

 e-Alert

08.18.22

Colorado Employment Law Update

Background

There has been a number of Colorado employment law amendments that went into effect during August 2022, however, the most significant changes will not take place until January 1, 2023.

Summary

Non-Compete Agreements

Colorado is the most recent state to **adopt** restrictions on employers' use of post-termination restrictive covenants. The amendment specifies that most non-compete agreements are not enforceable unless the agreement is with "highly compensated" employees and is meant to reasonably protect business trade secrets. The law is not retroactive, therefore any agreements signed before August 10, 2022, are not affected.

Workers Compensation

Recent **amendments** change the requirement to notify an employer about an injury from a four-day notice period to a 10-day notice period.

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Background Checks

Recent [amendments](#) prohibit an employer from requiring an applicant to disclose information related to juvenile court records.

Harassment and Discrimination Claim Procedures

Recent [amendments](#) extend the time an employee may file a charge with the Colorado Civil Rights Commission from six months to 300 days after the alleged discriminatory conduct occurred. In addition, the law provides for compensatory and punitive damages for age discrimination claims.

Wage Payment Law Amendments – effective January 1, 2023

Recent [amendments](#) require employers to provide specified notices to terminated employees regarding payroll deductions. Colorado law has historically permitted employers to deduct from an employee's final pay for the value of unreturned company property, such as a laptop or other office equipment. Beginning January 1, 2023, in order to make those types of deductions from an employee's final pay, an employer must provide a notice to the employee within 10 days of separation. The notice must contain certain information including a written account specifying the amount of money or the specific property that the employee failed to pay or return; the replacement value of the property; details of when the money or property was provided to the employee; and when the employer believes the employee should have paid the money or returned the property.

Increased Penalties for Late Payment of Wages – effective January 1, 2023

Recent [amendments](#) will require that employers who do not pay wages owed within 14 days will face an automatic penalty. In most cases, the penalty will be increased from 1.25 to two times the amount owed.

Employer Next Steps

- Employers should review their employee agreements to ensure they comply with the non-compete amendments and exclusions.
- Prior to the January 1, 2023, effective date, employers may consider the new notice requirement before deducting for final pay for unreturned company property.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please [email us](#).

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