
A BILL FOR AN ACT

RELATING TO TIP CREDIT.

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

SECTION 1. Section 387-2, Hawaii Revised Statutes, is amended to read as follows:

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

- (1) \$6.25 per hour beginning January 1, 2003;
- (2) \$6.75 per hour beginning January 1, 2006;
- (3) \$7.25 per hour beginning January 1, 2007;
- (4) \$7.75 per hour beginning January 1, 2015;
- (5) \$8.50 per hour beginning January 1, 2016;
- (6) \$9.25 per hour beginning January 1, 2017;
- (7) \$10.10 per hour beginning January 1, 2018;
- (8) \$12.00 per hour beginning October 1, 2022;
- (9) \$14.00 per hour beginning January 1, 2024;
- (10) \$16.00 per hour beginning January 1, 2026; and
- (11) \$18.00 per hour beginning January 1, 2028.



(b) The hourly wage of a tipped employee may be deemed to be increased on account of tips if the employee is paid ~~[no]~~ not less than:

(1) 25 cents;

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

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

(4) \$1.00 per hour beginning October 1, 2022; and

(5) ~~[\$1.25 per hour]~~ An amount calculated pursuant to

subsection (c) for each year beginning January 1,

~~[2024,]~~ 2027, ~~[and~~

~~(6) \$1.50 per hour beginning January 1, 2028,]~~

below the applicable minimum wage by the employee's employer and the combined amount the employee receives from the employee's employer and in tips is at least 50 cents more than the applicable minimum wage; provided that beginning January 1, 2015, the combined amount the employee receives from the employee's employer and in tips is at least \$7.00 more than the applicable minimum wage.

(c) No later than December 31, 2026, and each year thereafter, the department shall calculate an adjusted tip credit amount that shall take effect on January 1 of the

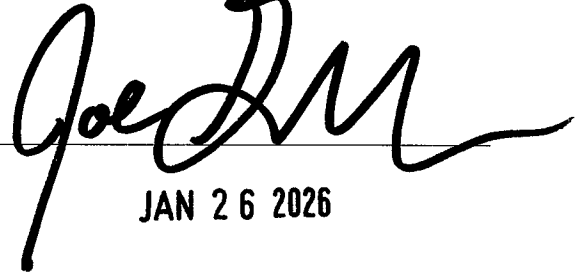


1 following year; provided that the adjusted tip credit amount
2 shall equal twenty-five per cent of the effective minimum wage
3 pursuant to subsection (a)."

4 SECTION 2. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect upon its approval.
7

INTRODUCED BY: _____


JAN 26 2026



Report Title:

DLIR; Tip Credit; Annual Calculation

Description:

Beginning 1/1/2027, increases the tip credit amount to equal twenty-five per cent of the minimum wage. Requires the Department of Labor and Industrial Relations to annually calculate the adjusted tip credit amount.

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