

Colorado Minimum Wage Rates Increase January 1, 2019

Below are frequently asked questions (FAQs) to help you answer employee questions. If you have additional questions not addressed below, please reach out to the Vail Resorts Compensation Team.

Q: What is the new Colorado minimum wage effective January 1, 2019?

A:

Colorado 2019 Minimum Wage Rates	
\$11.10	Regular minimum wage (non-tipped and limited tipped positions; not eligible for tip credit)
\$8.08	Tipped Positions eligible to receive a tip credit

Q: Who are considered tipped employees eligible to receive a tip credit?

A: Employees in a job where they customarily and regularly receive more than \$30 per month in tips.

Q: What is tip credit?

A: In Colorado, employers can credit up to \$3.02 per hour of an eligible tipped employee's tips towards the regular minimum wage. This means an employer may pay an eligible tipped employee \$8.08 per hour as long as the employee's tips equal \$3.02 or more per hour ($\$11.10 - \$3.02 = \8.08). The employee's tips combined with \$8.08 minimum hourly wage must equal \$11.10 or more when calculated over a seven-day workweek, otherwise the employer makes up the difference (tip adjustments). For Vail Resorts employees earning the tipped position minimum wage, their wages will be adjusted up to the Vail Resorts minimum if they do not earn that amount with tips.

Examples:

Eligible for Tip Credit: Servers, Bell, and Valet Positions

Not eligible for Tip Credit: Limited tip positions; Baristas, Host, Room Service, Coat Check

Q: What is tip pooling?

A: In Colorado, employers may require employees to share or allocate tips on a pre-established basis with other employees. Employers cannot require employees to share tips with employees who do not customarily and regularly receive tips, such as cooks or dishwashers.

Q: What are commission-based employees?

A: In Colorado, commissions can be paid in addition to or instead of a base wage for sales or services as long as the total compensation when calculated over a seven-day workweek equals at least \$9.30 per hour. At Vail Resorts, we ensure these employees make at least the Vail Resorts minimum wage of \$12.25 per hour.

Q: What is a 7i commission based employee?

A: Employee's coded to select positions where at least 50% of their total earnings consist of commissions and combined pay as calculated over a seven-day workweek equals no less than one and one half minimum wage ($\$11.10 \times 1.5 = \16.65 per hour). 7i positions are exempt from overtime premium pay. Example of a 7i position is Banquet Server. 7i employees are not permitted to work a secondary position in the same week they perform 7i role.

Q: Will CO minimum wage increases impact next merit increase proration?

A: No, tipped positions are typically not eligible to receive annual merit increases. If a merit increase is awarded to an employee, it would not be impacted by the CO minimum wage increase.

Q: What is the difference between a Tip and a Service Charge (Group Service Fee paid out as a commission)?

A: Tips are discretionary sums presented by customers as gratuities. They are the property of the employee. Employers are prohibited from using an employee's tips for any reason other than as a credit against minimum wage (tip credit) or to be applied to a valid tip pool.

Commissions/Group Service Fees are required non-discretionary charges for service, for example 15% of bill. This is not a tip. Sums distributed to employees from service charges cannot be counted as tips, nor can these amounts be applied to tip credit. Commission/Group Service Fees are included in calculation of overtime premiums for non-exempt positions. 7i commission employees are exempt from overtime premiums if all 7i requirements for exemption are satisfied.

Q: Can employees who work multiple jobs in one week remain eligible for tip credit?

A: Yes, with the following exceptions:

- Borrowed employees where primary position is a non-tipped position must have their hourly rate overridden to at least the Vail Resort Colorado Minimum wage (\$12.25 in FY19). The system will not calculate a tip adjustment for these employees.
- Employees assigned to a 7i job code are not permitted to work a secondary position in the same week they perform 7i role.