

Colorado's Minimum Wage Supersedes Federal Minimum Wage

In November 2016, Colorado citizens voted for Amendment 70, which raises the state minimum wage. The minimum wage is the lowest wage that can be paid to most workers under the law.

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 only where the federal minimum wage is greater than the state minimum wage.

Alternatively, in states like Colorado, where the state minimum wage is greater than the federal minimum wage, the state minimum wage prevails, and employees are entitled to the higher minimum wage.

AMENDMENT 70

Amendment 70 posed the following question to Colorado voters:

Shall there be an amendment to the Colorado constitution increasing the minimum wage to \$9.30 per hour with annual increases of \$0.90 each January 1 until it reaches \$12 per hour effective January 2020, and annually adjusting it thereafter for cost-of-living increases?

The Amendment passed by 55.4% resulting in the state minimum wage rising from \$8.31 per hour to \$9.30 on January 1, 2017. Because the Amendment raises the rate in stages, as shown in the table below, the rate has continued to rise since 2020:

YEAR	MINIMUM WAGE
2020	\$12.00
2021	\$12.32
2022	\$12.56
2023	\$13.65

Since the minimum wage reached \$12 in 2020, it now adjusts based on the annual cost-of-living increase. The Colorado minimum wage adjusts annually for inflation as measured by the Consumer Price Index. The inflation adjustment is based on the Consumer Price Index for All Urban Consumers (CPI-U). The cost-of-living adjustment increases by 8.68% for 2023.

WHAT THIS MEANS FOR COUNTIES

Effective January 1, 2023, Colorado has raised its minimum wage rate to \$13.65 per hour. Counties should have begun paying all minimum wage employees the new rate of \$13.65 for regular employees and \$10.63 for tipped employees unless they enact a higher local minimum wage law. For more information, contact CTSI at (303) 861-0507.