



January 28, 2025

The Honorable Michael Marcotte  
Chair, Committee on Commerce & Economic  
Development  
Vermont House of Representatives  
[mmarcotte@leg.state.vt.us](mailto:mmarcotte@leg.state.vt.us)

The Honorable Kirk White  
Ranking Member, Committee on Commerce  
and Economic Development  
Vermont House of Representatives  
[kwhite@leg.state.vt.us](mailto:kwhite@leg.state.vt.us)

The Honorable Edye Graning  
Vice-Chair, Committee on Commerce &  
Economic Development  
Vermont House of Representatives  
[egraning@leg.state.vt.us](mailto:egraning@leg.state.vt.us)

115 State Street  
Montpelier, VT 05633-5301

Re: In support of H. 99, An act relating to regulating earned wage access services

Dear Representatives Marcotte, Graning, and White:

PayrollOrg (PAYO) supports H. 99, An act relating to regulating earned wage access (EWA) services, because it would enable employers to offer 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:

- **Sec. 1, 8 V.S.A. §§ 2301(4) to (6).** Clearly defines “earned but unpaid income,” “earned-wage access services,” and “employer-integrated provider” to distinguish between EWA services and credit-based services and recognizing the role of employers in early pay benefits.
- **Sec. 1, 8 V.S.A. §§ 2302 and 2303, Sec. 2, 8 V.S.A. § 2102.** Requiring providers to obtain a license from the state with specific procedures for applying and explaining state oversight. This creates legitimacy of EWA providers in Vermont and helps employers select valuable partners when offering EWA benefits.
- **Sec. 1, 8 V.S.A. § 2304(d).** Explaining nonrecourse provisions regarding collection of payments for outstanding proceeds by EWA providers. This includes placing the responsibility for accurate early wage determinations on EWA providers.

When payroll data is provided by employers or their payroll service providers to third-party EWA providers, accuracy is greatly improved, and inaccurate data considerations are between employers and EWA providers based on legally-binding agreements. This prevents predatory practices against employee-consumers.

- **Sec. 1, 8 V.S.A. § 2305.** 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.
- **Sec. 1, 8 V.S.A. § 2306.** 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.

- **Sec. 1, 8 V.S.A. § 2307.** PAYO supports the Vermont 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](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

Cc: Annagrace Oblak, Committee Assistant, [AOblok@leg.state.vt.us](mailto:AOblok@leg.state.vt.us)  
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