

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

March 2, 2023

To: The Honorable Donovan M. Dela Cruz, Chair,
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair, and
Members of the Senate Committee on Ways and Means

Date: Thursday, March 2, 2023
Time: 10:00 a.m.
Place: Conference Room 211, State Capitol

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

Re: S.B. 270 S.D. 1 RELATING TO INCOME

I. OVERVIEW OF PROPOSED LEGISLATION

The **DLIR supports this proposal**. SB270 SD1 proposes to require the DLIR to submit an annual report on the enforcement of Chapter 387, Hawaii Revised Statutes (HRS), Wage and Hour Law, to include the complaints filed, investigatory actions taken, violations found, and penalties collected; and 2) Require the DLIR to establish: a) investigation standards that protect the identity of an employee who files a complaint with the Wage Standards Division to report any wage and hour violations by their employer; and b) an education program for employees and employers on federal and state wage and hour laws, including tip credit prohibitions against employer retaliation.

II. COMMENTS ON THE SENATE BILL

The DLIR supports these amendments that seek to provide the Legislature with more information before making changes to the §387-2 tip credit provisions, help protect the identify of wage complainants, and ensure the DLIR is undertaking public education efforts to provide information on the Wage and Hour Law.

TESTIMONY BEFORE THE SENATE COMMITTEE ON WAYS & MEANS

RE: SB 270 SD1 - RELATING TO INCOME

THURSDAY, MARCH 2, 2023

JASON BRADSHAW, CHAIR
DEMOCRATIC PARTY OF HAWAII LABOR CAUCUS

Chair Dela Cruz and Members of the Committee:

The Democratic Party of Hawaii Labor Caucus supports SB 270 SD1 relating to income, **but request that this bill be reverted back to its original language and purpose 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.

IRON WORKERS STABILIZATION FUND

March 2, 2023

Chair Donovan Dela Cruz
Committee on Ways and Means
State Senate

Dear Chair Dela Cruz & Members of the Committee:

Re: SB 270, S.D.1 - Relating to Income

The Ironworkers Stabilization Fund supports S.B. 270, S.D.1 relating to income, but request that this bill be reverted back to its original language which is intended 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.

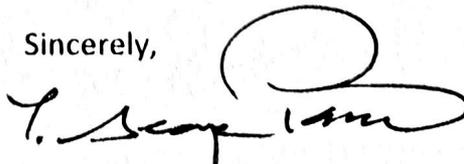
We thank Senator Fevella for introducing S.B. 270 to help protect workers and their families. As most know, the tip credit is anti-worker and makes it harder for workers to survive in Hawaii. We believe all workers should be paid a living wage and S.B. 270 helps us move in that direction. Tipped and 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 the original language of SB270 and recommend its passage.

Mahalo for the opportunity to testify.

Sincerely,



T. George Parks
Managing Director

SB-270-SD-1

Submitted on: 2/28/2023 2:07:21 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Michael Golojuch Jr	Testifying for Stonewall Caucus of the Democratic Party of Hawaii	Comments	Written Testimony Only

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 in its original form.**

Mahalo nui loa,

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

IATSE LOCAL 665

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OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

Thirty-Second Legislature, State of Hawai'i
Senate Committee on Ways and Means

Testimony by IATSE 665
March 2nd, 2023

S.B.270 SD 1 - RELATING TO INCOME

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate 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 SB 270 SD 1**, but requests that this bill be reverted back to its original language and purpose 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, IATSE 665 asks your committee to support this bill with its original language. Thank you for the opportunity to testify.

In Solidarity,



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

SB-270-SD-1

Submitted on: 2/28/2023 4:06:00 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

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

Comments:

Save Medicaid Hawaii supported the original draft of SB270.

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

Please listen to most testimony and not to a few special interests and revert to original SB 270 please

February 28, 2023

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Ways and Means
Thursday, March 2, 2023
10:00 am
Via Videoconference



RE: **SB270 SD1** Relating to Tip Penalty (**Comment + Amendment**)

Dear Chair Dela Cruz, Vice Chair Keith-Agaran & Members of the Committee,

Chamber of Sustainable Commerce offers a comment with suggested amendment on SB270 SD1, which in its current form, requires the Department of Labor and Industrial Relations to submit an annual report on the enforcement of the wage and hour law in the State to the Legislature, and requires the Director of Labor and Industrial Relations to establish: (1) investigation standards that protect the identity of an employee who files a complaint with the Wage Standards Division to report any wage and hour violations by their employer; and (2) an education program for employees and employers on federal and state wage and hour laws, including tip credit and prohibitions against employer retaliation.

