

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



JADE T. BUTAY
DIRECTOR

WILLIAM G. KUNSTMAN
DEPUTY DIRECTOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
KA 'OIHANA PONO LIMAHANA

February 1, 2023

To: The Honorable Sharon Y. Moriwaki, Chair,
The Honorable Chris Lee, Vice Chair, and
Members of the Senate Committee on Labor and Technology

Date: Wednesday, February 1, 2023
Time: 3:00 p.m.
Place: Conference Room 224, State Capitol

From: Jade T. Butay, Director
Department of Labor and Industrial Relations (DLIR)

Re: S.B. 270 RELATING TO INCOME

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports** this proposal. SB270 proposes to amend the Wage and Hour Law, Chapter 387, Hawaii Revised Statutes (HRS), by implementing a phased elimination of the tip credit from \$1.00 per hour to 75 cents per hour beginning October 1, 2023; 50 cents per hour beginning January 1, 2025; 25 cents per hour beginning January 1, 2027; and 0 cents per hour beginning January 1, 2029.

II. CURRENT LAW

Under Section 387-2, HRS, the current tip credit is \$1.00 per hour effective October 1, 2022, and will increase to \$1.25 per hour beginning January 1, 2024, and \$1.50 per hour beginning January 1, 2028 (Act 114, SLH 2022).

III. COMMENTS ON THE SENATE BILL

The DLIR supports the gradual elimination of the tip credit to help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer.

SB-270

Submitted on: 1/27/2023 7:36:55 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pride at Work - Hawaii	Testifying for Pride @ Work - Hawaii	Support	Written Testimony Only

Comments:

Aloha Senators,

Pride at Work – Hawai‘i is an official chapter of Pride At Work which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. P@W-HI STRONGLY SUPPORTS SB 270.

The "tip credit" needs to be done away with, tipping is one of the many remaining relics of slavery in our country. Tipping was a way for businesses to “hire” freed slaves without having to pay them as to not get those that support(ed) slavery mad at them.^[1] With the “tip credit” in place it makes almost impossible for tipped workers to ever take a vacation or a sick day, if their employer evens offer them. Because if the worker does they are making below minimum wage.

Pride at Work – Hawai‘i humbly asks that you support SB 270 to support the working class.

In solidarity,

Pride at Work – Hawai‘i

[1] <https://www.fordfoundation.org/news-and-stories/stories/posts/american-tipping-is-rooted-in-slavery-and-it-still-hurts-workers-today/>

SB-270

Submitted on: 1/27/2023 8:52:07 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Golojuch Jr	Testifying for Stonewall Caucus of the Democratic Party of Hawaii	Support	Remotely Via Zoom

Comments:

Aloha Senators,

The Stonewall Caucus of the Democratic Party of Hawai‘I; Hawai‘i’s oldest and largest policy and political LGBTQIA+ focused organization fully supports SB 270.

We hope you all will support this important piece of legislation.

Mahalo nui loa,

Michael Golojuch, Jr.
Chair and SCC Representative
Stonewall Caucus for the DPH

TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR &
TECHNOLOGY

RE: SB 270 - RELATING TO INCOME

WEDNESDAY, FEBRUARY 1, 2023

JASON BRADSHAW, CHAIR
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

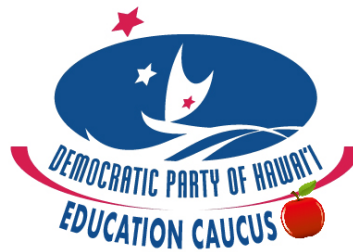
Chair Moriwaki and Members of the Committee:

The Democratic Party of Hawaii Labor Caucus **supports SB270** relating to income.

The purpose of this Act is to increase the income of tipped workers by gradually phasing out the tip credit so that all employers shall be required to pay all employees at least the minimum wage.

The current tip credit allows employers to pay certain employees at a rate below the state minimum wage by calculating tips as a portion of the employee's wages. We, as a state, need to eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. They struggle. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

To provide a living wage to all workers in Hawaii, the Labor Caucus asks your committee to **support** this bill.



SENATE BILL 270, RELATING TO INCOME

FEBRUARY 1, 2023 · SENATE LABOR AND
TECHNOLOGY COMMITTEE · CHAIR SEN. SHARON
MORIWAKI

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports SB 270, relating to income, which phases out the tip credit.

The tip credit unfairly penalizes employees who work in the service industry, effectively subjecting them to a subminimum wage. According to historians, tipping and the tip credit originated in feudal Europe. The practice spread throughout the United States after the Civil War as U.S. employers in the hospitality industry looked for ways to avoid paying freed slaves.

Numerous studies have found that the tip credit worsens sexual harassment in the workplace. **Tipped employees are often reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely for income.** According to a study performed by a team of researchers from the University of Notre Dame, Penn State University, and the Emlyon Business School in France that was published in the *Journal of Applied Psychology*, dependency on tips and a requirement to appear emotionally pleasant on the job increase an employee's risk of being sexually harassed. Additionally, a 2018 report by the Restaurant Opportunities Center, a nonprofit group that advocates for better working conditions

for restaurant workers, found that most respondents who reported experiencing sexual harassment associated that harassment to their dependence on tips.

Essentially, the tip credit acts as a “tip penalty” that decreases the financial well-being of service industry workers. According to the Massachusetts Institute of Technology’s living wage calculator, a single individual must earn \$22.69 per hour to meet their basic needs in Honolulu, while an individual with only one child must earn \$42.95 per hour. Yet, service sector workers are often paid the state’s base minimum wage rate. **Some service industry employees have even reported that the tip credit is deducted from their wages automatically, regardless of whether or not they are compensated at the minimum level required by state law for the tip credit to become applicable.** This problem may be occurring more frequently than public data or workplace complaints show because tip credit requirements are often inadequately understood by service industry employers and employees.

To protect the financial security of the thousands of tipped workers who are employed in Hawai‘i’s service industry, it is time to eliminate the tip credit. **President Joe Biden has repeatedly expressed support for abolishing the tip credit.** We should heed his call to action and end the economically destructive tip credit that extends corporate welfare, is rooted in racism, and worsens gender violence on our shores.

[Kris Coffield · Chairperson, DPH Education Caucus · \(808\) 679-7454 · \[kriscoffield@gmail.com\]\(mailto:kriscoffield@gmail.com\)](#)



SB 270, RELATING TO INCOME

FEBRUARY 1, 2023 · SENATE LABOR AND
TECHNOLOGY COMMITTEE · CHAIR SEN. SHARON
MORIWAKI

POSITION: Support.

RATIONALE: Imua Alliance supports SB 270, relating to income, which phases out the tip credit.

The tip credit unfairly penalizes employees who work in the service industry, effectively subjecting them to a subminimum wage. According to historians, tipping and the tip credit originated in feudal Europe. The practice spread throughout the United States after the Civil War as U.S. employers in the hospitality industry looked for ways to avoid paying freed slaves.

Numerous studies have found that the tip credit worsens sexual harassment in the workplace. **Tipped employees are often reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely for income.** According to a study performed by a team of researchers from the University of Notre Dame, Penn State University, and the Emlyon Business School in France that was published in the *Journal of Applied Psychology*, dependency on tips and a requirement to appear emotionally pleasant on the job increase an employee's risk of being sexually harassed. Additionally, a 2018 report by the Restaurant Opportunities Center, a nonprofit group that advocates for better working conditions for restaurant workers, found that most respondents who reported experiencing sexual harassment associated that harassment to their dependence on tips.

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To protect the financial security of the thousands of tipped workers who are employed in Hawai‘i’s service industry, it is time to eliminate the tip credit. **President Joe Biden has repeatedly expressed support for abolishing the tip credit.** We should heed his call to action and end the economically destructive tip credit that extends corporate welfare, is rooted in racism, and worsens gender violence on our shores.

Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · kris@imuaalliance.org

SB-270

Submitted on: 1/29/2023 2:27:29 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Rev. Samuel L Domingo	Testifying for Hawaii Workers Center	Support	Written Testimony Only

Comments:

Aloha Chair Moriwaki and Members of the Senate Labor and Technology Committee

I am in support of SB270 that proposes to eliminate the tip penalty for our workers. In fact, I would go further in supporting the elimination forthwith and not stagger it over time. Tipping has racist origins during post Civil War and the legacy of maintaining a wage system that allows employers to pay less than minimum is unacceptable. Workers depending on tips to survive is a cruel fate that our government and society should have abolished years ago. The legislature should have a moral commitment to eliminating unjust and unfair policies that affect our working families.

Thank you for this opportunity to offer my testimony in support of SB270.

Senator Sharon Moriwaki, Chair
 Senator Chris Lee, Vice-Chair
 Committee on Labor and Technology

Wednesday, February 1, 2023

Strong Opposition for S.B. No. 270, Relating to Removal of the Tip Credit

I was born and raised on Oahu, and today, I own / operate six companies in Hawaii with 190 employees in the fields of structural engineering, real estate, corporate finance, affordable housing, food and beverage, and wastewater management. During the pandemic, I led a coalition on the Hawaii Commercial Rent Survey ([SURVEY REPORTS | IBMHawaii](#)) and created and founded Braddahood Grindz ([Home | Braddahood Grindz](#)). I also serve as Chairman for the Hawaii Restaurant Association and I have dedicated my time to this association and other volunteer initiatives because I believe we all need to do our part to help further Hawaii's independence and sustainability as a destination island economy for future generations.

