

JAN 18 2019

A BILL FOR AN ACT

RELATING TO MINIMUM WAGE.

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

1 SECTION 1. The legislature finds that Hawaii's minimum
2 wage should be increased to meet workers' basic needs.
3 According to the department of business, economic development,
4 and tourism, a single adult required an income of \$32,957 to
5 achieve self-sufficiency in Hawaii in 2016, while a single
6 parent with one child required \$56,157. Yet at the current
7 statewide minimum wage rate of \$10.10 per hour, a full-time
8 employee earns only \$21,008 annually. Moreover, the National
9 Low Income Housing Coalition's Out of Reach 2018 report
10 estimates that a minimum wage worker would have to work 109
11 hours per week to afford a one-bedroom rental home at local fair
12 market rent.

13 The legislature further finds that increasing the State's
14 minimum wage will help Hawaii's economy by giving low wage
15 workers greater purchasing power in Hawaii's marketplace.
16 Additionally, according to the department of labor and
17 industrial relations, in 2018 and the following four consecutive



1 years of minimum wage increases, the State's unemployment level
2 reached an all-time low of two per cent, demonstrating that
3 increasing the minimum wage does not adversely impact statewide
4 employment.

5 The purpose of this Act is to support Hawaii's workforce by
6 increasing the minimum wage rate in the State.

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

9 "**§387-2 Minimum wages.** (a) Except as provided in section
10 387-9 and this section, every employer shall pay to each
11 employee employed by the employer, wages at the rate of not less
12 than:

- 13 (1) \$6.25 per hour beginning January 1, 2003;
- 14 (2) \$6.75 per hour beginning January 1, 2006;
- 15 (3) \$7.25 per hour beginning January 1, 2007;
- 16 (4) \$7.75 per hour beginning January 1, 2015;
- 17 (5) \$8.50 per hour beginning January 1, 2016;
- 18 (6) \$9.25 per hour beginning January 1, 2017; [and]
- 19 (7) \$10.10 per hour beginning January 1, 2018[-];
- 20 (8) \$11.50 per hour beginning January 1, 2020;
- 21 (9) \$13.00 per hour beginning January 1, 2021;



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1 (10) \$14.50 per hour beginning January 1, 2022;
2 (11) \$16.00 per hour beginning January 1, 2023; and
3 (12) \$17.00 per hour beginning January 1, 2024.
4 ~~(b) [The hourly wage of a tipped employee may be deemed to~~
5 ~~be increased on account of tips if the employee is paid not less~~
6 ~~than:~~
7 ~~(1) 25 cents;~~
8 ~~(2) 50 cents per hour beginning January 1, 2015; and~~
9 ~~(3) 75 cents per hour beginning January 1, 2016,~~
10 ~~below the applicable minimum wage by the employee's employer and~~
11 ~~the combined amount the employee receives from the employee's~~
12 ~~employer and in tips is at least 50 cents more than the~~
13 ~~applicable minimum wage; provided that beginning January 1,~~
14 ~~2015, the combined amount the employee receives from the~~
15 ~~employee's employer and in tips is at least \$7.00 more than the~~
16 ~~applicable minimum wage.] Beginning September 30, 2024, and on~~
17 ~~September 30 of each year thereafter, the department shall~~
18 ~~calculate an adjusted minimum wage rate. The adjusted minimum~~
19 ~~wage rate shall be calculated to the nearest five cents using~~
20 ~~the Honolulu region consumer price index for all urban consumers~~
21 ~~for the twelve months prior to September 1 of each year as~~



1 calculated by the United States Department of Labor; provided
 2 that if in any year the adjustment based on the Honolulu region
 3 consumer price index for all urban consumers would result in a
 4 lower minimum wage rate, the adjusted minimum wage rate shall
 5 remain the same as the minimum wage rate in effect for the year
 6 in which it is calculated. Each adjusted minimum wage rate
 7 calculated under this subsection shall take effect on January 1
 8 following the calendar year in which the adjusted minimum wage
 9 rate is calculated; provided that if an increase in the adjusted
 10 minimum wage rate exceeds ten per cent of the minimum wage rate
 11 in effect for the year in which it is calculated, the adjusted
 12 minimum wage rate shall be increased by ten per cent of the
 13 minimum wage rate in effect for the year in which it is
 14 calculated."

15 SECTION 3. Statutory material to be repealed is bracketed
 16 and stricken. New statutory material is underscored.

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

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INTRODUCED BY:

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Breene Harris
Hal Abroad



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Report Title:

Minimum Wage; Employment; Adjusted Minimum Wage Rate

Description:

Increases the minimum wage annually starting January 1, 2020. Beginning September 30, 2024, and thereafter, requires the Department of Labor and Industrial Relations to calculate an adjusted minimum wage rate to the nearest five cents using the Honolulu Region Consumer Price Index for All Urban Consumers, subject to certain conditions. Repeals 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.

