

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/ACHDelieveredEIPs



MYTH: DIRECT DEPOSIT DELAYED EIPs.

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

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.

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.

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.

FALL: 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



President Biden signs into law the American Rescue Plan, which distributed payments in multiple rounds



IRS issues 90 million
Direct Deposit payments
with instructions for
funds to be made
available on March 17*



By summer, most EIPs were complete** resulting in 137.9 million payments by Direct Deposit

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

Covid Response and Relief Act



Congress passes and President signs Covid-19 Relief Act



IRS instructs EIP Direct Deposit payments to be made on Jan. 4* JAN. 4 2021

As instructed by the IRS, funds were made available by Direct Deposit to 100 million accounts



When payments completed, 112.8 million payments were made by Direct Deposit

CARES Act



Congress passes and President signs into law CARES Act, which includes EIPs



IRS instructs EIP Direct Deposit payments to be made on April 15° APRIL 15 2020

As instructed by the IRS, funds were made available by Direct Deposit in 81 million accounts



A total of 122.5 million payments were made by Direct Deposit

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

