

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

February 7, 2024

To: The Honorable Henry J.C. Aquino, Chair,  
The Honorable Sharon Y. Moriwaki, Vice Chair, and  
Members of the Senate Committee on Labor and Technology

Date: Wednesday, February 7, 2024  
Time: 3:00 p.m.  
Place: Conference Room 224, State Capitol

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

**Re: S.B. 2784 RELATING TO TIPPED EMPLOYEES**

**I. OVERVIEW OF PROPOSED LEGISLATION**

The **DLIR supports** SB2784 which proposes to amend the Wage and Hour Law, Chapter 387, Hawaii Revised Statutes (HRS), by eliminating the tip credit.

**II. CURRENT LAW**

Under § 387-2 the current tip credit is \$1.25 per hour effective January 1, 2024, and will increase to \$1.50 per hour beginning January 1, 2028 (Act 114, SLH 2022).

**III. COMMENTS ON THE SENATE BILL**

The DLIR supports the elimination of the tip credit, so all employees are treated equally and paid at least the statutory minimum wage.



**Ave Kwok, Chairman** - Jade Dynasty

**Andy Huang, Incoming Chair** - L&L Hawaiian Barbeque **Tambara Garrick, Secretary** – Hawaii Farm Project

**Kahili Soon, Treasurer** – Hukilau Marketplace

**Ryan Tanaka, Past Chairman** – Giovanni Pastrami

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

**2023-24**

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Richard Turbin

Date: February 3, 2021

To: COMMITTEE ON LABOR AND TECHNOLOGY

Sen. Aquino, Henry J.C., Chair, Sen. Moriwaki, Sharon Y, Vice Chair  
Members of the Committee Sen Les Ihara, Jr., Sen Chris Lee, Sen Kurt Fevella

From: Thomas Jones – HRA Legislative Committee

RE: In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

The Hawai'i Restaurant Association represents over 4,000 restaurant and food service establishments which employ over 79,000 workers (13% of the state wide employment), a great many whose employees receive tips in addition to the wages paid by their employers.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since Servers tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non tipped employees higher discretionary wages.

In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.





# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice  
SB 2784 – Relating to Tipped Employees  
Senate Committee on Labor and Technology  
Wednesday, February 7, 2024, at 3:00 PM, Conference Room 224 & Videoconference

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Dear Chair Aquino, Vice Chair Moriwaki, and members of the Committee:

Thank you for the opportunity to provide testimony in **SUPPORT** of SB 2784, which would repeal the authority of employers to pay tipped employees less than the minimum wage.

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

The reliance on tips to ensure a livable wage creates significant income instability for employees. Tipped workers often face unpredictable fluctuations in their earnings due to factors beyond their control, such as seasonal tourism trends and economic downturns. This unpredictability makes it challenging for them to budget for basic needs, like housing, food, and transportation.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers. This instability is further exacerbated by the fact that tipped workers are more likely to work in lower-wage occupations and are almost twice as likely to be living in poverty as non-tipped workers.<sup>1</sup>

A Center for American Progress (CAP) analysis shows that setting one fair minimum wage for all workers across the nation, will help alleviate poverty, sustainably grow the economy, and advance gender, racial, disability, and economic justice.<sup>2</sup>

Eight states have already eliminated the tipped minimum wage entirely, including every state in the Western region.<sup>3</sup> The CAP analysis finds that in those states, tipped workers have lower levels of poverty at 11%, relative to states that allow the federal or state tip credit, which average 14.8%.<sup>4</sup> Paying one fair wage to all employees regardless of the work they perform can clearly produce poverty alleviation effects that help workers meet the challenges of our high cost of living.

Restaurant Opportunities Centers (ROC) United found that median wages including tips were \$11.44 per hour in states with no subminimum wage, but just \$9.57 in all others, which is even less than the \$9.66

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<sup>1</sup> Gould, Elise and David Cooper, “Seven facts about tipped workers and the tipped minimum wage,” Economic Policy Institute, May 31, 2018, <https://www.epi.org/blog/seven-facts-about-tipped-workers-and-the-tipped-minimum-wage/>

<sup>2</sup> Schweitzer, Justin, “Ending the Tipped Minimum Wage Will Reduce Poverty and Inequality,” Center for American Progress, March 30, 2021, <https://www.americanprogress.org/article/ending-tipped-minimum-wage-will-reduce-poverty-inequality>

<sup>3</sup> US Department of Labor, <https://www.dol.gov/agencies/whd/state/minimum-wage/tipped> In Hawai‘i, employers may pay \$1.00 below the regular minimum wage if an employee’s combined base wage plus tips exceeds \$7.00 per hour more than the regular minimum wage.

<sup>4</sup>

earned by tipped workers in the lowest 10 percent of earners in states with no tip credit.<sup>5</sup> This amounts to approximately a 20 percent increase in median wages for simply living in a state with no tipped subminimum wage.

Other studies have also shown little to no negative employment effect from eliminating the tipped minimum. An Economic Policy Institute study found that, from 1995 to 2014, employment in the leisure and hospitality industry grew by 43.2 percent in states with no tip credit and by just 39.2 percent in all others.<sup>6</sup> Reviews of increases to the regular minimum wage have not found detectable or significant negative employment effects and showed only minimal increases in prices.<sup>7</sup>

Repealing the tip credit and ensuring all workers are paid at least the minimum wage by their employers would provide much-needed financial stability and dignity to tipped workers. This action would not only benefit workers and their families but also strengthen our economy by providing workers with more disposable income to spend in our local communities, while guaranteeing that all workers are fairly compensated for their labor.

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<sup>5</sup> Restaurant Opportunities Centers United, “Restaurants Flourish with One Fair Wage.”

<sup>6</sup> Allegretto, Sylvia and David Cooper, “Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage,” Economic Policy Institute, 2014, <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>

<sup>7</sup> Godoey, Anna and Michael, “Minimum Wage Effects in Low-Wage Areas,” University of California, Berkeley Institute for Research on Labor and Employment, 2019, <https://irle.berkeley.edu/minimum-wage-effects-in-low-wage-areas/>



# HAWAII WORKERS CENTER

Defending and Respecting the workers of  
Hawaii'i

(503) WORKERS ☎

(503) 967- 5377 ☎

[hawaiiworkerscenter@gmail.com](mailto:hawaiiworkerscenter@gmail.com) ✉

Mail: 2252 Puna St., Honolulu, HI 96817 ✉

[hawaiiworkerscenter.org](http://hawaiiworkerscenter.org) 🌐

February 6, 2024

Hawai'i State Senate  
Committee on Labor and Technology  
Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

**Executive Board  
Committee**

Rev. Sam Domingo  
*Board Chair*

Mary Ochs  
*Vice Chair*

Dr. Arcelita Imasa  
*Secretary*

John Witeck  
*Treasurer*

**Board Members**

Yoko Liriano

Nanea Lo

Innocenta  
Sound-Kikku

Ray Catania

Justin Jansen

Leyton Torda

**Executive Director**

Sergio Alcubilla III, Esq.

**RE: STRONG SUPPORT for S.B. 2784 RELATING TO TIPPED EMPLOYEES**

Dear Chair Sen. Aquino, Vice-Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology:

The Hawai'i Workers Center (HWC) envisions a Hawai'i 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 workers.

The HWC stands in strong support of S.B. 2784 which repeals the authority of employers to pay tipped employees less than the minimum wage.

It's time to finally eliminate the tip penalty here in Hawai'i. 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 recent increase in the state minimum wage which helps working families and individuals to cope with Hawaii's high costs of living, the work remains unfinished. The phased elimination of the tip penalty is an important step in allowing workers to keep more of their hard earned money. As it stands, the \$1.25 tip penalty amounts to \$2,600 that a full-time tipped worker loses in income. That is \$2,600 that is inexplicably returned back to the employer because of a tradition rooted in racism. That money could easily go to rent, groceries, or child-care instead of being returned to the employer. Financially subsidizing employers should not fall on the backs of workers at the expense of their hard-earned wages.

There are currently 7 states in the nation and, more recently the city of Chicago, 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 pass and support S.B. 2784.

Sincerely,

Sergio Alcubilla  
Executive Director

**SB-2784**

Submitted on: 2/5/2024 11:22:11 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
amy agbayani	Testifying for hawai`i friends of civil rights	Support	In Person

Comments:

The Hawai`i Friends of Civil Rights

Co-chairs Amy Agbayani and Patricia McManaman

Chair Aquino, Vice Chair Moriwake and members of the Committee on Labor and Technology strongly supports sb 2784 by repealing the authority of employers to pay tipped employees less than the minimum wage. We believe all employees should be paid fairly. Our state depends on workers and currently workers earning the minimum wage cannot meet basic needs.

For years, some states require a full minimum wage with tips on top. These states have higher restaurant job growth rates, small business growth rates, and tipping averages than states that offer a subminimum wage. They also have one half the rate of sexual harassment in the restaurant industry.

We respectfully request your support for sb 2784

**SB-2784**

Submitted on: 2/4/2024 12:34:53 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Russell Ryan	Testifying for Highway Inn	Oppose	Remotely Via Zoom

Comments:

The Tip Credit must be the most misunderstood concept in Labor Law. We encourage readers to take two minutes to understand why the tip credit is one of the very last bulwarks stopping many *locally owned and operated* restaurants from going out of business.

Every time another well-known local icon eatery fails, there is an outpouring of nostalgia and sentiment of ‘how it could happen?’ and questions about what Hawaii’s food culture will become. We believe, as it is reported in local media, that one of the principal reasons for restaurant closures is related to the labor laws Hawaii currently has in place.

We have been in business in Hawaii for 77 years and have made payroll every single week – that equates to making almost 4,000 weekly payrolls. Malcolm Gladwell wrote that you need to do something for 10,000 hours to accomplish true expertise. We have easily surpassed that threshold. We encourage legislators to consider the counsel of those businesses with similar experience.

Simply put, in many of Hawaii’s full-service restaurant businesses, tips make up most of a Server’s salary. Servers care more about tips than their minimum wage and would likely not worry if the Tip Credit was 50% of their minimum. In January 2024, we issued 2023 W2s to waitstaff who made almost \$90,000. These employees made approximately \$22,000 in minimum wage and \$65,000 in tips.

Highway Inn’s average hourly salary for all its workers easily exceeds \$14. Why? Because there is a market for labor. We would not have workers who have been with us for decades, yes decades if we did not pay them competitive salaries.

We are forced to do two things because the legislature keeps increasing the minimum wage without an offsetting tip credit. A) increase the price customers pay by the smallest amount we can because B) we are in a competitive market, and thus, we mainly raise the Servers’ pay at the expense of the back-of-house staff. Back-of-house staff earn \$30,000-\$50,000 a year. Thus, the minimum wage increase flows to the highest-paid staff members who can earn up to \$90,000 and benefit from increased tips. This fact makes it harder and harder to find back-of-house staff willing to work for \$40,000 less a year than Servers. Restaurants would not stay in business if they tried to pay back-of-house staff wages equivalent to the front-of-house servers because customers would not come in to spend \$30 for a plate lunch.

