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# A BILL FOR AN ACT

RELATING TO MINIMUM WAGE.

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

1 PART I

2 SECTION 1. The legislature finds that Hawaii has some of  
3 the highest costs of living in the country. This  
4 disproportionately impacts lower wage earners in the State and  
5 imposes significant hardship.

6 The purpose of this part is to increase the minimum wage to  
7 combat rising wage disparity and also incentivize greater  
8 provision of healthcare to lower wage employees by their  
9 employers.

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

12 "§387-2 Minimum wages. (a) Except as provided in section  
13 387-9 and this section, every employer shall pay to each  
14 employee employed by the employer, wages at the rate of not less  
15 than:

- 16 (1) \$6.25 per hour beginning January 1, 2003;  
17 (2) \$6.75 per hour beginning January 1, 2006;



- 1 (3) \$7.25 per hour beginning January 1, 2007;
- 2 (4) \$7.75 per hour beginning January 1, 2015;
- 3 (5) \$8.50 per hour beginning January 1, 2016;
- 4 (6) \$9.25 per hour beginning January 1, 2017; [~~and~~]
- 5 (7) \$10.10 per hour beginning January 1, 2018[-];
- 6 (8) \$11.00 per hour beginning January 1, 2020;
- 7 (9) \$12.00 per hour beginning January 1, 2021;
- 8 (10) \$13.00 per hour beginning January 1, 2022;
- 9 (11) \$14.00 per hour beginning January 1, 2023; and
- 10 (12) \$15.00 per hour beginning January 1, 2024.

11 (b) The hourly wage of a tipped employee may be deemed to  
 12 be increased on account of tips if the employee is paid not less  
 13 than:

- 14 (1)<sub>a</sub> 25 cents;
  - 15 (2) 50 cents per hour beginning January 1, 2015; and
  - 16 (3) 75 cents per hour beginning January 1, 2016,
- 17 below the applicable minimum wage by the employee's employer and  
 18 the combined amount the employee receives from the employee's  
 19 employer and in tips is at least 50 cents more than the  
 20 applicable minimum wage; provided that beginning January 1,  
 21 2015, the combined amount the employee receives from the



1 employee's employer and in tips is at least \$7.00 more than the  
2 applicable minimum wage.

3 (c) Notwithstanding the requirements of subsection (a), an  
4 employer that is required to provide health care coverage to any  
5 employee by a prepaid group health care plan pursuant to section  
6 393-11 shall pay each employee who actually receives coverage  
7 under the employer's plan a wage at a rate not less than:

- 8 (1) \$10.50 per hour beginning January 1, 2020;
- 9 (2) \$11.00 per hour beginning January 1, 2021;
- 10 (3) \$11.50 per hour beginning January 1, 2022;
- 11 (4) \$12.00 per hour beginning January 1, 2023; and
- 12 (5) \$12.50 per hour beginning January 1, 2024."

13 PART II

14 SECTION 3. The purpose of this part is to include persons  
15 with disabilities under generally applicable minimum wage  
16 requirements by repealing provisions that allow individuals  
17 whose earning capacity is impaired by old age or physical or  
18 mental deficiency or injury to be paid at subminimum rates.

19 SECTION 4. Section 103D-1001, Hawaii Revised Statutes, is  
20 amended by amending the definition of "qualified community  
21 rehabilitation program" to read as follows:



1            "Qualified community rehabilitation program" means a  
2 nonprofit community rehabilitation program for persons with  
3 disabilities that:

- 4            (1) Is organized and incorporated under the laws of the  
5 United States or this State, and located in this  
6 State;
- 7            (2) Is operated in the interest of and [†]employs[†]  
8 persons with disabilities;
- 9            (3) Does not inure any part of its net income to any  
10 shareholder or other individual;
- 11           (4) Complies with all applicable occupational health and  
12 safety standards required by the federal, state, and  
13 county governments; and
- 14           (5) Holds a current certificate from the United States  
15 Department of Labor pursuant to the Fair Labor  
16 Standards Act, Title 29 United States Code section  
17 214(c), and is certified by the state department of  
18 labor and industrial relations under [~~section 387-9~~  
19 ~~and~~] applicable administrative rules relating to the  
20 employment of persons with disabilities."



1 SECTION 5. Section 387-9, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§387-9 Special minimum wages for learners; apprentices;  
4 full-time students; paroled wards of Hawaii youth correctional  
5 facility [~~;- handicapped workers~~]. (a) Notwithstanding the  
6 provisions of section 387-2, the director may by rule provide  
7 for the employment [~~;-~~

8 ~~(1)~~ ~~of~~ of learners, of apprentices, of part-time  
9 employees who are full-time students attending public  
10 or private schools other than colleges, universities,  
11 business schools, or technical schools, and of wards  
12 paroled from the Hawaii youth correctional facility,  
13 under special certificates issued by the director, at  
14 such wages lower than the applicable minimum wage and  
15 subject to such limitations as to time, number,  
16 proportion, and length of service as the director  
17 shall prescribe [~~;- and~~

18 ~~(2)~~ ~~Of individuals whose earning capacity is impaired by~~  
19 ~~old age or physical or mental deficiency or injury,~~  
20 ~~under special certificates issued by the director, at~~  
21 ~~such wages lower than the applicable minimum wage and~~



1           ~~for such period as shall be fixed in the~~  
2           ~~certificates]~~.

3           (b) The director may by rule prescribe standards and  
4 requirements to ensure that this section will not create a  
5 substantial probability of reducing the full-time employment  
6 opportunities of persons other than those to whom the special  
7 minimum wage rate authorized by this section is applicable."

8                                   PART III

9           SECTION 6. This Act does not affect rights and duties that  
10 matured, penalties that were incurred, and proceedings that were  
11 begun before its effective date.

12           SECTION 7. If any provision of this Act, or the  
13 application thereof to any person or circumstance, is held  
14 invalid, the invalidity does not affect other provisions or  
15 applications of the Act that can be given effect without the  
16 invalid provision or application, and to this end the provisions  
17 of this Act are severable.

18           SECTION 8. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20           SECTION 9. This Act shall take effect on January 1, 2050.

**Report Title:**

Minimum Wage; Employment; Persons With Disabilities

**Description:**

Increases minimum wage rates annually from January 1, 2020, through January 1, 2024. Provides lower minimum wage rates for employees who receive employer-sponsored health benefits under the Hawaii Prepaid Health Care Act. Includes persons with disabilities under generally applicable minimum wage requirements. (SB789 HD1)

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

