

JAN 18 2007

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## A BILL FOR AN ACT

RELATING TO THE MINIMUM WAGE FOR TIPPED EMPLOYEES.

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

1           SECTION 1. Section 387-1, Hawaii Revised Statutes, is  
2 amended by amending the definition of "Wage" to read as follows:  
3           "Wage" means (except as the department may provide under  
4 section 387-11) legal tender of the United States or checks on  
5 banks convertible into cash on demand at full face value thereof  
6 and in addition thereto the reasonable cost as determined by the  
7 department, to the employer of furnishing an employee with  
8 board, lodging, or other facilities if such board, lodging, or  
9 other facilities are customarily furnished by such employer to  
10 the employer's employees. Except for the purposes of [~~the last~~  
11 ~~sentence of~~] section 387-2(b), "wage" shall not include tips or  
12 gratuities of any kind.

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

15           "**§387-2 Minimum wages.** (a) Except as provided in section  
16 387-9 [~~and this section~~], every employer shall pay to each



1 employee employed by the employer, wages at the rate of not less  
2 than:

- 3 (1) \$6.25 per hour beginning January 1, 2003;
- 4 (2) \$6.75 per hour beginning January 1, 2006; and
- 5 (3) \$7.25 per hour beginning January 1, 2007.

6  
7 ~~{The hourly wage of a tipped employee may be deemed to be~~  
8 ~~increased on account of tips if the employee is paid not less~~  
9 ~~than 25 cents below the applicable minimum wage by the~~  
10 ~~employee's employer and the combined amount the employee~~  
11 ~~receives from the employee's employer and in tips is at least 50~~  
12 ~~cents more than the applicable minimum wage.}~~

13 (b) For purposes of subsection (a), an employer shall be  
14 deemed to have paid the applicable minimum wage if:

- 15 (1) The employer pays the employee at least \$7.25 per  
16 hour beginning January 1, 2007; and
- 17 (2) The combined amount the employee receives from  
18 the employee's employer and in tips is at least  
19 50 cents more than the applicable minimum wage."

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 Statutory material to be repealed is bracketed  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

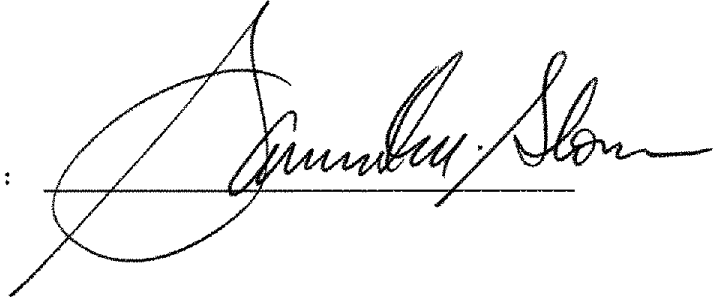
22 SECTION 4. This Act shall take effect upon its approval.

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# S.B. NO. **118**

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Amalia Slom", is written over a horizontal line. The signature is cursive and extends above and below the line.



**Report Title:**

HRS section 387-2; reduction for tipped employees

**Description:**

Increases the reduction in minimum wage levels for tipped employees.

