



1410 Bush Street (Suite A)
Baltimore, MD 21230
Phone: 410-547-1515
Email: info@afscmemd.org

Patrick Moran – President

SB 94 – Commercial Law – Earned Wage Access – Revisions
Finance Committee
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Position: FAVORABLE

AFSCME Maryland Council 3 represents approximately 55,000 state, county, and municipal workers across Maryland. We support Senate Bill 94, which will prohibit app-based payday lenders from steering individuals into tipping for the “service” of accessing wages they have already earned. This seemingly small practice carries significant financial consequences, particularly for low-income workers who rely on these services.

Tipping in this context is not a voluntary act of gratitude, it is a hidden cost that benefits the lender, not the worker. Many users may not even realize they are being encouraged to provide extra payment on top of the fees they already owe. For individuals living paycheck to paycheck, even a small additional cost can accumulate and deepen financial vulnerability. By formalizing a prohibition against this practice, SB 94 removes a deceptive and unnecessary burden on workers.

While many wage access providers may not actively solicit tips, leaving the practice unregulated allows for inconsistent and potentially exploitative behavior. Establishing clear rules will provide certainty for consumers, ensure fair treatment, and prevent low-income workers from being unknowingly pushed further into debt.

This legislation is fundamentally pro-worker and pro-consumer. It reinforces the principle that individuals should not be penalized for accessing the wages they have already earned, and it promotes transparency and fairness in the financial products they use. We urge the committee to recognize the importance of protecting workers from hidden costs and to provide a favorable recommendation for SB 94. Doing so will send a clear message that our state prioritizes fairness, financial dignity, and economic security for all its residents.

Thank you.