

JAN 21 2022

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 one job should be
2 enough to meet a person's basic needs. According to the
3 department of business, economic development, and tourism, a
4 single adult required an income of \$35,143 to achieve self-
5 sufficiency in Hawaii in 2018, while a single parent with one
6 preschool-age child required an income of \$59,428. Yet, at the
7 existing statewide minimum wage rate of \$10.10 per hour, a full-
8 time minimum wage employee earns only \$21,008 annually.
9 Moreover, the National Low Income Housing Coalition's Out of
10 Reach 2021 report estimates that a minimum wage worker would
11 have to work one hundred fourteen hours per week to afford a
12 one-bedroom rental home at local fair market rent in Hawaii.

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



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

4 The legislature also finds that the virus known as
5 "SARS-CoV-2" causes a disease named "coronavirus disease 2019"
6 (COVID-19), which spread globally and was declared a pandemic by
7 the World Health Organization on March 11, 2020. Upon reaching
8 Hawaii's shores, the COVID-19 outbreak disrupted the local
9 economy, leaving hundreds of thousands of residents unemployed,
10 underemployed, or facing financial hardship. Low-wage workers
11 were disproportionately harmed by Hawaii's economic downturn,
12 which worsened their financial precarity and left thousands of
13 working families unable to pay for food, housing, electricity,
14 and other necessities.

15 The purpose of this Act is to uplift the financial
16 well-being of working families in Hawaii by increasing the state
17 minimum wage rate.

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
21 section 387-9 and [~~this section,~~] subsection (b), every employer



1 shall pay to each employee employed by the employer, wages at
2 the rate of not less 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; ~~and~~
- 9 (7) \$10.10 per hour beginning January 1, 2018~~[-]~~;
- 10 (8) \$12.00 per hour beginning January 1, 2023;
- 11 (9) \$14.00 per hour beginning January 1, 2024;
- 12 (10) \$16.00 per hour beginning January 1, 2025; and
- 13 (11) \$18.00 per hour beginning January 1, 2026.

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

- 17 ~~(1) 25 cents;~~
- 18 ~~(2) 50 cents per hour beginning January 1, 2015; and~~
- 19 ~~(3) 75 cents per hour beginning January 1, 2016,~~

20 ~~below the applicable minimum wage by the employee's employer and~~
21 ~~the combined amount the employee receives from the employee's~~



1 ~~employer and in tips is at least 50 cents more than the~~
2 ~~applicable minimum wage; provided that beginning January 1,~~
3 ~~2015, the combined amount the employee receives from the~~
4 ~~employee's employer and in tips is at least \$7.00 more than the~~
5 ~~applicable minimum wage.]~~ On September 30, 2026, and on
6 September 30 of each year thereafter, the department shall
7 calculate an adjusted minimum wage rate to replace the minimum
8 wage rate established under subsection (a). The adjusted
9 minimum wage rate shall take effect on the January 1 immediately
10 following the September 30 on which it was calculated. The
11 adjusted minimum wage rate shall be calculated to the nearest
12 twenty-five cents using the Urban Hawaii Consumer Price Index,
13 or a successor index, for the twelve months prior to September 1
14 of each year as calculated by the United States Department of
15 Labor; provided that if in any year the adjustments based on the
16 Urban Hawaii Consumer Price Index or a successor index, would
17 result in a lower minimum wage rate, the adjusted minimum wage
18 rate shall remain the same as the minimum wage rate in effect
19 for the year in which it is calculated."

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



S.B. NO. 2243

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

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INTRODUCED BY:

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S.B. NO. 2243

Report Title:

Minimum Wage

Description:

Raises the minimum wage and establishes an adjusted minimum wage rate for 2027 and after. Repeals the tip credit.

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