As small business owners who believe we can strengthen our economy without hurting workers, consumers, or the environment, we urge this committee to **amend SB270 to its original form** because simply investigating, educating and reporting on unlivable wages harms our economy. Let's be clear: a tip is a gift from a customer; there is no agreement that the worker will be gifted a tip. Phasing out the tip penalty acknowledges this reality.

Zippy's has added a mandatory percentage increase to each diner's bill, called a "kitchen charge", that helps the owners "recruit and retain [their] highly trained back-of-house staff and supports a sustainable compensation policy." (See image below taken from a Zippy's receipt.) Other companies can follow Zippy's lead, add a mandatory percentage to maintain a "sustainable compensation policy" for tipped workers and helps the owners maintain their profitability as the tip penalty is reduced and removed.

**** Kitchen Charge helps recruit and retain our highly trained back-of-house staff and supports a sustainable compensation policy**

**Hawaii
Legislative
Council**

Maile Meyer
Na Mea Hawaii
Honolulu

Russel Rudderman
Island Naturals
Hilo / Kona

Tina Wildberger
Kihei Ice
Maui

Joell Edwards
Wainiha Country Market
Kauai

Kim Coco Iwamoto
AQuA Rentals, LLC
Honolulu



SB 270, SD1, RELATING TO INCOME

MARCH 2, 2023 · SENATE WAYS AND MEANS
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

POSITION: Comments with amendments.

RATIONALE: Imua Alliance **provides comments and suggested amendments** for SB 270, SD1, relating to income, which requires the Department of Labor and Industrial Relations to submit an annual report on the enforcement of the wage and hour law in the State to the Legislature; and requires the Director of Labor and Industrial Relations to establish: (1) investigation standards that protect the identity of an employee who files a complaint with the Wage Standards Division to report any wage and hour violations by their employer; and (2) an education program for employees and employers on federal and state wage and hour laws, including tip credit and prohibitions against employer retaliation.

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.

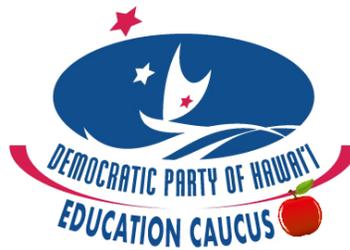
Numerous studies have found that the tip credit worsens sexual harassment in the workplace. **Tipped employees are often reluctant to file complaints about sexually predatory customers for fear of losing the tips on which they rely for income.** According to a study performed by a team of researchers 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.

Accordingly, we urge your committee to revert this bill to its original form, which would have eliminated the tip penalty entirely. President Joe Biden has repeatedly expressed support for abolishing the tip credit. We should heed his call to action and end the tip credit, which 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



SENATE BILL 270, SD1, RELATING TO INCOME

MARCH 2, 2023 · SENATE WAYS AND MEANS
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

POSITION: Comments with amendments.

RATIONALE: The Democratic Party of Hawai'i Education Caucus **provides comments and suggested amendments** for SB 270, SD1, relating to income, which requires the Department of Labor and Industrial Relations to submit an annual report on the enforcement of the wage and hour law in the State to the Legislature; and requires the Director of Labor and Industrial Relations to establish: (1) investigation standards that protect the identity of an employee who files a complaint with the Wage Standards Division to report any wage and hour violations by their employer; and (2) an education program for employees and employers on federal and state wage and hour laws, including tip credit and prohibitions against employer retaliation.

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.

Accordingly, we urge your committee to revert this bill to its original form, which would have eliminated the tip penalty entirely. President Joe Biden has repeatedly expressed support for abolishing the tip credit. We should heed his call to action and end the tip credit, which 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



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 Ways and Means

Testimony by
Hawai'i State AFL-CIO
March 2, 2023

S.B. 270 S.D. 1 – 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 comment on S.B. 270 S.D. 1.

Seven states prohibit tip credits. Here, employers have their choice of whether to take the tip credit. The inconsistent application of the rule by virtue of employer choice puts a heavy burden on the state to ensure compliance when job insecurity is likely to stifle reporting violations.

The minimum wage is not a living wage relative to the cost of living in Hawai'i. Tips should bolster tipped worker income. Instead, the tip credit contributes to keeping low wage earners from reaching financial stability.

We appreciate your consideration of our comments on S.B. 270 S.D. 1.

Respectfully,

A handwritten signature in black ink, appearing to read "Randy Perreira".