The new minimum wage scale from 2022 through 2028 passed by the legislature last year is completely unsustainable for Hawaii's small business owners and over time will result in layoffs, automation, additional responsibilities piled onto the remaining employees, and business closures. The sad reality for many of Hawaii's small business owners is that COVID-19 completely derailed their financial and operational underpinnings and are still fighting for survival.

	Minimum Wage	Hourly Tips Must Equal	Highest Applicable Minimum Wage	Tip Credit		
				Current	SB125.HB1372	SB270.HB1288
Jan-28	\$ 18.00	\$ 7.00	\$ 25.00	\$ 1.50	\$ 3.60	\$ -
Jan-26	16.00	7.00	23.00	1.25	3.20	-
Jan-24	14.00	7.00	21.00	1.25	2.80	-
Oct-22	12.00	7.00	19.00	1.00	2.40	-
Jan-18	10.10	7.00	17.10	0.75	-	-
Jan-17	9.25	7.00	16.25	0.75	-	-
Jan-16	8.50	7.00	15.50	0.75	-	-
Jan-15	7.75	7.00	14.75	0.50	-	-
Jan-07	7.25	-	7.25	0.25	-	-
Jan-06	6.75	-	6.75	0.25	-	-
Jan-03	6.25	-	6.25	0.25	-	-
Jan-02	5.75	-	5.75	0.25	-	-

Elimination of the tip credit would create even greater financial hardship for already struggling small businesses in Hawaii. Spanning over 20 years from 2002 to 2022, the Consumer Price Index (CPI) increased annually by 2%. This is despite a recent increase in the CPI.

Looking further over a 25-year period from 2002 through 2028, the new minimum wage scale from 2022 through 2028 increases minimum wage by 8% annually over this 25-year period, and 13% annually for the highest applicable minimum wage during this same period. This rate of artificial increase in the hourly wage for tipped employees is not sustainable because tipped employees must earn the highest applicable minimum wage.

Tipped employees are highly valued by employers, especially restaurants. Approximately half of Hawaii's 100,000 minimum wage employee earners are employed by restaurants and receive tips. The tip credit reduces a tipped employee's minimum wage to account for wages from customer-paid tips. Servers earn more than half of their wages from tips.¹ Because tips are paid as a percentage of the entire bill, Hawaii's higher prices means higher tips for tipped employees.

It is important to note that in Hawaii only, a tip credit is permissible if the combined amount the employee receives from the employer and in tips is at least \$7.00 more than the applicable minimum wage. Workers must regularly receive at least \$7.00 over the minimum wage. Tip credit may only be taken for "front of the house" employees who have regular customer contact (e.g., servers, host/hostess, bar tenders, bussers, etc.). Ineligible employees include supervisors, managers, bouncers at a nightclub and quality assurance "expeditors" who have little customer contact.

Moreover, employers cannot count tips from "mandatory services charges" towards tip credit. Also, credit card fees are not allowed to reduce the highest applicable minimum wage.

Thank you for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,



Ryan Tanaka
President
Island Business Management, LLC
ryan@ibmhawaii.com

¹ [Wait Staff and Bartenders Depend on Tips for More Than Half of Their Earnings - National Employment Law Project \(nelp.org\)](https://www.nelp.org/)

IRON WORKERS STABILIZATION FUND

February 1, 2023
3:00 pm

Senate Committee on Labor and Technology

Conference Room 224 & Videoconference
State Capitol
415 South Beretania Street

Re: SB270 – Relating to the Tip Credit

Aloha Chair Sharon Moriwaki, Vice Chair Chris Lee, and Members of the Committee:

We **SUPPORT** SB270 which ensures all workers in Hawaii are paid the minimum wage by phasing out the harmful tip credit.

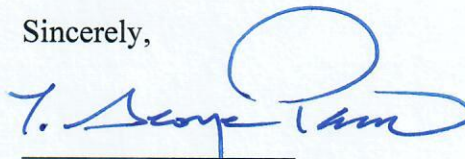
We thank Senator Fevella for introducing SB270 to help protect workers and their families. The tip credit is anti-worker and makes it harder for workers to survive in Hawaii. We believe all workers should be paid a living wage and SB270 helps us move in that direction. Tipped and service workers in Hawaii are already struggling to make ends meet and most are living paycheck-to-paycheck. Ensuring they are paid no less than the minimum wage is the right policy approach.

Additionally, seven states in the country do not have a tip credit – they include California, Nevada, Washington, Oregon, Minnesota, Montana and Alaska and the restaurant industry is doing just fine in those states. In fact, California has the most restaurants of all the states and Las Vegas is predominantly a service sector driven economy. In these states and cities, workers earn the same minimum wage regardless of their job and we believe that is the right approach.

We strongly support SB270 and recommend its passage.

Mahalo for the opportunity to testify.

Sincerely,



T. George Paris

TGP: JB



Randy Perreira, President

HAWAII STATE AFL-CIO
Hawaii's Labor Unions

888 Mililani Street Suite 501, Honolulu, Hawaii 96813

The Thirty-Second Legislature, State of Hawai'i
Hawai'i State Senate
Committee on Labor and Technology

Testimony by
Hawai'i State AFL-CIO
February 1, 2023

S.B. 270 – RELATING TO INCOME

The Hawai'i State AFL-CIO is a state federation of 74 affiliate local unions and councils with over 68,000 members across both public and private sectors. We appreciate the opportunity to testify in **strong support** of S.B. 270.

The minimum wage is not a living wage relative to cost of living in Hawai'i. The tip credit as it stands contributes to keeping low wage earners from reaching financial stability. Tips should bolster the income of tipped workers who are often low wage earners, and this bill proposes such an increase over time.

We appreciate your consideration of our testimony in **strong support** of S.B. 270.

Respectfully,

Randy Perreira
President

SB-270

Submitted on: 1/30/2023 12:48:43 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Doris Segal Matsunaga	Testifying for Save Medicaid Hawaii	Support	Written Testimony Only

Comments:

attached

SB-270

Submitted on: 1/30/2023 1:05:36 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
jose miramontes jr	Testifying for International Longshore warehouse Union Local 142	Support	Written Testimony Only

Comments:

I am in full support of this Bill

SB-270

Submitted on: 1/30/2023 2:48:45 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sierra Revilla	Testifying for Hawaii Stevedores Inc.	Support	Written Testimony Only

Comments:

I support this bill



INTERNATIONAL LONGSHORE & WAREHOUSE UNION

LOCAL OFFICE • 451 ATKINSON DRIVE • HONOLULU, HAWAII 96814 • PHONE 949-4161

HAWAII DIVISION: 100 West Lanikaula Street, Hilo, Hawaii 96720 • **OAHU DIVISION:** 451 Atkinson Drive, Honolulu, Hawaii 96814
MAUI COUNTY DIVISION: 896 Lower Main Street, Wailuku, Hawaii 96793 • **KAUAI DIVISION:** 4154 Hardy Street, Lihue, Hawaii 96766
HAWAII LONGSHORE DIVISION: 451 Atkinson Drive, Honolulu, Hawaii 96814

LOCAL 142

January 30, 2023

The Thirty-Second Legislature
Regular Session of 2023

THE SENATE

Committee on Labor and Technology

Senator Sharon Y. Moriwaki, Chair

Senator Chris Lee, Vice Chair

State Capitol, Conference Room 224 & Videoconference

Wednesday, February 1, 2023; 3:00 p.m.

STATEMENT OF THE ILWU LOCAL 142 ON SB 270 – RELATING TO INCOME

The International Longshore and Warehouse Union Local 142 (ILWU 142) testifies in **strong support of SB 270** which if enacted will gradually phase out the tip credit. The ILWU 142 is a labor union comprised of 18,000 members in the longshore, tourism, pineapple, and general trades industries.

The minimum wage is already significantly below the cost of living. The so called, “tip credit” functions as a financial penalty for workers who receive tips. Employees receiving tips already count on those tips in addition to the minimum wage to survive Hawaii’s high cost of living. SB 270 would provide needed relief to local workers by guaranteeing them the full minimum wage after a period of sometime.

In addition, the tip credit system places the burden of making up for low wages on the customer who is not required to tip. Tips are a subjective and not subject to laws regarding discrimination. All workers should receive a fair and reliable wage for their labor. In Hawaii, the minimum wage is not insufficient to cover the minimum cost of living and tipped workers are already placed in a precarious position of relying on customer gratitude for survival. SB 270 would help to remedy this problem.

We appreciate the opportunity to testify in **strong support** to this measure.

Respectfully,

Christian West
President



IATSE LOCAL 665

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Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

Thirty-Second Legislature, State of Hawai'i
Senate Committee on Labor & Technology

Testimony by IATSE 665

January 30, 2023

S.B. 270 - RELATING TO INCOME

Aloha Chair Moriwaki and Members of the Committee,

My name is Tuia'ana Scanlan, president of IATSE Local 665, the union representing technicians in the entertainment industry in Hawai'i. Local 665 supports SB270 relating to income. The purpose of this Act is to increase the income of tipped workers by gradually phasing out the tip credit so that all employers shall be required to pay all employees at least the minimum wage.

The current tip credit allows employers to pay certain employees at a rate below the state minimum wage by calculating tips as a portion of the employee's wages. We, as a state, need to eliminate the tip credit, a harmful policy that allows some business owners to pay their workers a sub-minimum wage. Studies show that workers who are forced to survive off of the tips they earn are put at increased risk of sexual harassment and other forms of violence. They struggle. There is no good reason hard working people should earn a sub-minimum wage based on the kind of work they do for a living.

