



Interpretive Notice & Formal Opinion (“INFO”) # 1:

Key Wage and Hour Rights and Responsibilities in Colorado: the COMPS and PAY CALC Orders

Overview

- This INFO #1 summarizes, and explains how to apply, key wage and hour rights and responsibilities under Colorado law — which are detailed in several Colorado labor statutes and rules.
 - Many key wage and hour rights and responsibilities are in the [Colorado Overtime and Minimum Pay Standards Order \(“COMPS Order”\)](#), including:
 - what is required to comply with **minimum** wage, **overtime** pay, and meal and rest **break** rights;
 - what **charges** to employees, or **credits** employers can claim to reduce wages, are and aren’t legal;
 - what is and isn’t “**time worked**” that must be paid;
 - when and how employers must use **posters and written notices** to tell employees their rights; and
 - who’s covered by these rights and responsibilities, and who’s **exempt**.
 - Each year’s **minimum wages**, and various **exemption pay levels** (e.g., to be an exempt manager), are in the [Publication And Yearly Calculation of Adjusted Labor Compensation Order \(“PAY CALC Order”\)](#).
 - Other wage and hour rights and responsibilities are in the [Colorado Wage Act](#), covered in other INFOs:
 - permissible and impermissible wage payment **timing** ([INFO #3A](#)) and **methods** ([INFO #3B](#)); and
 - departing employees’ **unused vacation** pay ([INFO #3E](#)); and
 - **deductions** from pay ([INFO #16](#)).
- This INFO #1, and the [COMPS Poster](#) that notifies employees of their rights, are updated annually with any wage and hour law changes, including the upcoming year’s minimum wage.

Coverage (Rule 2)

- The COMPS Order covers **all private sector** work, **except for exempt** jobs and employers (see below).
- The COMPS Order covers “**employers**” and “**employees**,” not others such as **independent contractors**. Whether an individual is an employee or independent contractor depends on the **actual facts**, not just what **documents** say (contract, 1099 tax form, etc.) — for more detail, see [INFO #10](#).¹

Colorado Minimum Wage (Rule 3)

- All employees covered by the COMPS Order, **even if they have non-hourly pay** (salary, piece rate, commission, etc.) must receive the Colorado minimum wage: **\$14.81 per hour in 2025**.²
- Most **minors** (but not “emancipated” minors) can be paid **15% below** the full Colorado minimum wage.
- Employers can claim some **credits** against wages owed (like for tips received), and some **deductions** (like for certain employee meals) — with important limits and conditions (see the “Deductions” section below).
- Various areas in Colorado have a **higher local minimum wage**; all are **posted** at ColoradoLaborLaw.gov. For more detail on how and when local minimum wages apply, see [INFO #19](#).

¹ The COMPS Order uses the “employee” and “employer” definitions in the [Colorado Wage Act](#) (C.R.S. § 8-4-101(5),(6)); for paid sick leave, use the definitions in the [Healthy Families and Workplaces Act](#) (§ 8-13.3-402(4),(5)); for certain agricultural rights, use those in the [Agricultural Labor Rights and Responsibilities Act](#) (§§ 8-13.5-201(1),(3); 8-6-101.5(3)).

² Past Colorado minimum wages, by year:

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
\$6.85	\$7.02	\$7.28	\$7.24	\$7.36	\$7.64	\$7.78	\$8.00	\$8.23	\$8.31	\$9.30	\$10.20	\$11.10	\$12.00	\$12.32	\$12.56	\$13.65	\$14.42

Overtime Pay (Rule 4)

