COLORADO FAIR WORK & MUTUAL RESPONSIBILITY ACT

Model Legislation — Version 6.0 (Complete Master — Survival Pass)

A balanced framework for fair employment security and shared responsibility

Prepared by The Q Collective LLC / Doctrine Policy Group A standalone Act; companion to the Colorado Economic Security Act (CESA)

CHANGELOG

Version 6.0 — Survival Pass

What is new in this version:

1. **Section 12(b): removed "solely."** Adopted a **motivating-factor** standard with an **employer burden-shift** (new 12(c)) and a bar on after-the-fact reasons. The old (c)–(f) are re-lettered (d)–(g). *This is the core trainer-protection fix.*
2. **Section 20: safety clause removed.** The Act now takes effect on the standard non-safety-clause date and **remains subject to citizen referendum**. Non-retroactivity stated expressly. Finding 2(a)(9) and the Plain-Language Summary conformed. *(Resolves the v5 safety-clause decision in favor of preserving the people's vote.)*
3. **Section 20(g): added a 90-day, process-only transitional period** that expressly excludes just cause, retaliation, discrimination, and training protections. *(Judgment call — see note below.)*
4. **Section 18(a): filing window aligned to 300 days** to match Colorado's discrimination-charge clock.
5. **Reconciliation catch:** the Plain-Language "When it starts" line was rewritten so it no longer claims "no grace period" (which would contradict the new 20(g)); it now accurately describes the process-only grace.
6. **State setup window locked at 60 days** (no longer a placeholder).

> **Judgment-call note (Fix 3 — grace period):** The 90-day process-only grace is a deliberate concession to survive a real session — it answers the lobby's "you'll get sued

> on day one over a missing form" line without sheltering a single unjust firing, and it names Section 12 as getting *no* grace, ever. If you'd rather hold a pure model-bill line with zero grace, say so and I'll cut 20(g) in a v6.1.

> **Legal-review sleeper (carry-over, not fixed here):** Section 19 single-subject. An Act covering formation + conduct + separation + staffing agencies + training is the most likely target of a single-subject challenge in Colorado. This is a formal-drafting-pass decision (whether training/staffing ride as their own titles), not a ten-minute edit. Keep it on the list before introduction.

Version 5.0

Immediate effect via safety clause (now superseded by v6); removed the phased 13-month rollout; worker protections immediate; expedited State duties with interim employer fairness and claim-tolling.

Version 4.0 — Complete Master

Consolidated all prior elements; added the non-operative Plain-Language Summary; adopted the day-one, staffing-agency, and single-subject design choices as settled.

Version 3.0

Removed probationary period (protection from day one); added staffing-agency/temp coverage with duty on the employer of record; added Training Relationship Protections.

Version 2.0

Title locked; standalone confirmed; small-employer threshold removed (single universal Safe Harbor); 10-day written statement; tenure-scaled cap from day one; two-way discretionary fees; low-cost tribunal.

Version 1.0

Initial framework with all six source mechanisms: flexicurity; safe-harbor checklist; capped remedy; three grounds; social selection; mitigation-first; reciprocal incentive-based mutual notice.

PLAIN-LANGUAGE SUMMARY

(Non-operative — for readability only. The numbered Sections below are the actual bill.)

The big idea. You shouldn't be fired for no reason — but employers should still be able to run their business. This bill does both, and leans on CESA's safety net to make the balance work.

Who it covers. Every Colorado employer, from a 2-person shop to a major corporation — no size cutoff, no exemptions. It covers real employees and temp/staffing-agency workers. It does not cover genuine independent contractors.

When you're protected. From your first day — no six-month wait. A clearly bad-fit new hire can still be let go, but it has to be honest and fair, and the payout for someone with almost no time on the job is small.

A fair reason to fire someone is one of three things: conduct (bad behavior, breaking rules after a warning, serious misconduct), capacity (genuinely can't do the job after a fair chance), or operational (a real economic/business need). "Because I felt like it" is gone.

The fair process — same for everyone. Except for serious misconduct: warn the person, give a real chance to improve, state the reason, keep simple notes. Do those four and you're protected. Serious misconduct (theft, violence, fraud) means you can act on the spot.

Temp / staffing-agency workers are protected from day one too — but the responsibility sits with the staffing agency (their real employer), not the company they're placed at. A company ending an assignment isn't automatically a "firing," as long as the agency keeps employing them and tries to place them elsewhere. The host company still can't discriminate, harass, retaliate, or use the agency to fire someone for an illegal reason.

