

 wagesplitter

Wage Splitter Pty Ltd

Target Market Determination

1/ About this document

A Target Market Determination (TMD) describes the customers for which the PaydayNow product has been designed, taking into account their objectives, financial situation and needs. It also describes the conditions by which the product is distributed to customers and the events or circumstances where WageSplitter Pty Ltd (WageSplitter) is required to review the TMD.

This TMD is not to be treated as a full summary of the product's terms and conditions and is not intended to provide financial advice. Consumers interested in using the product should refer to the Terms and Conditions of Use and WageSplitter's website for detailed product information.

This TMD relates to WageSplitter's PaydayNow product (**PaydayNow**) only and is effective from 1 March 2022.

2/ Target Market

The information below summarises the overall class of consumers that fall within the target market for the PaydayNow product based on the product's key attributes and the objectives, financial situation and needs of consumers that it has been designed to meet.

Objectives, financial situation and needs of the target market

PaydayNow is targeted at customers who need early access to their wages to manage their cash flow or handle unexpected expenses between their employer's pre-defined payroll periods.

Specifically, this product is targeted towards consumers who:

- Meet our eligibility criteria;
- Have the objective of obtaining early access to their wages for a small-fixed fee or for free; and
- Need access to a portion of their earned income in advance of their normal payday to resolve a temporary financial need or manage the timing of personal finances.

This product has been purposefully designed with employee wellbeing in mind. This product is offered in conjunction with WageSplitter's employer partners as an employee benefit and linked to payroll and/or workforce management systems to provide workers with cash flow flexibility through a responsible short-term credit facility.

Key eligibility requirements

To be eligible for PaydayNow, new consumers must meet all of the following eligibility requirements:

- be 18 years or older and an Australian resident or visa holder; and

- be employed by and currently earning an income from an employer who has partnered with WageSplitter to provide the product to its employees (Employer Partner); and
- have received at least one payment from the Employer Partner.

Excluded class of consumers

This product has not been designed for individuals who:

- Are under 18 years of age;
- Are non-Australian residents or visa holders; or
- Are not employed by an Employer Partner.

Description of the product

PaydayNow allows employees to access a portion of their after-tax income as it is earned or accumulates through their pay cycle at any point in the pay cycle and prior to their official payday via the WageSplitter mobile app.

For cash transfers using PaydayNow, customers can transfer any or all their available balance, subject to a minimum transfer value of \$100 and WageSplitter will charge a service fee of 2.5% of the amount transferred.

The term will be aligned with the employee's pay cycle, which may be weekly, fortnightly or monthly. There will never be any additional fees charged to the user beyond 2.5% of the amount transferred, and there is no interest or late fees.

Key features of the product

PaydayNow has the following key attributes:

- Approved employees can access up to 50% of their after-tax income as it is earned or accumulates through their pay cycle;

- WageSplitter charges a service fee of 2.5% of the amount transferred but does not charge interest, late fees or penalties;
- The amount accessed by the employee and the service fee are automatically deducted from their upcoming pay, on the same day that their wages or salary is normally paid to them;
- In certain circumstances, such as when the consumer's employment has been terminated, employees authorise their employer to deduct fee from their final payment any amount accessed by the employee in the current pay cycle and the service and to pay this amount to WageSplitter.
- The term is specified at the point in time an employee requests to access their accrued wages, up to a maximum of 31 days.

Consistency between target market and the product distribution

The distribution of PaydayNow is consistent with the target market on the basis that:

- It has been designed and distributed as an employee benefit to support employee financial wellbeing by providing eligible workers the option to access up to 50% of their net after-tax income as it is earned or accumulates through their pay cycle;
- The eligibility criteria has been designed to align with the characteristics of the target market - only those who are employed by an Employer Partner, are over the age of 18 and are an Australian resident are able to use PaydayNow; and
- The key attributes of PaydayNow have been designed to meet the likely objectives, financial situation and needs of employees in the target market described above.

3/ How this product is to be distributed

Distribution channels

This product is designed to be distributed via a mobile application only, with PaydayNow being initially introduced to target markets largely through Employer Partners whose aim (to provide employee benefits and improve financial wellbeing) is aligned with WageSplitter's mission. Employees are invited, and have the choice, to download the app as part of an Employer Partner's larger benefits program.

Distribution conditions

This product should only be distributed under the following circumstances:

- To individuals who meet the eligibility requirements described above;
- To individuals that have the financial capacity to repay the amount they access within a single pay period;
- To individuals who are able to pay the service fee of 2.5%;
- To individuals who are approved for PaydayNow in accordance with WageSplitter's internal policies and procedures, and applicable laws and regulations.

Adequacy of distribution conditions and restrictions

WageSplitter has assessed the adequacy of the distribution conditions and restrictions of PaydayNow and formed the view that they are appropriate for the following reasons:

- WageSplitter will have oversight of how the product is promoted and issued;
- PaydayNow is distributed with an Employer Partner's support which helps ensure that consumers who obtain the product meet the target market criteria points;

- The marketing and distribution channels for PaydayNow are selected based on an assessment of the distribution conditions and restrictions to determine that they are appropriate, and will assist distribution in being directed towards the target market for whom the product has been designed.

4/ Review triggers

We will review this target market determination in accordance with the below:

Initial review	Within 12 months of the effective date
Periodic reviews	At least every two years following the initial review
Review triggers or events	<p>Any event or circumstances arise that would suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> ● A material change to the design or distribution of the product, including related documentation; ● Distribution conditions found to be inadequate; ● External events such as adverse media coverage or regulatory attention; ● Significant changes in metrics, including, but not limited to, the number and nature of complaints and feedback, and complaint trends; ● Significant changes to the demographics of employees who use our product; ● Changes to pricing, including any introduction of interest, late fees or other modifications; ● Material increases or decreases in default and dishonour rates; ● Material changes to Know Your Client (KYC)/ Anti Money Laundering (AML) requirements; ● Material changes to the terms and conditions of use; or ● Material changes to the regulatory framework governing the product.

Where a review trigger has occurred, this TMD will be reviewed within 10 business days.