

MYTH BUSTING: ECONOMIC IMPACT PAYMENTS (EIPs)

The federal government successfully sent hundreds of millions of economic impact payments (EIPs) by Direct Deposit to Americans financially impacted by the Covid-19 crisis. However, there have been mischaracterizations and inaccuracies in news reports and commentary regarding EIP delivery. This document works to set the record straight.

Between March 2020 and summer 2021, three rounds of EIPs were issued 
To see the extent of each, visit nacha.org/ACHDeliveredEIPs

MYTH: DIRECT DEPOSIT DELAYED EIPs.

FACT: EIPs by Direct Deposit arrived in Americans' banking accounts exactly when they were scheduled by the IRS. If the government wanted the funds available earlier, it could have issued different instructions with an earlier due date.

MYTH: INSTANT PAYMENTS WOULD MAKE EIP FUNDS AVAILABLE TO CITIZENS FASTER THAN DIRECT DEPOSIT.

FACT: EIPs sent by Direct Deposit were made on time, as instructed by the IRS. Instant payments would not have sped up the availability of EIPs if the "payday" instructions were the same as they were for Direct Deposit.

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

FACT: To receive an instant payment, a person needs a bank or credit union account in which to receive the funds.

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

FACT: Sending an instant payment requires the same information that is necessary to send a Direct Deposit or wire transfer. The government cannot send an instant payment to a person for which there is no bank or credit union account information..

MYTH: INSTANT PAYMENTS CAN PREVENT EIPs FROM BEING SENT TO ACCOUNTS OF THE DECEASED.

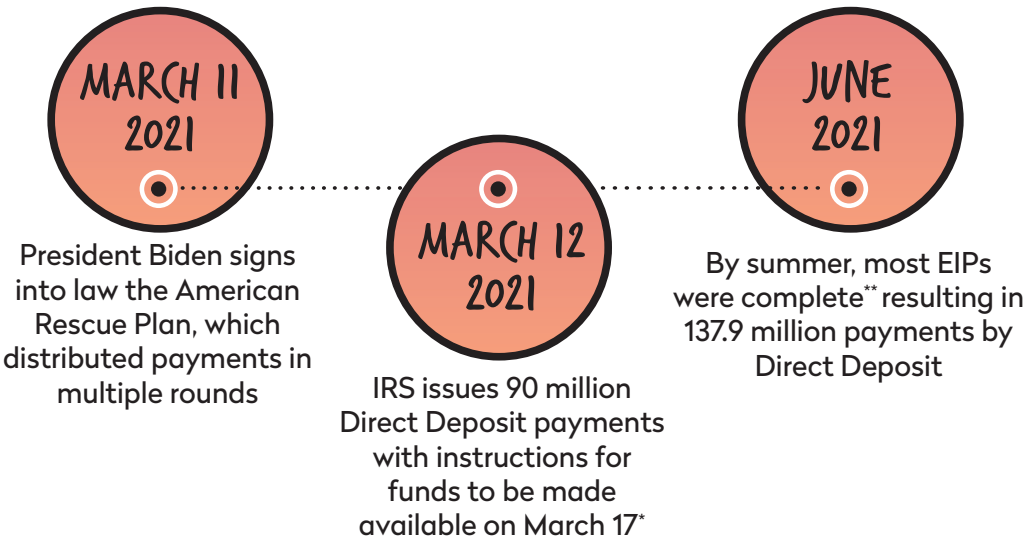
FACT: An instant payment system cannot prevent a payment from being sent to the account of a deceased person. An instant payment would be sent using the same bank account information as is used when sending a Direct Deposit or wire transfer.

MYTH: THE ACH NETWORK WAS CHALLENGED TO DELIVER HUNDREDS OF MILLIONS OF PAYMENTS QUICKLY.

FACT: Each day, the ACH Network handles over 100 million payments, on average, and had no difficulty with the increased volume of EIPs and other assistance such as unemployment benefits.