Randy Perreira
President



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

Tambara Garrick, Secretary – Hawaii Farm Project

Kahili Soon, Treasurer – Hukilau Marketplace

Greg Maples, Past Chair – Polynesian Cultural Center

Sheryl Matsuoka, Executive Director **Ginny Wright**, Operations Assistant **Holly Kessler**, Director of Membership Relations

2022- 23

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Date: March 1, 2023

To: Sen. Donovan M. Dela Cruz, Chair
Sen. Gilbert S.C> Keith-Agaran, Vice Chair
Committee on Ways and Means

From: Victor Lim, Legislative Lead

Subj: SB270, SD1 Relating to Income

The Hawaii Restaurant Association representing 4,017 Eating and Drinking Place locations supports the intent of SB270, SD1, that requires the Department of Labor and Industrial Relations to submit an annual report on the enforcement of the wage and hour law in the state to the Legislature, but opposes the part of the bill that calls for the elimination of Tip Credit.

As was evident from the hearing at the Senate Labor and Technology committee, both the private and public sector suffer from a clear understanding in regards to federal and state wage and hour laws including tip credit. Maybe an educational program as called for on this bill might help in this effort.

Mahalo for giving us the opportunity to share our views.





HAWAII WORKERS CENTER

Defending and Respecting the workers of
Hawaii'i

LATE

(503) WORKERS ☎

(503) 967-5377 📞

hawaiiworkerscenter@gmail.com ✉

hawaiiworkerscenter.org 🌐

March 1, 2023

Hawaii State Senate
Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

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Co-Executive
Directors

Tony Doroño

Sergio Alcubilla III,
Esq.

RE: Comments for S.B. 270 S.D. 1

Dear Chair Sen. Dela Cruz, Vice-Chair Sen. Keith-Agaran and members of the Committee on Ways and Means

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 low-wage and immigrant workers.

The Hawaii Workers Center offers the following comments for S.B. 270 S.D. 1:

It's time 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. The original intent for S.B. 270 was to implement a phased elimination of the tip penalty, rather than the more ideal immediate elimination. This is still an important step in the right direction. As originally written, S.B. 270 would allow more workers to keep more of their hard earned money. As it stands, the \$1 tip penalty amounts to over \$2000 that a full-time tipped worker loses in income. \$2000 that is inexplicably returned back to the employer. That money could easily go to rent, groceries, or child care instead of a subsidy to the employer.

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 amend S.B. 270 S.D. 1 to its original language as initially introduced by Senators Fevella, Aquino, and Kidani. While S.B. 270 S.D. 1 has worthy goals of educating the public and protecting workers that report violations, it does not address the initial issue of eliminating the tip penalty on workers. It's time we address this issue once and for all and let workers have the benefit of a full minimum wage.

Sincerely,


Sergio J. Alcubilla
Executive Director



LATE

Date: March 1, 2023

To: Sen. Donovan M. Dela Cruz, Chair,
Sen. Gilbert S.C> Keith-Agaran, Vice Chair
Committee on Ways and Means

Subj: SB270, SD1 Relating to Income

The Hawaii Restaurant Association representing 4,017 Eating and Drinking Place locations supports the intent of SB270, SD1, that requires the Department of Labor and Industrial Relations to submit an annual report on the enforcement of the wage and hour law in the state to the Legislature, but opposes the part of the bill that calls for the elimination of Tip Credit.

As was evident from the hearing at the Senate Labor and Technology committee, both the private and public sector suffer from a clear understanding in regards to federal and state wage and hour laws including tip credit. Maybe an educational program as called for on this bill might help in this effort.

Mahalo for giving us the opportunity to share our views.

Sincerely,

Mattson Davis- Proprietor



To: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee Members of Ways and Means

From: Michael Miller, Tiki's Grill & Bar
Subject: SB 270 Removal of the Tip Credit

Date: March 1, 2023

Thank you for the opportunity to provide testimony. We, at Tiki's Grill & Bar, hereby oppose SB 270.

State legislation related to minimum wage and working to remove tip credit can make things difficult for restaurants.

To address this, a tip credit can help balance things out. By allowing a larger tip credit, restaurant owners can compensate all their employees fairly, regardless of whether they are tipped or not. This is really important because paying higher wages to the highest-paid workers can make things more complicated and expensive for everyone else.

You might have noticed in the news that finding and keeping good staff has become one of the biggest challenges for restaurants today. One of the reasons for this is that the cooks who work in the kitchen might be paid much less than their tipped colleagues who work on the floor, and this can make it hard to recruit and retain non-tipped positions.

Locals and visitors alike are already complaining that things are not the same, with reduced hours of operations, limited staff, less service, limited products, and smaller menus. Prices have been raised to cover the higher costs for those products and services, as well as to comply with the new government rules.