- Employers must pay **1½ times** an employee's **regular rate of pay** ("time and a half") for hours past (A) **40 per week**, (B) **12 per day**, or (C) any **12 consecutive hours** — whichever results in higher pay.
 - Employers **can't add or average** hours in **multiple weeks** to determine overtime — e.g., a 50-hour week includes 10 hours of overtime, even if the employee works only 30 hours the week before or after.
 - Employers **can't give time off instead** of time-and-a-half overtime pay, sometimes called "comp time."
- **Non-exempt** employees can still be paid by **salary** (or other non-hourly pay), but **overtime premium pay** still must be **added** for overtime hours.
 - A salary can cover all hours worked, with a regular rate divided by the actual number of hours worked, if the employer and employee have a clear mutual understanding that the salary:
 - (1) compensates all hours worked;
 - (2) is at least minimum wage for all hours worked;
 - (3) is supplemented by at least ½ the regular rate for any overtime hours; and
 - (4) is paid for whatever hours the employee works in a workweek.
 - Otherwise, the salary is divided by 40 hours to determine the regular rate.
- The "**regular rate**" that rises 50% in overtime hours includes **all** wages or compensation³ an employee received or was entitled to (whichever is higher) in a week, divided by all hours worked.
 - The regular rate **includes any type of pay** received or owed for work — not just the employee's **base rate** covering most or all of their hours, but also:
 - any **higher hourly rates** (often called "shift differentials") for certain hours, like nights or holidays;
 - minimum wage **tip credits** — but not the tips themselves; and
 - any **non-hourly pay** — salary, commissions, piece rate, or production or non-discretionary bonus.
 - The regular rate **does not include**:
 - **reimbursements** that aren't "wages or compensation" — e.g., mileage or business expenses;
 - **payments not** for "**labor or service performed**" (e.g., bona fide gifts, as opposed to bonuses) or (even if for labor or services) for **paid time off** (e.g., vacations, holidays, sick leave, jury duty);
 - **discretionary bonuses** — e.g., annual bonuses not based on productivity or regular production; or
 - **employer investment contributions** — typically covered by benefits law, not wage law.

Example 1: For 40-hour, 5-day weeks, an employee receives \$1200 (i.e., \$240 per day, \$30 per hour) plus 6 days each of several kinds of paid days off (vacation, holidays, and sick leave) paid at \$240 per day (\$1200 per week divided by five days), except holiday days off are paid \$320 (\$40 per hour). One week had a Monday paid holiday, then the employee worked 44 hours in four 11-hour days. They are owed 4 hours of overtime; the count of overtime hours excludes the Monday paid time off. Their regular rate of pay was \$30; the higher Monday holiday pay (\$320 daily, \$40 hourly) isn't included, because a regular rate is an average of only *work* time pay that counts toward the 40-hour non-overtime hours limit.

³ For more on what does and doesn't count as "wages or compensation," see [INFO #3](#).

Example 2: An employee is paid \$20 per hour, except \$25 for work on nights outside regular shifts (8 p.m. - 6 a.m.). But the employee is paid no overtime premium for hours past 40 in a week. Whether or not the hours past 40 are shift differential hours, the employer owes overtime premium pay of 1½ times the employee's "regular rate" for the week — which is their average rate for all their time worked that week. That means their overtime rate varies by how many higher- and lower-rate hours they work each week —

Overtime Pay Owed if an Employee with Multiple Wage Rates Received No Overtime Premium Pay:⁴

Hours at \$20 Base Rate	Hours at \$25 Shift Differential	Wages Paid (if no overtime premium is paid)	Regular Rate (the rate that rises 50% for overtime; the average of all pay in the week)	Overtime Rate (1½ x the regular rate)	Overtime Owed: Per Hour	Overtime Owed: Per Week
36 hours	24 hours	\$1320 36 hours x \$20 + 24 hours x \$25	\$22/hr The average of 36 hours at the \$20 base rate, & 24 hours at the \$25 shift differential: Total non-OT pay (\$1320) ÷ Total hours worked (60) = Regular rate (\$22)	\$33/hr 1½ x the \$22 regular rate	\$11/hr \$33/hr (overtime rate) - \$22/hr (regular rate)	\$220 \$11/hr (the hourly overtime owed) x 20 (the number of overtime hours)
10 hours	40 hours	\$1200 10 hours x \$20 + 40 hours x \$25	\$24/hr The average of 10 hours at the \$20 base rate, & 40 hours at the \$25 shift differential: Total non-OT pay (\$1200) ÷ Total hours worked (50) = Regular rate (\$24)	\$36/hr 1½ x the \$24 regular rate	\$12/hr \$36/hr (overtime rate) - \$24/hr (regular rate)	\$120 \$12/hr (the hourly overtime owed) x 10 (the number of overtime hours)

Meal Periods (Rule 5.1; see [INFO #4](#) for more detail on meal and rest periods)

- For **shifts over 5 hours**, employees are entitled to uninterrupted, duty-free **30-minute** meal periods.
 - To the extent practical, meal periods must be at least **1 hour** after a shift starts and 1 hour before it ends.
- Meal periods can be **unpaid if** employees are **completely relieved** of all duty and free for personal activity.
 - If the work makes an uninterrupted meal period impractical, the employee must be allowed to eat a meal while on-duty and working, and that time **must be paid**.

