



January 27, 2025

The Honorable Jake Teshka
Chair, Committee on Financial Institutions
Indiana House of Representatives

The Honorable Kyle Pierce
Vice Chair, Committee on Financial
Institutions
Indiana House of Representatives

The Honorable Mike Andrade
Ranking Minority Member, Committee on
Financial Institutions
Indiana House of Representatives

200 W. Washington Street
Indianapolis, IN 46204

Re: In support of H.B. 1125, Indiana Earned Wage Access Act

Dear Representatives Teshka, Pierce, and Andrade:

PayrollOrg (PAYO) supports H.B. 1125, Indiana Earned Wage Access 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:

- **Chapter 6, Sec. 201(6).** Clearly defines “earned but unpaid income” to distinguish between EWA services and credit-based services.
- **Chapter 6, Sec. 201(9).** Identifies “employer integrated wage access services” to explain the data used to determine employees’ earnings subject to EWA services.



- **Chapter 6, Sec. 403.** 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.
- **Chapter 6, Sec. 501 and 502.** Requiring providers to obtain a license from the state with requirements consistent with similar laws in other states. This creates legitimacy of EWA providers in Indiana and helps employers select valuable partners when offering EWA benefits.
- **Chapter 6, Sec. 801.** Requiring EWA providers to create policies and procedures to answer user questions and complaints, fully disclose fees associated with user participation, 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.
- **Chapter 6, Sec. 802.** 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.
- **Chapter 6, Sec. 1002.** PAYO supports the Indiana legislature's recognition that employer-integrated EWA programs are different than payday and other loans. Employers will not likely adopt an EWA program if defined as a loan, especially because loans subject employees to credit reporting and are measured based on the principal owed and interest. There is no interest in EWA and no carryover.

To discuss EWA and PAYO's comments further, please contact me at 202-669-4001 or by email at 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