To provide a living wage to all workers in Hawai'i, IATSE Local 665 asks your committee to support this bill.

In Solidarity,



Tuia'ana Scanlan
President, IATSE 665
he/him/his



Ryan Tanaka, Chairman – Giovanni Pastrami **Ave Kwok, Incoming Chair**- Jade Dynasty

Andy Huang, Vice Chairman-L&L Hawaiian BBQ

Tambara Garrick, Secretary – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace

Greg Maples, Past Chair – Polynesian Cultural Center

Sheryl Matsuoka, Executive Director **Chivon Garcia**, Executive Assistant **Holly Kessler**, Director of Membership Relations

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Date: January 28, 2023

To: Senator Sharon Y. Moriwaki, Chair
Senator Chris Lee, Vice Chair
Members of the Committee on Labor and Technology

From: Victor Lim, Legislative Lead

Subject: SB270 Relating to Income

The Hawaii Restaurant Association representing 3,400 restaurants here in Hawaii strongly oppose SB270 that will eliminate Tip Credit in three increments by January 1,2029

The current post Covid-19 environment along with very high inflation and interest rates have devastated the service industry especially the restaurants. Restaurants that uses Tip employees rely on the tip credits to allow them to try and balance wages between the Tip employees and back of restaurant staff wages. Elimination of this tip credit would create even greater financial hardship for already struggling small businesses here in Hawaii.

It is important to note that in Hawaii, a tip credit is permissible if the combined amount the employee receives from the employer and in tips is at least \$7.00 more than the applicable minimum wage.

Thank you for giving us the opportunity to share our concerns.





**Testimony to the Senate Committee on Labor and Technology
Wednesday, February 1st, 2023 at 3:00pm**

**Conference Room 224, State Capitol
RE: SB270 Relating to Income**

Position: Support

Members of the Labor Committee:

All Workers Deserve to be Paid at Least the Minimum Wage

The minimum wage is intended to provide a fair wage floor to keep workers from being exploited. Continuing to allow specific groups to be paid less subverts the intent of the minimum wage law.

Tips are Meant for Staff, Not Business Owners

If restaurant patrons decide to leave a tip for their server, the intent is for that money to go directly to the staff, not to the business owner. Raising the tip penalty will decrease the wages of wait staff simply because they earn money in tips. The tip penalty is set to increase to \$1.50 per hour. If workers can be paid \$1.50 less than the minimum wage, on a full-time schedule that is the equivalent of these workers losing out on over \$3,000 per year. That \$3,000 is not intended to go to the owners of the restaurant, but instead to the servers.

Restaurants Don't Need Special Exemptions

Retail stores who don't employ tipped workers must pay at least the minimum wage. There's no reason that restaurants shouldn't need to play by the same rules.

Servers Employed in Hawai'i Increased During the Last Minimum Wage Increase

Between 2014 and 2018 the minimum wage increased from \$7.25 to \$10.10, during that time the number of servers in Hawai'i increased by over 20%. There is no evidence to say that the increase in the minimum wage without increasing the tip penalty will lead to a reduction in servers being employed.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Labor and Technology
Wednesday, February 1, 2023, at 3:00 P.M.
Conference Room 224 & Videoconference**

RE: SB 270 Relating to Income

Chair Moriwaki, Vice Chair Lee, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **does not support** SB 270, which implements a phased elimination of the tip credit.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

With the passing of the minimum wage legislation last session, many of our smallest businesses, including restaurants, are worried about how they will afford the increase in costs and whether they can keep their doors open in the future.

Eliminating the tip credit for restaurants in Hawaii would put a massive financial strain on restaurant owners, many of whom are small businesses. When tips are shared among a restaurant's staff, the employer can partially offset their labor costs. Without the tip credit, owners would have to increase their prices to customers, making their products less competitive in the marketplace. This could put restaurants in Hawaii at a disadvantage, leading to a drop in business and potentially forcing some restaurants to close.

Additionally, eliminating the tip credit would be devastating to restaurant employees. Tips are an important source of income for waiters and other tipped employees, and they depend on them to make ends meet. Without the tip credit, many employees would see their wages decrease, leading to an overall decrease in quality of life. Furthermore, restaurants may have to reduce the number of hours their employees work, leading to fewer job opportunities in the industry.

Eliminating the tip credit would have a significant impact on the economy in Hawaii. Restaurants are an important contributor to the local economy and reducing the amount of money they bring in would have a ripple effect on other businesses. Without the tip credit, restaurants would have to increase their prices, leading to fewer customers and less money spent in the local economy. This could lead to a decrease in tax revenue for the state.

Thank you for the opportunity to testify.



The Senate Committee on Labor, and Technology
Wednesday, February 1, 2023
Room 224, 3:00 PM

RE: SB 270, Relating to Income

Attention: Chair Sharon Moriwaki, Vice Chair Chris Lee and
Members of the Committee

The University of Hawaii Professional Assembly (UHPA) appreciates the opportunity to testify in **strong support of SB 270**, Relating to Income.

The minimum wage is not a living wage relative to the cost of living in Hawai'i. The tip credit as it stands contributes to keeping low wage earners from reaching financial stability. Tips should bolster the income of tip earners who are often low wage earners, and this bill proposes such an increase over time.

UHPA appreciates your consideration of its testimony in strong support of SB 270.

Respectfully Submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly

**University of Hawaii
Professional Assembly**



Tuesday, January 31, 2023

To: Senator Sharon Moriwaki, Chair, Senator Chris Lee, Vice Chair and committee members.

SB270 Removal of the Tip Credit

From Highway Inn

Highway Inn opposes SB270

Highway Inn distributed its 2022 W2s this week to its staff. *The highest hourly paid staff members in 2022 are minimum wage front-of-house servers*—more than salaried managers.

Among several examples, a minimum wage earner's Gross income for 2022 was \$80,594. Of this total, her minimum wage was \$16,558. On the other hand, a person we pay \$18 an hour brought home a gross salary of \$40,829 without tips.

This W2 data is a bona fide, current, and compelling example of the asymmetry of compensation in the restaurant business. *State legislation regarding minimum wage and tip credit exacerbates this asymmetry.* It is why restaurants object so strongly. Legislation surrounding minimum wage and tip credit makes it harder to recruit and retain non-tipped back-of-house positions when trained cooks see their colleagues paid double their rate. Read the headlines if you need to verify that the biggest issue restaurants face today is sourcing labor.

The Federal Tip Credit, which works effectively in those states that have fully embraced it, seeks to even out this asymmetry. Simply put, a large tip credit (subject to minimum thresholds) allows a restaurant owner to compensate every position at a fair living wage. The more restaurants are forced to pay the highest-paid workers, even more at the expense of the lower-paid, the more complex the challenges become.

Let's be realistic; it is ultimately the diner/customer who will pay regardless, as restaurateurs are not alchemists. Restaurant owners want to pay their staff well to keep them and reduce turnover. Currently, rising menu prices at restaurants are paying for the increased cost of doing business and compensating the highest-paid servers. Most of our non-tipped workers were already above the minimum wage. The restaurant business is already shrinking, reducing options for local diners and tourists, and shrinking the state's tax base.

Lastly, we lost low-skilled back-of-house workers in January 2023 to another restaurant paying them 'under-the-table'. More restaurants will become non-compliant as costs increase and restaurants simply cannot compensate the employees it knows best how to do.

Mahalo for seeking our opinion and reading it to the end.



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Cade Watanabe, Senior Vice-President

January 31, 2023

Committee on Labor and Technology
Senator Sharon Y. Moriwaki, Chair
Senator Chris Lee, Vice Chair

Testimony in support of SB 270 and in opposition to SB 125

Chair Moriwaki, Vice Chair Lee and Members of the Committee:

UNITE HERE Local 5 represents working people throughout Hawaii's hotel, food service and health care industries. **UNITE HERE Local 5 supports SB 270**, which would eliminate the tip credit for tipped workers. **We oppose SB 125**, which would dramatically increase the tip credit. Working people across Hawaii are struggling with the cost of housing, food, and other necessities; support programs related to COVID are ending or have already ended. Increasing the tip credit means cutting wages, particularly the portion of wages that workers can count on when they are scheduled to work.

Some small businesses may be struggling as well, but for this there are a variety of solutions that do not involve taking money out of the hands of workers.

Thank you for your consideration.



HAWAII WORKERS CENTER

Defending and Respecting the workers of
Hawai'i

(503) WORKERS 📞

(503) 967- 5377 📞

hawaiiworkerscenter@gmail.com ✉️

hawaiiworkerscenter.org 🌐

January 31, 2023

Hawaii State Senate
Committee on Labor and Technology
Senator Sharon Y. Moriwaki, Chair
Senator Chris Lee, Vice Chair

Executive
Committee of the
Board

Rev. Sam Domingo
Board Chair

Mary Ochs
Vice President

Dr. Arcelita Imasa
Secretary

John Witeck
Treasurer

Board Members

Yoko Liriano

Nanea Lo

Innocenta
Sound-Kikku

Ray Catania

Justin Jansen

Marites Uy

Leyton Torda

Robyn Conboy

Co-Executive
Directors

Tony Doroño

Sergio Alcubilla III,
Esq.