Training protections. You can't be punished or fired because a trainee you trained in good faith was combative or washed out — and if that was even *part* of the reason, the employer has to prove it would have done the same thing anyway for a clean, documented reason. A hostile work environment is covered no matter who's causing it — trainee, trainer, boss, coworker, or outsider — and the employer has to step in once they know. Pulling someone out of a training assignment to stop the hostility isn't a firing and can't be held against the person who reported it.

Layoffs done fairly. If cuts are economic and several similar people could go, you can't just pick favorites — you weigh time on the job, age, dependents, and disability. Before firing for "can't do the job" or economic reasons, try a reasonable alternative first — transfer, fewer hours, retraining, or a CESA hub.

If a firing is found unfair, you either get the job back or get paid — and the pay is capped: the greater of 4 weeks, or 2 weeks per year worked (counted from day one), up to 26 weeks max. No punitive or emotional-distress damages unless there's real fraud or malice. Legal fees can go to whoever wins, not automatically to one side.

Fair runs both ways. Workers are encouraged — never forced — to give about two weeks' notice and leave in good standing, rewarded with rehire priority and faster CESA transition help. Nobody can be forced to keep working. Ghosting for 3 straight days counts as quitting.

When it starts. On the effective date — with no rulemaking delay. Your protection from unfair firing is full from day one; the only grace is a short, paperwork-only window for an employer's honest first-time process slip, and it never shelters an actual unjust firing, retaliation, discrimination, or the training protections. And the law stays subject to a citizen vote.

Plus: no retaliation; union contracts are not weakened (if a union deal gives more, it wins); and disputes go to a fast, low-cost tribunal instead of expensive court.

THE ACT

SECTION 1. SHORT TITLE

This Act shall be known and may be cited as the "Colorado Fair Work and Mutual Responsibility Act."

SECTION 2. LEGISLATIVE DECLARATION AND PURPOSE

(a) The General Assembly finds and declares that:

(1) Pure at-will employment allows a worker to be dismissed for any reason or no reason at all, leaving working families exposed to arbitrary loss of livelihood without recourse;

(2) Rigid job-protection regimes, by contrast, can make employers cautious about hiring; this Act answers that concern with a deliberately light-touch process and a remedy scaled to length of service, rather than by withholding fairness during an arbitrary waiting period;

(3) Fairness should not be conditioned on surviving a probationary window; a worker hired as an actual employee deserves honest grounds and a fair process from the first day;

(4) The most successful labor markets pair **moderate, predictable job security** with a **strong economic safety net** and **active retraining** — a model internationally known as "flexicurity";

(5) Colorado is uniquely positioned to adopt this balanced approach because the safety net already exists in statute through the Colorado Economic Security Act, including income continuity, healthcare independent of employment, and a statewide network of retraining and reemployment hubs;

(6) Workers placed through staffing agencies deserve the same protection from arbitrary dismissal, owed by their actual employer of record;

(7) Employees who train others, and all parties to a training relationship, deserve protection from being penalized for circumstances beyond their good-faith control and from hostile work environments from any source;

(8) Fairness runs in both directions: employers owe workers honest grounds and a fair process before dismissal, and workers owe employers reasonable notice and good-faith departure;

(9) The harm of arbitrary dismissal is immediate and ongoing; this Act is therefore intended to take effect without internal delay or warning-only grace period, applying in full from its effective date.

(b) **Purpose.** The purpose of this Act is to replace pure at-will employment with a fair-cause standard that is balanced, predictable, and affordable — protecting employees from arbitrary dismissal **from their first day of employment**, while preserving employers' ability to manage performance, conduct, and genuine economic need through a light, fair process, and while keeping liability capped and certain. One fair standard shall apply to every Colorado employer regardless of size.

SECTION 3. DEFINITIONS

(a) **"Employee"** means an individual employed by an employer in Colorado, excluding genuine independent contractors as defined under existing Colorado law. The term includes both direct employees and staffing-agency workers as defined below.

(b) **"Direct employee"** means an employee hired and employed directly by the employer for whom the work is performed.

(c) **"Employer"** means any person or entity employing one or more employees in Colorado. This Act contains no employee-count threshold and no probationary exclusion; it applies equally to all employers and from the first day of employment.

(d) **"Staffing agency"** means an entity that employs individuals for the purpose of assigning them to perform work for a client business, including temporary, temp-to-hire, and staffing arrangements.

(e) **"Employer of record"** means the entity that is legally the employer of a worker and responsible for the obligations of an employer under this Act. For a staffing-agency worker, the staffing agency is the employer of record.

(f) **"Client business"** (or "host employer") means a business to which a staffing agency assigns a worker to perform work.

