



January 28, 2025

The Honorable Claudia Kauffman  
Chair, Business, Financial Services & Trade  
Committee  
Washington Senate  
218 John A. Cherberg Building  
Olympia, WA 98504

The Honorable Perry Dozier  
Ranking Member, Business, Financial Services  
& Trade Committee  
Washington Senate  
342 Irv Newhouse Building  
Olympia, WA 98504

The Honorable Adrian Cortes  
Vice Chair, Business, Financial Services &  
Trade Committee  
Washington Senate  
411 Legislative Building  
Olympia, WA 98504

Re: In support of S.B. 5328, Relating to establishing a new chapter for the licensing and regulation of  
businesses providing earned wage access services

Dear Senators:

PayrollOrg (PAYO) supports Washington S.B. 5328 regarding 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:

- **New Sections 3 through 8.** Requiring providers to obtain a license from the state, establishing government agency oversight, and preventing predatory businesses from legally operating in



Washington. This creates legitimacy of EWA providers in Washington and helps employers select valuable partners when offering EWA benefits to employees.

- **New Section 9.** Requiring EWA providers to create policies and procedures to answer user questions and complaints, fully disclose fees associated with user participation, provide a detailed description of how the EWA program functions including repayment of outstanding proceeds, and allow employees to opt out of the benefit later without penalty. PAYO believes that greater transparency in an EWA program will more likely enable employees to use the program successfully.
- **New Section 10.** 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.

- **New Section 18.** PAYO supports the Washington 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