
A BILL FOR AN ACT

RELATING TO INCOME.

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

1 SECTION 1. The legislature finds that the tip credit
2 authorized by section 387-2, Hawaii Revised Statutes, allows
3 employers to pay certain employees at a rate below the state
4 minimum wage by calculating tips as a portion of the employee's
5 wages.

6 The purpose of this Act is to increase the income of tipped
7 workers by gradually phasing out the tip credit so that all
8 employers shall be required to pay all employees at least the
9 minimum wage.

10 SECTION 2. Section 387-2, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The hourly wage of a tipped employee may be deemed to
13 be increased on account of tips if the employee is paid no less
14 than:

15 (1) 25 cents;

16 (2) 50 cents per hour beginning January 1, 2015;

17 (3) 75 cents per hour beginning January 1, 2016;



- 1 (4) \$1.00 per hour beginning October 1, 2022;
- 2 (5) \$1.25 per hour beginning January 1, 2024; [and
- 3 ~~(6) \$1.50 per hour beginning January 1, 2028,]~~
- 4 (6) 75 cents per hour beginning January 1, 2025;
- 5 (7) 50 cents per hour beginning January 1, 2027;
- 6 (8) 25 cents per hour beginning January 1, 2029; and
- 7 (9) 0 cents per hour beginning January 1, 2031,

8 below the applicable minimum wage by the employee's employer and
9 the combined amount the employee receives from the employee's
10 employer and in tips is at least [~~50 cents more than the~~
11 ~~applicable minimum wage; provided that beginning January 1,~~
12 ~~2015, the combined amount the employee receives from the~~
13 ~~employee's employer and in tips is at least]~~ \$7.00 more than the
14 applicable minimum wage."

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 Statutory material to be repealed is bracketed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

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

18

INTRODUCED BY: 
JAN 17 2025



H.B. NO. 684

Report Title:

Minimum Wage; Tip Credit

Description:

Implements a phased elimination of the tip credit.

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