



March 18, 2025
Senate Commerce and Protection Committee
75 Rev. Martin Luther King Jr. Blvd.
St. Paul, MN 55155

RE: Payactiv opposition to SF 2216

Chair Klein and honorable members of the Committee:

I'm writing to the committee today to respectfully express strong opposition to the provisions proposed by the Department of Commerce, which would miscategorize earned wage access (EWA) services and result in EWA providers leaving the state.

My name is Mark Salters, and I am the public policy manager at Payactiv. Payactiv is a leading employer-integrated EWA provider that enables employees to access their own, already-earned wages prior to payday. Payactiv is proud to be a Public Benefit Corporation and Certified B Corp. We have been operating in Minnesota for over a decade, and we partner with over 550 employers in Minnesota and have helped over 11,600 Minnesotans access their own, earned wages to pay bills on time and avoid costly debt products.

EWA is a widely popular employee benefit across the country, including in Minnesota. Employers choose to offer Payactiv's service as an employee benefit. Participation is voluntary, and employees have the option to download the app and access up to 50% of their earned net pay. Payactiv integrates directly into an employer's time and attendance system and verifies wages from payroll data.

There is no interest, late fees, or penalties in an EWA transaction; there is no debt created; the transaction is fully non-recourse, and a user can cancel at any time; and there are no credit checks to participate, or credit reporting for using the product. EWA is designed to be a responsible alternative to payday lending, and helps Minnesota workers avoid high-cost debt products, bill late fees, and overdrafts.

The proposal in front of you today to regulate EWA is fundamentally out of step with the product and would significantly limit access to the product for the thousands of Minnesotans who rely on it. This proposal does not accurately reflect how the product operates, as EWA is based on wages already earned by the employee verified through employer payroll data – and is not a loan product.

If passed, this measure would in effect limit access to EWA, removing an important lifeline for Minnesotans, and impacting the employers in the state who have come to use this product as an important tool to retain and grow their workforce. In actuality, it provides fewer protections to consumers than the licensing systems five states and counting have implemented and steers Minnesotans to riskier debt products.



EWA is a new, innovative financial service that requires a dedicated licensing system. We look forward to working with the committee in creating a license for EWA providers, which would protect many of the consumer-friendly features of the product – including requiring a mandatory no-cost option; banning interest, late fees, and penalties; banning recourse; banning credit checks; and requiring clear disclosures around any fees.

We respectfully request the opportunity to collaborate on a proposal that creates appropriate regulatory oversight and licensing for the EWA industry, while enacting strong consumer protections that ensure that EWA continues to be a safe and responsible product to help Minnesotans meet their financial needs.

Sincerely,

Mark Salters
Public Policy Manager
Payactiv