

TECHNICAL UPDATE

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2024 COLORADO PAY CALC, FLSA & COMPS

It is a new year, so there are new rules for Colorado employers. The <u>Colorado Department of Labor and Employment</u> (CDLE) has published the 2024 Publication and Yearly Calculation of Adjusted Labor Compensation Order (PAY CALC Order) which is updated annually to account for inflation. The new minimum wage for Colorado is \$14.42 per hour for non-exempt workers starting January 1, 2024. The PAY CALC Order also addresses the minimum pay for various positions. The highest minimum wage, whichever is the greater of the state or federal rate, must be used; all local minimum wages are posted at <u>ColoradoLaborLaw.gov</u>.

FAIR LABOR STANDARDS ACT

The Fair Labor Standards Act (FLSA) is a federal law that sets minimum wage, overtime pay, and recordkeeping standards for employees in both the private and public sectors. Under FLSA, non-exempt employees must be paid at no less than time and one-half their regular rate of pay for all hours worked over 40 hours in a designated workweek.

FLSA provides a partial overtime exemption for public agencies that employ less than five employees during the workweek in law enforcement or fire protection activities. Under this exemption, law enforcement and fire protection employees may be paid overtime on a work period basis which may be from seven consecutive days to 28 consecutive days in length. For example, fire protection personnel are due overtime under such a plan after 106 hours worked during a 14-day work period, while law enforcement personnel must receive overtime after 86 hours worked during the same work period.

FLSA does allow counties to give compensatory time in lieu of monetary overtime compensation at one and one-half times for every hour worked. The county is required to track and pay out all earned compensatory time when employment comes to an end. This can be a cost savings at the time, however creating future liabilities for the county to account for.

COLORADO OVERTIME AND MINIMUM PAY STANDARDS

In addition, the CDLE has published an updated <u>Colorado Overtime and Minimum Pay Standards</u> (COMPS) <u>Order</u>, which sets the minimum wage and overtime pay standards for employees. COMPS Order #39 includes several changes, including clarifications to the calculation of regular rates for employees with multiple jobs as well as to the "time worked" rule. Colorado employers should use the COMPS Order #39 in required postings and notices going forward.

Although the COMPS Order does not apply to counties in Colorado, it may be something to consider when assessing wages to attract and retain quality employees in comparison to what the private sector is offering. The 2024 Colorado COMPS minimum wage for exempt workers is \$55,000 annually or \$1,054.79 per workweek.

The Equal Pay Transparency (EPT) Rules also went into effect January 1. The EPT Rules require employers to disclose the hourly or salary compensation range for each job posting and provide a reasonable estimate of the value of any bonuses or benefits offered.





WHAT THIS MEANS FOR COUNTIES

Labor laws and regulations can change, so it's crucial to consult up-to-date and authoritative sources for the latest information. For complex payroll and labor law matters, it's advisable to consult with legal professionals or HR experts who are familiar with the amendments effective in 2024 and how employers can comply with Colorado's new obligations. The material contained in this Technical Update is informational, general in nature and does not constitute legal advice. For more information, contact CTSI at (303) 861-0507.