



February 13, 2024

Re: Support for HB 2105

Dear Chair Longbine and Honorable Members of the Committee:

Thank you for your leadership on this important legislation to improve the financial security for hard-working Kansans. Payactiv is the pioneer of the earned wage access (EWA) industry and a Public Benefit Corporation that partners with employers to enable their employees to access their earned wages, on-demand, when they need it. Payactiv serves over 430 employers and over 50,000 workers in Kansas have access to Payactiv's EWA if they need it.

Access to earned wages can make all the difference for someone living paycheck to paycheck. EWA allows employees to access their own, already earned pay at little or no cost prior to the next scheduled payday. This is a significant financial security tool for the thousands of Kansans that need cash for unexpected expenses between paychecks, and it is a responsible, safe alternative to costly payday loans, credit card debt, and bank account overdraft. In [a recent FHN study](#), users reported they do not view EWA as a loan and value it as an alternative to loan products.

In Kansas, the [Pew Research Center](#) states it costs a worker \$600 in fees and interest to borrow just \$500 in a payday loan. **This is \$600 in fees alone for a payday loan, in comparison to either free or a maximum of \$3.49 to access that same amount through EWA.** It is clear that EWA is a responsible, pro-worker alternative to payday loans.

We support efforts to create a licensing system for EWA providers in Kansas, as well as codifying important consumer protections to prevent bad actors in the space. The bill includes a number of effective consumer protections, like ensuring EWA is non-recourse, there is no credit impact, access is only based on earned wages, fees are clearly disclosed, and many more.

Thank you for your leadership on this important issue, and we are proud to support HB 2105.

Sincerely,

Molly Jones
Head of Public Policy
Payactiv

Frequently Asked Questions

How does it work?

Payactiv gives you access to the money you worked for but haven't been paid yet. The money that you access is then deducted from your next paycheck, giving you the flexibility to pay for things on your own schedule.

What do I need to sign up?

All you need is your **name, phone number, employer, and employee ID**. That's it! You can find your employee ID on your pay stub or ask your manager.

What are the benefits of a Payactiv Visa® Card*?

Earned wages transfer instantly to the card, so you can take it on the go and use it everywhere Visa® debit cards are accepted. No fee to apply or activate, and there's no maintenance fees or minimum balance requirement.

Plus, when you have direct deposit to the card, you can skip the \$1 program fee and increase your Earned Wage Access limit to \$1000 per pay period.

*This is a Payactiv Visa® Prepaid Card issued by Central Bank of Kansas City, Member FDIC, pursuant to a license from Visa® U.S.A. Inc.

Is there a cost for using Payactiv?

Free Services: Viewing your accessible balance and using Rx Discounts, Financial Advice, or Savings features are free to use anytime for all users.

Program Fees: Payactiv is free to use if you direct deposit¹ your paycheck to the Payactiv card. Without direct deposit to a Payactiv card, there's a program fee of \$1 on the day you use bank transfer, card load, cash access, Bill Pay, Uber, or Amazon. It covers all transactions until midnight Pacific Time that day. This fee is capped at \$5 per pay period², even if you use Payactiv more than 5 days in a pay period.

Processing Fees: There's a \$1.99 processing fee per transaction for Walmart cash pickup and upgraded Instant transfers to debit cards.

What happens on payday?

Money you access, program fees, and processing fees incurred will show as deductions on your next paycheck.

Note that if you work in NY, NJ, MA, or PR, program fees will be debited from your account on payday, and processing fees will be charged to the card specified on the transaction summary at the time of the transaction.

I worked yesterday, why isn't the accessible amount showing?

It's possible that we haven't received your hours from your employer yet. We usually receive that info at the end of each day, but if you continue to see an incorrect accessible amount, please contact us through one of the help resources below.

How long does it take to get Earned Wage Access funds?

Transfers to the Payactiv card are instant 24/7/365. Transfers to bank accounts and other debit/prepaid cards are completed within 48hrs. However, card transfers can be made instant for \$1.99/transaction. Transactions made after 12:50 PM EST M-F are processed the next business day.

What's the catch?

There is no catch! It's just your money in your hands. It's not a loan and has no hidden fees. Ever.

How do I get started?

Scan the QR code with your smartphone camera to download the Payactiv App from Apple/Google stores. Learn more at <https://get.payactiv.com>



24/7/365 Customer Service: 1.877.937.6966
support@payactiv.com • www.payactiv.com/help

¹ To qualify, there must be a history of at least 1 successful direct deposit of at least \$5

² The \$5 cap applies to those on a 2-week pay period. For those on weekly pay periods, the fee is capped at \$3.