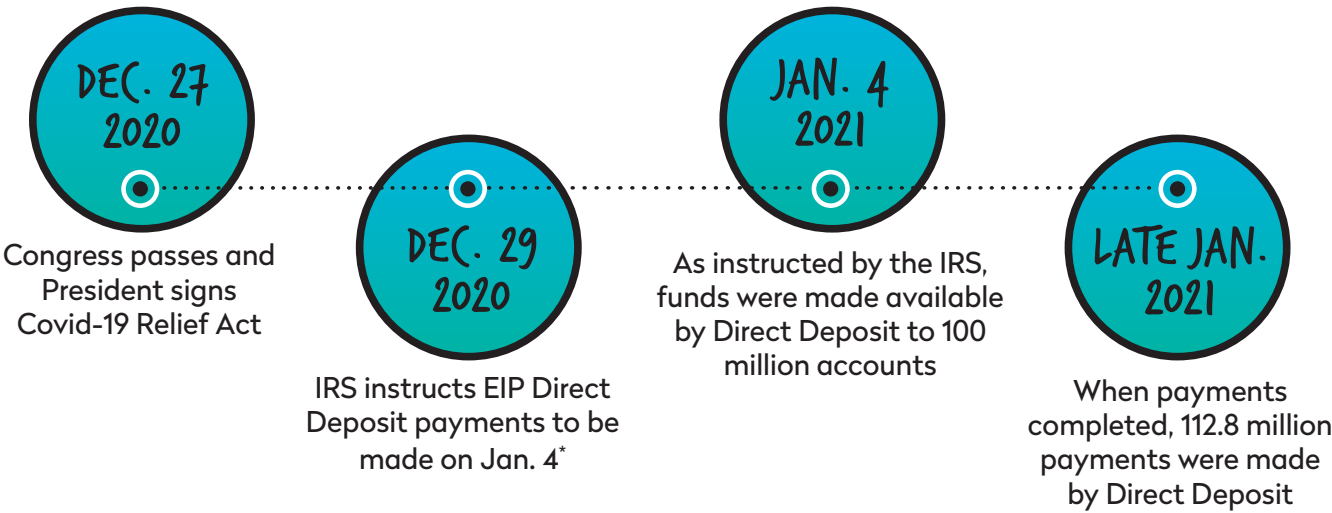
ECONOMIC IMPACT PAYMENTS (EIPS) TIMELINE

American Rescue Plan

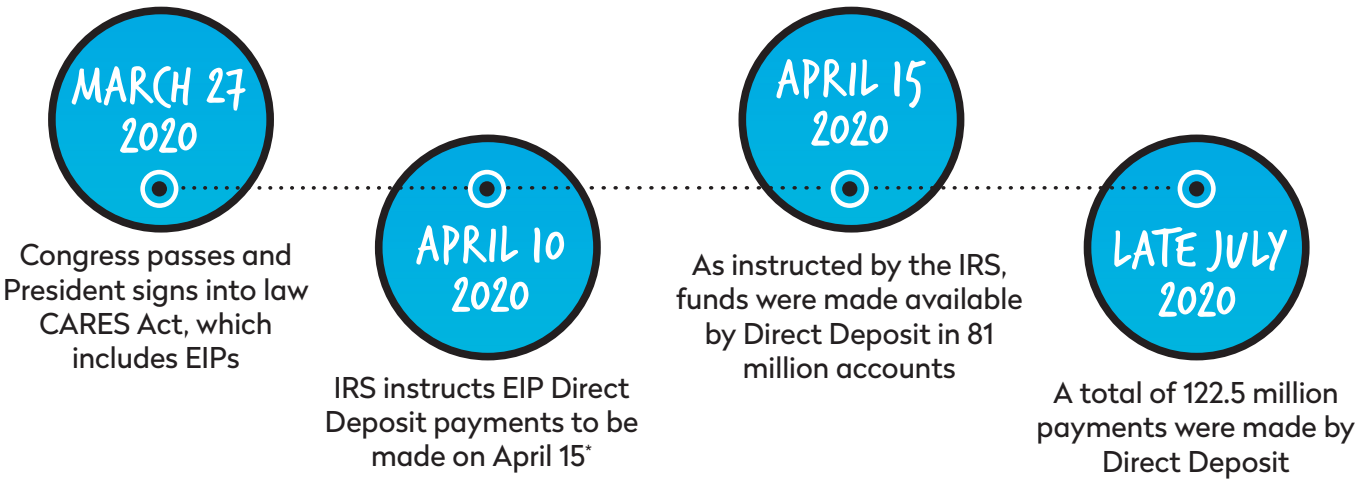


** Advance child tax credit payments will continue through December 2021.

Covid Response and Relief Act



CARES Act



* Had the IRS wanted the funds available earlier, it could have issued different instructions, which the ACH Network and financial institutions would have followed.