Rest Periods (Rule 5.2; see [INFO #4](#) for more detail on meal and rest periods)

- For **each 4 hours** of work, employers must authorize and permit compensated **10-minute** rest periods:

Work Hours:	2 or fewer	over 2, up to 6	over 6, up to 10	over 10, up to 14	over 14, up to 18	over 18, up to 22	over 22
Rest Periods Required:	0	1	2	3	4	5	6

- Rest periods **must not include work**, but leaving the premises isn't necessary.
- To the extent practical, rest periods should be **in the middle** of each 4-hour work period.
- If any required rest period time isn't allowed and permitted, **extra pay** is owed for the extra time worked.

⁴ Or to calculate weekly overtime owed, for any number of hours worked, at two or more different rates:

$$\frac{\text{Total Weekly Pay Without Overtime (for all work, at base or premium rates)} \times \text{Overtime Hours Worked (total hours minus 40)} \times \frac{1}{2}}{\text{Total Hours Worked}}$$

- Exceptions to the requirement that rest periods must be 10 minutes for every four hours worked:
 - if employee and employer agree, voluntarily and without coercion, to two 5-minute breaks, if 5 minutes is enough to go back and forth to a bathroom or other place where a bona fide break would be taken; or
 - if work is Medicaid-funded home care *or* under a collective bargaining agreement, then rest periods can be 5 minutes in a 4-hour period, if over the day they average 10 minutes per 4 hours.

Time Worked (Rule 1.9; see [INFO #20](#) for more detail on time worked).

- “Time worked” that must be paid is **all time performing labor or services for employer benefit**, including:
 - time employees are suffered or **permitted to work, whether or not required**; and
 - time employers permit or require employees to be **on-premises**, on **duty**, or at a **prescribed workplace**, but not just letting off-duty employees arrive or remain on-site.
- Examples:
 - **cleanup or setup** (examples: putting on or removing clothes, or gear, worn only at work);
 - **checking** in/out (timeclock, security/safety screening, etc.), or **waiting** to do so;
 - receiving or sharing work **information**, or **waiting for tasks** – but not just off-duty time on premises
 - **travel** for employer benefit – but not normal commuting (details in Rule 1.9.2)
 - **sleep time** required to be on-site – but not lengthy, uninterrupted periods (details in Rule 1.9.3)

Exemptions from COMPS (Rules 2.2-2.5)

- **Exempt duties are required** (detailed in the rules, and listed below) for an employee to be exempt. Some exemptions also require a minimum pay level, but **being salaried, alone, is not enough** for exemption.
- **Executives/Supervisors, Administrative Decision-Makers, and Professionals (“EAP”)**, who have **both**:
 - (A) **duties** that define those types of jobs (see Rules. 2.2.1-2.2.3, and [INFO #1A](#)), and
 - (B) **a salary** (not, for example, an **hourly** wage or **day** rate) of at least the following **amount**⁵ —

<i>Year:</i>	<i>2021:</i>	<i>2022:</i>	<i>2023:</i>	<i>2024:</i>	2025:	<i>Future years:</i>
<i>Exempt Salary</i> ⁶ :	\$40,500	\$45,000	\$50,000	\$55,000	\$56,485	<i>Inflation-adjusted</i>

- For these exemptions, pay qualifies as **salary**⁷ only if it’s a **pre-set** sum for a **week to a month** that **isn’t reduced** for variation in work quality, quantity, or hours — except deductions are **allowed** for:
 - the initial and terminal work weeks of employment, for which the salary may be prorated based on hours or days actually worked during those weeks;
 - absence for one or more days for **personal** reasons, or **sickness or disability** under a bona fide plan, policy, or practice of compensating lost salary;
 - good-faith penalties under major **safety** rules, or unpaid disciplinary suspensions of one or more days under **workplace conduct** rules; or
 - leave under **family medical leave** law;

⁵ Except doctors, lawyers, and teachers can be exempt based on just duties, without a minimum salary, as in federal law.

