A BILL FOR AN ACT

RELATING TO MINIMUM WAGE.

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

SECTION 1. The legislature finds that Hawaii has some of the highest costs of living in the country. This disproportionately impacts lower wage earners in the State and imposes significant hardship.

The purpose of this Act is to increase the minimum wage to combat rising wage disparity and also incentivize greater provision of healthcare to lower wage employees by their employers.

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

"§387-2 Minimum wages. (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; [and]
(7) $10.10 per hour beginning January 1, 2018;[→]
(8) $11.75 per hour beginning January 1, 2020;
(9) $13.00 per hour beginning January 1, 2021;
(10) $14.00 per hour beginning January 1, 2022;
(11) $15.00 per hour beginning January 1, 2023;
(12) $16.00 per hour beginning January 1, 2024; and
(13) $17.00 per hour beginning January 1, 2025.

(b) The hourly wage of a tipped employee may be deemed to be increased on account of tips if the employee is paid not less than:
(1) 25 cents;
(2) 50 cents per hour beginning January 1, 2015; and
(3) 75 cents per hour beginning January 1, 2016, 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

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employee's employer and in tips is at least $7.00 more than the applicable minimum wage.

(c) Notwithstanding the requirements of subsection (a), an employer that is required to provide health care coverage to any employee by a prepaid group health care plan pursuant to section 393-11 shall pay each employee who actually receives coverage under the employer's plan a wage at a rate not less than:

(1) $11.25 per hour beginning January 1, 2020;
(2) $12.00 per hour beginning January 1, 2021;
(3) $12.50 per hour beginning January 1, 2022;
(4) $13.00 per hour beginning January 1, 2023;
(5) $13.50 per hour beginning January 1, 2024; and
(6) $14.00 per hour beginning January 1, 2025.

(d) On September 30, 2025, and on September 30 of each year thereafter, the department shall calculate adjusted minimum wage rates to replace the minimum wage rates established under subsections (a), (b), and (c). The adjusted minimum wage rates shall be calculated to the nearest five cents using the Hawaii consumer price index for all urban consumers, or a successor index published by the United States Department of Labor, for the twelve months prior to September 1 of each year; provided
that if in any year the adjustments based on the Hawaii consumer price index for all urban consumers, or a successor index, would result in lower minimum wage rates, the adjusted minimum wage rates shall remain the same as the minimum wage rates in effect for the year in which they are calculated. Each adjusted minimum wage rate calculated under this subsection shall take effect on the following January 1; provided that if an increase in the adjusted minimum wage rates exceeds ten per cent of the minimum wage rates in effect for the year in which they are calculated, the adjusted minimum wage rates shall be increased by ten per cent of the minimum wage rates in effect for the year in which they are calculated."

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

SECTION 4. This Act shall take effect upon its approval.
Report Title:
Minimum Wage; Employment

Description:

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