(g) **"Just cause"** means a reasonable, job-related basis for dismissal falling within one of the three grounds in Section 5.

(h) **"Serious misconduct"** means conduct causing serious and imminent risk to the health or safety of any person, or to the reputation or viability of the business, including theft, fraud, violence, and comparable acts.

(i) **"Operational reasons"** means genuine economic, technological, or structural circumstances that directly and adversely affect the employer's need for the role, including bona fide redundancy.

SECTION 4. APPLICATION AND COVERAGE

(a) This Act applies to **all employers** operating in Colorado, regardless of size. There is no exemption and no size threshold.

(b) **The protections of this Act apply from the first day of employment.** There is no probationary period and no waiting period before just-cause and fair-process protections attach.

(c) **Every employer, of any size, complies through the single universal Fair Dismissal Standard in Section 11.** The additional requirements of Sections 9 (social selection) and 10 (mitigation) apply only to the extent relevant to the employer's circumstances.

(d) Coverage of staffing-agency and temporary workers is governed by Section 6.

(e) This Act does not apply to genuine independent contractors, and does not diminish any greater protection provided by a collective bargaining agreement (see Section 17).

SECTION 5. PROTECTION FROM DAY ONE — JUST CAUSE REQUIRED

(a) From the first day of employment, no employer shall dismiss or suspend an employee without just cause.

(b) **Just cause exists only on one or more of the following three grounds:**

(1) **Conduct** — willful misconduct, repeated policy violation after warning, gross insubordination, or serious misconduct as defined;

(2) **Capacity** — sustained inability to perform the essential duties of the role to a reasonable standard, after notice and a fair opportunity to improve;

(3) **Operational reasons** — as defined, subject to the social-selection and mitigation requirements of Sections 9 and 10 where relevant.

(c) **Fair process.** A dismissal is valid only if it is both (1) for a recognized ground and (2) carried out through the fair process in Section 11 — meaning, except in cases of serious misconduct, the employee was warned, told the reason, and given a reasonable opportunity to respond and improve. What is "reasonable" is proportionate to the length of service and the circumstances, so that an early, genuine misfit may be addressed with a brief, documented process.

SECTION 6. COVERAGE OF TEMPORARY AND STAFFING-AGENCY WORKERS

(a) A worker placed by a staffing agency is protected by this Act **from the first day of employment**, on equal terms with a direct employee.

(b) **Duty rests with the employer of record.** For a staffing-agency worker, the just-cause, fair-process, social-selection, mitigation, and remedy obligations of this Act are owed by the **staffing agency as employer of record**, not by the client business.

(c) **Assignment versus dismissal.** A client business ending or declining a worker's assignment is not, by itself, a dismissal under this Act, provided the staffing agency continues the worker's employment and makes good-faith efforts to reassign the worker. Dismissal protection attaches to the staffing agency's termination of the employment relationship, which requires just cause and fair process.

(d) **Client business duties.** Regardless of who is the employer of record, a client business shall not:

(1) subject the worker to discrimination or a hostile work environment;

(2) request or cause an assignment to end in retaliation for protected activity; or

(3) direct or induce the staffing agency to dismiss a worker for a reason that would be unlawful if the client business did it directly.

The client business remains responsible for a safe and respectful workplace under Section 12 and for the anti-retaliation duties of Section 15.

(e) **Anti-evasion.** A staffing agency may not use repeated short assignments, reassignment delays, or artificial breaks in service to evade the protections of this Act.

SECTION 7. STANDARD OF REVIEW

(a) In any proceeding under this Act, a dismissal shall be evaluated for whether it was **harsh, unjust, or unreasonable** in light of the ground asserted, the process followed, and the employee's length of service.

(b) A dismissal may be found unfair even where a valid ground existed, if the penalty was disproportionate or the process was fundamentally unfair.

SECTION 8. WRITTEN STATEMENT OF CAUSE

(a) Upon dismissal or suspension, the employer of record shall provide a **written statement of the cause within ten (10) business days.**

(b) An employer may not later rely in litigation on grounds materially different from those stated in writing, except for after-discovered serious misconduct.

SECTION 9. ECONOMIC LAYOFFS — SOCIAL SELECTION

(a) Where dismissal is for operational reasons affecting comparable roles, the employer shall not select arbitrarily or by favoritism.

(b) Among comparable employees, selection shall weigh: length of service, age, number of dependents, and disability, so that employees least able to absorb job loss receive reasonable consideration.

(c) This section applies only where two or more comparable employees exist; it does not require retention of an employee whose role is genuinely and wholly eliminated, and imposes no ranking obligation where no comparable employees exist.