RE: STRONG SUPPORT for S.B. 270

Dear Chair Sen. Moriwaki, Vice-Chair Lee, and Members of the Committee on Labor and Technology:

The Hawaii Workers Center envisions a Hawaii in which all workers are empowered to exercise their right to organize for their social, economic and political well-being. It is a resource of information, education, training and organizing for Hawaii's workers.

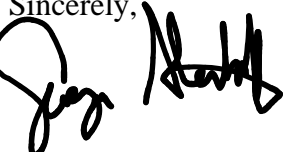
The Hawaii Workers Center provides workshops on workers' rights, health and safety, and protection from wage theft, labor trafficking, abuse and harassment and other workplace hazards and issues. It also provides referrals to various health, housing, immigration-related and legal resources.

The Hawaii Workers Center stands in strong support of S.B. 270 to finally eliminate the tip penalty here in Hawaii. The tip penalty deducts from workers' pay by reducing the amount of the minimum wage paid to tipped employees in order to benefit the employer. Thus, we have in essence, a sub-minimum wage where employees are being tasked with the responsibility of financially subsidizing their employers.

While we celebrate the increase in the state minimum wage to finally allow working families and individuals to cope with Hawaii's high costs of living, the work remains unfinished. While S.B. 270 seeks to implement a phased elimination of the tip penalty, rather than the more ideal immediate elimination, it is still an important step in the right direction. This bill will allow more workers to keep more of their hard earned money.

There are currently 7 states in the nation that believe in providing their residents the full-minimum wage. These states have higher restaurant job growth rates, small business growth rates, and tipping averages than states that offer a sub-minimum wage while also having half the rate of sexual harassment in the restaurant industry. It's time we treat ALL workers with the respect and dignity we all deserve. Let's stop penalizing tipped workers and finally eliminate the tip penalty.

We ask that you please support S.B. 270 and support Hawaii's working families.

Sincerely,


Sergio J. Alcubilla
Executive Director



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
 SB 270 – Relating to Income
 Senate Committee on Labor and Technology
 Wednesday, February 1, 2023, at 3:00 PM, Conference Room 224 & Videoconference

Dear Chair Moriwaki, Vice Chair Lee, and members of the Committee:

Thank you for the opportunity to provide testimony in support of SB 270, which would implements a phased elimination of the tip credit.

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, it makes the livelihood of tipped workers reliant on the generosity of their customers. It also makes their income far less reliable, since tip amounts can vary significantly over a given period of time. This is underlined by the fact that tipped workers are likely to work in lower-wage occupations, thus making them less able to deal with unanticipated disruptions to their income. In fact, tipped workers are almost twice as likely to be living in poverty as non-tipped workers.¹

A Center for American Progress (CAP) analysis shows that setting one fair minimum wage for all workers across the nation, specifically tipped but also for disabled and temporary teenage workers, will help alleviate poverty, sustainably grow the economy, and advance gender, racial, disability, and economic justice.²

Seven states have already eliminated the tipped minimum wage entirely.³ The CAP analysis finds that in those states, over the years since abolishing the subminimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped subminimum wage. Meanwhile, 16 states use the federal tipped minimum wage of \$2.13 per hour. Another 27 states and the District of Columbia have a tipped minimum wage higher than \$2.13 but still below the prevailing regular minimum wage.

Employers in tipped industries often make the claim that customers will respond to an elimination of the tip credit by tipping less, but there is no actual evidence of such a change. Although rates of tipping vary to some degree state by state, they average about 16 percent across states regardless of whether they have abolished the tip credit or not. In addition, the percentage of customers who tip at all was about the

¹ Gould, Elise and David Cooper, “Seven facts about tipped workers and the tipped minimum wage,” Economic Policy Institute, May 31, 2018, <https://www.epi.org/blog/seven-facts-about-tipped-workers-and-the-tipped-minimum-wage/>

² Schweitzer, Justin, “Ending the Tipped Minimum Wage Will Reduce Poverty and Inequality,” Center for American Progress, March 30, 2021, <https://www.americanprogress.org/article/ending-tipped-minimum-wage-will-reduce-poverty-inequality>

³ In Hawai'i, employers may pay \$1.00 below the regular minimum wage if an employee's combined base wage plus tips exceeds \$7.00 per hour more than the regular minimum wage.

same on average across state groups.⁴ Meanwhile, consistent with the findings of lower poverty rates, total hourly earnings are clearly higher in states with no tipped subminimum wage.

Restaurant Opportunities Centers (ROC) United found that median wages including tips were \$11.44 per hour in states with no subminimum wage, but just \$9.57 in all others, which is even less than the \$9.66 earned by tipped workers in the lowest 10 percent of earners in states with no tip credit.⁵ This amounts to approximately a 20 percent increase in median wages for simply living in a state with no tipped subminimum wage.

At a time when the pandemic has dropped average tips across the country by as much as 50 to 70 percent⁶—and especially so for people of color⁷—giving tipped workers a livable base wage for when business is slow or customers are not tipping as much is more important than ever.

Another argument against eliminating the tipped minimum wage and raising the regular minimum wage more generally is that it will hurt employment, either by causing businesses to close or lay off or hire fewer workers. However, this is not confirmed by the data presented by CAP. From the second quarter of 2011 to the first quarter of 2016, the average quarterly year-over-year change in total employment in key tipped industries was not substantially different among states with or without a tipped minimum wage.⁸

Another talking point against eliminating the tip credit says that smaller businesses are less able to sustain the increase in their labor costs. But if anything, states with no tipped subminimum wage experienced higher total employment growth for small businesses in key tipped industries. The average quarterly year-over-year change in total employment for businesses in these industries with 0 to 19 employees during the analyzed time period was 2.8 percent for low states, 1.6 percent for mid states, and 3.4 percent for one fair wage states. And for businesses with 20 to 49 employees, CAP found that the average employment change was 0.7 percent higher in states with no tipped subminimum wage.

It is worth noting that the timespan noted above—2010 to 2016—was during a major period of economic recovery following the Great Recession. That states with no tipped subminimum wage grew employment in key tipped industries over those years as fast as or faster than states with tipped minimum wages presents a strong argument that eliminating the tipped minimum wage can actually help stimulate the economy, especially during the recovery from a recession.

ROC United found similar results on the economic effects of eliminating the subminimum wage on tipped industries during those same years. Restaurant sales in 2017 were expected to increase by 5.1 percent in states with no tipped minimum wage. However, these states had more than twice the amount of restaurant sales when weighted by state population and 8 percent higher sales per full-service employee than states with the lowest tipped subminimum wages. According to the ROC United study, full-service restaurant employment rates grew by 20.4 percent during those years in states with no tipped

⁴ Schweitzer, Justin, “Ending the Tipped Minimum Wage Will Reduce Poverty and Inequality,” Center for American Progress, March 30, 2021,

<https://www.americanprogress.org/article/ending-tipped-minimum-wage-will-reduce-poverty-inequality>. Calculations based on data from Roberto A. Ferdman and Quartz, “Map: Where Americans Are Generous Tippers,” *The Atlantic*, March 21, 2014, <https://www.theatlantic.com/business/archive/2014/03/map-where-americans-are-generous-tippers/284567/>

⁵ Restaurant Opportunities Centers United, “Restaurants Flourish with One Fair Wage.”

⁶ “One Fair Wage Factsheet,” One Fair Wage, 2020,

https://onefairwage.site/wp-content/uploads/2020/12/OFW_FederalFactSheet_3-1.pdf

⁷ One Fair Wage and others, “Ending A Legacy of Slavery”

⁸ This range was chosen because 2010 Q2 to 2016 Q1 was the only time period for which every state fully reported data.

subminimum wage, but only by 16.4 percent in states with the lowest tipped subminimum wage. Additionally, wages were quite clearly higher in one states with no tipped subminimum wage, while tipping rates remained constant.⁹

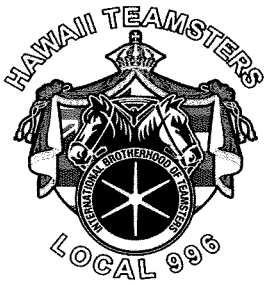
Other studies have also shown little to no negative employment effect from eliminating the tipped minimum. An Economic Policy Institute study found that, from 1995 to 2014, employment in the leisure and hospitality industry grew by 43.2 percent in one fair wage states and by just 39.2 percent in all others.¹⁰ The gradual nature of the phase-out in the tip credit until the subminimum wage reaches parity with the regular minimum wage also helps mitigate much of the immediate effects on businesses. Furthermore, reviews of increases to the regular minimum wage have not found detectable or significant negative employment effects and showed only minimal increases in prices.¹¹

Please pass SB 270.

