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Colorado Supreme Court Rules Shorter Statute of Limitations Period Applies to Colorado Wage Claims

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Last week, the Colorado Supreme Court published a long-awaited decision finding that the statute of limitations period for all Colorado wage claims is two years (or three years for a willful violation), not six years. This decision clarifies a heavily litigated dispute surrounding the Colorado Minimum Wage Act (CMWA), which is silent on its limitations period, regarding whether CMWA claims are subject to the two- or three-year period under the separate Colorado Wage Claim Act (CWCA) or six years under Colorado's default statute. This decision limits an employee's CMWA claim to two years (or three years for violations deemed willful) for lost wages, significantly reducing a plaintiff's potential recovery and the scope of such claims, which are often brought on a class-wide basis.

Background

In the case, *By the Rockies v. Perez*, 2025 CO 56 (Colo. 2025), the plaintiff filed a claim under the CMWA in 2022, alleging his former employer failed to provide required rest and meal breaks. Because the plaintiff's employment had ended in 2017 and the CMWA is silent on when a claim is time-barred, the issue became which statute of limitations period applied: two or three years under the CWCA, or six years under Colorado's default limitations statute.

Both the CMWA and CWCA are found under Title 8 of the Colorado Revised Statutes, which covers "Labor and Industry." Both statutes provide rights of action for violations of Colorado wage requirements, most of which (like rest and meal breaks) are set out in implementing regulations, the Colorado Overtime and Minimum Pay Standards (COMPS) Orders. While the CMWA does not specify a statute of limitations period, the CWCA requires all claims

to be commenced within two years after a cause of action accrues or three years if the violation is willful.

Meanwhile, Title 13 of the Colorado Revised Statutes, which generally covers courts and court procedure, provides that all actions "to recover a liquidated debt or an unliquidated, determinable amount of money" must commence within six years of the cause of action.

The trial court granted the employer's motion to dismiss, finding that the plaintiff's CMWA claim was subject to the CWCA's shorter limitations period and was therefore time-barred. The trial court reasoned that because the CMWA and CWCA fall under Title 8 and share the same purpose of recovering lost wages, and the CWCA is the more specific of the two statutes, the CWCA's shorter statute of limitations should apply.

On appeal, a division of the Colorado Court of Appeals issued a split decision reversing the trial court, determining that the CMWA's lack of a specific limitations period meant the legislature intended for the default six-year period for liquidated debts and determinable amounts to apply.

The defendant-employer appealed in August 2024, resulting in the Colorado Supreme Court's opinion issued last week.

The Colorado Supreme Court's decision

The Colorado Supreme Court reversed the Court of Appeals by finding that the CWCA's two- or three-year statute of limitations provision applies to CMWA claims. The court largely agreed with the trial court's reasoning, citing two main reasons for its decision.

First, the court relied on the rule of statutory interpretation that parts of a statutory scheme should be read harmoniously with one another. Because both the CWCA's and the CMWA's purpose is to recover lost wages, the two acts must be construed together. The court further explained that because both statutes are specific to employer-employee disputes, it is more appropriate to apply the CWCA's limitations period rather than the general default statute for liquidated debts. The court also noted that the shorter limitations period matched the COMPS Orders' recordkeeping requirements, which require employers to retain payroll records for three years. According to the court, this suggested the legislature's intent to have employees reach back no further than three years to recover unpaid wages.

Second, the court looked to legislative history to find that the state legislature intended for Colorado's wage laws to align with the federal Fair Labor Standards Act (FLSA), which applies the same two- or three- year limitations framework as the CWCA. The court refused to interpret Colorado's wage laws in a way that would be in direct tension with the FLSA.

The court also rejected the plaintiff's additional argument that the shorter limitations period should apply "only" to the CWCA given that no such limiting language existed in the statute. Finally, the court refused to apply the rule of statutory interpretation that a longer limitations period should prevail where two statutes arguably apply. The court found no need to adopt this rule of "last resort" when the statutory scheme, the COMPS Orders' recordkeeping requirements, and the parallel federal law support application of the CWCA's shorter limitations period to CMWA claims.

The court reversed the Court of Appeals' order and remanded the case with instructions to dismiss.

What this means to you

While the court's ruling is a welcome decision to Colorado employers previously facing the prospect of wage claims reaching back six years, the risk (and cost) of defending such claims remains uniquely high in the state. Colorado's daily overtime rules and meal and rest break requirements present high compliance standards for employers to meet, and Colorado's significant statutory penalties still make it an attractive state for plaintiffs (and plaintiffs' attorneys) to file suit.

In the intervening year between the Court of Appeals' ruling and last week's decision, a significant number of wage and hour class actions had been filed in Colorado claiming a lookback period of six years and penalties that can triple or quadruple any underlying damages. Claims for such penalties will only continue (albeit with a three-year lookback), and employers should protect themselves by reviewing their wage and hour practices to ensure compliance with rules around overtime, regular rate calculations, and meal and rest breaks.

Colorado employers may consider additional consultation with a Husch Blackwell attorney to assess potential past wage claims and protect against future risk.

Contact us

If you have any questions about this decision or other employment law issues, contact Barbara Grandjean, Ashley Jordaan, Shawna Ruetz, Keith Ybanez, Owen Davis, Marina Fleming, or your local Husch Blackwell attorney.