Restaurants historically carry slim profit margins, and this is even more challenging in Hawaii, with its existing regulations and cost of living. The implementation of this bill is not free, which, at its basic level, reduces the ability of restaurants to provide opportunities by reducing the number of new hires and decreasing the amount that can be spent on current employees, particularly non-tipped employees in the "back of the house."

We need to find a way to ensure that all restaurant workers are paid fairly so that we can continue to enjoy great meals and support our local economy. Removing the tip credit does not accomplish this.

We urge you not to pass this bill out of committee and say "Mahalo" for considering our point of view.

Mahalo,
Michael Miller / Director of Operations / michaelm@tikisgrill.com

SB-270-SD-1

Submitted on: 2/27/2023 2:36:59 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

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

Comments:

I support SB270. However, I hope the tip credit is removed from the bill. Please pass SB270.

Mike Golojuch, Sr.

SB-270-SD-1

Submitted on: 2/27/2023 9:25:35 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

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

Comments:

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai‘i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai‘i's workers can be protected by the state's minimum wage law. Mahalo!

SB-270-SD-1

Submitted on: 2/28/2023 8:20:04 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Justin Mark Hideaki Salisbury	Individual	Comments	Written Testimony Only

Comments:

I respectfully request that this bill be restored to its original version in an SD2.

All workers should be protected by the state's minimum wage law.

I am a blind person, and I am grateful that the Aloha State recently outlawed the payment of subminimum wages to workers with disabilities. I am so grateful for this. We must make sure that nobody gets left behind.

Unless the minimum wage is truly the minimum wage, it is deceiving. Public decisions are sometimes made based off of what the minimum wage is, but, if that minimum wage is not the minimum for all workers, these decisions are based on a flawed assumption.

The entire concept of a tip credit is based on a value judgment that the kinds of people who typically perform jobs that are tipped are less valuable than the kinds of people who work in jobs that are not tipped. This is a US mainland assumption, a relic of slavery, and it does not match with our Aloha Spirit.

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

SB-270-SD-1

Submitted on: 2/28/2023 8:26:19 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
tlaloc tokuda	Individual	Comments	Written Testimony Only

Comments:

Aloha WAM Chair, Vice Chair & Committee, please revert the bill back to its previous draft - workers have gained nothing from this present draft so please re-instate last draft of bill and pass out of committee.

Mahalo,

tlaloc tokuda

Kailua Kona HI 96740

SB-270-SD-1

Submitted on: 2/28/2023 8:51:18 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
tia pearson	Individual	Comments	Written Testimony Only

Comments:

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

SB-270-SD-1

Submitted on: 2/28/2023 9:09:53 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Tony Radmilovich	Individual	Support	Written Testimony Only

Comments:

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

SB-270-SD-1

Submitted on: 2/28/2023 9:47:35 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John Witeck	Individual	Comments	Written Testimony Only

Comments:

I support phasing out the tip penalty on service workers who receive tips. It is unjust and unfair.

Please revert the language of this bill to its original version and pass this measure. Many low-wage workers will benefit from positive action to pass this bill.

Mahalo for considering my recommendation. Aloha, John Witeck

SB-270-SD-1

Submitted on: 2/28/2023 10:05:13 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg Crawford	Individual	Comments	Written Testimony Only

Comments:

Dear Honorable Senator,

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back to its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

Mahalo,

Greg Crawford

SB-270-SD-1

Submitted on: 2/28/2023 10:40:21 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christy MacPherson	Individual	Comments	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Senate Committee on Ways and Means,

Please amend SB270 SD1 back to its original form so that we can phase-out the tip penalty, which has always been completely unfair to workers to begin with. We help businesses by supplementing their employees' wages every time we are asked to tip them when we order *anything* over-the-counter nowadays- coffee, sandwiches, etc.

We tip workers because we appreciate their good service, not because we want their employers to penalize them for their hard work!

Mahalo for your consideration.

SB-270-SD-1

Submitted on: 2/28/2023 10:44:21 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Comments	Written Testimony Only

Comments:

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

--Shay Chan Hodges

Maui, Hawaii

SB-270-SD-1

Submitted on: 2/28/2023 11:16:18 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
ANDREW ISODA	Individual	Comments	Written Testimony Only

Comments:

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

SB-270-SD-1

Submitted on: 2/28/2023 11:34:15 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support

To: Hawaii State Senate's Committee on Ways and Means
Hearing Date/Time: Wednesday, March 2, 2023, 10:00 am
Place: Hawaii State Capitol, CR 211 & Videoconference
Re: Judith Ann Armstrong is in strong support of SB270 Relating to Income

Dear Members of the Ways and Means Committee,

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

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses, and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

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

Sincerely,

Judith Ann Armstrong

Chair Donovan Dela Cruz
Vice Chair Gilbert Keith-Agaran

Senate Committee on Ways & Means

Thursday, March 2, 2023
10:00 AM

TESTIMONY OFFERING COMMENTS ON SB270 SD1 RELATING TO INCOME

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, Members of the Senate Committee on Ways & Means,

My name is Jun Shin. I am a graduate of the University of Hawai‘i at Mānoa, labor activist, and member of the Hawai‘i State Youth Commission, testifying as an individual, offering **COMMENTS** on **SB270 SD1**, Relating to Income.

