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## **Payroll Processors**

June 7, 2023

### **Do payroll processors need a money transmitter license to operate in Hawaii?**

Payroll processors (also referred to as payroll services or payroll providers) are companies that contract with employers to provide support related to paying wages to company employees, along with the payment of related taxes to relevant government authorities. Payroll processors may provide other services, such as payroll compliance and HR functions, in addition to the disbursement of payroll for the employer.

Payroll processors may be subject to the requirement of the money transmitter laws and other licensing laws if the processor provides payroll advances (such as earned wage access or on-demand pay) that are not managed and funded by the employer. Earned wage access or on-demand pay funded by the payroll processor may require other types of licensing.