

COLORADO EMPLOYMENT LAW Wage Payment Requirements



Several federal laws regulate wage payments. These include the Fair Labor Standards Act (FLSA), the Davis-Bacon Act and the Service Contract Act.

Colorado law also imposes state wage payment requirements. These are enforced by the [Colorado Department of Labor and Employment](#) (CDLE). When federal and state laws are different, the law that is more favorable to the employee will apply.

PAYMENT METHODS

Colorado law requires employers to pay wages to employees in lawful United States currency via either:

- Cash;
- Check;
- Direct deposit (if authorized by employees);
- Pay card (such as a pre-paid debit card), as long as the entire amount of net pay is accessible at least once per pay period; or
- Any other means of payment that poses no cost to employees.

Employers are prohibited from paying wages with scrip, coupons, cards or other things redeemable in merchandise, unless they can be redeemed for cash.

At the time wages are paid, employers must provide each employee with an itemized statement that shows:

- Gross wages earned;
- All withholdings and deductions for that pay period;
- Net wages earned;
- The inclusive dates of the period;
- The employee's name or Social Security number; and
- The employer's name and address.

PAYMENT FREQUENCY

Employers must pay employee wages **at least once per month**, or every 30 days, on established paydays. In general, regular paydays must be **within 10 calendar days** after the end of a pay period. However, Colorado law do not restrict employers from paying wages earlier or at more frequent intervals. In addition, employers and their employees may agree to different pay schedules.

STATE RESOURCES

Colorado Department of Labor and Employment (CDLE) [website](#)

Colorado Wage Act
Text of the Colorado Wage Act is available [here](#).

Wage Protection Rules
Text of the CDLE's Wage Protection Rules is available [here](#).

FAQs and Fact Sheet
The CDLE provides answers to frequently asked questions ([FAQs](#)) and this [fact sheet](#) about the Colorado Wage Act.

COLORADO EMPLOYMENT LAW

Wage Payment Requirements



However, employers may be subject to sanctions if they lack sufficient funds to allow their employees to redeem their wages in full **at least twice** within any 24-month period.

WITHHOLDINGS AND DEDUCTIONS

Employers may not withhold all or a portion of an employee's wages unless the withholding or deduction is:

- Authorized by law;
- Authorized by the employee; or
- Necessary to replace losses resulting from employee theft.

Common deductions authorized by law include taxes, union dues, FICA contributions, garnishments and court-ordered deductions (such as child support).

Common deductions authorized by employees include funds for employee participation in hospitalization and medical insurance plans, savings plans and deposits to financial institutions, stock purchases, charitable donations, retirement plans, supplemental retirement plans, loan payments, loan or wage advances, employer goods or services and employer equipment or property. These authorizations must be made through a valid and legal agreement.

Deductions that are necessary to replace losses due to an employee's theft are allowed only if after a report of the theft is filed with the proper law enforcement agency. An employee may recover these deductions, with interest, if he or she is not found guilty of the theft through criminal proceedings.

Employers must record each withholding with accuracy and may not derive any financial gain from wage deductions. Unless authorized by law, wage deductions and withholdings may not reduce an employee's gross wages below the minimum wage rate.

WAGE ASSIGNMENTS

Colorado law does not allow wage assignments they are:

- Authorized by an employee in a written agreement that is signed, dated, copied and provided to both the employer and employee within five days after signing;
- For a fixed and definite part of the employee's wages; and
- For wages already earned or that the employee will earn within 30 days of the date of the assignment.

If an employee is married and resides with his or her spouse, the wage assignment agreement must also be signed by the employee's spouse. Unless an assignment is to cover child support obligations, the spouse's signature must be made before a notary public (or another officer similarly authorized by the state to acknowledge signatures).

LAST PAYMENT OF WAGES

When an employee resigns or quits a position, the employer must pay all outstanding wages **by the next regular payday**.

If an employer decides to terminate or discharge an employee, it must be ready to pay all of that employee's outstanding wages **at the time the employee is terminated or discharged**. Reasonable time extensions are available when payroll processing personnel are not on-site or available on the day of the employee's dismissal. However, a

COLORADO EMPLOYMENT LAW

Wage Payment Requirements



terminated employee must receive all of his or her outstanding wages **no later than six hours** after the start of the employer's next regular workday.

In the event of an employee's death, the employee's surviving spouse is entitled to receive the deceased employee's earned wages. If there is no surviving spouse, the employee's wages must be paid to the deceased employee's next legal heir or personal representative upon request.

MORE INFORMATION

Contact Heffernan Insurance Brokers for more information on wage payment laws in Colorado.