



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

July 22, 2020

The Honorable James E. Clyburn
Chairman
Select Subcommittee on the Coronavirus Crisis
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Clyburn:

I write in reply to your July 8, 2020 letter regarding the Department of the Treasury's delivery of Economic Impact Payments (EIPs), as provided by section 2201 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

The CARES Act required the Department to issue EIPs "as rapidly as possible," and the Department of the Treasury and the Internal Revenue Service (IRS) have worked with unprecedented speed to issue EIPs to American families. Through a partnership with Treasury's Bureau of the Fiscal Service (Fiscal Service), the IRS has issued approximately 160 million EIPs totaling about \$269 billion through direct deposit, paper checks, and EIP Cards.

More than 80 million EIPs were issued within three weeks of the CARES Act being enacted, and almost all were made within two months. In 2008, the last time a similar effort was undertaken, it took nearly three months to deliver the first 800,000 stimulus payments.

To issue payments as rapidly, safely, and securely as possible, the first payments were issued via Electronic Funds Transfer (EFT) to eligible 2019 or 2018 federal tax return filers for whom the IRS already had direct deposit information. Treasury also worked with the Social Security Administration and Department of Veterans Affairs to obtain payment information for millions more Americans, so that federal benefits recipients who had not filed taxes for 2019 or 2018 could receive payments automatically without providing further information to the IRS. Additionally, the IRS issued paper checks to Americans who could not receive payment by direct deposit, prioritizing eligible individuals in the lowest income group and working up.

At this time, EIPs have been distributed to all eligible Americans for whom the IRS has sufficient information to make a payment. The CARES Act allows the IRS to issue EIPs through December 31, 2020. The IRS will continue to issue EIPs to eligible individuals through that date so long as it receives sufficient payment information in time to compute the EIP and certify it to Fiscal Service for issuance. Those who do not receive their full payment by the end of the year can claim any additional credits on their 2020 tax return. Further information regarding the distribution of EIPs is enclosed.

Treasury and the IRS have implemented section 2201 of the CARES Act transparently, including a broad public awareness campaign to share information about EIPs. This outreach effort has been one of the most extensive ever conducted by the IRS. The IRS also posted on its website a series of Frequently Asked Questions to help Americans further understand how EIPs are being issued and launched two new internet tools for individuals to track their payment or enter payment information. Treasury has coordinated with consumer and financial organizations, as well as other federal agencies, to promote awareness about the EIP Card and how to use the EIP Card for free. The IRS also posted a Tax Tip to its large national network that was widely reported on by the media. Treasury's financial agent and the EIP Card issuer, MetaBank, along with its partners Fiserv and Visa, have promoted this message through the press, social media, and paid advertising. In addition, the IRS has worked with organizations and social groups that assist underserved communities in order to reach citizens who may not normally file a tax return. The IRS worked with more than 350 local and national organizations to share information about EIPs with seniors, veterans, and those experiencing homelessness. More than 170 of these partnerships were new.

The IRS encourages taxpayers who have not received their EIP and are not required to file a tax return to input their payment information into the "Non-Filers: Enter Payment Info Here" tool. To date, 6.8 million people have used this tool, which is still available. If an individual who is required to file a return tries to claim an EIP using the Non-Filer tool, the individual is instructed to submit a tax return reporting their income and any applicable credits so that the IRS can properly issue the payment. As an alternative to using this internet-based tool, the IRS has also provided a streamlined paper-filing procedure for individuals who have no requirement to file a 2019 return to submit information to the IRS in order to receive their EIP.¹

With respect to Earned Income Tax Credit (EITC) recipients, such individuals typically file their returns early in the filing season, which opened on January 27, 2020. While we do not have sufficient information to report the number of EITC claimants who tried to claim their payment through the Non-Filer tool and were instructed to mail a return, we expect that the number would be relatively small.

Your letter further inquires about how many Americans have "accessed" their EIPs. Treasury cannot track whether a recipient has accessed an EIP after it was deposited in their bank account. As of July 13, we can report that of all payments issued via EFT, only about 2 percent were returned to Treasury—and of those, approximately 99 percent have been reissued. With respect to payments issued by paper check, approximately 86 percent have been deposited or cashed, and about 4 percent have been cancelled as a result of return by the U.S. Postal Service or at the request of the IRS. For EIP Cards, about 81 percent have been activated, and only 2 percent of recipients have requested a replacement.

