 1, 2012, increased to $7.64 per hour.
- January 1, 2011, decreased to $7.36 per hour.
- January 1, 2010, increased to $7.24 per hour.

Tipped Employees Minimum Wage (employees who regularly receive tips)

- **January 1, 2016, will increase to $5.29 per hour ($8.31-$3.02).**
- January 1, 2015, increased to $5.21 per hour ($8.23-$3.02).
- January 1, 2014, increased to $4.98 per hour ($8.00-$3.02).
- January 1, 2013, increased to $4.76 per hour ($7.78-$3.02).
- January 1, 2012, increased to $4.62 per hour ($7.64-$3.02).
- January 1, 2011, decreased to $4.34 per hour ($7.36-$3.02).
- January 1, 2010, increased to $4.22 per hour ($7.24-$3.02).

No more than $3.02 per hour in tip income may be used to offset the minimum wage of tipped employees.

Colorado State Minimum Wage versus Federal Minimum Wage

If an employee is covered by federal and Colorado state minimum wage laws, then the employer must pay the higher minimum wage. On January 1, 2016, federal minimum wage is anticipated to remain at $7.25 per hour, which is lower than the 2016 Colorado state minimum wage of $8.31. Therefore, based upon current information, covered employers in Colorado will have to pay their employees the higher value of $8.31 per hour under Colorado law.

Tipped Minimum Wage

If a tipped employee is covered by federal and Colorado state minimum wage laws, then the employer must pay the higher minimum wage for tipped employees. On January 1, 2016, federal tipped minimum wage is anticipated to remain at $2.13 per hour, which is lower than the 2016 Colorado tipped minimum wage of $5.29 per hour. Therefore, based upon current information, covered employers in Colorado will have to pay their tipped employees the higher value of $5.29 per hour under Colorado law. If an employee's tips combined with the employer's cash wage of at least $5.29 per hour do not equal the minimum hourly wage at $8.31 per hour, the employer must make up the difference in cash wages.

Inflation Adjustment Process

In accordance with the Colorado Constitution, the Colorado minimum wage is adjusted annually for inflation as measured by the Consumer Price Index used for Colorado. The inflation adjustment is based on the Consumer Price Index for All Urban Consumers (CPI-U), All Items, for the Denver-Boulder-Greeley combined metropolitan statistical area as published by the United States Bureau of Labor Statistics (BLS).

The CPI-U increased 1.0 percent from the first half of 2014 to the first half of 2015, which results in the new minimum wage of $8.31 per hour effective January 1, 2016. The August 19, 2015, BLS press release provides additional details on the Consumer Price Index data used in the minimum wage adjustment.

Subsequent annual minimum wage calculations will be identical and will compare changes in the CPI-U from the first half of the preceding year with the first half of the current year to calculate a new minimum wage for the next year.

For example, changes observed in the CPI-U from the first half of 2015 to the first half of 2016 will be used to calculate the minimum wage effective January 1, 2017. It is anticipated that data for future minimum wage adjustments, as provided by the BLS, will be available to the public in mid-August preceding each January adjustment.

Who Must Receive Minimum Wage

The state minimum wage shall be paid to employees who receive the state or federal minimum wage. Article XVIII, Section 15, of the Colorado Constitution has not altered the coverage of employers, or the exemption of certain employees, from state or federal wage and hour laws.

Filing Complaints

The Division may accept complaints regarding non-payment of minimum wage. Visit www.colorado.gov/cdle/labor, or call 303-318-8441 for information on how to file a complaint.

Federal Law and Additional Resources

Contact the U.S. Department of Labor for information on federal workplace laws. Visit www.dol.gov or call 720-264-3250 for more information.

Text of Colorado Constitution, Article XVIII, Section 15

Effective January 1, 2007, Colorado's minimum wage shall be increased to $6.85 per hour and shall be adjusted annually for inflation, as measured by the Consumer Price Index used for Colorado. This minimum wage shall be paid to employees who receive the state or federal minimum wage. No more than $3.02 per hour in tip income may be used to offset the minimum wage of employees who regularly receive tips.