

**REGULATORY ANALYSIS
FOR
Proposed Changes to the Wage Protection Act Rules
7 C.C.R. 1103-7**

- 1. Description of classes of persons who will be affected by the rules, including classes that will bear the costs of the rules and classes that will benefit from the rules.**

The proposed changes to the Wage Protection Act Rules apply to certain employers and employees under C.R.S. § 8-4-101, et seq., in particular those with vacation pay policies covered by Rule 2.15 and those with immigrant workers covered by Rule 4.8.

- 2. Description of the probable quantitative and qualitative impact of the adopted rules, economic or otherwise, upon the classes of affected persons.**

The proposed changes to the Wage Protection Act Rules are not anticipated to have an effect on certain employers and employees beyond the obligations that are already required by C.R.S. § 8-4-101, et seq., to the extent that Rule 2.15 enforces the intended rule that vacation pay is non-forfeitable to a greater extent than previously written. Of those employers with vacation pay policies, among the subset that had been deeming their vacation pay forfeitable, contrary to C.R.S. § 8-4-101(14), those employers will need to pay out employees' accrued vacation pay upon their separation from employment, and at those employers, accordingly, employees who separate from employment will need to receive their accrued vacation pay upon separation.

- 3. Probable costs to the agency and other agencies of the implementation and enforcement of the adopted rules and any anticipated effect on state revenues.**

No impact on costs or revenues is anticipated as a result of the rule changes; the proposed rule changes conform the Wage Protection Act Rules to statutory changes to C.R.S. Title 8, and serve important public needs that the Director finds are best served by these rule updates, amendments, and supplements.

- 4. Comparison of the probable costs and benefits of the adopted rules to the probable costs and benefits of inaction.**

The Director finds that adoption of the amendments is necessary to implement C.R.S. § 8-4-101, et seq. The subset of employers who have vacation pay policies, yet deem such vacation pay forfeitable despite C.R.S. § 8-4-101(14), will face the cost of paying accrued vacation upon separation. However, the Division sees such payments as not only a benefit to workers, but also as no legitimate cost in any analysis; the Division believes such payments are mandated by § 8-4-101(14). Requiring employers to make legally mandated wage payments owed to workers under state law is a benefit, and therefore not a cost to be balanced against that benefit.

- 5. Determination of whether there are less costly or less intrusive methods for achieving the purpose of the rules.**

There are no known less costly or less intrusive means.

6. Description of any alternative methods for achieving the purpose of the proposed rules that were seriously considered by the agency, and the reasons they were rejected in favor of the adopted rules.

The rule supplements and clarifies the statutory language. These proposed rule changes conform the Wage Protection Act Rules, 7 CCR 1103-7, to statutory changes to C.R.S. Title 8, and serve important public needs that the Director finds are best served by these rule updates, amendments, and supplements. No alternative methods were seriously considered.