

JAN 25 2006

A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE FOR TIPPED EMPLOYEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 387-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "Wage" to read as follows:

3 "Wage" means (except as the department may provide under
4 section 387-11) legal tender of the United States or checks on
5 banks convertible into cash on demand at full face value thereof
6 and in addition thereto the reasonable cost as determined by the
7 department, to the employer of furnishing an employee with
8 board, lodging, or other facilities if such board, lodging, or
9 other facilities are customarily furnished by such employer to
10 the employer's employees. Except for the purposes of [~~the last~~
11 ~~sentence of~~] section 387-2(b), "wage" shall not include tips or
12 gratuities of any kind.

13 SECTION 2. Section 387-2, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§387-2 Minimum wages.** (a) Except as provided in section
16 387-9 [~~and this section~~], every employer shall pay to each
17 employee employed by the employer, wages at the rate of not less
18 than:



1 ~~[(1) \$6.25 per hour beginning January 1, 2003;~~
2 ~~(2)]~~ (1) \$6.75 per hour [~~beginning January 1,~~] during the
3 year 2006; and
4 ~~[(3)]~~ (2) \$7.25 per hour [~~beginning January 1, 2007]~~
5 thereafter.

6 ~~[The hourly wage of a tipped employee may be deemed to be~~
7 ~~increased on account of tips if the employee is paid not less~~
8 ~~than 25 cents below the applicable minimum wage by the~~
9 ~~employee's employer and the combined amount the employee~~
10 ~~receives from the employee's employer and in tips is at least 50~~
11 ~~cents more than the applicable minimum wage.]~~

12 (b) For purposes of subsection (a), an employer shall be
13 deemed to have paid the applicable minimum wage if:

14 (1) The employer pays the employee at least \$6 per
15 hour beginning January 1, 2006; and

16 (2) The combined amount the employee receives from
17 the employee's employer and in tips is at least
18 50 cents more than the applicable minimum wage."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 4. This Act shall take effect upon its approval.

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SB. NO. 2513

Report Title:

HRS section 387-2; minimum wage; reduction for tipped employees

Description:

Increases the reduction in minimum wage levels for tipped employees from 25 cents to (1) 75 cents in 2006 and (2) \$1.25 thereafter.