The only mechanism full-service restaurants have to counter this destabilizing trend is to use the tip credit, as provided by Federal Law. But, as we know, many restaurants do not comply with these wage rules, as doing so would push them into bankruptcy.

A tip credit only applies when the combined wages (minimum wage minus the tip credit plus tips) are above \$21 per hour (\$44k annually). No one is disputing that \$21 is a living wage. A tip credit allows restaurants to use that money to pay all their staff equitably. The Tip Credit is not a mechanism for management to steal the wages of the lowest paid, as some would have you believe – it is simply a means for restaurateurs to even out the massive wage disparities between tipped and non-tipped staff. Management wants its workers to be well paid, happy, and stay for a long time. Why would a company want the opposite by underpaying them?



**SB-2784**

Submitted on: 2/5/2024 12:05:43 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Bettina Mok	Testifying for The Legal Clinic	Support	Written Testimony Only

Comments:

The Legal Clinic stands in support of this bill which recognizes that workers in our tourism based economy must not be penalized with a low wage rate for earning tips, and should not have to count on tips to make up the difference when earning below minimum wage. As the bill states, reports have shown that overdependence on tips invites exploitation, and leaves low wage workers even more vulnerable to unscrupulous customers and employers.

Minimum wage is still far off from a living wage in Hawai'i. We owe it to our workers in the food service and hospitality industry, many of whom don't have healthcare or other benefits, to earn a base wage above federal minimum wage that is not reduced because they have the opportunity to earn tips. We depend on these workers to help fuel our economy and to host locals and visitors alike with Aloha in local establishments. Let's not rob Peter to feed Paul. Repeal the tip credit.



HAWAII

AMERICANS FOR DEMOCRATIC ACTION

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John Bickel, President 23404	Melodie Aduja	Jan Lubin	Stephen O'Harrow	P.O. Box
Alan Burdick, Vice President	Juliet Begley	Shannon Matson	Maria Glodilet Rallojay	Honolulu, HI
Dave Nagajji, Treasurer	Stephanie Fitzpatrick	Jenny Nomura	Bill South	96823
Doug Pyle, Secretary	Robert Kinslow			

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February 5, 2024

TO: Chair Aquino and Members of the LBT Committee

RE SB 2784 Relating to Tipped Employees

Support for Hearing: Thursday, February 7

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support this bill as we oppose the tip credit in minimum wage bills. Service employees work hard for their money. They should be entitled to full minimum wage plus tips. Some employees get very little from their tip jar. They should get full wages. Waiters in high end restaurants are at the top of their field and should not be denied their full compensation.

Sincerely,

John Bickel, President

**SB-2784**

Submitted on: 2/5/2024 12:14:07 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lane Muraoka	Testifying for BIG CITY DINER RESTAURANTS	Oppose	Written Testimony Only

Comments:

Date: February 7, 2021

To: COMMITTEE ON LABOR AND TECHNOLOGY

Sen. Aquino, Henry J.C., Chair, Sen. Moriwaki, Sharon Y, Vice Chair

Members of the Committee Sen Les Ihara, Jr., Sen Chris Lee, Sen Kurt Fevella

From: Lane Muraoka, Big City Diner Restaurants

RE: In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

Eliminating the Tip Credit would be severely detrimental to our restaurant's financial stability and our non-tipped employees financial well-being.

The Minimum Wage in Hawai'i just increased by 16.7%, its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most of our tipped employees earn well over \$8.25 in tips per hour, many earn 2 to 6 times that amount; many of our servers earn in excess of \$50+ an hour.

Since Servers tips are based on a percentage of their sales, their tip income increases when our menu prices increase, keeping well above the rate of inflation....Servers should never get a mandated minimum wage increase, that increase in wages should be an opportunity to pay our non-tipped kitchen employees a higher wage based on merit and job performance.

Mandating Minimum Wage increases to Tipped Employees hinders our ability to pay non tipped employees higher discretionary wages. The rich get richer and the poor get poorer...Tipped employees are the most highly compensated employees in our company.

In the current economy our restaurant, more than other businesses, has been disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that our restaurant and many of Hawai'i's restaurants will not be able to bear...Eliminating service jobs is the only viable option left.

We strongly urge the committee to defer this bill.

Mahalo,

Lane Muraoka

Owner/President

Big City Diner Restaurants



Date: February 5, 2024

To: COMMITTEE ON LABOR AND TECHNOLOGY

Sen. Aquino, Henry J.C., Chair, Sen. Moriwaki, Sharon Y, Vice Chair

Members of the Committee Sen. Les Ihara, Jr., Sen. Chris Lee, Sen. Kurt Fevella

From: Anna Martin-Domion Gyotaku Japanese Restaurants

RE: Opposition to Elimination of the Tip Credit SB2784

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employees are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. All of our tipped employees earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since Servers tips are based on their sales, their tip income increases when our menu prices increase, keeping pace with inflation.

In the current economy our restaurant has been disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit would force our restaurant to increase the wages of our most highly compensated workers when their total net income is taken to account. Servers get most of their income from tips.

We strongly urge the committee to defer this bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anna Martin-Domion', is written over a faint, larger version of the signature.

Anna Martin-Domion

Human Resources Manager

REI Food Service, LLC dba Gyotaku Japanese Restaurants



TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAI'I LABOR CAUCUS

SENATE COMMITTEE ON LABOR AND TECHNOLOGY ·  
FEBRUARY 7, 2024

SB 2784, RELATING TO TIPPED EMPLOYEES

POSITION: SUPPORT

The Democratic Party of Hawai'i Labor Caucus **supports** SB 2784, relating to tipped employees, which repeals the authority of employers to pay tipped employees less than the minimum wage.

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 \$22.76 per hour to meet their basic needs in Honolulu, while an individual with only one child must earn \$45.12 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.

To protect the financial security of the thousands of tipped workers who are employed in Hawai’i’s service industry, it is time to eliminate the tip credit. **President Joe Biden has repeatedly expressed support for abolishing the tip credit.** We should heed his call to action and end the economically destructive tip credit that extends corporate welfare, is rooted in racism, and worsens gender violence on our shores.

Mahalo,

**Jason Bradshaw**

*Chairperson, Democratic Party of Hawai’i Labor Caucus*

**SB-2784**

Submitted on: 2/5/2024 4:54:51 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Rev. Samuel L Domingo	Testifying for Hawai'i Workers Center	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Rev Samuel L. Domingo, and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai'i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

Rev Samuel L Domingo,

HWC Board President





# HAWAII PORTS MARITIME COUNCIL

affiliated with

Maritime Trades Department

AMERICAN FEDERATION OF LABOR and CONGRESS OF INDUSTRIAL ORGANIZATION

606 Kalihi Street Honolulu, Hawaii 96819

TELEPHONE: (808) 845-5222

FAX: (808) 841-1191

Member Unions:

February 5, 2024

American Federation Of  
Government Employees

Hawaii Government  
Employees Association,  
AFSCME Local 152

Hawaii Pilots Association,  
MM&P Pilots Division

Inlandboatmen's Union  
of the Pacific

International Brotherhood of  
Boilermakers, Iron Ship  
Builders, Blacksmiths,  
Forgers and Helpers  
Lodge 627

International Brotherhood of  
Electrical Workers Local 1186

International Brotherhood of  
Electrical Workers Local 1260

International Longshore and  
Warehouse Union Local 142

International Union of  
Elevator Constructors  
Local 126

Ironworkers Union  
Stabilization Fund  
Local 625

Laborers' International Union  
of North America Local 368

Marine Engineers'  
Beneficial Association

Marine Firemen,  
Watertenders, Oilers & Wipers

Masters, Mates and Pilots,  
Offshore Division

Sailors' Union of the Pacific

Seafarers International Union

Sheet Metal Workers Local 293

United Food and Commercial  
Workers International Union  
Local 480

Senate Committee of Labor & Technology  
Honorable Henry Aquino, Chair  
Honorable Sharon Moriwaki, Vice Chair  
Members of the Senate Committee of Labor & Technology

RE: SB2784 RELATING TO TIPPED EMPLOYEES

The Hawaii Ports Maritime Council strongly supports SB2784. SB2784 would abolish the tip credit by repealing the authority of employers to pay tipped employees less than the minimum wage. We feel that it is unfair to penalize workers because they may receive a tip. We believe that they should be assisted in their efforts to make a living wage. We appreciate your consideration and strongly urge passage of SB2784.

Respectfully,

Randy Swindell  
President



## SENATE BILL 2784, RELATING TO TIPPED EMPLOYEES

FEBRUARY 7, 2024 · LBT HEARING

**POSITION:** Support.

**RATIONALE:** The Democratic Party of Hawai'i Education Caucus **supports** SB 2784, relating to tipped employees, which repeals the authority of employers to pay tipped employees less than the minimum wage.

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 \$22.76 per hour to meet their basic needs in Honolulu, while an individual with only one child must earn \$45.12 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.

To protect the financial security of the thousands of tipped workers who are employed in Hawai’i’s service industry, it is time to eliminate the tip credit. **President Joe Biden has repeatedly expressed support for abolishing the tip credit.** We should heed his call to action and end the economically destructive tip credit that 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](mailto:kriscoffield@gmail.com)**

To: Senate Committee on Labor and Technology  
Re: **SB 2784 – Relating to Tipped Employees**  
Hawai'i State Capitol & Via Videoconference  
February 7, 2024, 3:00 PM

Dear Chair Aquino, Vice Chair Moriwaki, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of SB 2784**. This bill repeals the authority of employers to pay tipped employees less than the minimum wage.

If we want our working families to stay in Hawai'i, we need to pay them enough to live here, and it is well known that Hawai'i has the highest cost of living among the states.<sup>1</sup> While we thank you for raising the state's minimum wage, to \$14 in 2024, currently 11 other states and the District of Columbia have minimum wages that are higher than ours, including Arizona, Maine, and the entire West Coast.<sup>2</sup>

Similarly, California, Oregon, Washington, and Nevada pay tipped employees the full minimum wage.<sup>3</sup> But here in Hawai'i, employers can deduct \$1.25 per hour from their employees' wages if they make tips of at least \$7 per hour, and that's scheduled to eventually go up to \$1.50 per hour,<sup>4</sup> pulling our hard-working residents even farther behind workers in other states.

While \$1.25 per hour might not seem like a lot, that translates to more than \$2,500 per year. For minimum-wage and working-class families with children, that much money might be the difference between affording food and rent, or being evicted.