⁹ Allegretto, Sylvia and Carl Nadler, “Tipped Wage Effects on Earnings and Employment in Full-Service Restaurants,” University of California, Berkeley Institute for Research on Labor and Employment, 2015, <https://irle.berkeley.edu/files/2015/Tipped-Wage-Effects-on-Earnings-and-Employment-in-Full-Service-Restaurants.pdf>

¹⁰ Allegretto, Sylvia and David Cooper, “Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage,” Economic Policy Institute, 2014, <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>

¹¹ Godoey, Anna and Michael, “Minimum Wage Effects in Low-Wage Areas,” University of California, Berkeley Institute for Research on Labor and Employment, 2019, <https://irle.berkeley.edu/minimum-wage-effects-in-low-wage-areas/>; Paul J. Wolfson and Dale Belman, “15 Years of Research on U.S. Employment and the Minimum Wage,” Tuck School of Business, 2016, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2705499; Doruk Cengiz and others, “The Effect of Minimum Wages on Low-Wage Jobs,” *The Quarterly Journal of Economics*, 134 (3) (2019): 1405–1454, <https://doi.org/10.1093/qje/qjz014>; Daniel MacDonald and Eric Nilsson, “The Effects of Increasing the Minimum Wage on Prices: Analyzing the Incidence of Policy Design and Context,” Upjohn Institute Working Paper, 16 (260), 2016, <https://doi.org/10.17848/wp16-260>



HAWAII TEAMSTERS & ALLIED WORKERS LOCAL 996

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**The Thirty-Second Legislature, State of Hawai'i
Hawai'i State Senate
Committee on Labor and Technology
Testimony by
Hawai'i Teamsters & Allied Workers
Local 996**

February 1, 2023

KEVIN HOLU
President/Principal Officer

JOELLE HUSSEY
Secretary – Treasurer

WALTER FOX III
Vice President

TAVESI AUGAFA
Recording Secretary

FELIPE "PACO" ANGUIANO
Trustee

BEVERLY TUSI
Trustee

JONATHAN LEO REED
Trustee

S.B. 270 RELATING TO INCOME

The Hawai'i Teamsters & Allied Workers is a local union with over 6,000 members across both public and private sectors. We appreciate the opportunity to testify in **strong support** of S.B. 270.

The minimum wage is not a living wage relative to the cost of living in Hawai'i. The tip credit as it stands contributes to keeping low wage earners from reaching financial stability. Tips should bolster the income of tipped workers who are often low wage earners, and this bill proposes such an increase over time.

We appreciate your consideration of our testimony in **strong support** of S.B. 270.

Respectfully

Kevin Holu
President



Monday, January 31, 2023

TO: COMMITTEE ON LABOR AND TECHNOLOGY

RE: SB 270

POSITION: In Opposition to Implementing a Phased Elimination of the Tip Credit.

Chair Sharon Y. Moriwaki, Vice Chair Chris Lee, Committee Members

Gyotaku Japanese Restaurants employees a staff of 180. We have always been committed to providing very competitive wages and benefits to all our employees.

Pure and simple; Tipped Employees earning 2- 4 times the Minimum Wage in hourly tip income do not need Minimum Wage Protection.

Without a significant Tip Credit Servers and other tipped employees earning 2, 3, and even more than 4 times the minimum wage in tips are the first to get Minimum Wage Increases at the expense of non-tipped employees. Elimination of the Tip Credit will be counter productive to increasing the wage of lowest earners.

Proponents of higher wages should recognize the incredible value of the tipped positions that restaurants provide to those without a college education or licensed vocation who need a job that provides more than a "Living Wage" to single moms, employed parents who work part time as a Server to make ends meet and students who use the income to put themselves through higher education. Where else can a single mom with no college degree earn over \$70,000 per year working 40 hrs per week? They can at my restaurant and others like it, even with a 20% Tip Credit.

Elimination of the Tip Credit will increase the pressure on employers to change the service style of their businesses and seek robotics to decrease these positions that are so important to our local economy. There is a need more of these high net income jobs, not less.



We respectfully request that the Tip Credit increase to 20% of the prevailing Minimum Wage provided that as currently stipulated the tipped employee earns at least \$7/hr over the Minimum Wage in combined Wages and Tip Income. This will help restaurant owners preserve tipped positions and increase the wages of the Back of the House Staff already earning over the Minimum Wage, but nearly as much as the Front of the House Staff who earn significantly more in tips.

Sincerely,

A handwritten signature in black ink that reads "Thomas H Jones".

Thomas H Jones
President
REI Food Service, LLC
d.b.a. Gyotaku Japanese Restaurants

MAGICS

LATE

BEACH GRILL

Kona, Hawaii

To: Senator Sharon Moriwaki, Chair, Senator Chris Lee, Vice Chair and committee members.

**SB270 Removal of the Tip Credit
Magics Beach Grill Strongly OPPOSES SB270**

The Federal Tip Credit, works effectively in those 47 states that have fully embraced it, seeks to even out the wage inequality.

There is HUGE wage inequity between the tipped and non-tipped staff and removing the Tip Credit would kill the industry, increase costs and prices dramatically while ruining the culinary industry in Hawaii.

Magics Beach Grill Credit Card Tips (87% of all sales) averages 19.2%
Magics Beach Grill Tipped Staff earn \$45-\$65/hr
Magics Beach Grill Non Tipped staff make \$18-\$25/hr

Let's be realistic; it is ultimately the diner/customer who will pay regardless, as restauranteurs are not alchemists. Restaurant owners want to pay their staff well to keep them and reduce turnover. Currently, rising menu prices at restaurants are paying for the increased cost of doing business and compensating the highest-paid servers. Most of our non-tipped workers were already above the minimum wage. The restaurant business is already shrinking, reducing options for local diners and tourists, and shrinking the state's tax base.

The new minimum wage scale from 2022 through 2028 passed by the legislature last year is completely unsustainable for Hawaii's restaurant/tipped industries-WITHOUT A TIP CREDIT-YOU will force AUTOMATION, LAYOFFS AND DECREASE SERVICE IN THE ALOHA STATE.

We are asking that you increase the tip credit so that small business owners can pay the non-tipped employees more, making those positions desirable, attractive, sustainable and financially rewarding. Allowing everyone to live a good life in Hawaii and to maintain the ALOHA to our millions of guests.

Do not go down in history as the one that created a cold, automated, low service Hawaii. Where our reputation for high prices will overwhelm everyone- many will decide never to come.

MAGICS BEACH GRILL IN KAILUA-KONA STRONGLY OPPOSES SB270

Sincerely,

Mattson Davis- Proprietor

SB-270

Submitted on: 1/27/2023 5:33:31 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch, Sr.	Individual	Support	Written Testimony Only

Comments:

I support SB270.

Mike Golojuch, Sr., Member, Labor Caucus, Democratic Party of Hawaii

SB-270

Submitted on: 1/28/2023 10:44:39 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Larry Alfrey	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

SB-270

Submitted on: 1/28/2023 11:34:02 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John Fitzpatrick	Individual	Support	Written Testimony Only

Comments:

Aloha Kākou,

My name is John Fitzpatrick and I am a 7th grade educator. I am strong support of SB270 which would eliminate the TIP penalty. Many of my students parents and guardians rely on every dollar they get through gratuities. When I go to a restaurant I want to make sure the gratuity I provide goes to my server above and beyond a minimum wage and not to the owners of the restaurant. These employees deserve a baseline minimum wage and my gratuity should go to them and not the owner of the restaurant should not be able to lower their pay based on my gratuity. A minimum wage should be a minimum wage, period!

Mahalo,
Fitz

SB-270

Submitted on: 1/28/2023 2:44:18 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

I'm writing in support of SB270. I believe in the phased elimination of the tip penalty as I believe that Hawaii's workers deserve to get paid a decent wage and the money that includes their tips.

me ke aloha 'āina,

Nanea Lo

SB-270

Submitted on: 1/28/2023 4:23:10 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Samuel M Mitchell	Individual	Support	Written Testimony Only

Comments:

I support this bill because it helps get rid of the tip credit.

SB-270

Submitted on: 1/28/2023 7:05:03 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Raymond Catania	Individual	Support	Written Testimony Only

Comments:

Aloha LBT and WAM,

My name is Raymond Catania, Kauai rep of the Hawaii Workers Center. I support SB270. I appreciate the introducers of this bill's intent to give all of Hawaii's workers a chance to make a living wage and getting rid of the tip credit, which actually should be called a tip penalty. My only concern is that it should be implemented in all fairness, immediately. The tip penalty only creates a class of sub minimum wage workers. Again, mahalo to the introducers of this bill.

Raymond Catania Kauai rep of Hawaii Workers Center

SB-270

Submitted on: 1/28/2023 8:18:08 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Allison Mikuni	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies. Thank you for your consideration.

SB-270

Submitted on: 1/29/2023 12:00:47 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Caz Novak	Individual	Support	Written Testimony Only

Comments:

To whom it may concern,

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

Thank you very much

SB-270

Submitted on: 1/29/2023 3:15:19 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Abbey Holmes	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

Abbey Holmes Kilauea Resident

SB-270

Submitted on: 1/30/2023 3:18:21 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jason Mark Alexander	Individual	Support	Written Testimony Only

Comments:

Aloha,

As a PhD student, I strongly support SB 270 with the policy of gradually phasing out the tip credit system. This policy should help stabilize the precarious circumstances of workers in essential positions and support healthier and safer communities.

Mahalo,

Jason Mark Alexander, Mānoa

TO THE SENATE
KA 'AHA KENEKOA
THE THIRTY-SECOND LEGISLATURE

COMMITTEE ON LABOR AND TECHNOLOGY
Senator Sharon Y. Moriwaki, Chair
Senator Chris Lee, Vice Chair

DATE: Wednesday, February 1, 2023

TIME: 3:00 PM

PLACE: Conference Room 224 & Videoconference
State Capitol 415 South Beretania Street

Bill No. SB 270

POSITION: **STRONG SUPPORT SB 270**

The proposed amendment to HRS §387—2 would phase out the tip penalty, this amendment should be considered positive and in keeping with recognizing the needs of the residents of Hawaii. This act will positively affect persons that work in the service industry. The service industry is a sector where many persons in Hawaii work in where wages are usually low.

