

JAN 24 2024

A BILL FOR AN ACT

RELATING TO MINIMUM WAGE.

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

1 SECTION 1. The legislature finds that Hawaii's cost of
2 living continues to be burdensome for the State's residents.
3 According to the National Low Income Housing Coalition's "Out of
4 Reach 2023" report, a minimum wage employee must work one
5 hundred seven hours per week to afford a one-bedroom rental home
6 at fair market prices. To afford a two-bedroom residence
7 without being cost burdened, the National Low Income Housing
8 Coalition estimates that a person must earn \$41.83 per hour.
9 The State's electricity prices are also the highest in the
10 nation, while cost of other essential items, like food and
11 clothing, have risen significantly in recent years.

12 The legislature further finds that Act 114, Session Laws of
13 Hawaii 2022, gradually increases Hawaii's minimum wage to \$18
14 per hour by 2028. However, the Massachusetts Institute of
15 Technology's living wage calculator estimates that in 2023, a
16 livable wage in the State for a single adult with no children



1 was \$22.05 per hour, and was \$43.75 per hour for a single adult
2 with one child.

3 The legislature additionally finds that the December 2023
4 report "The High Cost of Low Wages" published by the Hawaii
5 Appleseed Center for Law and Economic Justice found that tying
6 the minimum wage to cost of living increases prevents wage
7 stagnation by ensuring that the minimum wage keeps pace with
8 inflation. The report asserts that doing so would ensure that
9 the minimum wage would continue to grow as the cost of basic
10 necessities rises. Currently, thirteen states and the District
11 of Columbia index their minimum wage rates to the cost of
12 living, most often by linking their minimum wage rates to
13 consumer price data.

14 The purpose of this Act is to ensure financial security for
15 low wage workers in the State by linking Hawaii's minimum wage
16 increases to the consumer price index.

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

19 "**§387-2 Minimum wages.** (a) Except as provided in section
20 387-9 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;
- 12 (10) \$16.00 per hour beginning January 1, 2026; [~~and~~]
- 13 (11) \$18.00 per hour beginning January 1, 2028; and
- 14 (12) Beginning January 1, 2029, and every year thereafter,
15 the per hour rate as calculated pursuant to subsection
16 (c).

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

- 20 (1) 25 cents;
- 21 (2) 50 cents per hour beginning January 1, 2015;



1 (3) 75 cents per hour beginning January 1, 2016;
2 (4) \$1.00 per hour beginning October 1, 2022;
3 (5) \$1.25 per hour beginning January 1, 2024; and
4 (6) \$1.50 per hour beginning January 1, 2028,
5 below the applicable minimum wage by the employee's employer and
6 the combined amount the employee receives from the employee's
7 employer and in tips is at least 50 cents more than the
8 applicable minimum wage; provided that beginning January 1,
9 2015, the combined amount the employee receives from the
10 employee's employer and in tips is at least \$7.00 more than the
11 applicable minimum wage.

12 (c) Beginning September 30, 2028, and every year
13 thereafter, the department shall calculate an adjusted minimum
14 wage rate calculated to the nearest twenty-five cents using the
15 Urban Hawaii Consumer Price Index, or a successor index, for the
16 twelve months prior to September 1 of each year as calculated by
17 the United States Department of Labor; provided that if in any
18 year the adjustments based on the Urban Hawaii Consumer Price
19 Index, or a successor index, would result in a lower minimum
20 wage rate, the adjusted minimum wage rate shall remain the same



1 as the minimum wage rate in effect for the year in which it was
2 calculated."

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

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

6
INTRODUCED BY: *Kal Rank*



S.B. NO. 2928

Report Title:

Minimum Wage Calculation; Consumer Price Index

Description:

Beginning September 30, 2028, requires the Department of Labor and Industrial Relations to annually calculate an adjusted minimum wage rate to within the nearest twenty-five cents using the Urban Hawaii Consumer Price index to take effect on January 1 of the following year.

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