According to the Department of Business, Economic Development and Tourism, a single parent with one child needed to earn nearly \$70,000 per year – or over \$5,800 per month – in order to be “self sufficient” in our state in 2022.<sup>5</sup> And it is well established that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.<sup>6</sup>

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo

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<sup>1</sup> <https://meric.mo.gov/data/cost-living-data-series>

<sup>2</sup> [https://www.epi.org/minimum-wage-tracker/#/min\\_wage/](https://www.epi.org/minimum-wage-tracker/#/min_wage/)

<sup>3</sup> [https://www.epi.org/minimum-wage-tracker/#/tip\\_wage/](https://www.epi.org/minimum-wage-tracker/#/tip_wage/)

<sup>4</sup> [https://labor.hawaii.gov/wsd/files/2022/06/Tip\\_Credit\\_Notice\\_with\\_exhibits\\_June2022.pdf](https://labor.hawaii.gov/wsd/files/2022/06/Tip_Credit_Notice_with_exhibits_June2022.pdf)

<sup>5</sup> [https://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency\\_2022.pdf](https://files.hawaii.gov/dbedt/economic/reports/self-sufficiency/self-sufficiency_2022.pdf)

<sup>6</sup> <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

Director of Research and Economic Policy



## TESTIMONY FROM THE DEMOCRATIC PARTY OF HAWAII

### SENATE COMMITTEE ON LABOR AND TECHNOLOGY

FEBRUARY 7, 2024

### SB 2784, RELATING TO TIPPED EMPLOYEES

#### POSITION: SUPPORT

The Democratic Party of Hawai'i **supports** SB 2784, relating to tipped employees. Pursuant to the “Economic Justice and Labor” section of the official Democratic Party of Hawai'i platform, the party believes “that the minimum wage should be a living wage on which a worker can not only survive, but thrive. We oppose all subminimum wage policies, including the tip credit.”

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 \$22.76 per hour to meet their basic needs in Honolulu, while an individual with only one child must earn \$45.12 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.

To protect the financial security of the thousands of tipped workers who are employed in Hawai’i’s service industry, it is time to eliminate the tip credit. **President Joe Biden has repeatedly expressed support for abolishing the tip credit.** We should heed his call to action and end the economically destructive tip credit that extends corporate welfare, is rooted in racism, and worsens gender violence on our shores.

Mahalo nui loa,

**Kris Coffield**

*Co-Chair, Legislative Committee*  
(808) 679-7454  
kriscoffield@gmail.com

**Abby Simmons**

*Co-Chair, Legislative Committee*  
(808) 352-6818  
abbyalana808@gmail.com



**TESTIMONY OF TINA YAMAKI, PRESIDENT  
RETAIL MERCHANTS OF HAWAII  
February 7, 2024  
Re: SB 2784 RELATING TO TIPPED EMPLOYEES**

Good afternoon, Chair Aquino, and members of the Senate Committee on Labor & Technology. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901 and is a statewide, not for profit trade organization committed to supporting the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, on-line sellers, local, national, and international retailers, chains, and everyone in between.

While we understand the want for this measure, we must respectfully oppose SB 2784. This bill repeals the authority of employers to pay tipped employees less than the minimum wage.

Not all wage and hour employees are tipped. It is mostly those in the food and hospitality industry. Tipped employees have the opportunity to make above minimum wage with the tips they gain. Eliminating tip credit might result in more uniform wages across positions, potentially leading to wage disparities between tipped and non-tipped roles.

It is our understanding that **taking away the tip credit could be detrimental to many local businesses.** Businesses such as restaurants would need to pay higher base wages to tipped employees, leading to increased labor costs. With the higher labor cost, we could see shorter hours, reduced staffing as well as higher menu prices when we go to restaurants. As a result, we customers may not go out to eat as often and affect the brand loyalty. When they do, the higher overall cost may have customers assuming a higher quality of service.

Locally owned businesses will feel the most impact as they operate on tighter budgets and thin margins and could face significant challenges absorbing increased labor costs. **In January, minimum wage employees got a pay increase. Smaller businesses are struggling on how to maintain their payroll, taxes, rent, supplies and more. We have already seen businesses closing and we don't want to see more close down as then employees would have no job.**

We respectfully ask that you hold this measure. Mahalo again for this opportunity to testify.





**Senate Committee on Labor and Technology**

**Hawai'i Alliance for Progressive Action (HAPA) Support: SB2784**

Wednesday, February 7, 2024 3:00 p.m. Conference Room 224

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

HAPA is testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai'i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

A handwritten signature in black ink, appearing to read 'Anne Frederick', is written in a cursive style.

Anne Frederick  
Executive Director



*Cade Watanabe, Financial Secretary-Treasurer*

*Gemma G. Weinstein, President*

*Eric W. Gill, Senior Vice-President*

February 5, 2024

Committee On Labor and Technology  
Senator Henry Aquino, Chair  
Senator Sharon Moriwaki, Vice Chair

**Testimony in support of SB2784**

Chair Aquino, Vice Chair Moriwaki, and Members of the Committee,

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii. We are in full support of SB2784, which would repeal the tip credit. The cost of living in Hawaii is rising quickly. Families are moving out of state because they cannot afford housing and other necessities, and this is happening to such an extent that we are losing population. Working people are struggling to get by.

The tip credit has reduced employers' responsibility to pay minimum wages, and thereby reduced income for workers. Depending on the establishment, tips can be an unreliable and highly variable source of income.

We understand that some small businesses are struggling as well, but for this there are a variety of solutions to this that do not involve taking money out of the hands of workers. It is not workers who have caused small businesses to struggle; it is their competitive disadvantage against big businesses, which impacts costs across the board.

Thank you for your consideration.



**House Committee on Labor and Government Operations  
Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair  
Wednesday, February 7, 2024, at 3:00 P.M.**

**RE: SB 2784 Relating to Tipped Employees**

Aloha Chair Henry J.C. Aquino, Vice Chair Sharon Y. Moriwaki, and members of the Committee on Labor & Technology:

**The Society of Human Resource Management – Hawaii (“SHRM”) respectfully opposes SB 2784 Relating to Tipped Employees**, which repeals the “tip credit” for service industry employers.

This bill would disproportionately impact businesses in the service industry, especially restaurants. Approximately half of Hawaii’s 100,000 minimum wage employee earners are employed by restaurants and receive tips. The tip credit reduces a tipped employee’s minimum wage to account for wages from customer-paid tips.

In these post-Covid times, this industry is having a difficult time finding workers to fill the need. Repealing the tip credit could significantly impact operating costs, especially since the bill would be effective upon approval. The employer will not be able to effectively project a budget for these additional costs.

Since many smaller employers and restaurants have already gone out of business due to increased food and other materials costs and new regulations such as the ban on plastic containers and the requirement for compostable materials, it seems at best imprudent to increase these costs by not permitting employers to offset wages by tips.

Additionally, the expenses of running a business in Hawaii, especially a small business or restaurant, are becoming cost-prohibitive and forcing many beloved restaurants and local institutions to close operations. The current minimum wage scale from 2022 through 2028 will increase minimum wage by 8% annually between 2002 to 2028. This rate of artificial increase in the hourly wage for tipped employees creates a tremendous financial obstacle for local businesses.

Finally, the bill fails to recognize that the practice of tipping in modern times is designed to reward a worker for good service. Since Hawaii is so heavily dependent upon the tourism industry, one would think that removing the incentive for good service would not be in the state's best interests.

SHRM Hawaii serves and represents nearly 600 members and employers' statewide and human resource management is a critical component to the success and survival of the many businesses that make up our local economy. HR professionals are responsible for evaluating and balancing the needs of both the employers and employees and caring for businesses' most valuable asset: the working people of our state.

Thank you for this opportunity to provide testimony.

Erin Kogen and Rosanne M. Nolan  
Co-chairs, SHRM Legislative Affairs Committee



**Testimony in SUPPORT of SB2784  
RELATING TO TIPPED EMPLOYEES**

COMMITTEE ON LABOR AND TECHNOLOGY

Senator Henry J.C. Aquino, Chair

Senator Sharon Y. Moriwaki, Vice Chair

Hearing Date: February 7, 2024

Dear Chair Aquino, Vice Chair Moriwaki, and Members of the Committee,

The Hawai'i Coalition for Immigrant Rights (HCIR) is a statewide coalition of immigrant-led and -serving organizations working to affect positive policy change for equal justice of immigrants in Hawai'i. As immigrant and migrant advocates, HCIR **fully supports** SB2784, which repeals the authority of employers to pay tipped employees less than the minimum wage.

The impact of the tip credit system is particularly acute for immigrant workers, who often face precarious employment situations and heightened risks of exploitation and abuse. According to the U.S. Census Bureau's 2018 American Community Survey 1-year PUMS data analyzed by the American Immigration Council, immigrant workers were most numerous in the Accommodation and Food Services industry, specifically in Food Preparation and serving-related occupations.

These individuals, often working in roles heavily reliant on tips, deserve fair compensation and protection from exploitation. Research consistently reveals that tip credit exacerbates workplace issues like sexual harassment, disproportionately impacting individuals who rely on tips for their livelihoods. Moreover, the tip credit perpetuates financial instability among service industry workers, disproportionately affecting immigrants and migrants already grappling with economic challenges such as language barriers and discrimination. The current tip system in Hawaii allows employers to withhold \$1.25 per hour from employees' wages, contingent upon tips covering the difference. This results in an annual loss of over \$2,600 for full-time tipped workers, unjustly favoring employers while penalizing workers for their service.

By repealing the tip credit and ensuring a fair minimum wage for all employees, irrespective of tipping practices, this bill represents a vital stride towards enhancing the well-being of immigrants, migrants, and all workers within Hawaii's service sector.

I urge the legislature to pass this bill and uphold the dignity and rights of every worker in our state.

Thank you for your support and consideration,

Maria Rallojaj

Policy and Communications Coordinator



*Maui Hotel & Lodging*  
ASSOCIATION

Testimony of  
Lisa H. Paulson  
Executive Director  
Maui Hotel & Lodging Association

Senate Committee on Labor and Technology  
**Senate Bill 2784: Relating to Tipped Employees**

February 7, 2024, 3:00 pm  
Conference Room 224

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry for Maui County. We represent over 180 property and allied business members and 22,000 employees. **MHLA opposes Senate Bill 2784**, which repeals the authority of employers to pay tipped employees less than the minimum wage.

The Minimum Wage in Hawai'i increased by its most significant amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employees are well protected by the current Minimum Wage law, which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hour in combined wages and tips. Most tipped restaurant employees earn well over \$8.25 in tips per hour; many earn 2 to 4 times that amount.

Mandating Minimum Wage increases to Tipped Employees hinders the employer's ability to pay non-tipped employees higher discretionary wages therefore compressing wages and drastically hitting the operational budget. In the current economy, restaurants, more than other businesses, are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

Thank you for the opportunity to provide this testimony.

**SB-2784**

Submitted on: 2/5/2024 9:53:50 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mario Higa	Testifying for marine firemen's union	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Mario Higa and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage. I don't believe a tip in any way should be handled by the company. Tips are given directly to the person I'm giving it to and no one else.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

Mario Higa

Marine Firemen's Union

**SB-2784**

Submitted on: 2/5/2024 2:27:01 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Raymond Catania	Testifying for Hawaii Workers Center Kauai rep	Support	Written Testimony Only

Comments:

Dear Chair and committee members,

I fully support SB2784. Tipped workers deserve full minimum wages plus tips. It's their money and not the owners. Get rid of the tip credit.