Yet, according to employer-supporting organizations service industry positions are just the “first step” in the process of higher education and greater job prospects. However, we know this is not the case for many and that these types of jobs are many times the only available job outlet.

The current language provided in §HRS 387-2 enables the harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. A minute increase in the cost of meals overall with enforcement oversight workers will ensure that service workers are being paid fairly, and so that any tips can once again be considered gestures of appreciation for good service, not unfair wage subsidies. I understand that there will be resistance to this proposed legislation however, we look at the term workforce. This is a term that we use interchangeably in the labor market, but this is to a fault.

According to HHFDC (Hawaii Housing Fund Development Corporation), 2022 Income guidelines HUD (US Housing and Urban Development) income rent (*Source: <https://dbedt.hawaii.gov/hhfdc/files/2022/04/2022-Income-Rent-Sales-Guidelines.pdf>*)

Workforce incomes as indicated:

Workforce Rent at income Note: Data and calculations based on single-person households and one (1)-bedroom apartment(s).

Yearly Income	Monthly Rent	County
\$53,360.00	\$1,429.00	Hawaii
\$73,200.00	\$1,960.00	Honolulu
\$63,840.00	\$1,710.00	Kauai
\$63,920.00	\$1,598.00	Maui

Note: Data and calculations based on single-person household(s) and 1 bedroom apartment

Those yearly incomes are based upon what a person must have at least yearly income amounts before being considered “workforce”. It can be inferred that most persons in the service industry in all counties do not make nearly enough to be considered workforce. Furthermore, a single person not making workforce wages would not be

considered ALICE (Asset Limited Income Constrained). Based upon a study conducted by Aloha United Way a single person had to have made \$28,128.00 (*source: <https://labor.hawaii.gov/wdc/files/2018/12/ALICE-report.pdf>*). Adjusted for inflation using the DOL-BLS (Department of Labor Bureau of Labor and Statistics) Calculator (*source: https://www.bls.gov/data/inflation_calculator.htm*) in 2022 dollars \$28,128.00 translate to \$35,721.25 in terms of the year 2022 purchasing power. At this income level, a person in this situation would be considered extremely low-income qualifying for public housing and other government subsidized programs adding additional cost to the state and human service programs.

Consequently, the current policy of reducing workers' wages in the service industry through the current tax credit policy is also disastrous to the level of economic activity in the state economy. Workers with little to no disposable income hinder economic growth through economic activity. We must look at this issue not just through one lens but the reverberating effects that it has on the economy and areas such as housing and disposable income. In summation, it is my recommendation that bill SB270 be passed out of this committee and that changes to this bill should be in keeping with the introducer's intent. The passage of this bill will increase the standard of living for all workers in Hawaii. Thank you for the opportunity to submit my testimony.

Mahalo,

Ken Farm

SB-270

Submitted on: 1/30/2023 7:56:45 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tehani Bartlome	Individual	Support	Written Testimony Only

Comments:

As a university of Hawai'i college student I rely on the tips I make in order to support myself through school, just as I did when I was working while attending high school. It is incredibly difficult to survive much less thrive or see any form of upward mobility as a working class individual in this economy, and this bill would make such a difference for so many of us.

SB-270

Submitted on: 1/30/2023 11:12:21 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bianca Isaki	Individual	Support	Written Testimony Only

Comments:

Please support SB270 to eliminate the tip penalty for workers.

SB-270

Submitted on: 1/30/2023 11:46:37 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dominique Meyer Gere	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

To: Hawaii State Senate's Committee on Labor and Technology
Hearing Date/Time: Wednesday, February 1, 2023, 3:00pm
Place: Hawaii State Capitol, CR 224 & Videoconference
Re: Judith Ann Armstrong is in strong support of SB270 Relating to Income

Dear Members of the Labor and Technology Committee,

I, Judith Ann Armstrong, am in strong support of SB270, Relating to Income.

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies. The new minimum wage is intended to help low wage workers not support the businesses where they are employed.

Thank you for this opportunity to testify in support of SB270 important measure.

Sincerely,

Judith Ann Armstrong

SB-270

Submitted on: 1/30/2023 12:55:26 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Paris Fernandez	Individual	Support	Written Testimony Only

Comments:

I am in support of bill SB270

SB-270

Submitted on: 1/30/2023 1:40:43 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chad K Pacheco	Individual	Support	Written Testimony Only

Comments:

I Chad Pacheco support the phased elimination of the tip credit.

SB-270

Submitted on: 1/30/2023 2:03:31 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelsey Beck	Individual	Support	Written Testimony Only

Comments:

I SUPPORT

SB-270

Submitted on: 1/30/2023 2:03:40 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Elmer Gorospe	Individual	Support	Written Testimony Only

Comments:

Dear Legislatures;

I'm writing this strongly in support of SB270 which will phase out the tip credit by January 1, 2029. Passage of this bill will allow working families to put food on the table and roof over their head. Urging our State Legislature to allow passage of this bill.

SB-270

Submitted on: 1/30/2023 2:03:49 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chauncey Dunhour	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-270

Submitted on: 1/30/2023 2:03:52 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
anthony padilla	Individual	Support	Written Testimony Only

Comments:

I support bill sb270

SB-270

Submitted on: 1/30/2023 2:03:57 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
JON WHITE	Individual	Support	Written Testimony Only

Comments:

I am in strong SUPPORT of SB270

SB-270

Submitted on: 1/30/2023 2:04:37 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ka'ena Paikai	Individual	Support	Written Testimony Only

Comments:

I support

SB-270

Submitted on: 1/30/2023 2:04:40 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Louis Mansanas jr	Individual	Support	Written Testimony Only

Comments:

I support this bill

SB-270

Submitted on: 1/30/2023 2:04:43 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Clinton Blackman	Individual	Support	Written Testimony Only

Comments:

In support of SB270

SB-270

Submitted on: 1/30/2023 2:05:20 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keoni Mendiola	Individual	Support	Written Testimony Only

Comments:

I Keoni Mendiola is in full Support of Bill SB270.

SB-270

Submitted on: 1/30/2023 2:05:00 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Adrian Kaleo Nakashima	Individual	Support	Written Testimony Only

Comments:

For a better Hawaii, I support SB270.

SB-270

Submitted on: 1/30/2023 2:05:10 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chaz Bajet	Individual	Support	Written Testimony Only

Comments:

Important!!

SB-270

Submitted on: 1/30/2023 2:05:14 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Enriquez	Individual	Support	Written Testimony Only

Comments:

Strongly support SB270

SB-270

Submitted on: 1/30/2023 2:05:20 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
noah kassebeer	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-270

Submitted on: 1/30/2023 2:05:38 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kyle Miyahana	Individual	Support	Written Testimony Only

Comments:

I strongly support SB270

SB-270

Submitted on: 1/30/2023 2:05:39 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
kainalu paikai	Individual	Support	Written Testimony Only

Comments:

I support SB270

SB-270

Submitted on: 1/30/2023 2:05:45 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chad Amasiu	Individual	Support	Written Testimony Only

Comments:

I support SB270

SB-270

Submitted on: 1/30/2023 2:07:15 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hubert Pruett	Individual	Support	Written Testimony Only

Comments:

I support bill SB270

SB-270

Submitted on: 1/30/2023 2:09:09 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Paquito KHD Capillan	Individual	Support	Written Testimony Only

Comments:

SB-270

Submitted on: 1/30/2023 2:09:47 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kekoa Bruhn	Individual	Support	Written Testimony Only

Comments:

I support bill SB270

SB-270

Submitted on: 1/30/2023 2:09:49 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Blair Nahale	Individual	Support	Written Testimony Only

Comments:

In support of SB270

SB-270

Submitted on: 1/30/2023 2:10:22 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
William Campbell	Individual	Support	Written Testimony Only

Comments:

I support bill SB270

SB-270

Submitted on: 1/30/2023 2:10:42 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ashkhon Kuhaulua	Individual	Support	Written Testimony Only

Comments:

I support SB270!

SB-270

Submitted on: 1/30/2023 2:13:30 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
seth ilae	Individual	Support	Written Testimony Only

Comments:

My name is Seth Ilae and I am in strong support of SB270

SB-270

Submitted on: 1/30/2023 2:18:06 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lawrence DeCosta III	Individual	Support	Written Testimony Only

Comments:

I am in support

SB-270

Submitted on: 1/30/2023 2:19:44 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ka'ehu Hironaka	Individual	Support	Written Testimony Only

Comments:

I support this

SB-270

Submitted on: 1/30/2023 2:20:32 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kekoa masutani	Individual	Support	Written Testimony Only

Comments:

I support SB270.

SB-270

Submitted on: 1/30/2023 2:21:51 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Ramos	Individual	Support	Written Testimony Only

Comments:

I strongly support Bill SB270

SB-270

Submitted on: 1/30/2023 2:22:35 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles French	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-270

Submitted on: 1/30/2023 2:23:32 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dane Kaluhiwa	Individual	Support	Written Testimony Only

Comments:

Support

SB-270

Submitted on: 1/30/2023 2:26:01 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Christopher Finau	Individual	Support	Remotely Via Zoom

Comments:

I support this bill!

SB-270

Submitted on: 1/30/2023 2:26:15 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Clayton Glass	Individual	Support	Written Testimony Only

Comments:

I support sb270

SB-270

Submitted on: 1/30/2023 3:23:48 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jonovan Tuinei	Individual	Support	Written Testimony Only

Comments:

I support SB270.