⁶ Up to ten percent of the salary amount required may be paid through nondiscretionary bonuses, incentives, and commissions that are paid annually or more frequently. This does not apply to the highly compensated employee salary.

⁷ The COMPS Order uses the federal Fair Labor Standards Act “Salary Requirement” rules, [29 C.F.R. Part 541. Subpt. G.](#)

- payments of **jury or witness** fees, or **military** pay.
 - o This rule **doesn't require** paying these salaries, because employers have **options** to comply: (a) pay exempt **salaries**; (b) pay hourly rates **with overtime**; or (c) arrange shifts to **minimize overtime**.
- **Outside salespersons** if at least 80% of their work time is related to their sales (R. 2.2.4).
- **20% owners** (or a nonprofit's highest-paid, highest-ranked employee) actively **managing** the entity (R. 2.2.5).
- Government-licensed **taxi drivers** (R. 2.2.6).
- Some **resident** workers, e.g., babysitters, property managers, camp/outdoor education field staff (R. 2.2.7).
- **Bona fide volunteers** for non-profits and **work-study students** receiving school credit (R. 2.2.8).
- **Elected officials** and their staff (R. 2.2.9).
- **Highly technical computer-related** employees (R. 2.2.10) paid at least **\$34.07** per hour in 2025.⁸
- **Other highly compensated employees** (R. 2.2.11) who:
 - (1) do **office or non-manual work** as their **primary duty** (e.g., not a non-managerial electrician);
 - (2) also customarily and regularly perform one or more **exempt EAP duties** (above); and
 - (3) receive at least the above EAP salary **weekly**, and **2¼** times that salary **annually**, **\$127,091** in 2025.⁹

Exemptions from Overtime Requirements (2.4.1-2.4.7, 2.4.10).

- Specific kinds of **sales** employees that are **overtime-exempt**:
 - o **salespersons** or **mechanics** at certain **vehicle or farm equipment** dealers (R. 2.4.1); and
 - o **commission salespeople** of a retail/service employer drawing 75% of its revenue from sales, if paid at least (A) ½ from commissions and (B) 1½ of minimum wage (R. 2.4.2).
- **Ski** employees with duties directly related to downhill ski/snowboarding or on-mountain food/beverage service, but not lodging: exempt from **40-hour** overtime (federal law may give 56-hour overtime) (R. 2.4.3).
- **Medical transportation** employees on 24-hour shifts: exempt from **12-hour** overtime (R. 2.4.4).
- Certain **care employees**:
 - o **hospital/nursing home** employees paid under the federal **8/80 rule** requiring overtime for hours past 80 per 14-day period and 8 per day: exempt from **40- and 12-hour overtime** (R. 2.4.5); and
 - o Medicaid-funded **direct care workers** on 24-hour shifts: exempt from **12-hour** overtime (R. 2.4.7).
- Certain **interstate transport** employees: **overtime-exempt** to varying **degrees**, with some also exempt from meal/rest periods — see the particular rule for each type of employee (R 2.4.6, R 2.4.10).

Agricultural Employment (Rules 2.3, 2.4.8-2.4.9).

- See [INFO #12](#) for more on agricultural labor rights and responsibilities — not just on the wage and hour rules below, but also on workplace safety, union-management relations, and more.

⁸ This amount is adjusted annually in the PAY CALC Order; it was \$33.17 in 2024, \$31.41 in 2023, and \$28.92 in 2022.

⁹ This amount is adjusted annually in the PAY CALC Order; it was \$123,750 in 2024, \$112,500 in 2023, and \$101,250 in 2022.