Ray Catania, Lihue, Kauai- volunteer Kauai rep for Hawaii workers Center



**SB-2784**

Submitted on: 2/5/2024 3:53:36 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hector Garcia Gomez	Testifying for Taqueria El Rancharo Kapolei & Whiawa	Oppose	Written Testimony Only

Comments:

Date: February 7, 2024

To: COMMITTEE ON LABOR AND TECHNOLOGY

Sen. Aquino, Henry J.C., Chair, Sen. Moriwaki, Sharon Y, Vice Chair

Members of the Committee Sen Les Ihara, Jr., Sen Chris Lee, Sen Kurt Fevella

From: Hector Garica-Gomez Taqueria El Rancharo Wahiawa & Kapolei

RE: We Oppose SB2784 Relating to Elimination of the Tip Credit

Taqueria El Rancharo provides jobs for a staff of approximately 120, many of whom are Servers and earn a lot of tip income.

Eliminating the Tip Credit would make it even more difficult for us to pay non tipped kitchen workers higher discretionary wages.

We just had the largest Minimum Wage increase last month at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most of our tipped employees earn way over \$8.25 in tips per hour, as much as 5 times that amount.

Every time we raise prices the Servers get an automatic increase in tips, which is the main part of their income.

This year our restaurant is having to deal with the increase in the minimum wage, the higher cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.

We strongly urge the Committee on Labor & Technology to defer this bill.

**SB-2784**

Submitted on: 2/5/2024 10:33:54 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Joseph Kohn MD	Testifying for We Are One, Inc. - www.WeAreOne.cc - WAO	Support	Written Testimony Only

Comments:

Strongly Support SB2784

[www.WeAreOne.cc](http://www.WeAreOne.cc)

**SB-2784**

Submitted on: 2/5/2024 7:31:55 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Yvonne Gu McDowell	Testifying for Seasons Maui LLC	Oppose	Written Testimony Only

Comments:

Date: February 7, 2021

To: COMMITTEE ON LABOR AND TECHNOLOGY Sen. Aquino, Henry J.C., Chair Sen. Moriwaki, Sharon Y., Vice Chair Members of the Committee: Sen. Les Ihara, Jr. Sen. Chris Lee Sen. Kurt Fevella

From: Yvonne Gu McDowell, Seasons Maui LLC

RE: In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

Dear Committee Members,

I am writing to express our strong opposition to SB2784, which proposes the elimination of the tip credit. As a partner at Seasons Maui LLC, dba 62 Market Restaurant, I have witnessed firsthand the potential devastating impact this legislation could have on our establishment and our non-tipped employees.

The recent increase in Hawai'i's Minimum Wage, the largest in history at \$2 per hour, with a \$1.25 increase for tipped credit wage employees, has already placed significant financial strain on our operations. However, it is important to note that tipped employees are well-protected under the current Minimum Wage law. This law ensures that employees paid the tip credit wage earn at least \$7 per hour above the prevailing minimum wage, resulting in a combined wage and tip income of at least \$21/hr.

Additionally, many of our tipped employees earn well above the mandated minimum wage in tips alone, with some earning two to four times that amount. These earnings are directly tied to the prices of our menu items, allowing for adjustments to keep pace with inflation.

However, mandating further increases to the minimum wage for tipped employees poses a significant challenge to our ability to fairly compensate our non-tipped staff. In our current economic climate, our restaurant has been disproportionately impacted by rising costs across the board, including ingredients, supplies, packaging, taxes, insurance, and employee benefits.

Eliminating the tip credit would exacerbate these financial challenges and jeopardize the viability of our business, as well as many other restaurants throughout Hawai'i. We urge the committee to reconsider this legislation and defer SB2784.

Thank you for considering our perspective on this important matter.

Sincerely,

Yvonne Gu McDowell

Partner

SixtyTwo MarcKet Restaurant (Seasons Maui LLC)

**SB-2784**

Submitted on: 2/6/2024 11:58:23 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Palmer	Testifying for Ho'okipa Partners LLC	Oppose	Written Testimony Only

Comments:

Date: February 6th, 2024

1.

**COMMITTEE ON LABOR AND TECHNOLOGY**

From: Mike Palmer / Ho'okipa Partners LLC / Kuhio Avenue Food Hall

RE: In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

Eliminating the Tip Credit should not be eliminated and will have an extremely negative impact on the hospitality and restaurant industry in Hawaii.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most of our tipped employees earn \$25-\$30/hr when tips are combined with their hourly rate. and many make more than \$35-45/hr. This is fair and good compensation in this industry and well beyond the "living wage".

Since Servers tips are based on their sales, their tip income increases when our menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders our ability to pay non tipped employees higher discretionary wages.

In the current economy our restaurant, more than other businesses, has been disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that our restaurant and many of Hawai'i's restaurants will not be able to bear.

Several states have eliminated the tip credit recently and are already experiencing the negative impacts of it, including laid off workers and restaurant closures. We strongly urge the committee to defer this bill.

Aloha,

Mike Palmer

Owner & Managing Partner

Ho'okipa Partners

**SB-2784**

Submitted on: 2/6/2024 12:42:26 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kathleen Ahlgren	Testifying for Mekiko Cantina	Oppose	Written Testimony Only

Comments:

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employees are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Our Tipped employees earn on average \$34.90 per hour.

Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation. The highest earning employees in our restaurant last year were the tipped employees.

Mandating Minimum Wage increases to Tipped Employees hinders our ability to pay non-tipped employees higher discretionary wages.

In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants, including ours, will not be able to bear. We strongly urge the committee to defer this bill.

Thank you for your attention to this matter.

Kathleen Ahlgren, Mekiko Cantina

**SB-2784**

Submitted on: 2/5/2024 7:11:26 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Roy Yamaguchi	Testifying for Roy's Hawaii	Oppose	Written Testimony Only

Comments:

Date: February 5, 2024

To: Committee on Labor and Technology

Senator Henry Aquino, Chair and Sharon Moriwaki, Vice Chair

Members of the Committee: Senator Les Ihara, Jr., Senator Chris Lee, and Senator Kurt Fevella

Re: SB 2784, Relating to the Minimum Wage and Elimination of the Tip Credit

Thank you for giving me the opportunity to provide testimony in strong opposition to repeal the authority of employers to pay less than minimum wage to tipped employees. At Roy's Hawaii, servers earn far more than the minimum wage in tips and not allowing employers the discretion to pay less than the current minimum wage will unfairly hurt our business.

Restaurants were hit hard by the pandemic and those of us who were able to make it through are struggling under the current market conditions, including dealing with the decline in business cause by the Maui Wildfires, as well as the recent increase in state minimum wage.

Eliminating the tip credit will challenge many restaurant businesses again and I strongly urge you to defer SB2784.

Mahalo for your time and consideration,

Roy Yamaguchi

Chef / Founder, Roy Yamaguchi Group of Restaurants



**SB-2784**

Submitted on: 2/6/2024 1:23:37 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Edna Bayliff	Testifying for Cheeseburger In Paradise, Inc.	Oppose	Written Testimony Only

Comments:

1. COMMITTEE ON LABOR AND TECHNOLOGY

Sen. Aquino, Henry J.C., Chair, Sen. Moriwaki, Sharon Y, Vice Chair

Members of the Committee Sen Les Ihara, Jr., Sen Chris Lee, Sen Kurt Fevella

From: Edna Bayliff Founder and Owner Cheeseburger In Paradise, Inc and Waikiki Brewing Company, Inc.

RE: In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

Eliminating the Tip Credit would be severely detrimental to our restaurant and our non-tipped employees.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most of our tipped employees earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since Servers tips are based on their sales, their tip income increases when our menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders our ability to pay non tipped employees higher discretionary wages.

In the current economy our restaurant, more than other businesses, has been disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that our restaurant and many of Hawai'i's restaurants will not be able to bear.

We strongly urge the committee to defer this bill.

Regards,

Edna Bayliff

Co Founder and Owner

Cheeseburger In Paradise, Inc and Waikiki Brewing Company, Inc.

**SB-2784**

Submitted on: 2/6/2024 1:28:02 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mary Ann Yeung	Testifying for 8 Fat Fat 8 Bar & Grille	Oppose	Written Testimony Only

Comments:

In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips.

Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation. And with higher wages, comes higher prices for everything else. It's not sustainable nor will it change the situation. By continually raising the minimum wage or eliminating the tip credit, industry workers may make more money but they have to spend more since businesses will increase their prices as well.

Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non-tipped employees higher discretionary wages.

In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear or will pass on to the consumer, hence increasing inflation. We strongly urge the committee to defer this bill.

Mahalo,

Mary Ann Yeung

**SB-2784**

Submitted on: 2/6/2024 1:55:05 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Leif Salveson	Individual	Support	In Person

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Leif Salveson, and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai'i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

What's more, the top ripoff is a direct legacy of slavery in the United States. Following emancipation, the restaurant industry sought to hire Black women without paying them, forcing them to rely upon tips to survive. This exploitation was later legalized, further pushing down communities of color in the process. We have a moral duty to cast off the remnants of slavery, and in doing so, work towards a more just society.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

Leif Salveson

**SB-2784**

Submitted on: 2/3/2024 5:03:04 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mary K Ochs	Individual	Support	Written Testimony Only

Comments:

I strongly favor tipped workers receiving the full minimum wage. Many tipped workers have unpredictable incomes and do not earn large tips. Eliminating the "tip credit aka tip penalty" would add over \$3,000 a year, if working full time, to their predictable income. It is very expensive to live in our beautiful state and I am supportive work ALL workers making a decent, liveable wage,

Therefore, I strongly support SB 2784 and urge its passage.

Mahalo,

Mary Ochs

**SB-2784**

Submitted on: 2/4/2024 5:04:44 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mattson Davis	Individual	Oppose	Written Testimony Only

Comments:

1. February 7, 2021

To: COMMITTEE ON LABOR AND TECHNOLOGY

Sen. Aquino, Henry J.C., Chair, Sen. Moriwaki, Sharon Y, Vice Chair

Members of the Committee Sen Les Ihara, Jr., Sen Chris Lee, Sen Kurt Fevella

From: Mattson Davis- Magics Beach Grill- Kona, Hawaii

RE: In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

Eliminating the Tip Credit would be severely detrimental to our restaurant and our non-tipped employees.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most of our tipped employees earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since Servers tips are based on their sales, their tip income increases when our menu prices increase, keeping pace with inflation and tips have increased during COVID with most servers averaging over 20% in tips.

Mandating Minimum Wage increases to Tipped Employees hinders our ability to pay non tipped employees higher discretionary wages.

