

# Colorado Wage Act

The Colorado Wage Act (C.R.S. 8-4-101 *et seq.*) requires Colorado employers to pay employees their earned wages in a timely manner. The Wage Act is commonly referred to as the Colorado Wage Law or Colorado Wage Claim Act.

## COVERAGE (8-4-101)

Applies to private sector employers in Colorado.  
Does not apply to public sector employers.  
Does not apply to independent contractors.

## DEFINITION OF WAGES (8-4-101(8))

- Wages are defined as all earned, vested, and determinable amounts for labor or service performed by employees, regardless of the method of calculation (e.g., time, task, piece, commission, etc.).
- Bonuses or commissions earned in accordance with the terms of any agreement are wages.
- Vacation pay earned in accordance with the terms of any agreement is wages.
- Severance pay is not defined as wages.

## PAY PERIODS AND PAYDAYS (8-4-103(1))

- Pay periods can be no greater duration than a calendar month or 30 days, whichever greater.
- Paydays must occur no later than 10 days following the close of each pay period.

## PAY STATEMENTS (8-4-103(4))

At least monthly, or at the time of payment of wages, the employer must furnish to the employee an itemized pay statement in writing showing:

- Gross and net wages
- All withholdings and deductions
- Inclusive dates of the pay period
- Name of the employee or SS#
- Name and address of the employer

## DIRECT DEPOSIT (8-4-102(2))

Payment of wages by direct deposit must be voluntarily authorized by the employee. Such direct deposit must be in the financial institution chosen by the employee.

## DEDUCTIONS FROM WAGES (8-4-105)

### Permissible deductions from wages include:

1. Deductions mandated by local, state, or federal law, such as taxes, FICA requirements, garnishments, and court-ordered deductions.
2. Deductions for loans, advances, goods or services, and equipment or property provided by an employer to an employee pursuant to an enforceable written agreement.
3. Deductions to cover the cost for theft if a report has been properly filed with law enforcement.
4. Deductions authorized by an employee that are revocable, including medical insurance, savings plans, stock purchases, pension plans, charities, and deposits to financial institutions.
5. Deductions for the amount of money or value of property that the employee failed to properly pay or return when the terminated employee was entrusted with such money or property.
6. Deductions below the minimum wage applicable under FLSA are not authorized.

## FINAL PAY (8-4-109)

Wages must be delivered to either the work site, employer's local office, or the employee's last known mailing address as follows:

### Employer ends the employment relationship

1. If the accounting unit is scheduled to be operational, pay is due immediately.
2. If the accounting unit is not scheduled to be operational, pay is due not later than 6 hours after the start of the accounting unit's next regular workday.
3. If the accounting unit is located off-site, then wages are due no later than 24 hours after the start of the accounting unit's next regular workday.

### Employee quits or resigns

Wages are due by or on the next regular payday.

## ENFORCEMENT (8-4-111)

1. The Director of the Division of Labor is required or authorized to conduct investigations and inquiries regarding alleged violations of the Wage Act.
2. District Attorneys in Colorado may prosecute violations of the Wage Act.
3. Employees may pursue wages in a civil action.

## DISCRIMINATION PROHIBITED (8-4-120)

Employers may not intimidate, threaten, restrain, coerce, discharge, or in any manner discriminate against any employee who has filed a complaint under the Wage Act.

## NONWAIVER OF RIGHTS (8-4-121)

Any agreement, written or oral, by any employee purporting to waive or modify such employee's rights in violation of the Wage Act shall be void.

## STATUTE OF LIMITATIONS (8-4-122)

All actions brought pursuant to the Wage Act shall be commenced within 2 years after the cause of action accrues. Willful violations of the Wage Act shall be commenced within 3 years after the cause of action accrues.

## POSTING REQUIREMENTS (8-4-107)

Employer must post conspicuously a notice specifying the regular paydays and the time and place of payment. The notice must include any changes to paydays & time and place of payment.

## WAGES OWED / PAY DEMAND (8-4-109(3))

If an employer refuses to pay all wages earned and vested through the employee's last day of employment, the employee may:

1. Make a written demand within 60 days after the date of separation specifying where to send the wages.
2. If the employee's earned wages are not mailed to the place specified in the demand and postmarked within 14 days after the receipt of the demand, the employer shall be liable for the wages **and** a significant penalty that may meet or exceed 125% of the amount owed or up to 10 days of compensation, whichever is greater.
3. The employee may only recover the above penalties in court; the Division cannot recover penalties for employees.