- **Minimum wage:**
 - **Colorado and local minimum wages** cover all agricultural employees, except
 - **range workers** have different requirements, a minimum salary plus other conditions (see below).
- **Overtime pay**¹⁰ is required, but agricultural employees are exempt from 40- and 12-hour overtime if paid:¹¹
 - **weekly time-and-a-half overtime pay** after **48** hours, or **56** hours for a “highly seasonal” employer’s up to 22 “peak” weeks (defined in Rule 2.3, which details other requirements for 56-hour overtime); and
 - **daily**, the following additional pay —
 - after **12 hours** worked, a **half-hour paid break** instead of the usual shorter third rest period, and
 - after **15 hours** worked, an **extra hour’s pay** of at least the Colorado minimum wage.
- **Rest & meal periods** under Rule 5 apply to agricultural employees, with the following additions.
 - Workers engaged in **hand-weeding/thinning** have 15 (not 10) minutes of rest per 4 hours.
 - Other break time may apply in certain conditions; see the [Agricultural Labor Conditions Rules](#).¹²
- **Exemptions or variances** for agricultural workers include the following (see Rules 2.3 and 2.4.8-2.4.9).
 - **Owners** (or part-owners) of agricultural employers, and certain of their family, are overtime-exempt.
 - **Decision-making livestock managers** paid the exempt salary in Rule 2.5 are overtime-exempt.
 - **Operators** of trucks hauling livestock or harvesters/combines are exempt from rest or meal periods.
 - **Range workers:** Minimum wage and overtime rights don’t apply when a worker is:
 - “principally engaged in the range production of livestock ... on the open range”;
 - provided, without cost or deduction, any housing, food, transport, and equipment required for H-2A visa range workers by federal regulations; and
 - paid a weekly salary of at least **\$606.56** in 2025.¹³

Deductions, Credits, and Charges (Rule 6)

- Colorado Wage Act limits on deductions from wages ([C.R.S § 8-4-105](#)) are detailed in [INFO #16](#). Following are additional COMPS Order rules on various specific kinds of deductions, credits, and charges.
- **Lodging credits** are allowed if housing is:
 - (1) voluntarily accepted by the employee;
 - (2) primarily for employee (not employer) benefit and convenience;
 - (3) recorded in a written agreement; and

¹⁰ Weekly overtime requirements phased in starting in 2022, reaching their final levels in 2025; see [INFO #12A](#) for details, including the different overtime requirements of each year from 2022 through 2025.

¹¹ These partial overtime exemptions for agriculture don’t apply to agricultural employers drawing at least 50% of revenue from sales to the consuming public, rather than resale; such employers were covered as “retail and service” in prior orders.

¹² 7 CCR 1103-15. See [INFOs #12B-D](#) for more detail.

¹³ C.R.S. § 8-6-101.5(b). The PAY CALC Order adjusts this salary annually; it was \$590.61 in 2024, \$559.29 in 2023, \$515.00 in 2022.

- (4) at most \$25 or \$100 weekly, by lodging type (less if market value or actual employer cost is lower).
- **Meal credits** are allowed for the cost or value (without profit) of meals that employees voluntarily accept.
- **Uniforms:**
 - Employers need not provide uniforms that are ordinary, plain, and washable clothing (with no special color, make, pattern, logo, or material required), but must pay for particular uniforms or special apparel.
 - Employers can't require deposits for uniforms, or deduct for ordinary uniform wear and tear.
- **Tip credits:**
 - Up to \$3.02 per hour, may offset wages of employees regularly receiving \$1.64 per hour in tips:
 - if they either (A) directly receive those tips (e.g., waitstaff or hotel housekeepers), or (B) share them among employees who perform significant customer-service functions in contact with patrons; and
 - if their tips plus their direct wages from the employer still are at least minimum wage, with the employer paying the difference if direct wages plus tips fall below that minimum.
 - Tipped employment must also comply with any local minimum wages, which not only may be higher than the Colorado minimum wage, but also may limit tip credits more than Colorado law does.
 - For more details on tips and tip credits, see [INFO #3C](#).

“Voluntariness” Requirements

- In the COMPS Order, and various other labor statutes and rules, some employee decisions or waivers aren't allowed (like working overtime hours without overtime pay), but others are allowed if the decision is **voluntary** rather than coerced or pressured (like coming back early from leave).
- No list can cover all situations that are and aren't voluntary, but established labor law principles include:
 - 1) A decision to take on work is **not voluntary** if refusing would subject the employee or others (e.g., co-workers, family, associates) to **adverse action** or other negative impacts.¹⁴
 - 2) A decision to take on work **is voluntary** if, for example:
 - a) an employer just **offered**, as “two **options**,” either full or partial time off with some paid work;¹⁵ or
 - b) an **employee initiated** the idea of taking on part-time work rather than staying on full leave — as long as there is no evidence the employee's decision “was anything but voluntary.”¹⁶
 - 3) A writing's **language** saying it is a “voluntary” employee decision or agreement doesn't overcome **evidence it is non-voluntary in reality**, such as:
 - a) **implied threats or pressure** — for example, being told the employer “will take other actions” if the employee doesn't agree to what the employer asks; and
 - b) requests **repeated or strongly worded** enough to be **more like demands than offers** — for

¹⁴ *Evans v. Books-A-Million*, 762 F.3d 1288 (11th Cir. 2014).

