

Notice to Financial Institutions on the Upcoming Federal Economic Recovery Act Payments

Summary: During May and June 2009, the Department of the Treasury's Financial Management Service (FMS) will disburse more than 64 million Economic Recovery Payments under the "American Recovery and Reinvestment Act of 2009" signed into law by President Obama on February 17, 2009.

These one-time payments in the amount of \$250 will be disbursed to individuals receiving benefits from the Social Security Administration (SSA), Railroad Retirement Board (RRB), and Department of Veterans Affairs (VA). Individuals who owe a delinquent child support debt or a debt to a Federal or state agency will have their one-time payment offset to collect the debt owed.

A significant portion of the 64 million payments will be disbursed during the first half of May. The remaining portion will be disbursed in equal volumes each week for the remainder of May and during June. These will be separate payments and not included in regular monthly benefits. The same disbursement mechanism used for an individual's regular monthly benefits will be used for these one-time payments.

Payments by Direct Deposit through the Automated Clearing House (ACH): The volume will be approximately 53 million payments. The ACH Company Entry Description in Field 7 of the Batch Header Record will be "ERP" preceded by the appropriate agency identifier (i.e. SSA, SSI, RRB, VA).

If a financial institution is aware that an individual is deceased, it should return the payment to FMS. However, these one-time payments are not subject to reclamation under Treasury regulations (31 CFR Part 210) and reclamation notices will not be sent to financial institutions for these payments.

While Direct Deposit is the safest and most secure delivery method, we ask that financial institutions respond promptly to claims of non-receipt. Specifically, financial institutions are asked to cooperate in providing information to either customers or FMS in response to Tele-TRACE non-receipt inquiries conducted by telephone.

Regarding garnishment, these one-time payments are subject to the same statutory protections against garnishment that apply to benefit payments the individual receives. For example, if the payment recipient is receiving SSI payments, the one-time payment is treated as an SSI payment for purposes of garnishment. In general, these payments are not subject to garnishment, with limited exceptions.

Payments by U. S. Treasury Paper Check: The volume will be approximately 11 million payments, therefore increasing the check volume being presented for payment. The face of the checks will have the legend "Economic Recovery Payment" along with the appropriate agency identifier (i.e. SOC SEC, SSI, RRB, VA).

These check payments will be subject to reclamation under Treasury regulations (31 CFR Part 240) for breaches of presentment warranty, typically a forged endorsement or an altered check amount.

Financial institutions are reminded of the security features on U. S. Treasury-issued checks. FMS has implemented security features that enable financial institutions, Federal Reserve Banks, and the U. S. Treasury to detect alterations and counterfeits thereby reducing losses to financial institutions.

U. S. Treasury checks have state-of-the-art design features that are manufactured in the check to reduce the number of altered and counterfeit checks. A summary of these features is located at www.fms.treas.gov/checkclaims.

Additional Information: For general information, please visit www.fms.treas.gov. The paying agencies are providing information to individuals about these one-time payments. Should you receive any questions from customers, please provide them with the following contact information. They can go on-line for information at any time. However, they should wait until after June 4, 2009 (July 6, 2009 for VA) to call the agency if payment has not been received.

Paying Agency	Internet Address	Telephone Number
Social Security Administration	www.socialsecurity.gov	1-800-772-1213
Railroad Retirement Board	www.rrb.gov	1-877-772-5772
Department of Veterans Affairs	www.va.gov	1-800-827-1000