

**UPDATED SUMMARY
SENATE BILL 14-005**

Second Regular Session - Sixty-ninth Colorado General Assembly

This summary applies to the reengrossed version of this bill as introduced in the second house. It does not reflect any amendments that may be subsequently adopted. This summary reflects only the main points of the legislation.

For purposes of duties, obligations, and liabilities related to the payment of wages, the bill:

- ! Expands wage claims to include violations involving the state minimum wage;
- ! Requires an employer to maintain records reflecting information in an employee's pay statement for at least 3 years after payment of the wages and to make the records available to the employee and the division of labor in the department of labor and employment (division). The bill authorizes the executive director of the division to impose a fine on an employer who fails to retain or make available the records.
- ! Requires an employer to mail a check for wages to the employee's last-known address within 60 days after the check was due if an employer is unable to otherwise deliver the check to the employee.

Under current law, to recover penalties in an action for unpaid wages, an employee is required to make a written demand on his or her employer to recover penalties, and the penalties are increased by 50% if the employer's failure to pay is willful. The bill:

- ! Provides that failure to respond to a written demand creates a rebuttable presumption that the failure to pay was willful;
- ! Provides that service of a small claims court complaint serves as the written demand; and
- ! Reduces the penalties for failing to pay wages by 50% if the employer makes legal tender to the employee of the amount that the employer believes in good faith is due the employee.

The bill authorizes the director of the division to establish an administrative procedure to adjudicate wage claims. For wage claims filed with the division for \$7,500 or less, the bill establishes procedures for the division to adjudicate the claim and issue citations and notices of assessments for the amounts due. A person dissatisfied with a decision may commence a de novo civil action in any county or district court of competent jurisdiction.

Current law provides that fines collected by the division are deposited in the general fund. The bill provides that the fines are deposited in a new wage theft enforcement fund.

The bill provides that an employee is entitled to reasonable attorney fees in an action to recover the minimum wage.

Prepared by the Office of Legislative Legal Services.