

Economic Impact Payment Round Two FAQ for Consumers

On December 21, 2020, Congress authorized, a \$900 billion bipartisan coronavirus relief package to provide assistance to American consumers and businesses struggling as a result of the coronavirus pandemic. A provision of the law includes sending government payments to eligible Americans. To help answer common questions about these payments, the American Bankers Association has developed the following questions and answers. We will update the FAQs as we learn more details from the Treasury Department.

1. How large a payment will I receive?

The Internal Revenue Service is the agency responsible for determining eligibility. In general, single adults with an adjusted gross income of \$75,000 or less will get \$600. The \$600 limit will also apply to dependents. So, married couples earning a combined adjusted gross income of \$150,000 or less with two kids, will receive a total of \$2,400. Individual and married taxpayers earning over \$75,000 and \$150,000 respectively will get reduced payments with full phase-outs at \$87,000 and \$174,000.

For complete eligibility information please visit the IRS website.

2. Will college students be eligible to receive a payment?

The definition of eligible individuals excludes those who are claimed as a dependent on another taxpayer's return. Accordingly, to the extent a college student is claimed as a dependent on the tax return of a parent, he or she would not be eligible for the rebate.

For complete eligibility information please visit the IRS website.

3. When will I receive my payment?

If you have provided the Internal Revenue Service (IRS) with your bank information, you should have received an electronic payment on January 4th. Those that have not registered with the IRS will have their payment, either a check or a prepaid card, mailed directly to them. Please note, however, that mailed payments will require more processing and mailing times.

If you filed taxes in 2019 and included your bank routing and account number for payments or refunds, and this information has not changed, the IRS has the information it needs to send your payment electronically. In addition, for Social Security recipients, the IRS will use direct deposit by the Social Security Administration to facilitate payments. If the direct deposit information you have provided in the past is for a bank-issued prepaid debit card, you will receive your funds on that card account.

You can check the status of your payment by visiting the IRS' "Get My Payment" web tool. Recipients will be mailed a check or prepaid card if the IRS does not have your information on file.

The IRS has indicated that because of the speed at which it issued this second round of payments, some payments may have been sent to an account that may be closed or no longer active. By law, the financial institution must return the payment to the IRS; they cannot hold and issue the payment to an individual when the account is no longer active.

While the IRS is exploring options to correct these payments, the IRS advises those who have not received their full payment by the time they file their 2020 taxes that they may claim the Recovery Rebate Credit on their tax return. The credit is figured like the Economic Impact Payment, except that the credit eligibility and the credit amount are based on the 2020 tax year information, including income. More information can be found at [IRS.gov/eip](https://www.irs.gov/eip).

4. Can I receive my payment electronically if my current information is not on file with the IRS?

For this round of EIPs, the IRS is not activating its online portals to accept new bank routing information from recipients scheduled to receive a paper check. You can review your payment status at the IRS "Get My Payment" portal.

5. I have a bank account. Can I still receive a paper check?

Yes, but be aware that your payment will be slower than an electronic transfer. Paper checks may be sent out weeks after the electronic checks are sent.

If you are willing to wait, we recommend that you deposit the check through remote deposit capture, if your bank offers this service. This is basically taking a picture of your check through your bank's smartphone app. Follow the simple directions and you can make the deposit from the comfort and safety of your home the same day the check arrives in the mail.

Alternatively, you can make the deposit at your bank's ATM.

The important thing to remember is that with branches closed or restricted, you may be required to visit a bank drive-through location if you want to deposit the check in person.

6. I don't have a bank account. What can I do?

Many banks open accounts for most customers online without you ever needing to step into a bank branch. That is important because most bank branches are restricting access due to coronavirus concerns. Search online for banks that offer digital account opening, and reach out to banks to see if they are offering new, flexible ways to become a customer. While it is not possible to upload your routing information to receive an electronic payment for this round of EIPs, you will be able to cash or deposit your check at your new financial institution instead of using a high-cost check casher.

For more information, visit our resources on finding the bank that's right for you. You can also learn about the Bank On movement to access low-cost, basic bank accounts.

7. What can I do if I don't receive my payment?

Payments began going out during the first week of January 2021 and will continue through mid-January. If you have not received your full payment by the time you file your 2020 tax return, you may claim the Recovery Rebate Credit on your tax return. For people who only received a partial Economic Impact Payment, they can take the Recovery Rebate Credit **for any remaining amount they're eligible for** by completing line 30 of the 2020 Form 1040 or 1040-SR.

For more information about Economic Impact Payments and the 2020 Recovery Rebate Credit, visit [IRS.gov/eip](https://www.irs.gov/eip).

8. What can I do to prevent fraudsters from accessing my funds?

There will be a large amount of funds disbursed to qualifying individuals. Accordingly, there is a risk for fraud of various types. The IRS has announced various ways individuals can be on guard against these types of bad activities. See the notice.

It is important to remember that banks or the federal government will never contact you by telephone, text or email asking for your account information. Do not provide any banking information to anyone claiming to be registering you for your relief payment.

9. What happens if a payment is made to someone who is deceased?

The legislation states that eligible recipients that were alive as of 1/1/20 are enabled to receive EIPs. If the recipients dies between 1/1/20 and receiving an EIP, that payment remains valid. These payments would be accepted through the deceased's estate.

10. What happens if a payment is made to someone incarcerated or a non-resident alien?

Incarcerated recipients are eligible for EIPs. Non-resident aliens are not eligible.



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