In the current economy our restaurant, more than other businesses, has been disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.

The surprising increases come in CC fees, over 85% of most sales transactions and reservation fees for Casual and Fine dining – charging \$1 per reservation. All tips are run through payroll and employer taxes paid-

Eliminating the Tip Credit will be a challenge that our restaurant and many of Hawai'i's

restaurants will not be able to bear. Forcing a change to counter service, eliminating positions.

At Magics Beach Grill- servers earn \$40-\$50/hr, while kitchen staff average about ½ of that. Help us balance the wages and INCREASE the tip credit if we put it toward our kitchen staff.

We strongly urge the committee to defer this bill.

**SB-2784**

Submitted on: 2/4/2024 6:28:46 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Julianna Davis	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Julianna Davis and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

Julianna Davis



**SB-2784**

Submitted on: 2/4/2024 7:43:23 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Aree Worawongwasu	Individual	Comments	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Aree Worawongwasu and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

Aree Worawongwasu, Ph.D. student, University of Hawai‘i at Mānoa

**SB-2784**

Submitted on: 2/4/2024 7:05:49 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Thomas Brandt	Individual	Support	Written Testimony Only

Comments:

Strong support!

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference.

Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

**SB-2784**

Submitted on: 2/4/2024 8:06:50 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Olivia Meyer	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Senator Aquino, Vice Chair Senator Moriwaki, and Members of the Committee on Labor and Technology,

My name is Olivia Meyer, and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

As it currently stands in Hawai'i, the tip rip-off allows employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually, this results in over \$2,600 of annual wages taken from full-time tipped workers and returned to employers. Punishing workers for providing good service and financially rewarding employers through the tip rip-off is unjust.

Please support SB 2784 so that tipped workers can keep their hard-earned money.

Mahalo for your time and consideration.

Sincerely,

Olivia Meyer

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the  
Committee on Labor and Technology,

My name is ANNA Marie Elderts and I am testifying in strong support of SB 2784.  
SB 2784 would abolish the tip rip-off by repealing the authority of employers to  
pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai'i allows for employers to keep \$1.25  
from their hourly wage so long as their tips make up the difference. Annually this  
results in over \$2,600 of annual wages taken from full time tipped workers and  
returned to employers. It is unjust to punish workers for providing good service  
while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

*Anna Marie Elderts*

**SB-2784**

Submitted on: 2/5/2024 12:47:06 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Irena Bliss	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

I am testifying in strong support of SB 2784.

SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off. Every day hard-working people are struggling and their compensation needs to be just, pono.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,  
Me ke aloha,  
Irena Bliss

**SB-2784**

Submitted on: 2/5/2024 9:36:19 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Witeck	Individual	Support	Written Testimony Only

Comments:

I strongly support SB 2784 which would abolish the tip "credit" rip-off which deprives low-wage tip-category workers of \$1.25 an hour of the legislated minimum wage. It is time to abolish this rip-off.

Tipping should be an acknowledgement of good service and not a means of reducing employers' wage obligations. Consumers should not be on the hook for ensuring that employees get a decent wage. This tip rip-off loop-hole in the minimum wage law should be closed and all tip category employees guaranteed the full minimum wage in addition to any tips customers may give them.

Ending the tip-rip-off also recognizes that on some shifts and workdays, and at some restaurants, tips may not be provided if business is slow there are fewer customers. It is crucial to ensure that workers receive at least the full legislated minimum wage. I urge our legislators to end this tip "credit" rip-off NOW!

**SB-2784**

Submitted on: 2/5/2024 9:55:57 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Nanea Lo and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off.

Please support SB 2784 so that tipped workers can keep their hard earned money.

me ke aloha ‘āina,

Nanea Lo, Mō‘ili‘ili, O‘ahu

**SB-2784**

Submitted on: 2/5/2024 10:07:57 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
brandi corpuz	Individual	Support	Written Testimony Only

Comments:

Aloha,

I strongly support SB2784 to stop employers from taking any money or tip from their employees. Our working class citizens need and deserve every penny that they make. They should not be forced to give anyone else their hard earned tips.

Sincerely, Brandi Corpuz



TO THE SENATE  
KA 'AHA KENEKOA  
THE THIRTY-SECOND LEGISLATURE  
REGULAR SESSION OF 2024

COMMITTEE ON LABOR AND TECHNOLOGY  
Senator Henry J.C. Aquino, Chair  
Senator Sharon Y. Moriwaki, Vice Chair

**HEARING SB2784**

DATE: Wednesday, February 7, 2024  
TIME: 3:00 PM

Bill NO. SB2784

POSITION: **STRONG SUPPORT**

Aloha Chair, Vice Chair, and Members

I am testifying in strong support of SB2784. SB2784 in its current form would repeal the authority of employers to pay tipped employees less than the minimum wage. Current Hawai'i labor laws allow employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full-time tipped workers and returned to employers. Consideration must be given as well to the high cost of living and renting a place. Any monetary amount taken away from these workers subjects them to further hardships.

This is indicated in a polling study conducted In May 2021, 53 percent of those who remain in the restaurant industry reported that they are considering leaving; 78 percent say the only thing that will make them stay or return to working in restaurants is a full livable wage with tips on top.

Furthermore, we have evidence from other states that instituted similar legislation. Data taken from over 7 decades from California, Oregon, Washington, Nevada, Montana, Alaska, and Minnesota suggest that restaurants have had higher restaurant job growth rates, small business growth rates, and tipping averages than states that offer a subminimum wage. The Implementation SB2784 may have an effect on workplace safety as with states that have implemented this policy noticing a reduction in the rate of sexual harassment in the restaurant industry.

In summation, I am in support of SB2784 and request that this bill pass out of this committee and that all changes to this bill should be in keeping with the introducer's intent. The passage of this bill will increase peace of mind and hard-earned money and lead to greater retention of workers in Hawaii's restaurant industry. Thank you for reading and allowing me to submit my testimony.

Mahalo,

Ken Farm

Chair Emeritus,  
Former Chair Neighborhood Board No. 15  
Speaking in my personal capacity,

**SB-2784**

Submitted on: 2/5/2024 1:19:30 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kevin Faccenda	Individual	Support	Written Testimony Only

Comments:

I strongly support this measure. There is no reason why tipped employees, who are already underpaid to begin with, should have any of their tips taken by their employer. This tip-rip off is preying on the most vulnerable working low paying, tipped jobs and is quite frankly, unacceptable.

Please support this measure to end the tip-rip off

Kevin Faccenda

**SB-2784**

Submitted on: 2/5/2024 1:32:10 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Will Caron	Individual	Support	Written Testimony Only

Comments:

The tip penalty imposes a subminimum wage on some of the hardest-working, least appreciated workers in the state—often workers that are already struggling to get by. This unjust policy disempowers these workers by making their livelihood dependent on the generosity of customers rather than on a fair wage.

The owners that pay these subminimum wages should be required to pay at least the minimum wage like any other business. Labor is a business input, just like any other. We don't allow businesses to cut corners to save a buck on other business inputs, like quality food—why should we allow businesses to cut corners to save a buck on labor?

It's up to the business to figure out how to make everything pencil out—but paying workers the bare minimum wage they are required by law to be paid should be non-negotiable. Businesses that can't figure this out will be replaced by those that can. That is the premise of the so-called free market, yes?

**SB-2784**

Submitted on: 2/5/2024 2:36:18 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Marilyn Mick	Individual	Support	Written Testimony Only

Comments:

Aloha,

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states.

Mahalo, Marilyn Mick, Honolulu

**SB-2784**

Submitted on: 2/5/2024 2:42:05 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Linda Wakatake	Individual	Support	Written Testimony Only

Comments:

I strongly support SB2784,

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states.

Mahalo for your time,

Linda Wakatake

**SB-2784**

Submitted on: 2/5/2024 3:14:15 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Scott Valkenaar	Individual	Support	Written Testimony Only

Comments:

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states.

**SB-2784**

Submitted on: 2/5/2024 3:41:54 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ezgi Green	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Ezgi Green, and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing employers' authority to pay tipped employees less than the minimum wage.

As it currently stands in Hawai'i, the tip rip-off allows employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually, this results in over \$2,600 annual wages taken from full-time tipped workers and returned to employers. Punishing workers for exemplary service and financially rewarding employers through the tip rip-off is unjust.

Please support SB 2784 so that tipped workers can keep their hard-earned money.

Mahalo for your time and consideration.

Sincerely,

Ezgi Green

**SB-2784**

Submitted on: 2/5/2024 3:53:01 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John Fitzpatrick	Individual	Support	Written Testimony Only

Comments:

Aloha Kakou,

My name is John Fitzpatrick and I am in support of SB2764 because you should still get minimum wage in industries where tips are common.

as a captain and kayak guide I did many trips with customers where they gave me the shaft. Tips are not guaranteed, you often hope and pray. This is why a minimum wage is so important.

in addition you need a minimum wage and tips to hopefully not live in poverty.

for these reasons please pass this bill and make employers pay minimum wages to all their employees.

mahalo,

Fitz



**SB-2784**

Submitted on: 2/5/2024 4:02:26 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai'i to ban this harmful practice and join the other One Fair Wage states.

**SB-2784**

Submitted on: 2/5/2024 4:04:15 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Greg Crawford	Individual	Support	Written Testimony Only

Comments:

Aloha,

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states.

Mahalo,

Greg Crawford

**SB-2784**

Submitted on: 2/5/2024 4:06:13 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Greg and Pat Farstrup	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please support this bill.

Kū I ka pono!

**SB-2784**

Submitted on: 2/5/2024 5:09:46 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tim Moore	Individual	Oppose	Written Testimony Only

Comments:

Please oppose this bill. I have a small restaurant just outside the Lahaina burn zone. We are struggling. We need help to survive and continue to employ. This is one more obstacle to any hopes of success. Please help us. Please vote no!

**SB-2784**

Submitted on: 2/5/2024 6:19:19 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Anne Leake	Individual	Support	Written Testimony Only

Comments:

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states.

**SB-2784**

Submitted on: 2/5/2024 6:24:25 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Patricia Blair	Individual	Support	Written Testimony Only

Comments:

No penalty for tips.

**SB-2784**

Submitted on: 2/5/2024 6:37:45 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dylan Fujii	Individual	Support	Written Testimony Only

Comments:

To whom it may concern:

I am submitting written testimony in favor of SB2784. Currently, employers can legally pay their tipped employees under minimum wage and justify it because the tips “make up” for it. This practice is despicable for multiple reasons. The responsibility is solely on the employer to pay their workers, not the public or their customers. Workers get tipped for their service toward the customers but regardless of how much they are tipped, they still perform the same amount of work for the owner so their wages should be constant. Furthermore the service industry is one of the least consistent and lowest paying career paths out there. The current system specifically exploits the most financially vulnerable. I knew many people in the industry who failed to make rent or even got evicted simply because their hours weren’t consistent which affected their pay. Now on top of this we allow their employers to rob them of their income. There is so much that needs to change for workers in the service industry but the barest minimum we can do is abolish this heinous form of wage theft.

