



## **Testimony to Not Pass House Bill 2105 Unless Amended**

Molly Jones on behalf of Payactiv  
House Committee on Financial Institutions and Pensions  
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Thank you, members of the House Committee on Financial Institutions and Pensions.

My name is Molly Jones, and I am the Vice President for Government Affairs at Payactiv.

Payactiv partners with employers to enable their employees to access their earned wages on-demand when they need it, rather than waiting two weeks to a month for payday. As you can imagine, this is a critical lifeline for many workers who need short-term access to liquidity, and it enables them to avoid taking out a payday or other predatory loan.

Payactiv was founded in 2012 as the first EWA company, and it has grown to be one of the largest providers in the space today. We partner with over 200 employers in Kansas, including many small businesses, and serve over 7,000 Kansas workers.

We support efforts to create registration requirements and encode important consumer protections for EWA providers.

As you may be aware, this would be the first on-demand pay bill to pass in any state. And as such, it is important for the bill to address the breadth of the industry.

Along these lines, we believe it is essential that the bill differentiate between the employer-integrated earned wage access model and the direct-to-consumer advance model. Fundamentally, these models operate differently. The employer-integrated earned wage access model partners with an employer and integrates into payroll systems to verify wages. The direct-to-consumer advance model markets directly to consumers without verifying wages through an employer's time and attendance system, and often solicits "tips." Given the differences in how these models operate, it is important to have appropriate guardrails and consumer protections for each model.

Third-party experts like the Financial Health Network and many other groups make this distinction between the two models, as well as other states (such as Nevada) working on on-demand pay legislation. We believe it is essential for Kansas consumers that the legislation here do the same.

Thus, we urge you to amend this bill to bifurcate between the two models before passing the bill. With this small change, we would be glad to support the bill.

Thank you for the opportunity to testify, and I am happy to take any questions.