

## **Colorado's Minimum Wage Of \$7.78 Per Hour Supersedes Current Federal Minimum Wage Rate**

Effective January 1, 2013 Colorado raised its minimum wage rate to \$7.78 per hour.

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).

The CPI-U increased 1.8 percent from the first half of 2011 to the first half of 2012, which results in the new minimum wage of \$7.78 per hour effective January 1, 2013.

Since July 24, 2009, the federal minimum wage for covered nonexempt employees is \$7.25 per hour. The federal minimum wage provisions are contained in the Fair Labor Standards Act (FLSA).

The federal minimum wage law supersedes state minimum wage laws where the federal minimum wage is greater than the state minimum wage. Alternatively, in those states where the state minimum wage is greater than the federal minimum wage, the state minimum wage prevails and the employee is entitled to the higher minimum wage.

### **What This Means For Counties**

Counties should now be paying the Colorado minimum wage enacted in January 2013 of \$7.78 per hour. However, President Obama has advocated increasing the federal wage floor to over \$8.00 per hour and indexing future increases to the inflation rate. Counties may want to adjust budget figures for the possible increase in the federal minimum wage. The increased federal minimum wage may be greater than the Colorado minimum wage.

For more information, contact CTSI at 303-861-0507.