SB-270

Submitted on: 1/30/2023 3:24:11 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Walter Walker	Individual	Support	Written Testimony Only

Comments:

Support

SB-270

Submitted on: 1/30/2023 3:26:33 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephen K Hanohano	Individual	Support	Written Testimony Only

Comments:

Aloha!

I am support the SB270!

Mahalo

SB-270

Submitted on: 1/30/2023 3:34:44 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jay Amina III	Individual	Support	Written Testimony Only

Comments:

I support sb270

SB-270

Submitted on: 1/30/2023 3:40:54 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dural Duenas	Individual	Support	Written Testimony Only

Comments:

I am in support of SB270.

SB-270

Submitted on: 1/30/2023 3:49:10 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lyle Nicely	Individual	Support	Written Testimony Only

Comments:

I strongly support SB270.

SB-270

Submitted on: 1/30/2023 4:23:06 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Seth Holck	Individual	Support	Written Testimony Only

Comments:

In support of sb270

SB-270

Submitted on: 1/30/2023 4:34:05 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hunter Mako Morton	Individual	Support	Written Testimony Only

Comments:

It is fair to pay employees that get tipped below minium wage because tip is most of their income when working already. I feel that this will help the back of house workers get the increased pay that they deserve.

SB-270

Submitted on: 1/30/2023 4:52:36 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kia Kapana	Individual	Support	In Person

Comments:

SB-270

Submitted on: 1/30/2023 5:11:11 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Montgomery Meyer	Individual	Support	Written Testimony Only

Comments:

I support SB270

SB-270

Submitted on: 1/30/2023 5:59:42 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lea Minton	Individual	Support	Written Testimony Only

Comments:

Dear Senate Labor and Technology Committee members,

Thank you for the opportunity to testify in support of SB270. I believe that all employees deserve to be paid at the least the minimum wage for the work they are doing. I support phasing out the tip credit. I ask that you pass this bill.

Mahalo,

Le'a Minton

SB-270

Submitted on: 1/30/2023 6:01:23 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cisco Valeho	Individual	Support	Written Testimony Only

Comments:

Previously being a tipped employee I know first hand the stress of having to depend on each person tipping is. As inflation increase every dollar becomes harder to come by from visitors. At least with hourly wages being set tipped workers have some base line to live off of. Tips are not guaranteed.

SB-270

Submitted on: 1/30/2023 6:49:20 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Edward Klaneski	Individual	Support	Written Testimony Only

Comments:

I support SB 270.

SB-270

Submitted on: 1/30/2023 6:56:05 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathy Shimata	Individual	Support	Written Testimony Only

Comments:

We've all seen how hard servers work when we go out to eat & drink. Yet they've never been paid adequately because they receive tips. It's a myth that most servers make enough in tips to support themselves. Please support SB270.

SB-270

Submitted on: 1/30/2023 7:58:47 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Scott	Individual	Support	Written Testimony Only

Comments:

I support SB270

SB-270

Submitted on: 1/30/2023 9:17:51 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dave Teriirere	Individual	Support	Written Testimony Only

Comments:

Strongly support this bill

SB-270

Submitted on: 1/30/2023 9:23:26 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty or being exploited in the workplace. At the same time, this unfair policy gives restaurant owners a labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly. Please support SB270.

SB-270

Submitted on: 1/30/2023 9:28:05 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Micah Kahumoku	Individual	Support	Written Testimony Only

Comments:

I am in support of SB270.

SB-270

Submitted on: 1/30/2023 9:40:34 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Neil Tupas	Individual	Support	Remotely Via Zoom

Comments:

My name is Neil Tupas and I support bill SB270. Hawaii need this law. I used to work as a waiter and receiving the majority of your wage or your livelihood through tips is very unstable. It's hard to plan and every week you are living on the edge. Maybe there won't be so much tips this week, it's slow today in the restaurant, etc. Having a set amount as an hourly wage will help alleviate that anxiety. Hawaii should stop paying tip workers below the minimum wage. The service industry is one of the biggest available jobs for locals in Hawaii and having them receive at least the minimum wage will be a big impact to a lot of people and Hawaii in general.

SB-270

Submitted on: 1/30/2023 9:50:42 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Matthew Coleman	Individual	Oppose	Written Testimony Only

Comments:

I Matthew Coleman oppose this bill.

SB-270

Submitted on: 1/30/2023 9:53:08 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kale Ornellas	Individual	Support	Written Testimony Only

Comments:

I am in string support .

SB-270

Submitted on: 1/30/2023 10:13:20 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pomai Kalama	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-270

Submitted on: 1/30/2023 10:17:17 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Falaniko Vitale	Individual	Oppose	Written Testimony Only

Comments:

I Strongly oppose SB270!

SB-270

Submitted on: 1/30/2023 10:44:27 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Like	Individual	Support	Written Testimony Only

Comments:

I Robert Like, am in support for bill SB270. I believe that an employer shouldn't be able to credit a portion of an employee's tips.

SB-270

Submitted on: 1/30/2023 11:36:21 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dylan Ramos	Individual	Support	Written Testimony Only

Comments:

Aloha,

I testify in **STRONG SUPPORT** of SB270. The tip credit undermines the movement to establish a living wage for all Hawaii workers.

Mahalo,
Dylan Ramos
96816

SB-270

Submitted on: 1/31/2023 2:57:09 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tyler Yuu	Individual	Support	Written Testimony Only

Comments:

Support

SB-270

Submitted on: 1/31/2023 3:54:03 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sam Filipo	Individual	Support	Written Testimony Only

Comments:

I am in support for SB270

Chair Sharon Moriwaki
Vice Chair Chris Lee

Senate Committee on Labor & Technology

Wednesday, February 1, 2023
3:00PM

TESTIMONY IN STRONG SUPPORT OF SB270 RELATING TO INCOME

Aloha Chair Moriwaki, Vice Chair Lee, Members of the Senate Committee on Labor & Technology,

My name is Jun Shin. I am a graduate of the University of Hawai‘i at Mānoa, testifying as an individual in **STRONG SUPPORT** of **SB270**, Relating to Income.

The employer’s successes are only possible because of their workers. In return for quality products or services, satisfied customers, and profits, the very, very, very least that an employer can do is make sure that the workers are paid at least the full minimum wage (really it should be more). The struggle must continue until we make it a livable wage. Eliminating the tip credit gradually will end this unfair and unjust system with a period of adjustment.

Please **PASS SB270** out of your committee and continue the fight for tipped workers.

Mahalo for the opportunity to testify,

Jun Shin,
State House District 23 | State Senate District 12
Cell: 808-255-6663
Email: junshinbusiness729@gmail.com

SB-270

Submitted on: 1/31/2023 5:43:55 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gabriel	Individual	Support	Written Testimony Only

Comments:

I strongly support SB270

SB-270

Submitted on: 1/31/2023 6:29:10 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Zorich Palimoo	Individual	Support	Written Testimony Only

Comments:

I strongly support SB270

SB-270

Submitted on: 1/31/2023 6:52:40 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Levi Archuleta	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-270

Submitted on: 1/31/2023 6:59:58 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Galloway	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

SB-270

Submitted on: 1/31/2023 7:45:49 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dillon Hullinger	Individual	Support	Written Testimony Only

Comments:

I am in support of this Bill

SB-270

Submitted on: 1/31/2023 7:52:54 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Aaron Miyashiro	Individual	Oppose	Remotely Via Zoom

Comments:

Opposing Bill SB125

SB-270

Submitted on: 1/31/2023 7:57:39 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alfonso Pitolo	Individual	Support	Written Testimony Only

Comments:

I support this bill so that the employer pay the employees the minimum

SB-270

Submitted on: 1/31/2023 8:09:52 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Aaron Miyashiro	Individual	Support	Written Testimony Only

Comments:

Supporting Bill SB270

SB-270

Submitted on: 1/31/2023 8:26:19 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Pita Hiko	Individual	Support	Written Testimony Only

Comments:

Support testimony for employer to meet employee

SB-270

Submitted on: 1/31/2023 8:28:07 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
zachary matsunaga	Individual	Support	Written Testimony Only

Comments:

i support this bill!

SB-270

Submitted on: 1/31/2023 9:41:01 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Isis Usborne	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

As someone who has spent much of my life in the hospitality and food industries, I know how difficult it is to plan my life around the changing schedules and unstable income when working a tipped position. Some weeks are great, and others are awful. When I was a server at Dave & Buster's, one month I tried to apply for EBT it looked like I made too much because of tips, but the next week I was struggling to afford food for myself at home. It is unfair to force servers to rely on the whims of finicky customers rather than the steady, reliable wages they deserve.

SB-270

Submitted on: 1/31/2023 10:00:16 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Julianna Davis	Individual	Support	Written Testimony Only

Comments:

My name is Julianna Davis and I am in full support of SB 270 relating to the elimination of the tip credit. I support the elimination of the tip credit because tipped workers deserve a full wage just like any other worker in Hawai'i. Gratuity should simply be gratuity- not a replacement for a living wage. In regards to the bill relating to a phase out of the tip credit, I believe it should be eliminated immediately. Why make workers wait?

Mahalo for your time.