Regards,

Dylan Fujii

**SB-2784**

Submitted on: 2/5/2024 6:38:54 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Elizabeth Hansen	Individual	Support	Written Testimony Only

Comments:

Please support this bill!! Mahalo

Elizabeth Hansen, Hakalau HI 96710



**SB-2784**

Submitted on: 2/6/2024 5:10:42 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Bradford Baang	Individual	Support	Written Testimony Only

Comments:

Tipped workers are almost twice as likely to be living in poverty as non-tipped workers. For many service related jobs, Hawaii workers rely on the generosity of their customers. And, businesses in tipped industries like the seven One Fair Wage states have done as well as or better than their counterparts in states like Hawaii that still have a tipped sub-minimum wage. It's far past time for Hawai'i to ban this harmful practice and join the other seven One Fair Wage states. Mahalo.

**SB-2784**

Submitted on: 2/5/2024 10:03:20 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Allison Mikuni	Individual	Support	Written Testimony Only

Comments:

I support this measure. The “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states. Thank you for your consideration.

**SB-2784**

Submitted on: 2/5/2024 7:43:01 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
KIMI ABBOTT- JACKSON	Individual	Oppose	Written Testimony Only

Comments:

The so-called “tip credit” is a provision that sets a sub-minimum wage for many service-related jobs. In reality, it should be called a “tip penalty,” because the policy allows employers to pay their tipped employees less in direct wages than the state minimum wage.

In effect, the tip penalty makes the livelihood of tipped workers reliant on the generosity of their customers with income that varies greatly from week to week. Tipped workers are almost twice as likely to be living in poverty as non-tipped workers as a result.

Seven states have already eliminated the tipped sub-minimum wage entirely. In those states, over the years since abolishing the sub-minimum wage, workers and businesses in tipped industries have done as well as or better than their counterparts in states that still have a tipped sub-minimum wage. It's time for Hawai‘i to ban this harmful practice and join the other One Fair Wage states.

**SB-2784**

Submitted on: 2/6/2024 9:44:34 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Diliaur Tellei	Individual	Support	Written Testimony Only

Comments:

Let the workers keep their money! Tips are inherently unstable (for all the reasons laid out in the text of the bill) and should NOT be used to make up the difference of a fair hourly wage. We need more stability for the people in our community.

**SB-2784**

Submitted on: 2/6/2024 10:17:49 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nathan Abril	Individual	Support	Written Testimony Only

Comments:

I am submitting written testimony in favor of SB2784. Currently, employers can legally pay their tipped employees under minimum wage, and they justify it because the tips “make up” for it. This practice is despicable for multiple reasons. Firstly, the responsibility is solely on the employer to pay their workers; not the public or their customers. It should not be my responsibility to pay a workers' wage, because their employer is too cheap and selfish to pay them a decent wage.

Second, workers get tipped for their service toward the customers, but, regardless of how much they are tipped, they still perform the same amount of work for the owner. Sometimes they go above and beyond and perform more work than their employer. The amount of work performed is not consistent with their pay. Therefore, their wages should be constant.

Finally, the service industry is one of the least consistent and lowest paying career paths out there. The current system specifically exploits the most financially vulnerable. We all know many people in the industry who failed to make rent or even get evicted. Simply, because their hours weren't consistent which affected their pay. Now, on top of this, we allow their employers to rob them of their income! There is much that needs to be changed for workers in the service industry, but the barest minimum we can do (and start with) is abolish this heinous form of wage theft!

Mahalo,  
Nathan Abril

**SB-2784**

Submitted on: 2/6/2024 11:15:22 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Henry Severino Osborne	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Henry Osborne, and I am submitting written testimony in favor of SB2784. Currently, employers can legally pay their tipped employees under minimum wage and justify it because the tips “make up” for it. This practice is despicable for multiple reasons. Firstly, the responsibility is solely on the employer to pay their workers, not the public or their customers. Workers get tipped for their service toward the customers but regardless of how much they are tipped, they still perform the same amount of work for the owner. As such, their wages should be constant. Furthermore, the service industry is one of the least consistent and lowest paying career paths available, yet it is essential to every person in Hawai'i who has ever eaten at a restaurant and for the millions of tourists who visit these islands every year. As a former service worker myself, I know the precarity in which many tipped-wage workers live. The bare minimum which we can do is guarantee a stable wage to the thousands of service workers employed on these islands. I hope our duly elected representatives make the correct choice on SB2784.

Mahalo,  
Henry Osborne

**SB-2784**

Submitted on: 2/6/2024 12:46:49 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Antoinette Fauatea	Individual	Oppose	Written Testimony Only

Comments:

**In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit**

**The Hawai'i Restaurant Association represents over 4,000 restaurant and food service establishments which employ over 79,000 workers (13% of the state wide employment), a great many whose employees receive tips in addition to the wages paid by their employers.**

**The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.**

**Since Servers tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation.**

**Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non tipped employees higher discretionary wages.**

**In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take out packaging, property taxes, property insurance, water & sewer service, employee health insurance, unemployment insurance premiums.**

**Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.**



**SB-2784**

Submitted on: 2/6/2024 1:28:23 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
JOHN LANGAN	Individual	Oppose	Written Testimony Only

Comments:

OPPOSE

**SB-2784**

Submitted on: 2/6/2024 1:56:41 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Amy Parsons	Individual	Support	Written Testimony Only

Comments:

Aloha,

I'm writing in support of this bill. Everyone should be making minimum wage, at the very least, regardless of whether they may also receive tips in their role

**SB-2784**

Submitted on: 2/6/2024 2:10:54 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kami Yamamoto, MPH	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Kami and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off, and in a state with a very high cost of living - any amount that can go back into the hands of the workers makes a difference.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Kami

**SB-2784**

Submitted on: 2/6/2024 2:20:03 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Dana Ha	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Sen. Aquino, Vice Chair Sen. Moriwaki, and Members of the Committee on Labor and Technology,

My name is Dana Ha and I am testifying in strong support of SB 2784. SB 2784 would abolish the tip rip-off by repealing the authority of employers to pay tipped employees less than the minimum wage.

The tip rip-off as it currently stands in Hawai‘i allows for employers to keep \$1.25 from their hourly wage so long as their tips make up the difference. Annually this results in over \$2,600 of annual wages taken from full time tipped workers and returned to employers. It is unjust to punish workers for providing good service while financially rewarding employers through the tip rip-off. Living off minimum wage alone is hard enough without tips.

Please support SB 2784 so that tipped workers can keep their hard earned money.

Mahalo for your time and consideration.

Sincerely,

Dana Ha

**SB-2784**

Submitted on: 2/6/2024 2:23:03 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jeff Martin	Individual	Oppose	Written Testimony Only

Comments:

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non-tipped employees higher discretionary wages.

In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**SB-2784**

Submitted on: 2/3/2024 11:19:00 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Olderr	Individual	Support	Written Testimony Only

Comments:

I support this bill, as tipping has long allowed restaurants to unpay their workers. While some may argue that they make up for the lack of pay in tips, that's not always true. Many workers, women PoCs, and other people of a protected class have been found to get fewer tips than their unprotected class counterparts. This will be hard for some restaurants on the islands, but it would be better for the workers who have to scrape paycheck to paycheck to have more stability.

**SB-2784**

Submitted on: 2/3/2024 12:31:25 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ben Robinson	Individual	Support	Written Testimony Only

Comments:

Support

**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:12:14 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Wesley Leong	Testifying for Maui Brewing Restaurant Group	Oppose	Written Testimony Only

Comments:

I am firmly against the ratification of SB2784/HB1896. The elimination of the tip credit for us in the restaurant industry will be devastating. We have just implemented the minimum wage rate increase and in addition are battling rising costs everywhere from food and beverage cost of goods, utilities, rent and insurance to name a major few. We can only raise sales pricing so much in order to combat these rising costs. The bill poses an impossible challenge for us as a small business.

This additional burden, if passed, will create a negative impact for the industry. You will see us respond by laying off workers and even closing our doors for good as we already operate on slim margins.

I ask that you please reconsider passing SB2784/HB1896.

Thank you.



**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:45:37 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cody K. Lopez	Individual	Oppose	Written Testimony Only

Comments:

In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

The Hawai'i Restaurant Association represents over 4,000 restaurant and food service establishments which employ over 79,000 workers (13% of the state-wide employment), a great many whose employees receive tips in addition to the wages paid by their employers.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non-tipped employees higher discretionary wages.

In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:26:23 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Adesh Khalsa	Testifying for Aumakua Kava Lounge	Oppose	Written Testimony Only

Comments:

Restaurants and bars have been hit hard on Maui with covid and then the Lahaina fires. Customers coming through the door are down 40% from last year according to my point of sales system tracking features. Tipped employees make well above minimum wage and should be able to keep the tip credit to keep employee costs low.

if you're looking to help businesses stay in business on Maui keep the tip credit for restaurants and bars. They are some of the highest paying jobs because of tips making between \$150-\$400 per shift just in tips on top of minimum wage. Restaurants and bars are struggling especially in Paia where tourism is not what it was before the fires. 40% less customers at my location and I see other restaurant businesses are not as busy as they once were. Thai spice is struggling too next door. Many are barely keeping their doors open.

I operated at a loss for 4 months Aug-November and have just started seeing numbers breaking even or making money. The margin is very slim.

Please keep tip credit don't hurt more restaurants and bars.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:32:18 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Hiroshi Lamansky	Testifying for Tanaka of Tokyo	Oppose	Written Testimony Only

Comments:

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Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:52:37 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Lau	Testifying for Tanaka of Tokyo Restaurants	Oppose	Written Testimony Only

Comments:

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**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:58:27 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Steve Wright	Testifying for tanaka of tokyo	Oppose	Written Testimony Only

Comments:

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Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 4:04:27 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alison Tanaka	Testifying for Tanaka of Tokyo	Oppose	Written Testimony Only

Comments:

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**LATE**

**SB-2784**

Submitted on: 2/6/2024 4:29:42 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
keiko napier	Testifying for japanese grandmas	Oppose	Written Testimony Only

Comments:

I am the owner operator of a restaurant with 32 employee. The increases in insurance, borrowing costs and inventory make it very difficult to stay in business. I pay my entire stff a fair wage but my servers consistently make the most money,. Our full time servers make more money than I do. I'm not sure that we can absorb any more costs related to employee wages.

I urge you to come up with a tiered increse in pay related to the amount of tips.

Keiko

**LATE**

**SB-2784**

Submitted on: 2/6/2024 4:52:24 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Eduard Hauptmann	Testifying for Tanaka of Tokyo Restaurants	Oppose	Written Testimony Only

Comments:

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Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non-tipped employees higher discretionary wages.



