The Wage Protection Act strengthens Colorado’s economy, protects business owners, and ensures Colorado’s low-wage workers receive the compensation they deserve so they can move along the path to self-sufficiency. The bill would:

- **remove procedural barriers** to streamline the claims process for workers;
- **incentive employer compliance** by decreasing penalties for employers who demonstrate good faith efforts to promptly pay wages due;
- **strengthen the administrative process** by providing the Colorado Division of Labor and Employment with the authority to investigate smaller claims and claims involving violations of the minimum wage; and
- **provide state regulators the resources** necessary to enforce the law.

**Low-wage workers are hit the hardest**

Workers who are most dependent on their rightfully earned wages to attain or maintain self-sufficiency are often the most frequent victims of income withholding. A 2009 study found low-wage workers, people of color, women, and foreign-born workers are particularly vulnerable.

Six out of every 10 day laborers in Colorado experience wage withholding or nonpayment.

Wage claim violations include compensation below the minimum wage, gratuity withholding, nonpayment of overtime hours, and withholding final paychecks. These incidents are surprisingly common and often unpunished:

- More than 60 percent of low-wage workers nationally experience wage violations each week, resulting in a loss of 15 percent of earnings each year.
- U.S. companies withhold an estimated $19 billion annually in unpaid overtime.
- More than 5,200 workers in Colorado contact the Colorado Department of Labor and Employment (CDLE) annually with wage claims. CDLE does not have a sufficient amount of staff to respond appropriately to these complaints.

**Wage protection will help with Colorado’s economic recovery**

Income withholding results in lost tax revenue and diminished consumer spending. New York State loses an estimated $427 million in state revenue each year due to wage violations.

Weak enforcement penalizes honest business owners who must compete in the marketplace with unscrupulous employers.