

Electronic Federal Benefits Payment Changes Announced

VA Press Release – December 21, 2010

WASHINGTON (Dec. 21, 2010)- The Department of the Treasury announced a new rule that will extend the safety and convenience of electronic payments to millions of Americans and phase out paper checks for federal benefits by March 1, 2013. Officials at the Department of Veterans Affairs (VA) urge Veterans to sign up for electronic payment of their benefits.

"Receiving VA benefits electronically will increase the security, convenience and reliability of these vital payments," said Secretary of Veterans Affairs Eric K. Shinseki. "VA encourages Veterans who are now receiving their benefits in paper checks to set up direct deposits before the deadline."

On March 1, 2013, VA will stop issuing paper checks. People who do not have electronic payments for their federal benefits by that time will receive their funds via a pre-paid debit card. Called the Direct Express card, it is issued by Comerica Bank as the financial agent of the U.S. Treasury.

Another deadline affects people receiving VA's compensation or pensions for the first time after May 1, 2011. Those people will automatically receive the benefits electronically.

Anyone already receiving federal benefit payments electronically will be unaffected by the changes. To learn more about the federal government's switch to direct deposit - or to change VA benefits to direct deposit -- visit www.GoDirect.org. Information about the federal government's "Go Direct" campaign is also available at 1-800-333-1795.

Along with payments for VA benefit, the change will also affect recipients of payments from Social Security, Supplemental Security Income, Railroad Retirement Board, or Office of Personnel Management.