SECTION 10. MITIGATION FIRST — ALTERNATIVE-ROLE OFFER

(a) Before dismissal on capacity or operational grounds, the employer shall consider and, where practicable, offer a reasonable alternative — including transfer, a modified role, reduced hours, or retraining.

(b) An employer satisfies this section by making a good-faith offer of a reasonable alternative, or — where no internal role is practicable — by referring the employee to the applicable CESA retraining and reemployment hub.

SECTION 11. UNIVERSAL FAIR DISMISSAL STANDARD (SAFE HARBOR)

(a) Every employer that complies with the **Fair Dismissal Checklist** shall be deemed to have dismissed an employee fairly, and compliance is a complete defense to a claim under this Act. This standard applies identically to all employers regardless of size.

(b) **The Checklist requires that, except in cases of serious misconduct, the employer:**

(1) Warned the employee, verbally or in writing, that performance or conduct had to improve or dismissal could follow;

(2) Gave a reasonable opportunity and any appropriate support to improve, proportionate to length of service;

(3) Stated the reason for dismissal; and

(4) Retained simple documentation of the above.

(c) In cases of serious misconduct, an employer may dismiss without notice where it holds a reasonable belief, on reasonable grounds, that the conduct justifies immediate termination.

(d) The State shall publish a free one-page Checklist and a fillable form. Use of the form is encouraged but not required for compliance. Until the official Checklist is published, an employer that meets the substance of subsection (b) is deemed compliant (see Section 20).

SECTION 12. TRAINING RELATIONSHIP PROTECTIONS

(a) **Definitions.** A **"trainer"** is an employee assigned to instruct, onboard, mentor, or supervise the training of another employee. A **"trainee"** is an employee receiving such training.

(b) **No penalty for a trainee's conduct or outcome.** An employer shall not dismiss, discipline, demote, or enter an adverse performance assessment against a trainer where a trainee's combativeness, lack of cooperation, underperformance, or failure to complete training was *a motivating factor* in the action, provided the trainer acted in good faith and met reasonable training duties.

(c) **Burden of proof.** Once the employee shows that a trainee's conduct or training outcome was a motivating factor in the adverse action, the employer bears the burden of proving, by a preponderance of the evidence, that it would have taken the same action for an independent, lawful, and documented reason unrelated to the trainee's conduct or outcome. An employer may not satisfy this burden with a reason first articulated after the adverse action or after a claim is filed.

(d) **Protection from hostile conduct, in all directions.** Every party to a training relationship or present in a training setting is protected from a hostile work environment, whether the hostile conduct originates from a trainee, a trainer, a supervisor, a coworker, or a third party. The employer has a duty to take prompt and reasonable action to stop hostile conduct once it knew or should have known of it.

(e) **Removal from a training assignment.** Removing a trainer or a trainee from a training assignment in order to stop or prevent hostile conduct is not a dismissal under this Act, and shall not be recorded as an adverse action against a person who reported or was subjected to that conduct.

(f) **Protected reporting.** Reporting hostile conduct in a training relationship in good faith is protected activity, and retaliation for it is prohibited under Section 15.

(g) Nothing in this section prevents an employer from addressing a trainer's or trainee's own documented misconduct or genuine failure to meet reasonable duties.

SECTION 13. REMEDIES — CAPPED AND PREDICTABLE

(a) Where a dismissal is found unfair, the available remedies are:

(1) **Reinstatement** to the former or a comparable role, where practicable and where the relationship has not irretrievably broken down; or

(2) **Compensation**, where reinstatement is not ordered.

(b) **Compensation is capped and tenure-scaled.** Compensation shall equal the greater of:

(1) four (4) weeks' pay; or

(2) two (2) weeks' pay for each completed year of service,

up to a maximum of twenty-six (26) weeks' pay.

(c) **Years of service shall be calculated from the employee's first day of employment.** An employee's protection grows with the full length of their service. Because service begins on day one, the remedy for very short service is modest and predictable.

(d) Compensation is limited to lost wages and benefits. Punitive and emotional-distress damages are **not** available under this Act except in cases of proven fraud or malice.

(e) **Attorneys' fees are discretionary and available to either prevailing party.** Fees are not automatically awarded to any party.

SECTION 14. MUTUAL NOTICE AND GOOD STANDING

(a) **Reciprocal notice.** Both employer and employee are expected to provide reasonable notice of separation — a default of two (2) weeks for covered roles, scaling with tenure where set by policy or agreement. An employer may provide pay in lieu of notice.

(b) **This section is incentive-based and creates no obligation of continued involuntary work.** No employee may be compelled to remain employed, and failure to give notice is not a civil violation.

