

Title:

Payroll Colorado, Unique Aspects of Colorado Payroll Law and Practice

Word Count:

807

Summary:

Colorado payroll has some unique aspects and conditions. Some of the details and laws are set out in this article including information concerning: tax withholding and reporting; unemployment insurance taxes and reporting; wage and hour laws; and child support withholding.

Keywords:

Payroll Colorado, Colorado payroll, payroll, payroll taxes, payroll withholding, payroll service

Article Body:

**<b>The Colorado State Agency that oversees the collection and reporting of State income taxes deducted from payroll checks is:</b>**

Department of Revenue  
State Capital Annex  
1375 Sherman St.  
Denver, CO 80261-0009  
800-332-2087  
[www.revenue.state.co.us/](http://www.revenue.state.co.us/)

Colorado allows you to use the Federal W-4 form to calculate state income tax withholding

Not all states allow salary reductions made under Section 125 cafeteria plans or 401(k) to be treated in the same manner as the IRS code allows. In Colorado cafeteria plans are: not taxable for income tax calculation; not taxable for unemployment insurance purposes. 401(k) plan deferrals are: not taxable for income taxes; taxable for unemployment purposes.

In Colorado supplemental wages are taxed at a 4.63% flat rate.

You must file your Colorado State W-2s by magnetic media if you are required to file your federal W-2s by magnetic media.

**<b>The Colorado State Unemployment Insurance Agency is:</b>**

Department of Labor & Employment  
Division of Employment and Training  
1515 Arapahoe St., Tower 2, Ste. 400  
Denver, CO 80202-2117  
303-603-8254  
<http://unemploytax.cdle.state.co.us/>

The State of Colorado taxable wage base for unemployment purposes is wages up to \$10,000.00.

Colorado has optional reporting of quarterly wages on magnetic media..

Unemployment records must be retained in Colorado for a minimum period of five years. This information generally includes: name; social security number; dates of hire, rehire and termination; wages by period; payroll pay periods and pay dates; date and circumstances of termination.

<b>The Colorado State Agency charged with enforcing the state wage and hour laws is:</b>

Department of Labor & Employment  
Labor Standards Office  
1515 Arapahoe St., Ste. 375  
Denver, CO 80202-2117  
303-318-8441  
[www.coworkforce.com/LAB/](http://www.coworkforce.com/LAB/)

The minimum wage in Colorado is \$6.15 per hour.

The general provision in Colorado State Law covering paying overtime is one and one half times regular rate after 12 hour day or 40 hour week.

Colorado State new hire reporting requirements are that every employer must report every new hire or rehire. The employer must report the federally required elements of:

- <li>Employee's name</li>
- <li>Employee's address</li>
- <li>Employee's social security number</li>
- <li>Employer's name</li>
- <li>Employers address</li>

<li>Employer's Federal Employer Identification Number (EIN) </li></ul>

This information must be reported within 20 days of the hiring or rehiring or first payroll after hire.

The information can be sent as a W4 or equivalent by mail, fax or electronically.

There is no penalty for a late report in Colorado.

The Colorado new hire reporting agency can be reached at 303-297-2849 or on the web at [www.newhire.state.co.us/](http://www.newhire.state.co.us/) .

Colorado does not allow compulsory direct deposit

Colorado requires the following information on an employee's pay stub:

- <li>Gross and Net Earnings</li>
- <li>Deductions</li>
- <li>Pay period dates</li>
- <li>Employee's name or social security number</li>
- <li>Employer's name and address</li></ul>

Colorado requires that employees be paid monthly or every 30 days which ever is longer.

In Colorado requires that employees be paid no more than 10 days after the end of the pay period.

Colorado payroll law requires that involuntarily terminated employees must be paid their final pay immediately or within 6 hours of the payroll department becoming operational; next day if payroll is offsite. (By mail upon request) Voluntarily terminated employees must be paid their final pay by the next regular payday.

Deceased employee's wages must be paid to the surviving spouse or next legal heir; personal representative if already appointed. After an affidavit showing claimant's relationship to the deceased is presented.

Escheat laws in Colorado require that unclaimed wages be paid over to the state after one year.

The employer is further required in Colorado to keep a record of the wages abandoned and turned over to the state for a period of five years.

Colorado law concerning tip credits against State minimum wage allows a maximum

credit of \$3.02 per hour..

In Colorado the payroll laws covering mandatory rest or meal breaks are a 30 minute meal break after five hours and 10 minutes of rest after four hours.

Colorado law concerning record retention of wage and hour records requires a minimum of two years retention.

**<b>The Colorado agency charged with enforcing Child Support Orders and laws is:</b>**

Division of Child Support Enforcement  
1575 Sherman St., 2nd Fl.  
Denver, CO 80203-1714  
303-866-5994  
[www.childsupport.state.co.us/](http://www.childsupport.state.co.us/)

Colorado has the following provisions for child support deductions:

**<ul><li>When to start Withholding?      <b>Within 14 days after receipt of order.</li></b>**  
**<li>When to send Payment?      <b>Within 7 days of Payday.</li></b>**  
**<li>When to send Termination Notice?      <b>Within 10 days of termination.</li></b>**  
**<li>Maximum Administrative Fee?      <b>\$5 per month.</li></b>**  
**<li>Withholding Limits?      <b>Federal Rules under CCPA.</li></b>**  
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Please note that this article is not updated for changes that can and will happen from time to time.