In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

#### In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

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Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:52:37 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Lau	Testifying for Tanaka of Tokyo Restaurants	Oppose	Written Testimony Only

Comments:

In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

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The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

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Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 6:14:20 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
John C. Ferguson	Testifying for Kalaheo Cafe & Coffee Co.	Oppose	Written Testimony Only

Comments:

In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit.

we are a family owned and operated restaurant on Kauai. My tipped employees make well over \$20.00 an hour in tips alone, not including the minimum wage. The tip credit helps us pay our non tipped employees a more competitive wage.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

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Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 7:59:51 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michelle ching	Testifying for Farm To Barn Cafe	Oppose	Written Testimony Only

Comments:

In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit is detrimental to Hawai'i restaurants, especially ones like my own. We strive to continue to support our local farmers and agriculture and eliminating the tip credit won't leave much room to continue paying more for goods from local farmers with margins already paper thin. Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation. Mandating Minimum Wage increases to Tipped Employees hinders my ability as an owner to pay non-tipped employees higher discretionary wages. I strongly urge the committee to defer this bill.





**TESTIMONY TO THE HAWAII STATE LEGISLATURE**  
In Support of SB2784 , sponsored by Senator Kurt Favella

**By Saru Jayaraman, President of One Fair Wage  
& Director of the University of California Berkeley Food Labor Research Center**  
February 7, 2024

My name is Saru Jayaraman, and I am the President of One Fair Wage and the Director of the UC Berkeley Food Labor Research Center. On behalf of the 13.6 million restaurant workers nationwide and the 300,000 restaurant and service workers and over 2500 'high road' restaurant employers who are members of One Fair Wage, I thank you for allowing me to testify in support of SB2784 a bill for One Fair Wage in Hawaii.

With the pandemic, the issue of the subminimum wage for tipped workers has changed dramatically in a historic way, with conditions for workers becoming unlivable. The restaurant industry, and the service economy in general, is undergoing massive upheaval, with hundreds of restaurants in Hawaii and thousands nationwide, raising their wages to at least \$15 an hour plus tips in order to recruit staff at a time when workers are indicating they are unwilling to work for anything less. Senate Bill SB2784 is essential not only because workers are in crisis, but also because independent restaurateurs agree that they will not be able to fully reopen without policy change to raise wages and end the subminimum wage for tipped workers.

Even prior to the pandemic, the subminimum wage for tipped workers was problematic, as a direct legacy of slavery that disproportionately impacts the lives of women and people of color. At Emancipation, the service industry, namely railroad, hotel and restaurant lobbies, sought to hire recently-freed Black people and not pay them anything, forcing them to live entirely on tips.<sup>1</sup>

This legacy continues today in 43 states, including Hawaii, where tipped workers in the state can earn as little as \$11 an hour from their employers, and are required to make up the rest in tips, to get to the state minimum wage that is going up to \$18 per hour.<sup>2</sup>

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<sup>1</sup> Jayaraman, Saru, *Forked: A New Standard for American Dining*, (Oxford University Press, 2016).

<sup>2</sup> U.S. Department of Labor. (September 2021). Minimum Wages for Tipped Employees. Wage and Hour Division. <https://www.dol.gov/agencies/whd/state/minimum-wage/tipped>.

Many marginalized communities are overrepresented in subminimum wage positions including immigrants and members of the LGBTQ community.<sup>34</sup> This majority-female workforce continues to suffer the highest rates of sexual harassment and economic instability of any industry as a result.<sup>5</sup> Ending this low-wage carve out positively impacts an overall restaurant industry of over 79,900 workers in Hawaii.

Prior to the pandemic, the restaurant industry was the largest and fastest growing industry in the country - all while being the largest employer of tipped workers, who earn some of the lowest wages in the country. Tipped workers, who are more than two thirds majority women who work in casual restaurants earning very little in tips, live in poverty and rely on public assistance at double the rate of the general workforce.<sup>6</sup> Tipped workers have struggled with twice the poverty rate of other workers and the highest rates of sexual harassment of any industry because they must tolerate inappropriate customer behavior to feed their families in tips.<sup>7</sup>

Women, in particular, faced the highest rates of sexual harassment when compared to all other industries.<sup>8</sup> Women tipped workers experience even greater rates of sexual harassment than their non-tipped counterparts in the industry: over three quarters versus over half (76 percent vs. 52 percent).<sup>9</sup>

Unlike Hawaii, seven states have always required a full minimum wage with tips on top - California, Oregon, Washington, Nevada, Minnesota, Montana and Alaska.<sup>10</sup> These states have had the same or higher restaurant sales per capita, small business restaurant growth rates, restaurant industry job growth rates, and tipping averages as Hawaii and the 43 states with a subminimum wage.<sup>11</sup>

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<sup>3</sup> OFW (June 2022) “No Pride In Subminimum Wages”

[https://onefairwage.site/wp-content/uploads/2022/06/OFW\\_LGBTQ\\_RestaurantWorkers.pdf](https://onefairwage.site/wp-content/uploads/2022/06/OFW_LGBTQ_RestaurantWorkers.pdf).

<sup>4</sup> OFW (January 2023) “New York Fact Sheet”

[https://onefairwage.site/wp-content/uploads/2022/10/OFW\\_FactSheet\\_NYS\\_2.pdf](https://onefairwage.site/wp-content/uploads/2022/10/OFW_FactSheet_NYS_2.pdf).

<sup>5</sup> Allegretto, S. et al. (July 2014). Twenty-Three Years and Still Waiting for Change: Why It’s Time to Give Tipped Workers the Regular Minimum Wage. Economic Policy Institute.

<https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>.

<sup>6</sup>

<sup>7</sup> One Fair Wage. (March 2021). The Tipping Point: How the Subminimum Wage Keeps Income Low and Harassment High. [https://onefairwage.site/wp-content/uploads/2021/03/OFW\\_TheTippingPoint\\_3-1.pdf](https://onefairwage.site/wp-content/uploads/2021/03/OFW_TheTippingPoint_3-1.pdf).

<sup>8</sup> Johnson, S.K. and Madera, J. M. (January 2018). Sexual Harassment Is Pervasive in the Restaurant Industry, Here’s What Needs to Change. Harvard Business Review.

<https://hbr.org/2018/01/sexual-harassment-is-pervasive-in-the-restaurant-industry-heres-what-needs-to-change>.

<sup>9</sup> One Fair Wage. (March 2021). The Tipping Point: How the Subminimum Wage Keeps Income Low and Harassment High. New York, NY: One Fair Wage.

[https://onefairwage.site/wp-content/uploads/2021/03/OFW\\_TheTippingPoint\\_3-1.pdf](https://onefairwage.site/wp-content/uploads/2021/03/OFW_TheTippingPoint_3-1.pdf).

<sup>10</sup> ROC United. (2018). Better Wages, Better Tips: Restaurants Flourish with One Fair Wage. New York, NY: ROC United. [https://chapters.rocunited.org/wp-content/uploads/2018/02/OneFairWage\\_W.pdf](https://chapters.rocunited.org/wp-content/uploads/2018/02/OneFairWage_W.pdf).

<sup>11</sup> ROC United. (2014). The Great Service Divide: Occupational Segregation & Inequality in the US Restaurant Industry.

[https://chapters.rocunited.org/wp-content/uploads/2014/10/REPORT\\_The-GreatService-Divide2.pdf](https://chapters.rocunited.org/wp-content/uploads/2014/10/REPORT_The-GreatService-Divide2.pdf).

Workers in these 7 states have also reported one half the rate of sexual harassment as the states that allow tipped workers to be paid a subminimum wage as little as \$11 an hour.

### **Impact of the Pandemic**

With the pandemic, the subminimum wage for tipped workers became unlivable: 6 million workers lost their jobs and  $\frac{2}{3}$  reported that they could not obtain unemployment insurance because they were told their wages were too low. Workers reported tips went down, harassment went up, and when they were asked to enforce COVID protocols on the same people from whom they had to get tips to survive, they left.<sup>12,13</sup>

During the pandemic, service and tipped workers across the country faced significantly higher rates of job losses and economic insecurity, with losses highly concentrated among women of color.<sup>14</sup> In May of 2020, our survey found that as many as 60 percent of service workers either did not qualify or were unsure if they qualified for unemployment insurance.<sup>15</sup> Many tipped workers returning to work in restaurants experienced sharp declines in tips, increased hostility in response to enforcing COVID-19 safety measures, and increased sexual harassment from customers. By December 2020, 41 percent of workers nationwide reported an increase in sexualized comments from customers.<sup>16</sup> Hundreds of women shared stories of male customers asking them to take their mask down so that they could know how much to tip them.<sup>17</sup>

### **Workers Have Had Enough - Leaving the Industry**

These conditions and the persistence of a subminimum wage for tipped workers have led many tipped and service industry workers in general to leave the industry altogether<sup>18</sup>. Restaurants have had to face an unprecedented reckoning in the form of a massive staffing crisis. To date, the U.S. Bureau of Labor Statistics reports that over 1.2 million restaurant workers nationwide.

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<sup>12</sup> Allegretto, S. et al. (July 2014). Twenty-Three Years and Still Waiting for Change: Why It's Time to Give Tipped Workers the Regular Minimum Wage. Economic Policy Institute. <https://www.epi.org/publication/waiting-for-change-tipped-minimum-wage/>.

<sup>13</sup> One Fair Wage. (March 2021). The Tipping Point: How the Subminimum Wage Keeps Income Low and Harassment High. [https://onefairwage.site/wp-content/uploads/2021/03/OFW\\_TheTippingPoint\\_3-1.pdf](https://onefairwage.site/wp-content/uploads/2021/03/OFW_TheTippingPoint_3-1.pdf).

<sup>14</sup> Ewing-Nelson, C. (January 2021). All of the Jobs Lost in December Were Women's Jobs. National Women's Law Center. <https://nwlc.org/wp-content/uploads/2021/01/December-Jobs-Day.pdf>.

<sup>15</sup> One Fair Wage. (May 2020). Locked Out By Low Wages: Service Workers' Challenges With Accessing Unemployment Insurance During COVID-19. New York, NY: One Fair Wage. [https://onefairwage.site/wp-content/uploads/2020/11/OFW\\_LockedOut\\_UI\\_COVID-19\\_FINALUPDATE.pdf](https://onefairwage.site/wp-content/uploads/2020/11/OFW_LockedOut_UI_COVID-19_FINALUPDATE.pdf).

<sup>16</sup> One Fair Wage. (December 2020). Take off your mask so I know how much to tip you: Service Workers' Experience of Health & Harassment During COVID-19. New York, NY: One Fair Wage. [https://onefairwage.site/wp-content/uploads/2020/12/OFW\\_COVID\\_WorkerExp\\_MA\\_4.pdf](https://onefairwage.site/wp-content/uploads/2020/12/OFW_COVID_WorkerExp_MA_4.pdf).

<sup>17</sup> Ibid.

