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Colorado's Minimum Wage Increased January 1

January 2, 2015



The Colorado minimum wage increased by 23 cents to \$8.23 per hour on January 1, 2015. Tipped employees are entitled to receive at least \$5.21 per hour. These increases to Colorado's minimum wage rates reflect the annual adjustment for inflation required by the Colorado Constitution.

Minimum Wage Adjusted Annually

The Colorado minimum wage rate must be adjusted annually based on the consumer price index (CPI) for Colorado. According to the U.S. Bureau of Labor Statistics, the CPI for the Denver-Boulder-Greeley metropolitan area increased by 2.9 percent from 2013 to 2014. Higher housing costs as well as an increase in energy and food prices accounted for most of the rise in the CPI. Applying the 2.9 percent CPI increase to the 2014 state minimum wage rate resulted in the 23 cent per hour increase in the minimum wage for 2015.

Greater of Federal and State Minimum Wage Applies

Remember, employees who are subject to both the state and federal minimum wage laws are entitled to be paid the higher of the two hourly minimum rates of pay. Currently, Colorado's \$8.23 minimum wage rate tops the federal \$7.25 minimum hourly rate so employers must pay their non-exempt employees working in Colorado at the higher Colorado rate. However, the minimum wage rate for certain federal contractors is \$10.10 per hour so employees working on covered federal contracts may be entitled to the higher contractor rate.

If you have any questions regarding this change or other Colorado wage and hour laws, contact any attorney in the Denver office of Fisher & Phillips at 303.218.3650.

This Legal Alert provides an overview of a specific new state law. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.

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