¹⁵ *D'Onofrio v. Vacation Pubs.*, 888 F.3d 197 (5th Cir. 2018) (“[E]mployer offered Karen two options: ... go on unpaid FMLA leave or ... log in remotely a few times per week and continue to service her existing accounts so that she could keep the commissions ... on leave. Karen chose the latter ... , to continue servicing existing clients but not take new leads.”).

¹⁶ *Massey-Diez v. Univ. of Iowa Cmty. Med. Servs.*, 826 F.3d 1149 (8th Cir. 2016) (early return from leave was voluntary, despite employer proposing a specific plan for early return, because employer's proposal was a response to employee first saying that to avoid further depleting her paid time off, she was “open for suggestions” on ways to return early).

example, if an employer “came back ... a third time” after an employee already declined to agree.¹⁷

Employer Record-Keeping and Posting Requirements (Rule 7)

- **Records.** Employers must:
 - keep records for each employee with the information in Rule 7.1;
 - issue employees itemized earnings statements for each pay period worked; and
 - retain that information for at least 3 years plus the duration of any wage claim related to the employee.
- **Posting.** (For updated COMPS Posters, see the Division website, [ColoradoLaborLaw.gov](https://coloradolaborlaw.gov))
 - Employers must display a current COMPS Poster where employees may easily read it
 - If physical posting is impractical (e.g., remote employees, or worksites without viable posting sites), employers must provide each employee the COMPS Order or Poster in their first month of employment.
 - Employers that fail to post as required are ineligible for employee-specific credits or exemptions.
- **Distribution.**
 - If an employer distributes a handbook, manual, or written or posted policies, it must include a copy of the current COMPS Order or Poster — and if it requires signed acknowledgment of receiving those materials, it must require signed acknowledgement of receiving the current COMPS Order or Poster.
 - Employers must make a copy of the COMPS Order or Poster available upon any employee’s request.
- **Minimizing, undercutting, or detracting** from postings or notices renders an employer non-compliant — e.g., telling employees a right or responsibility doesn’t apply, won’t be followed, shouldn’t be exercised, etc.
- **Translation.** If employees have limited English language ability, employers must use a Spanish-language version of the COMPS Order or Poster, or ask the Division for another language. The Division already has COMPS Poster translations in languages posted on its website, [ColoradoLaborLaw.gov](https://coloradolaborlaw.gov).

Complaint Rights, Procedures, & Protections (Rules 8.1-8.5)

- Employees may file **wage and hour complaints**¹⁸
 - in the Division, court, or another agency with lawful complementary jurisdiction (e.g., U.S. Department of Labor, or Denver Labor),¹⁹
 - for wages owed
 - under any agreement (written or verbal), or
 - under federal, state, or local law (e.g., city ordinance or rule) — see [INFO #2](#).
- **Individuals with operational control** may be liable, even at incorporated employers — see [INFO #11A](#).
- It is illegal to take or threaten actions that **retaliate** for actual or anticipated activity on wage and hour rights, such as filing complaints, providing information, etc. (Rule 8.5, and C.R.S. 8-4-120) — see [INFO #5](#).

For More Information: Visit the Division [website](#), call 303-318-8441, or email cdle_labor_standards@state.co.us.

¹⁷ *Wilson v. Decibels of Oregon, Inc.*, No. 1:16-cv-00855-CL, 2017 U.S. Dist. LEXIS 176983 (D. Or. Sep. 11, 2017).

¹⁸ [Other INFOs](#) cover retaliation (#5), job posting (#9), agriculture (#12), or union/management relations (#15) complaints.

¹⁹ E.g., C.R.S. § 8-4-111(7),(8) (stating that Colorado wage law does not limit employee rights to pursue civil actions or administrative proceedings outside the Division, nor local government authority to address violations in their jurisdiction).