



# MYTH BUSTING: ECONOMIC IMPACT PAYMENTS (EIPs)

Recently, there have been mischaracterizations and inaccuracies in news reports and commentary regarding the delivery of government emergency assistance to consumers. **This document works to set the record straight.**



## MYTH: DIRECT DEPOSIT DELAYED EIP PAYMENTS.

**FACT:** The IRS selected April 15 to be the first “payday” for depositing stimulus money into individual accounts. That is exactly what the modern ACH Network did, delivering all 81 million of these payments on time, exactly as the IRS instructed. The ACH Network followed the payment instructions provided by the IRS. Had the government wanted the funds available earlier, it could have issued different instructions, which the ACH Network and financial institutions would have followed. Most of the processing time involved determining eligibility and collecting information about who to pay and where to send the funds; using a particular payment method does not affect the time required for these steps.



## MYTH: INSTANT PAYMENTS WOULD HAVE MADE FUNDS AVAILABLE TO CITIZENS FASTER THAN DIRECT DEPOSIT.

**FACT:** The IRS (as payer) controls the date that payments are to be made available to citizens. The IRS instructed funds be made available on April 15, and banks and credit unions did just that, early in the morning on that day. Had the IRS used instant payments, if the instructions were the same, the outcome would have been the same.



## MYTH: INSTANT PAYMENTS WOULD ELIMINATE THE NEED TO SEND CHECKS TO MILLIONS OF PEOPLE WHO DON'T HAVE BANK ACCOUNTS.

**FACT:** This is false. To receive an instant payment, a person would need a bank account in which to receive the funds.



## MYTH: INSTANT PAYMENTS WOULD ELIMINATE THE NEED TO SEND CHECKS TO MILLIONS OF PEOPLE WHOSE ACCOUNT INFORMATION WAS NOT KNOWN.

**FACT:** Also, not true. Sending an instant payment would require the same information that is necessary to send a Direct Deposit or wire transfer. The government could not send an instant payment to a person for which it doesn't have bank account information.



## MYTH: INSTANT PAYMENTS WOULD PREVENT PAYMENTS FROM BEING SENT TO ACCOUNTS OF THE DECEASED.

**FACT:** An instant payment system would not prevent a payment from being sent to the account of a deceased person. An instant payment would be sent using the same bank account information as is used when sending a Direct Deposit or wire transfer.