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## A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

1           SECTION 1. The legislature finds that Hawaii has one of  
2 the highest costs of living in the nation. Despite rising  
3 prices and rising normal wages for workers, the federal minimum  
4 wage has remained unchanged since 2009. Act 82, Session Laws of  
5 Hawaii 2014, raised the minimum wage well above the federal  
6 minimum wage of seven dollars and twenty-five cents per hour.  
7 The current minimum wage of ten dollars and ten cents per hour  
8 is the last scheduled increase contemplated by Act 82.

9           The legislature finds that the wage distribution gap  
10 between the bottom and the middle categories of wage-earners is  
11 widening. The minimum wage should rise annually to keep up with  
12 the rising cost of living and be indexed to a reliable source.  
13 Indexing the minimum wage to the median wage links it to overall  
14 conditions in the labor market rather than to the general level  
15 of prices or inflation. Indexing the minimum wage to the median  
16 wage will ensure that the minimum wage keeps pace with the  
17 typical worker's wage.



1           The purpose of this Act is to increase the minimum wage to  
2 fifteen dollars per hour by 2022 and index future annual  
3 increases to the median wage for all occupations in the State.

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

6           "**§387-2 Minimum wages.** (a) Except as provided in section  
7 387-9 and this section, every employer shall pay to each  
8 employee employed by the employer, wages at the rate of not less  
9 than:

- 10           (1) \$6.25 per hour beginning January 1, 2003;
- 11           (2) \$6.75 per hour beginning January 1, 2006;
- 12           (3) \$7.25 per hour beginning January 1, 2007;
- 13           (4) \$7.75 per hour beginning January 1, 2015;
- 14           (5) \$8.50 per hour beginning January 1, 2016;
- 15           (6) \$9.25 per hour beginning January 1, 2017; ~~and~~
- 16           (7) \$10.10 per hour beginning January 1, 2018 ~~[ ]~~;
- 17           (8) \$12.00 per hour beginning January 1, 2020;
- 18           (9) \$13.50 per hour beginning January 1, 2021;
- 19           (10) \$15.00 per hour beginning January 1, 2022; and
- 20           (11) The rate for the following calendar year established  
21           by the department on September 30, 2022, and on



1           September 30 of each year thereafter. The rate shall  
2           be calculated to the nearest cent of seventy-five per  
3           cent of the most recently published United States  
4           Department of Labor median hourly wage for all  
5           occupations in Hawaii.

6           (b) ~~[The hourly wage of a tipped employee may be deemed to~~  
7 ~~be increased on account of tips if the employee is paid not less~~  
8 ~~than:~~

9           ~~(1) 25 cents;~~

10          ~~(2) 50 cents per hour beginning January 1, 2015; and~~

11          ~~(3) 75 cents per hour beginning January 1, 2016,~~

12 ~~below the applicable minimum wage by the employee's employer and~~  
13 ~~the combined amount the employee receives from the employee's~~  
14 ~~employer and in tips is at least 50 cents more than the~~  
15 ~~applicable minimum wage; provided that beginning January 1,~~  
16 ~~2015, the combined amount the employee receives from the~~  
17 ~~employee's employer and in tips is at least \$7.00 more than the~~  
18 ~~applicable minimum wage.] An employer may reduce or credit an~~

19 employee's wages on account of tips of a service employee;

20 provided that:



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1        (1) The combined amount the employee receives from the  
 2        employer and in tips is at least \$5.00 per hour more  
 3        than the applicable minimum wage; and

4        (2) The tipped employee customarily and regularly receives  
 5        more than \$20.00 per month in tips.

6        The credit shall be 50 cents per hour for every dollar above the  
 7        sum of the applicable minimum wage plus \$5.00 per hour in tips.

8        (c) Every employer that elects to use the tip credit  
 9        pursuant to subsection (b) shall inform the employee beforehand  
 10       with relevant documentation."

11       SECTION 3. Statutory material to be repealed is bracketed  
 12       and stricken. New statutory material is underscored.

13       SECTION 4. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

Tim W. Whelan

Alan

Mya. The

Richard

Stanley A. Meri



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**Report Title:**

Minimum Wage

**Description:**

Increases the minimum wage to fifteen dollars per hour by 2022 and indexes future annual increases to the median wage for all occupations in the State. Adjusts the tip credit.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

