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# A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

1           SECTION 1. The legislature finds that residents and  
2 businesses face significant financial challenges due to the  
3 rising cost of living in Hawaii. While increases in the minimum  
4 wage are intended to provide workers with greater financial  
5 stability, such measures may unintentionally exacerbate the  
6 economic pressures on small businesses and contribute to  
7 inflationary trends.

8           Hawaii's cost of living remains among the highest in the  
9 nation, driven by housing expenses, transportation, and the  
10 import-dependent nature of the economy. Raising the minimum  
11 wage beyond current levels risks escalating these costs further,  
12 as businesses may need to increase prices to offset higher labor  
13 expenses. This creates a cycle of rising costs that diminishes  
14 the intended benefits of wage increases for workers while  
15 placing additional financial burdens on families and  
16 individuals.



1           The legislature further finds that small businesses, the  
2 backbone of Hawaii's economy, face unique challenges in adapting  
3 to wage increases. Many operate with slim profit margins and  
4 lack the financial flexibility to absorb higher labor costs  
5 without reducing staff hours, cutting positions, or closing  
6 their doors altogether. In a state heavily reliant on tourism  
7 and service-based industries, these impacts could ripple through  
8 the broader economy, resulting in reduced job opportunities and  
9 increased economic instability.

10           The purpose of this Act is to reduce by \$1.00 per hour the  
11 planned minimum wage increase that is scheduled to begin on  
12 January 1, 2026, and repeal certain minimum wage and tip credit  
13 increases after January 1, 2026, which ensures fairness for  
14 workers while providing necessary support to sustain small  
15 businesses and stabilize Hawaii's economy. By prioritizing  
16 economic growth and the welfare of Hawaii's residents, this Act  
17 aims to promote a more sustainable path forward.

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

20           "**§387-2 Minimum wages.** (a) Except as provided in section  
21 387-9 and this section, every employer shall pay to each



1 employee employed by the employer, wages at the rate of not less  
2 than:

- 3 (1) \$6.25 per hour beginning January 1, 2003;
- 4 (2) \$6.75 per hour beginning January 1, 2006;
- 5 (3) \$7.25 per hour beginning January 1, 2007;
- 6 (4) \$7.75 per hour beginning January 1, 2015;
- 7 (5) \$8.50 per hour beginning January 1, 2016;
- 8 (6) \$9.25 per hour beginning January 1, 2017;
- 9 (7) \$10.10 per hour beginning January 1, 2018;
- 10 (8) \$12.00 per hour beginning October 1, 2022;
- 11 (9) \$14.00 per hour beginning January 1, 2024; and
- 12 (10) [~~\$16.00~~] \$15.00 per hour beginning January 1, 2026[~~+~~
- 13 and
- 14 ~~(11) \$18.00 per hour beginning January 1, 2028].~~

15 (b) The hourly wage of a tipped employee may be deemed to  
16 be increased on account of tips if the employee is paid no less  
17 than:

- 18 (1) 25 cents;
- 19 (2) 50 cents per hour beginning January 1, 2015;
- 20 (3) 75 cents per hour beginning January 1, 2016;
- 21 (4) \$1.00 per hour beginning October 1, 2022; and



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1           (5) \$1.25 per hour beginning January 1, 2024 [~~and~~  
2           ~~(6) \$1.50 per hour beginning January 1, 2028],~~  
3 below the applicable minimum wage by the employee's employer and  
4 ~~[the combined amount the employee receives from the employee's~~  
5 ~~employer and in tips is at least 50 cents more than the~~  
6 ~~applicable minimum wage; provided that beginning January 1,~~  
7 ~~2015]~~ the combined amount the employee receives from the  
8 employee's employer and in tips is at least \$7.00 more than the  
9 applicable minimum wage."

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

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

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INTRODUCED BY: *James Skay*  
JAN 13 2025



# H.B. NO. 84

**Report Title:**

Minimum Wage; Tip Credit

**Description:**

Reduces the minimum wage increase beginning 1/1/2026, to \$15.00 per hour and repeals certain minimum wage and tip credit increases after 1/1/2026.

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

