

# Economic Impact Payments: What to expect

Many Americans are eligible for Economic Impact Payments (EIPs) as part of coronavirus tax relief efforts.

On Friday, April 10, the Internal Revenue Service issued 75 million economic impact payments by direct deposit to qualified Americans with the funds to be available in accounts on April 15. Additional electronic payments will be released throughout April.

These payments are based on 2018 and 2019 tax filings. Individuals who did not file for electronic returns for 2018 or 2019 filings will not receive direct deposit payments via ACH. Instead, these qualified individuals will receive payment by check in the mail in the coming weeks.

## What to communicate with members – the basics:

- // For some qualified individuals, EIPs will be available in accounts on April 15.
- // Those that receive a payment on April 15 is based, partly, on whether the individual filed for electronic returns in 2018 or 2019 tax return filings.
- // There will be an opportunity to register for electronic payment on the IRS's website at: <http://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know>. (This website is not live yet).
- // If the IRS does not have a qualified individual's ACH information, they will receive the payment via check in the mail.
- // Mailed checks will be sent in the coming weeks.
- // Those who've not filed 2018-19 taxes can use the IRS portal to designate a direct deposit account here: <https://www.irs.gov/coronavirus/non-filers-enter-payment-info-here>.
- // Financial institutions will not have additional information for individuals besides whether a deposit by ACH was received.
- // You can access a newly released IRS toolkit on CUNA's COVID-19 Resource Center. <https://www.cuna.org/COVID19/Resources/>

## How members can register their accounts through the IRS website, once live:

- // Go to <http://www.irs.gov/newsroom/economic-impact-payments-what-you-need-to-know> to see if you have to set up the online portal
- // Add your credit union account number
- // Add the routing number of your credit union
- // Don't include the check number
- // Double-check that you have entered the correct numbers. Entering an incorrect number could result in a payment delay

## Explanation of garnishment process:

- // The CARES Act specifically codes the economic impact payments as a tax rebate, not a government benefit.
- // Tax rebates are subject to garnishment.
- // Classification as a tax rebate is not in the control of credit unions.
- // It is possible that a "phase 4" stimulus bill could change this classification for any future economic impact payments, thereby making them not subject to garnishment, but that will not apply to current EIPs.

We know this has been a confusing process with little information. CUNA and Leagues are doing everything we can to get more details so that you can best support your members. Please let us know if there's anything else we can do to support you.