<sup>18</sup> Selyukh, A. (July 20, 2021). Low Pay, No Benefits, Rude Customers: Restaurant Workers Quit At Record Rate. NPR. <https://www.npr.org/2021/07/20/1016081936/low-pay-no-benefits-rude-customers-restaurant-workers-quit-at-record-rate>.

Our survey found that, even post-pandemic, over half (53 percent) of restaurant workers were considering leaving the industry and, unsurprisingly, over three-quarters (76 percent) reported their top reason for leaving was due to low wages and tips. This shift in power among tipped and service workers has spurred some restaurant owners and state governors to blame workers and prematurely cut unemployment benefits, which resulted in little to no effect on employment rates nor workers willingness to return to the industry for subminimum wages<sup>19, 20</sup>.

In response to the massive staffing crisis, thousands of restaurants nationwide, and dozens in Hawaii, have been raising wages in order to recruit enough staff to fully reopen.<sup>21</sup> Since September 2021, we have found more than 6,000 restaurants posting on Indeed.com that workers can earn far above the subminimum wage for tipped workers and the minimum wage at their establishments; many on that list have even clarified that they are offering workers a full minimum wage with tips on top - signaling a real shift in an industry in which everyone was paying the subminimum wage for tipped workers pre-pandemic.<sup>22</sup>

In Hawaii, we have identified restaurants clearly offering at least the full minimum wage plus tips on top to servers, bartenders, and other front-of-house workers.

Many of these restaurant owners have told us that they cannot do it alone; they need policy that will end the subminimum wage for tipped workers for two reasons: 1) to create a level playing field, in which all employers have to raise wages; and 2) they need policy that will signal to thousands of workers that there will be permanent policy change to raise wages that will make it worth returning to work in restaurants.

### **National Momentum and Support to Pass One Fair Wage**

As a result of the massive upheaval in the restaurant industry, states across the country have been ending the subminimum wage for tipped workers and paying a full minimum wage with tips on top.<sup>23</sup>

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<sup>19</sup> Chaney-Cambon, S. and Dougherty, D. (September 2021). States That Cut Unemployment Benefits Saw Limited Impact on Job Growth. Wall Street Journal.

<https://www.wsj.com/articles/states-that-cut-unemployment-benefits-saw-limited-impact-on-job-growth-11630488601>.

<sup>20</sup> One Fair Wage. (July 2021). The Impact (or Lack Thereof) of Ending Unemployment Insurance on Restaurant Workers' Willingness to Work for Subminimum Wages. New York, NY: One Fair Wage.

[https://onefairwage.site/wp-content/uploads/2021/07/OFW\\_HelpWanted.pdf](https://onefairwage.site/wp-content/uploads/2021/07/OFW_HelpWanted.pdf).

<sup>21</sup> Black, J. (September 2021). How To Make an Unloved Job More Attractive? Restaurants Ticker With Wages. New York Times. <https://www.nytimes.com/2021/09/20/dining/restaurant-wages.html>.

<sup>22</sup> One Fair Wage. (September 2021). Raising Wages to Reopen: Restaurants Nationwide Raising Wages to Save Their Businesses After COVID-19. New York, NY: One Fair Wage.

[https://onefairwage.site/wp-content/uploads/2021/09/OFW\\_RaisingWagesToReopen\\_3.pdf](https://onefairwage.site/wp-content/uploads/2021/09/OFW_RaisingWagesToReopen_3.pdf).

<sup>23</sup> NBC News. Jan 2024. At least five states are considering requiring full minimum wages for tip earners this year. <https://www.nbcnews.com/business/economy/tipped-workers-minimum-wage-rcna132172>

With industry-wide wage increases, there is national momentum for change; in November 2022, 76 percent of Washington, DC voters voted to raise the wage for tipped workers from \$5.35 to the full minimum wage of \$16.10 per hour. In October 2023, Chicago City Council voted to end the subminimum wage for tipped workers altogether, with a vote of 36-10.<sup>24</sup> One Fair Wage legislation is now moving in 13 states nationwide - 9 states via legislation, and 4 states where One Fair Wage will be on the ballot in November, including MI, OH, AZ, and MA<sup>25</sup>. It's a historic moment: for the first time since Emancipation that millions of workers are rejecting the subminimum wage for tipped workers, and employers must pay One Fair Wage in order to survive.

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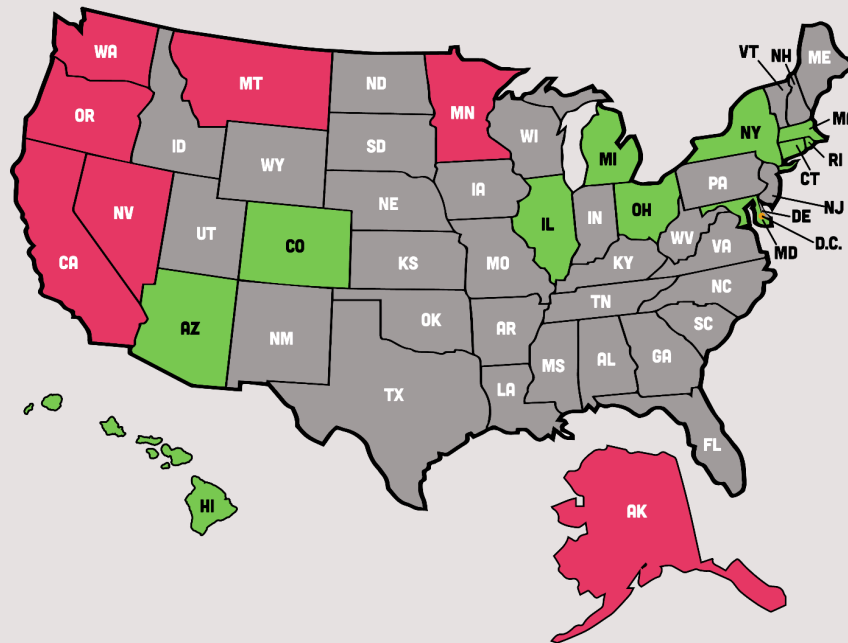
<sup>24</sup> Chicago Eater, September 2023.



<https://chicago.eater.com/2023/9/19/23881229/chicago-tipped-minimum-wage-ordinance-one-fair-wage-victory-restaurant-association-saru-jayaraman>

<sup>25</sup> NBC News. Jan 2024. At least five states are considering requiring full minimum wages for tip earners this year. <https://www.nbcnews.com/business/economy/tipped-workers-minimum-wage-rcna132172>

# ONE FAIR WAGE ACROSS THE NATION

## PROGRESS AND ORGANIZING MAP



-  - states that already have OFW
-  - states where OFW is organizing



With Hawaii's subminimum wage for tipped workers at \$11 per hour, Hawaii restaurants will face an even greater staffing crisis than they have already faced if Hawaii does not follow this national trend to end the subminimum wage for tipped workers.

Now with the critical 2024 elections, the issue has become even more critical: the cost of living is at the top of every poll, especially polls of the most disinterested voters.

Recent polls of voters of color and youth have shown that cost of living is the top issue on voters' minds. As per CIRCLE's early poll of youth (ages 18-34) ahead of the 2024 presidential election, young people are sending a clear message that their primary concern

is the economy. 53% chose the cost of living/inflation among their three top issues, followed by jobs that pay a living wage (28%).<sup>26</sup>

This means that there is a Raise the Wage Voter Bloc - voters who will turn out to vote if wage increases are on the ballot and who will vote for candidates who support wage increases, and not for those who don't. There is only one policy solution to the rising cost of living: putting more money in people's pockets, such as through SB 160.

By passing One Fair Wage, Hawaii legislators can end a legacy of slavery, diminish racial inequity and sexual harassment in the restaurant industry, engage unlikely voters and allow independent restaurant owners across the states to fully reopen, and their workforce to fully recover.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 10:03:34 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
BACH TRAN	Individual	Oppose	Written Testimony Only

Comments:

In Opposition to SB2784 Relating to Minimum Wage, Elimination of the Tip Credit

The Hawai'i Restaurant Association represents over 4,000 restaurant and food service establishments which employ over 79,000 workers (13% of the state-wide employment), a great many whose employees receive tips in addition to the wages paid by their employers.

The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

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In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.



Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/6/2024 11:10:26 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Roselani Oga	Individual	Support	Written Testimony Only

Comments:

I would like to voice my strong support to repeal the tip credit. I never could understand how the employer had the right to pay an employee less if tips were earned. It's not fair and should be repealed! Please pass SB2784 to repeal the authority of employers to pay tipped employees less than the minimum wage because it's the right thing to do.

Mahalo.....Roselani Oga

**LATE**

**SB-2784**

Submitted on: 2/6/2024 3:45:37 PM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cody K. Lopez	Individual	Oppose	Written Testimony Only

Comments:

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The Minimum Wage in Hawai'i just increased by its largest amount in history at \$2 per hour, \$1.25 for tipped credit wage employees. Tipped employee are well protected by the current Minimum Wage law which ensures that employees paid the tip credit wage earn at least \$7 per hour over the prevailing minimum wage, which results in at least \$21/hr in combined wages and tips. Most tipped employees in restaurants earn well over \$8.25 in tips per hour, many earn 2 to 4 times that amount.

Since servers' tips are based on their sales, their tip income increases when menu prices increase, keeping pace with inflation.

Mandating Minimum Wage increases to Tipped Employees hinders the employers ability to pay non-tipped employees higher discretionary wages.

In the current economy, restaurants more than other businesses are disproportionately affected by the increase in wages, the cost of ingredients, supplies, take-out packaging, property taxes, property insurance, water & sewer service, employee health insurance, and unemployment insurance premiums.

Eliminating the Tip Credit will be a challenge that many of Hawai'i's restaurants will not be able to bear. We strongly urge the committee to defer this bill.

**LATE**

**SB-2784**

Submitted on: 2/7/2024 6:47:26 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tomoko Otani	Individual	Support	In Person

Comments:

My name is Tomoko Otani and I have worked as a waitress for 16 years. I first came to the United States from Japan in 2008. In Japan I worked as a nurse but when I came to the US my first job was a waitress in a Japanese restaurant in New York. That restaurant paid me less than the minimum wage and also illegally keeping my tips. I was new to the United States and I did not know that was illegal.

I moved to Hawaii in 2010 and I worked at another Japanese restaurant full-time and I've been there for 14 years. I worked six days a week. Some days tips were good and some days not so good. Most times, customers are nice but sometimes they can also be very rude and mean.

I am single but I live with friends so I can afford rent and utilities. Hawaii is very expensive and I was earning just enough to make it. Last year, I got a second job because my job at the restaurant was not stable. I work very hard at both jobs and still it is not enough to save money after bills, food, and other expenses.

Thank you for listening to my testimony.

**LATE**

**SB-2784**

Submitted on: 2/7/2024 7:58:11 AM

Testimony for LBT on 2/7/2024 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lucie Knor	Individual	Support	Written Testimony Only

Comments:

I support SB2784. Every worker should earn at least minimum wage, and tips should supplement wages instead of replacing them.