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# A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE.

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

1 SECTION 1. The legislature finds that one job should be  
2 enough to meet a person's basic needs. According to the  
3 department of business, economic development, and tourism, a  
4 single adult requires an income of \$62,234 to achieve self-  
5 sufficiency in Hawaii, while a single parent with one child  
6 requires an income of \$107,682. Yet, at the current statewide  
7 minimum wage rate of \$16.00 per hour, a full-time minimum wage  
8 employee earns only \$33,280 annually. Moreover, as of 2025, the  
9 National Low Income Housing Coalition estimates that a minimum  
10 wage worker would have to work one hundred seven hours per week  
11 to afford a one-bedroom rental home at local fair market rent.

12 The legislature further finds that increasing the State's  
13 minimum wage will help Hawaii's economy by giving low-wage  
14 workers greater purchasing power. According to the department  
15 of labor and industrial relations, in 2018, following four  
16 consecutive years of minimum wage increases, the state  
17 unemployment level reached an all-time low of two per cent,



1 demonstrating that increasing the minimum wage rate does not  
2 adversely impact statewide employment.

3 The legislature additionally finds that research shows  
4 minimum wage increases have not harmed small businesses. A 2023  
5 University of California, Berkely study found that small  
6 businesses generally do not cut jobs after minimum wage hikes,  
7 but instead benefit from lower worker turnover and easier  
8 hiring. Economists have also found that the employment effects  
9 of raising the minimum wage were outpaced by wage gains,  
10 indicating that higher minimum wages strengthen workers' incomes  
11 without broadly undermining small business viability.

12 Accordingly, the purpose of this Act is to uplift the  
13 financial well-being of working families in Hawaii by:

- 14 (1) Amending the minimum monthly guaranteed compensation  
15 an individual must earn to be exempt from certain wage  
16 and hour requirements;
- 17 (2) Requiring the minimum wage to increase to \$18.00 per  
18 hour beginning January 1, 2027, instead of January 1,  
19 2028;
- 20 (3) Increasing the minimum wage on January 1 of 2028,  
21 2029, and 2030;



1 (4) Prohibiting tipped employees from being paid less than  
2 the minimum wage; and  
3 (5) Beginning on September 30, 2030, and on September 30  
4 of each year thereafter, requiring the department of  
5 labor and industrial relations to calculate an  
6 adjusted minimum wage rate.

7 SECTION 2. Section 387-1, Hawaii Revised Statutes, is  
8 amended by amending the definition of "employee" to read as  
9 follows:

10        ""Employee" includes any individual employed by an  
11 employer, but shall not include any individual employed:  
12           (1) At a guaranteed compensation totaling ~~[\$4,000]~~  
13                   \$ \_\_\_\_\_ or more a month, whether paid weekly,  
14                   biweekly, or monthly;  
15           (2) In agriculture for any workweek in which the employer  
16                   of the individual employs less than twenty employees  
17                   or in agriculture for any workweek in which the  
18                   individual is engaged in coffee harvesting;  
19           (3) In or about the home of the individual's employer:  
20                   (A) In domestic service on a casual basis; or



1 (B) Providing companionship services for the aged or  
2 infirm;

3 (4) As a house parent in or about any home or shelter  
4 maintained for child welfare purposes by a charitable  
5 organization exempt from income tax under section 501  
6 of the federal Internal Revenue Code;

7 (5) By the individual's sibling, sibling-in-law, child,  
8 spouse, parent, or parent-in-law;

9 (6) In a bona fide executive, administrative, supervisory,  
10 or professional capacity or in the capacity of outside  
11 salesperson or as an outside collector;

12 (7) In the propagating, catching, taking, harvesting,  
13 cultivating, or farming of any kind of fish,  
14 shellfish, crustacean, sponge, seaweed, or other  
15 aquatic forms of animal or vegetable life, including  
16 the going to and returning from work and the loading  
17 and unloading of those products before first  
18 processing;

19 (8) On a ship or vessel and who has a Merchant Mariners





1 workweek established under section 387-3, then section  
2 387-3 shall apply in respect to the employee for that  
3 workweek; except that the employee's regular rate in  
4 that event shall be the employee's regular rate as  
5 determined under the Fair Labor Standards Act;

6 (13) As a seasonal youth camp staff member in a resident  
7 situation in a youth camp sponsored by charitable,  
8 religious, or nonprofit organizations exempt from  
9 income tax under section 501 of the federal Internal  
10 Revenue Code or in a youth camp accredited by the  
11 American Camping Association; or

12 (14) As an automobile salesperson primarily engaged in the  
13 selling of automobiles or trucks if employed by an  
14 automobile or truck dealer licensed under chapter  
15 437."

16 SECTION 3. Section 387-2, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 **"§387-2 Minimum wages.** (a) Except as provided in section  
19 387-9 and this section, every employer shall pay to each  
20 employee employed by the employer, wages at the rate of not less  
21 than:



1 (1) \$6.25 per hour beginning January 1, 2003;  
2 (2) \$6.75 per hour beginning January 1, 2006;  
3 (3) \$7.25 per hour beginning January 1, 2007;  
4 (4) \$7.75 per hour beginning January 1, 2015;  
5 (5) \$8.50 per hour beginning January 1, 2016;  
6 (6) \$9.25 per hour beginning January 1, 2017;  
7 (7) \$10.10 per hour beginning January 1, 2018;  
8 (8) \$12.00 per hour beginning October 1, 2022;  
9 (9) \$14.00 per hour beginning January 1, 2024;  
10 (10) \$16.00 per hour beginning January 1, 2026; [and]  
11 (11) \$18.00 per hour beginning January 1, [2028.] 2027;  
12 (12) \$20.00 per hour beginning January 1, 2028;  
13 (13) \$22.00 per hour beginning January 1, 2029; and  
14 (14) \$24.00 per hour beginning January 1, 2030.  
15 (b) [The hourly wage of a tipped employee may be deemed to  
16 be increased on account of tips if the employee is paid no less  
17 than:  
18 (1) 25 cents;  
19 (2) 50 cents per hour beginning January 1, 2015;  
20 (3) 75 cents per hour beginning January 1, 2016;  
21 (4) \$1.00 per hour beginning October 1, 2022;





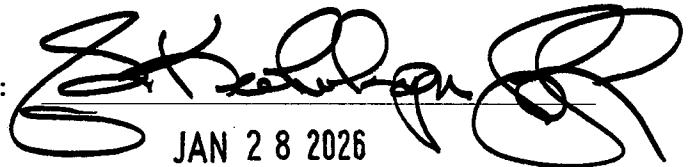
1 year the adjustments based on the gross domestic product per  
2 capita calculation would result in a lower minimum wage rate,  
3 the adjusted minimum wage rate shall remain the same as the  
4 minimum wage rate in effect for the year in which it is  
5 calculated."

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

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

9

INTRODUCED BY:



JAN 28 2026



# H.B. NO. 2506

**Report Title:**

Minimum Wage; Increase; Tipped Employees; Department of Labor and Industrial Relations

**Description:**

Amends the minimum monthly guaranteed compensation an individual must earn to be exempt from certain wage and hour requirements. Requires the minimum wage to increase to \$18.00 per hour beginning 1/1/2027, instead of 1/1/2028. Increases the minimum wage on 1/1/2028, 1/1/2029, and 1/1/2030. Prohibits tipped employees from being paid less than the minimum wage. Beginning on 9/30/2030, and on September 30 of each year thereafter, requires the Department of Labor and Industrial Relations to calculate an adjusted minimum wage rate.

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

