



January 28, 2025

The Honorable Naquetta Ricks  
Chair, Committee on Business Affairs & Labor  
Colorado House of Representatives  
200 E. Colfax Avenue  
Denver, CO 80203

The Honorable Steven Woodrow  
Chair, Committee on Business Affairs & Labor  
Colorado House of Representatives  
200 E. Colfax Avenue  
Denver, CO 80203

Re: In support of Colorado H.B. 25-1020, Earned-Wage Access Services Act

Dear Representatives Ricks and Woodrow:

PayrollOrg (PAYO) supports H.B. 25-1020, Earned-Wage Access Services Act, because it would enable employers to offer earned wage access (EWA) benefits to their employees to promote financial wellness. PAYO also supports the bill because it would establish a reasonable approach to employer and employee protections. These comments are only applicable to employer-integrated models of EWA. Direct-to-consumer models do not impact payroll management.

#### **About PAYO**

PAYO is a nonprofit association representing more than 20,000 payroll professionals throughout the United States. PAYO's Government Relations Task Force partners with government agencies to help payroll professionals with compliance, while minimizing the administrative burden on government, employers, and individual workers. PAYO members are directly responsible for calculating wages and withholding for their employers across all industries and employer types. PAYO does not endorse any technology or management approach. Therefore, PAYO is not positioning itself with any specific business, employer, or group.

#### **Reason for Support**

PAYO appreciates the following provisions:

- **Section 5-22-102(4) to (7).** Clearly defines “earned but unpaid income,” “earned-wage access services,” “employer,” and “employer-integrated wage access services” to distinguish between EWA services and credit-based services and recognizing the role of employers in early pay benefits.
- **Section 5-22-103.** Requiring providers to obtain a license from the state with specific procedures for applying and explaining the role of the state’s Attorney General. This creates legitimacy of EWA providers in Colorado and helps employers select valuable partners when offering EWA benefits.



- **Section 5-22-104 to -106.** Provides government agency oversight that adds a layer of consumer protections to prevent predatory practices. This oversight includes licensee record keeping and reporting, which helps to ensure that EWA services are transparent.
- **Section 5-22-109.** Requiring EWA providers to create policies and procedures to answer user questions and complaints, fully disclose fees associated with user participation, provide a no cost option to users, and allow employees to opt out of the benefit later without penalty. PAYO believes that greater transparency in an EWA program will enable employees to use the program successfully.
- **Section 5-22-110.** Prohibiting providers from offering employers fees or other remuneration as part of their EWA program. This is important for employers to be compliant with wage and hour laws, prevent poor arrangements between employers and EWA providers, and for employers to avoid unscrupulous marketing by providers. In addition, EWA providers are not allowed to seek a credit report on employee-consumers nor report an employee-consumer to a credit reporting entity or third-party debt collector. This protects employees who decide to participate in an employer's EWA program.

To discuss EWA and PAYO's comments further, please contact me at 202-669-4001 or by email at [ajacobsohn@payroll.org](mailto:ajacobsohn@payroll.org).

Sincerely,



Alice P. Jacobsohn, Esq.  
Director, Government Relations

For: Government Relations Task Force  
State and Local Topics Subcommittee  
Chairs: Carlanna Livingstone, CPP; Bruce Phipps, CPP; Alma Stewart, CPP

Electronic Payments Subcommittee  
Chairs: Nancy Fletcher, CPP; Ronn Gilson, CPP; and Kristine Willson, CPP