



**Timothy M. O'Brien, CPA**  
Auditor

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### **New Year, New Minimum Wage – and New Active Enforcement**

DENVER – Starting in the new year, Denver's citywide minimum wage will increase to \$15.87 per hour and the Denver Labor team will take new steps to support businesses and workers using data analysis and active enforcement, according to Denver Auditor Timothy M. O'Brien, CPA.

“Denver’s higher minimum wage will help workers supporting their families as well as businesses competing for staff in a tight labor market,” Auditor O’Brien said. “In 2022, thousands of workers will get a raise – and that couldn’t be better news as our community continues to struggle with the challenges of the pandemic.”

The citywide minimum wage first took effect in 2020 and increases every year on Jan. 1. Since the start of the ordinance, our team of analysts has collected data about the highest-risk industries and locations based on the complaints we received. Starting in 2022, city ordinance allows us to use that data to conduct wage investigations without the need for a prior complaint.

The citywide minimum wage applies to all work performed within the boundaries of the City and County of Denver, with few exceptions. Some of our most frequent cases of unpaid wages come from the city’s borders because employers might mistakenly believe they should pay the state minimum wage.

Data shows other common instances of unpaid wages happen at national chains when the payroll office is not local, and managers are unaware of the local minimum wage rates. For example, in one case this year, a large national retailer with a store near Denver’s border mistakenly thought it was subject to the state minimum wage instead of Denver’s minimum wage. Through education and cooperation, the employer corrected the mistake, raised employees’ wages, and paid 25 employees more than \$2,600 in backpay.

“Our analysts use education and collaboration to find solutions with Denver businesses,” Denver Labor Executive Director Jeffrey Garcia said. “We are not a ‘gotcha’ organization. When employers and



employees both work with us, the outcomes are better for everyone.”

Common examples of industries that yielded complaints in the first two years of wage enforcement included homecare, marijuana, valet/parking services, salons, pedicabs, and restaurants. We see higher rates of noncompliance in the first part of the year when employers still need to update their payrolls to reflect the higher wages.

By using data analysis, active enforcement, and on-site visits, our analysts hope to reach employers sooner and catch errors faster. That means employers will be less likely to owe large amounts of backpay and workers will more quickly receive the money they are owed.

“Our data-driven work will help solve problems quicker,” Auditor O’Brien said. “Every worker deserves to be paid at least the minimum wage, and this new approach will help us get there faster.”

To conduct an investigation without a prior complaint, city ordinance lists several criteria for there to be a reasonable belief that an employer violated the law — including:

- A pattern of multiple credible complaints in a particular industry, demonstrating a likelihood that certain workers in that industry are regularly not paid wages as required by law.
- Our office receiving credible information from a state or federal agency, demonstrating an increased likelihood of unpaid wages.
- Data establishing a reasonable basis to conclude a particular employer or industry is likely to owe employees unpaid wages.
- A business owner failing to pay the minimum wage at another business with common ownership interests.

The Denver minimum wage applies wherever the work was performed, even if the business’s main office is outside the city. Employers and workers can check the address where work was performed using our regional address finder on our website, [DenverWages.org](http://DenverWages.org).

“We have all the tools businesses need to navigate Denver’s wage ordinances,” Executive Director Garcia said. “And many of our tools are available in English, Spanish, and other languages so workers can know their rights.”

Tools for workers and businesses on our website include:

- A regional address finder.
- A tips tracker tool for the food and beverage industry.
- A minimum wage calculator.
- A restitution calculator spreadsheet for employers.
- FAQs and explanations of the investigations process for businesses.
- Complaint forms in English and Spanish.
- Mandatory site posters for businesses.

Employers in the food and beverage industry may reduce wages by up to \$3.02 per hour if they can show documentation that an employee received at least that amount in tips. If employers claim the full tip credit, the tipped wage is \$12.85 per hour.

The tip credit applies only to the food and beverage industry. All other employers must pay the full minimum wage, even if their employees sometimes receive tips.

Our office makes every possible effort to keep complaints confidential, and we do not ask for or consider citizenship or immigration status. Employers may not take adverse action against a worker for their involvement in an investigation.

Visit [DenverWages.org](https://DenverWages.org) or [SalariosEnDenver.org](https://SalariosEnDenver.org) to learn more.

[Business Resources](#)  
[File a Wage Complaint](#)  
[Restitution Stories](#)

You can find more information about the Auditor and recent audits at [on our website](#).

#### **About the Auditor's Office**

Denver's Auditor is publicly elected and answers to the voters. The role of the Auditor is to help minimize risks, improve internal controls, maximize efficiencies and strengthen accountability.

#### **About Auditor O'Brien**

Denver Auditor Timothy M. O'Brien, CPA, has more than 40 years of auditing and accounting [experience](#). Auditor O'Brien strives to bring greater clarity, transparency and accountability to Denver's city government for its residents. Elected in 2015 and reelected in 2019, Timothy O'Brien is distinguished from his predecessors by being an actual professional auditor. Auditor O'Brien and his office won a Knighton Exemplary Award in 2021 for their [audit of Denver's Neighborhood Sidewalk Repair Program](#). It is their fourth award since 2015, including the Knighton Award for their 2019 [audit of the Denver Preschool Program](#), the [Knighton Distinguished Award](#) for the [first Affordable Housing Audit](#) from 2018, and a Knighton Exemplary Award for the 2015 [Rocky Mountain Human Services audit](#). Auditor O'Brien also received the [ADA Access Award](#) from the Colorado Cross-Disability Coalition in 2018 for his work on behalf of people with disabilities. Auditor O'Brien received the [2017 Outstanding CPA in Government Impact Award](#) from the [American Institute of CPAs](#). He was honored with the [2016 Jonathan Holtzinger Award of Excellence](#) by the Colorado Chartered Financial Analyst Society for demonstrating the highest standards as a financial and investment professional.

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