The employer’s successes are only possible because of their workers. In return for quality products/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.

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai‘i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities (all representing business interests only) were opposed. **Please revert Senate Bill 270 SD1 back into its original form so that all of Hawai‘i's workers can actually be protected by the state's minimum wage law.**

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-SD-1

Submitted on: 2/28/2023 8:26:50 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Comments	Written Testimony Only

Comments:

Dear Chair Delacruz and Committee Members,

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

I do appreciate the opportunity to comment at a hearing,

99-7815 Kapoha Place Volcano 96785, Ka'u Moku

SB-270-SD-1

Submitted on: 2/28/2023 9:37:37 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Evelyn Aczon Hao	Individual	Comments	Written Testimony Only

Comments:

I am strongly recommending that the committee reinstate the original wording of this bill. The original draft has strong support from Hawaii's citizens as evidenced by the overwhelming number of people who testified in support of it.

Keeping to the original draft shows that legislators support hard working people who keep our economy afloat.

Thank you.

SB-270-SD-1

Submitted on: 2/28/2023 10:35:55 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cards Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cards Pintor

SB-270-SD-1

Submitted on: 3/1/2023 6:51:56 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Matthew Grover	Individual	Comments	Written Testimony Only

Comments:

Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

A phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy.

LATE

SB-270-SD-1

Submitted on: 3/1/2023 10:07:26 AM

Testimony for WAM on 3/2/2023 10:00:00 AM

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

Comments:

I strongly support elimination of the tip credit. I surge SB 270 be changed to go back to its **original language** and passed.

Mahalo for your consideration,

Mary Ochs

LATE

SB-270-SD-1

Submitted on: 3/1/2023 2:58:52 PM

Testimony for WAM on 3/2/2023 10:00:00 AM

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

Comments:

The original draft of this bill received 144 pages of testimony. 126 people and organizations representing a broad spectrum of Hawai'i's economic and social sectors supported the original bill phasing out the tip credit, while only 9 individuals and entities—all representing business interests only—were opposed.

The DLIR is one of the entities that supports the gradual elimination of the tip credit, testifying that such a phase-out will "help ensure all employees are treated equally and paid at least the statutory minimum wage by their employer."

Research shows that phasing out the tip penalty is good for workers, businesses and the whole economy. Please revert SB270 back into its original form so that all of Hawai'i's workers can be protected by the state's minimum wage law.

LATE

SB-270-SD-1

Submitted on: 3/1/2023 10:10:52 PM
Testimony for WAM on 3/2/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Neil Tupas	Individual	Comments	Written Testimony Only

Comments:

The current version of the bill SB270 is not the original. The original version was a structured method in eliminating the Tip Credit System in Hawaii. The current edited version doesn't even make any mention of the Tip Credit system, it is a completely different bill. Changing the bill to something else, this is an insult to restaurant workers on the island.

I ask the committee to change the bill back to its original version.

The intention of the Tip Credit system is for restaurant workers to receive less than the minimum wage because the tips that the workers receive will make up the difference between their hourly wage and the minimum wage. This comes from the idea that restaurant workers with their tips are making \$18 to 20\$ per hour, but that is not the case. A lot of restaurant workers work outside Waikiki on other parts of the island like Pearl City, Waipahu, Ewa Beach, Nanakuli, Mililani, etc. A lot of restaurant workers on the island work in local restaurants trafficked by local people, not wealthy tourists from Japan, Korea, China, etc. These workers are not making \$18 to \$20 per hour even with their tips. It is an insult to these restaurant workers working outside Waikiki to say that since they are making so much money on tips, their hourly wage should be lower. The minimum wage should be the starting wage for all workers, and tips received should not penalize them to receive less than the minimum wage as an hourly rate. It may not be a lot to other workers or other jobs, but for restaurant workers, a stable hourly wage would ensure that these workers can have a little bit more to take home for themselves, their families, and their health. It's not might not be a big difference for others, but for restaurant workers, it has a big impact.