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Colorado Minimum Wage Fact Sheet

November, 2007

[This information is subject to change and does not constitute legal advice.](#)

Background

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, 2007, increased to **\$6.85** per hour.
- January 1, 2008, will increase to **\$7.02** per hour.
- January 1, 2009, and in subsequent years, is adjusted annually according to the process described below.

Tipped Employees Minimum Wage (employees who regularly receive tips)

- January 1, 2007, increased to **\$3.83** per hour (\$6.85-\$3.02).
- January 1, 2008, will increase to **\$4.00** per hour (\$7.02-\$3.02).
- January 1, 2009, and subsequent years, is computed by subtracting \$3.02 from the adjusted minimum wage.

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

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 2.5 percent from the first half of 2006 to the first half of 2007, which results in the new minimum wage of \$7.02 per hour effective January 1, 2008. The August 15, 2007, 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 2007 to the first half of 2008 will be used to calculate the minimum wage effective January 1, 2009. 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 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 of Labor may accept complaints regarding non-payment of minimum wage. Visit www.coworkforce.com/lab, or call 303-318-8441 for information on how to file a complaint. The Division of Labor cannot investigate complaints regarding termination, interview, selection, or promotion disputes, reductions in work hours, or disputes pertaining to other terms and conditions of employment. You may wish to contact an attorney for legal guidance on these topics.

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. The Advisory Bulletins and Resource Guide, produced by the Division of Labor, is a comprehensive guide to Colorado labor and employment laws. Click [here](#) to access the guide.

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.