



March 21, 2025

Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: Payactiv Support for HB 1294

Chair Beidle and honorable members of the Senate Finance Committee:

Thank you Chair Beidle, and members of the committee for your dedicated work on this issue over the last two years.

I am writing to express Payactiv's strong support for HB 1294, which creates a licensing system for earned wage access (EWA) providers in Maryland that enacts the strongest consumer protections in the country. We are proud to be a Public Benefit Corporation and Certified B Corp. Payactiv currently partners with over 800 Maryland employers and 10,000 employees.

For the record, I am Mark Salters, a public policy manager with Payactiv, a leading employer-integrated EWA provider that allows employees to access their own, already-earned wages prior to payday. Employers choose to offer Payactiv's service as an employee benefit to their employees. Payactiv integrates into an employer's time and attendance system and verifies wages from payroll data. Unlike traditional lending products, there is no recourse in an EWA transaction; no late fees, penalties, or interest; no credit impacts or checks to participate; and we offer five free options with one, voluntary paid option less than an average out-of-network ATM fee.

As we have discussed with this committee, EWA enables Maryland workers to access their own, earned wages to handle unexpected expenses between paychecks. This empowers workers to make sound financial decisions and avoid late fees and high-cost debt products like payday loans and credit cards.

HB 1294 is the result of over two years of collaboration between legislators, industry, regulators, and other stakeholders. HB 1294 has the strongest consumer protections proposed in the country, including:

- Implementing a first-in-the-nation fee cap on voluntary fees of \$5 on transactions of less than \$75 and \$7.50 on transactions of more than \$75;
- Requiring a mandatory free option, so any expedited fee is fully voluntary;
- Ensuring all transactions are non-recourse and the user can cancel at any time;
- Prohibiting the use of credit scores or credit reporting, so even workers with low or poor credit have access to the service; and
- Banning late fees, interest, and other penalties.



Payactiv is proud to support HB 1294 and is deeply grateful for your continued and dedicated leadership on this important issue. We kindly ask for a favorable report.

Sincerely,
Mark Salters
Public Policy Manager
Payactiv