Julianna Davis

SB-270

Submitted on: 1/31/2023 10:10:46 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaleo Buck	Individual	Support	Written Testimony Only

Comments:

I support SB270

SB-270

Submitted on: 1/31/2023 10:22:18 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alfred Horner	Individual	Support	Written Testimony Only

Comments:

I Alfred Horner support this bill

SB-270

Submitted on: 1/31/2023 10:28:40 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary K Ochs	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Testimony in Support of SB270

Aloha Committee Members,

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not a wage subsidies.

Mahalo for your consideration,

Mary Ochs

SB-270

Submitted on: 1/31/2023 10:52:34 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathan Dudoit	Individual	Support	Written Testimony Only

Comments:

I am in favor of SB270 which will gradually eliminate the tip credit. I applaud this bill because it helps those who need help to move them towards an actual living wage. I urge our elected officials to help move this measure to becoming a reality.

Mahalo

Nathan Dudoit

SB-270

Submitted on: 1/31/2023 10:53:42 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Collin Mansanas	Individual	Support	Written Testimony Only

Comments:

I strongly support SB270

SB-270

Submitted on: 1/31/2023 10:59:24 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Decker	Individual	Support	Written Testimony Only

Comments:

In Support of SB270! To eliminate the Tip Credit.

SB-270

Submitted on: 1/31/2023 11:45:24 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Corin Kekua	Individual	Support	Written Testimony Only

Comments:

Implementing this bill will help thousands of families in Hawaii.

SB-270

Submitted on: 1/31/2023 11:49:14 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Serena Takahashi	Individual	Support	Written Testimony Only

Comments:

Supprting SB270

SB-270

Submitted on: 1/31/2023 11:59:31 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John Rabanal	Individual	Support	Written Testimony Only

Comments:

I support this bill

SB-270

Submitted on: 1/31/2023 12:43:52 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Noah Campbell	Individual	Oppose	Written Testimony Only

Comments:

I oppose

Support removing the tip credit.

Regarding: Support For Senate Bill Number 270

From: Stephen West

964 Makani Road

Makawao Hi 96768

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STEPHENWWEST@ICLOUD.COM

Thank you for the opportunity to testify in support on behalf of Senate bill 270.

I've been in the food and beverage industry for a majority of my life.

I started off as a dishwasher in a small town in Iowa eventually moved my way up to cook, and then after moving to Hawaii over 40 years ago I've worked in a number of restaurants and resorts I started my food and beverage career at the **Maui Lu** Hotel in Kihei, I've worked in fine dining starting as a back waiter eventually moving my way up to front waiter, captain, and then as the **sommelier**.

I've seen much change in the industry and I must say it's not changed that I've liked to see I've seen more employers in Hawaii trying to do more with less, compromising service which drastically affects gratuities.

Especially in the banquet industry, I currently work at the Grand Wailea Resort & Spa.

In much of the banquet industry employers charge the guest or the customer a gratuity in some cases well over 23 to 24% yet the employees receive in some cases much less than 19% of the gratuity.

Luckily because of our union at this property there is no tip credit which brings me to my point employers are far from hurting even with the minimum wage increase. But one thing most employers now are having a hard time with is finding staff I've attached some statistics that show many of the employers in today's food and beverage market are having a hard time finding and employing and keeping quality wait staff.

The solution is to remove the tip credit and increase the minimum wage to a livable wage so much of the people working in the food and beverage industry do not have to work two and three jobs.

Thank you in advance for your favorable consideration And please pass Senate bill 270.

Mahalo

Stephen West

Support removing the tip credit.



Without enough team members to fill each position, service suffers: dine-in guests wait longer for tables and food, and takeout and delivery customers endure longer wait times and more frequent order errors. Ultimately, subpar service leads to a poor dining experience that can deter customers from coming back. In other words, short staffing is bad for business.

“Business has returned to the way it was. In terms of revenue and sales, it's actually turned up more than what it was. But keeping up with that demand has been difficult because it's been hard for me to find employees.”

(Owner, Independent Fine Dining, Los Angeles)

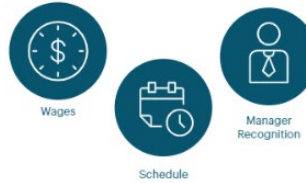
Shortage % by Position



Support removing the tip credit.



The Top Listed Reasons as to Why Restaurant Employees Left jobs



Fear of catching the virus isn't the only reason for the labor shortage. The pandemic severely changed the labor market, and, as a result, 35% of restaurateurs have trouble finding staff with the skills they were looking for. One in three operators point to competition from COVID-19 benefits and other restaurants as reasons for the labor shortage, according to TouchBistro data.

But the pandemic and its widespread impact isn't the only reason that restaurant workers are leaving. The main reasons that restaurant workers leave can be divided into two age groups: those under 25 and those over 25, according to data from [7shifts](#).

For employees under the age of 25, the top listed reasons why they've left jobs (or are planning to) are wages, schedule, and school.

For those outside of school ages, the first two factors – wages and schedule – remain constant, while manager recognition takes the place of school.

25 ▲ Over 25 years old
▼ Under 25 years old



“It made a career that was already unpredictable now unstable, forcing many to reevaluate how to attain future goals.”

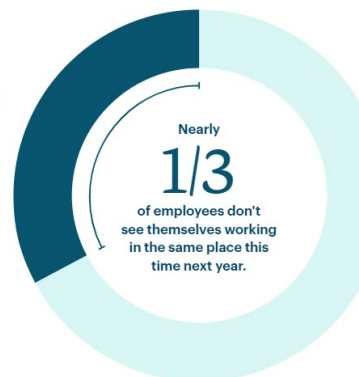
(Anonymous Restaurant Worker)

While there is little that restaurant owners can do about younger workers leaving the industry to attend school, issues such as wages, scheduling, and manager recognition cannot be ignored. In fact, addressing these specific issues is crucial to solving the restaurant industry's ongoing staffing shortage.

Solutions to the Labor Shortage

3 Actionable Strategies for Attracting and Retaining Restaurant Staff

Fortunately, there are strategies you can implement to navigate the labor shortage and save money in the process. The insights uncovered by TouchBistro and 7shifts reveal how you can ameliorate the effect of the ongoing staff shortage by taking a strategic, multi-pronged approach: **boost wages, improve manager recognition, and offer greater scheduling flexibility to attract and retain staff.**



SB-270

Submitted on: 1/31/2023 2:21:56 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Burton Chun	Individual	Support	Written Testimony Only

Comments:

I support this bill.

SB-270

Submitted on: 1/31/2023 2:26:42 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
karolle t. bidgood	Individual	Support	Written Testimony Only

Comments:

I SUPPORT SB270.

LATE

SB-270

Submitted on: 1/31/2023 3:00:24 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelly Cogo	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Moriwaki and Vice Chair Lee,

My name is Kelly Cogo I'm from the Hale 'Oluea Clubhouse part of the Hawaii Clubhouse Advocacy Coalition. I am in support of SB270 as it would eliminate the tip credit.

Thank you for your time.

Sincerely,

Ms. Kelly A. Cogo

LATE

SB-270

Submitted on: 1/31/2023 3:31:03 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Misunas	Individual	Support	Written Testimony Only

Comments:

I support this bill.

LATE

SB-270

Submitted on: 1/31/2023 5:58:00 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Leslie Lopez	Individual	Support	Written Testimony Only

Comments:

I am in strong support of SB270. It is time to eliminate the two-tiered wage system for tipped workers. (<https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>)

Leslie Lopez

LATE

SB-270

Submitted on: 1/31/2023 7:36:24 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Liza Ryan Gill	Individual	Support	Written Testimony Only

Comments:

As a former restaurant worker from the time I was 15 years old until my early thirties I fully support phasing out the sub-minimum wage for restaurant employees. This antiquated system presumes that folks do not have real expenses or that patrons will always be generous enough to get servers what they need. That leads to a space that is especially dangerous for women, who feel beholden to please poorly behaved costumers for the sake of paying their rent. Many states have left this racist policy in the past and Hawai'i, a state that is sustained by the service economy, should as well. The money from tourism needs to flow more directly and substantially into the hands of the workers that make that sector flourish.

Mahalo,

Liza

LATE

SB-270

Submitted on: 2/1/2023 11:43:25 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Flora Patton	Individual	Support	Written Testimony Only

Comments:

Aloha Senator Moriwaki and Senator Lee,

My name is Flora Patton and Im the Waipahi Aloha Clubhouse, part of the Hawaii Clubhouse Advocacy Coalition. I am in support of SB270 because waitresses and waitors should make at least the minimum wage. A tip credit is unfair for the workers, especially since everything is so expensive. Waitresses and waitors have families that they have to support too, and their income should not be soley based on the generosity of the public.

Thank you for your time,

Flora Patton

LATE

SB-270

Submitted on: 2/1/2023 11:51:23 AM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Wakatake	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.

Linda Wakatake

SB-270

Submitted on: 2/1/2023 1:20:12 PM

Testimony for LBT on 2/1/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Zack Stoddard	Individual	Support	Written Testimony Only

Comments:

I strongly support phasing out the tip penalty, a harmful practice that puts low-wage workers at even greater risk of falling into poverty while giving restaurant owners an unfair labor cost subsidy paid for by the customer. I would rather pay a small increase in the cost of my meal to know that workers are being paid fairly, and so that my tips can once again be gestures of appreciation for good service, not unfair wage subsidies.

LATE

Joli Tokusato

Feb 1 3p oral testimony rm 224
1 opposed SB 125

1 support SB 270