

Colorado

Colorado's Minimum Wage Rate to Increase on Jan. 1, 2027

On Aug. 13, 2026, the Colorado Department of Labor and Employment's Division of Labor Standards and Statistics [announced](#) that the state's minimum wage will increase to **\$15.71 per hour** and **\$12.69 per hour** for tipped workers on **Jan. 1, 2027**. With limited exceptions, the new rate will apply to all employers, regardless of how many individuals they employ.

Colorado's Minimum Wage Rate

Colorado's minimum wage rate is adjusted for inflation every year using the Consumer Price Index (CPI) from the federal Bureau of Labor Statistics. Based on a 3.6% increase in the CPI, the state's minimum wage will increase from \$15.16 per hour to \$15.71 per hour starting Jan. 1, 2027. This is a 41.5% increase from the 2019 minimum wage of \$11.10.

Tipped Employees

In addition, the minimum wage rate for tipped employees will increase to \$12.60 per hour. In Colorado, employers may take a tip credit of no more than \$3.02 per hour. A tipped employee's hourly cash wages plus tips must equal at least the state's minimum wage. Tipped employees are individuals engaged in an occupation in which they customarily and regularly receive at least \$1.64 per hour in tips (averaged over any one calendar month or 30 days, whichever is longer).

COMPS Order and Poster

Employers subject to the Colorado Minimum Wage Act must display a current Colorado Overtime and Minimum Wage Pay Standards Order (COMPS Order) poster in an area frequented by employees where it may be easily read during the workday. Employers that publish or distribute employee handbooks, manuals or written policies must also include a copy of the COMPS Order or poster with these materials. Colorado has not yet released the updated COMPS Order or poster.

Next Steps for Employers

Colorado employers should update their payroll processes and procedures to comply with the new minimum wage rate by Jan. 1, 2027. In addition, employers should monitor for the release of the updated COMPS Order and poster.

Highlights

Aug. 13, 2026

Colorado announced a \$15.71 minimum wage rate for 2027.

Jan. 1, 2027

The new state minimum wage rate will go into effect.