(c) **Employee incentives for good-faith departure.** An employee who provides proper notice and departs in good standing shall be eligible for:

(1) Priority rehire consideration with the employer for twelve (12) months;

(2) A documented "good standing" separation record; and

(3) Expedited access to applicable CESA transition benefits and retraining.

(d) **Job abandonment** means an unexplained failure to report for three (3) consecutive scheduled workdays without contact, and is treated as a voluntary resignation.

SECTION 15. ANTI-RETALIATION

(a) No employer shall dismiss, suspend, or discipline an employee in retaliation for refusing to violate the law or public policy, for reporting a violation in good faith, or for reporting hostile conduct under Section 12.

(b) A retaliatory dismissal is always unfair.

SECTION 16. RELATIONSHIP TO CESA

(a) This Act is the fair-process complement to the Colorado Economic Security Act. Where CESA provides the income, healthcare, and retraining safety net, this Act provides the standard of fairness in separation.

(b) A worker dismissed under this Act shall be routed automatically to applicable CESA supports, including AI-displacement provisions where relevant, retraining hubs, and healthcare continuity.

(c) Nothing in this Act requires the prior enactment of CESA; the two are designed to operate together but stand independently.

SECTION 17. RELATIONSHIP TO COLLECTIVE BARGAINING

(a) Nothing in this Act diminishes, replaces, or weakens any just-cause or other protection provided under a collective bargaining agreement.

(b) Where a collective bargaining agreement provides equal or greater protection, that agreement controls.

SECTION 18. ENFORCEMENT AND ADMINISTRATION

(a) Claims under this Act shall be filed within **three hundred (300) days** of dismissal or suspension, subject to the tolling provision in Section 20 for claims arising before the tribunal is operational.

(b) Claims shall be heard by a **low-cost administrative tribunal** modeled on Australia's Fair Work Commission, designed to be accessible to a dismissed worker and a small employer alike without the cost of court litigation.

(c) The tribunal shall offer voluntary conciliation before any formal hearing, with the goal of fast, low-cost resolution.

SECTION 19. SINGLE-SUBJECT STATEMENT

The single subject of this Act is **fair employment and mutual responsibility in the employment relationship**, including its formation, conduct, and separation. All provisions — covering direct and staffing-agency employees, the standard and process for dismissal, training-relationship protections, remedies, and mutual notice — are necessarily and properly connected to that single subject.

> *Legal-review note: confirm single-subject sufficiency during the formal drafting pass, given the Act covers formation, conduct, and separation, and reaches staffing agencies and training relationships. This is the Act's most likely point of legal challenge.*

SECTION 20. EFFECTIVE DATE AND INTERIM OPERATION

(a) **Effective date.** This Act takes effect on the date provided by the Colorado Constitution for acts enacted without a safety clause, and applies to any dismissal or suspension occurring on or after that date. This Act is not retroactive and creates no liability for conduct occurring before its effective date.

(b) **No internal phase-in.** There is no rulemaking delay and no warning-only grace period beyond the limited transitional provision in subsection (g). Every protection — Sections 5, 6, 8, 11, 12, 13, and 15 — applies in full from the effective date.

(c) **Citizen referendum preserved.** This Act is enacted without a safety clause and remains subject to the referendum power reserved to the people of Colorado. The General Assembly finds that a worker-protection Act grounded in returning fairness to working people should itself remain subject to the people's direct review.

(d) **Expedited State duties.** The State shall publish the free Fair Dismissal Checklist and fillable form, and make the administrative tribunal operational, as soon as practicable and no later than sixty (60) days after the effective date. The availability of protections and the right to bring a claim are not contingent on completion of these duties.

(e) **Interim fairness for employers.** Until the official Checklist and form are published, an employer that meets the substance of the fair process in Section 11(b) is deemed compliant.

(f) **Interim claims preserved.** A claim arising before the tribunal begins accepting claims is preserved. The filing period in Section 18 is tolled until the tribunal is operational.

(g) **Limited transitional period — process only.** For the first ninety (90) days after the effective date, where an employer's only deficiency is a good-faith, first-time failure to satisfy the procedural steps of Section 11(b), the tribunal shall order corrective compliance rather than compensation. This grace does not apply to, and provides no shelter for: a dismissal without just cause under Section 5; serious-misconduct determinations; retaliation under Section 15; discrimination or hostile-environment duties; or training-relationship protections under Section 12. After ninety (90) days, full remedies apply to all violations.

Model legislation by The Q Collective LLC / Doctrine Policy Group. Requires a formal legislative-drafting and legal review pass before any introduction.

— mav QBJ