While we believe Americans generally prefer receiving an EIP Card in lieu of a paper check, the manner of delivering EIP Cards in a "plain envelope"—a security feature—was unfamiliar to some recipients and resulted in a limited number being inadvertently discarded. As reports of discarded EIP Cards became known, Treasury quickly worked with MetaBank to address this matter. The cardholder agreement and fee schedule for EIP Cards were updated to waive the fee

¹ See Rev. Proc. 2020-28, available at 26 C.F.R. § 1.6012-1 and <https://www.irs.gov/pub/irs-drop/rp-20-28.pdf>.

for the first reissuance of any EIP card, and any initial reissuance fee that was charged to a recipient from an earlier date has since been reversed. In early July, a follow-up letter was sent to all individuals who had not activated their EIP Cards, reminding them to activate their card or request a replacement card if they accidentally threw it away. Generally, reissued cards take 7-10 days to arrive by standard shipment. If large numbers of EIP Cards are distributed in the future, Treasury will take additional steps to minimize the possibility that EIP Cards are discarded.

Finally, we share your interest in helping recipients protect themselves from potential scams. The IRS has published information to help the public better understand and identify potential scams,² and Treasury has readily provided information to state Attorneys General offices and congressional offices to help them support consumers at the local level.

If you have further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,



Frederick W. Vaughan
Principal Deputy Assistant Secretary
Office of Legislative Affairs

cc: The Honorable Steve Scalise

Enclosure

² See <https://www.irs.gov/newsroom/taxpayers-should-be-aware-of-coronavirus-related-scams>.

Enclosure

Economic Impact Payments (EIPs) issued by the Department of the Treasury with payment dates through July 17, 2020:

Payment Method	Volume	Value
Electronic Funds Transfer (EFT)*	120,735,712	\$205,875,262,557
Paper Check	35,800,535	\$56,543,828,619
EIP Debit Card	3,690,949	\$6,510,201,376
Total¹	160,227,196	\$268,929,292,552

**EFTs generally occur via direct deposit to the bank accounts of eligible individuals. Of this total, 2.2M payments were made to Direct Express Cards at a value of \$2.7B.*

Treasury has issued EIPs to the following categories of eligible individuals:

- 2018 and 2019 tax filers;
- Non-filers who submitted information through the “Non-Filers: Enter Payment Info Here” web portal by July 7, 2020;
- Social Security and Railroad Retirement Benefits recipients who received a 2019 Form SSA-1099 or Form RRB-1099 who did not file taxes in 2018 or 2019;
- Supplemental Security Income (SSI) recipients who did not file taxes in 2018 or 2019; and
- Veterans Affairs (VA) beneficiaries who did not file taxes in 2018 or 2019.

Payments by Category of Recipient ²	Volume	Value
2018 and 2019 Tax Return Filers ³	141,522,527	\$247,132,456,257
Non-Filer Recipients of 2019 Form SSA-1099	17,439,571	\$20,927,544,579
Non-Filer Recipients of 2019 Form RRB-1099	59,518	\$71,421,600
Non-Filer Supplemental Security Income Recipients	2,922,713	\$3,507,260,400
Non-Filer Veterans Affairs Beneficiaries	410,685	\$492,823,200

Information regarding the distribution of EIPs by state is available on the IRS website at <https://www.irs.gov/newsroom/irs-statement-on-economic-impact-payments-by-state>.

¹ Totals represent weekly certified payment files, and do not include reissued payments. Payments may be made to single or joint payees. Totals are payments prior to any statutorily mandated offset for delinquent child support. Totals also do not include the more than \$2.5 billion that has been disbursed to U.S. territories for payment to those residents by their respective U.S. territory tax agency.

² These totals represent payments IRS has certified to Fiscal Service for distribution as of July 17, 2020, including reissued payments and payments that Fiscal Service is still in the process of issuing.

³ Non-filers who submitted information through the “Non-Filers: Enter Payment Info Here” web portal are included in this total. When an individual submits information into the portal, an electronic 2019 return is created for the IRS to compute and issue the EIP.