

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

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



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1 increases from 2015 to 2018 resulted in the State's unemployment
 2 level reaching an all-time low of two per cent, demonstrating
 3 that increasing the minimum wage does not adversely impact
 4 statewide employment.

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

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

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

- 13 (1) \$6.25 per hour beginning January 1, 2003;
- 14 (2) \$6.75 per hour beginning January 1, 2006;
- 15 (3) \$7.25 per hour beginning January 1, 2007;
- 16 (4) \$7.75 per hour beginning January 1, 2015;
- 17 (5) \$8.50 per hour beginning January 1, 2016;
- 18 (6) \$9.25 per hour beginning January 1, 2017; ~~and~~
- 19 (7) \$10.10 per hour beginning January 1, 2018~~[-]~~;
- 20 (8) \$11.50 per hour beginning January 1, 2023;
- 21 (9) \$13.00 per hour beginning January 1, 2024;



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1 (10) \$14.50 per hour beginning January 1, 2025;

2 (11) \$16.00 per hour beginning January 1, 2026; and

3 (12) \$18.00 per hour beginning January 1, 2027.

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

7 ~~(1) 25 cents;~~

8 ~~(2) 50 cents per hour beginning January 1, 2015; and~~

9 ~~(3) 75 cents per hour beginning January 1, 2016,~~

10 ~~below the applicable minimum wage by the employee's employer and~~
11 ~~the combined amount the employee receives from the employee's~~
12 ~~employer and in tips is at least 50 cents more than the~~
13 ~~applicable minimum wage; provided that beginning January 1,~~
14 ~~2015, the combined amount the employee receives from the~~
15 ~~employee's employer and in tips is at least \$7.00 more than the~~
16 ~~applicable minimum wage.] Beginning on September 30, 2027, and~~

17 each September 30 thereafter, the department shall calculate an
18 adjusted minimum wage rate. The adjusted minimum wage rate
19 shall be calculated to the nearest five cents using the Honolulu
20 region consumer price index for all urban consumers for the
21 twelve months prior to September 1 of each year as calculated by



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

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

17 SECTION 4. This Act shall take effect on July 1, 2022.

18

INTRODUCED BY: _____



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Report Title:

Minimum Wage; Employment; Adjusted Minimum Wage Rate

Description:

Increases the minimum wage annually starting 1/1/2023. Beginning on September 30, 2027, and each year thereafter, requires the department of labor and industrial relations to calculate an adjusted minimum wage rate to the nearest five cents using the Honolulu region consumer price index for all urban consumers, subject to certain conditions. Repeals the tip credit.

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

