

CHILD TAX CREDIT

ADVANCE PAYMENTS FAQS

Who is eligible for the Child Tax Credit (CTC)?

In general, the child must be age 17 or younger, be your tax dependent, and have a Social Security Number. You must have a Social Security Number or Individual Tax Identification Number (ITIN) and live in the U.S. with your child for more than half the year. You can claim the credit even if you have no recent income and wouldn't normally file a tax return.

What is the amount of the CTC in 2021?

For tax year 2021, the maximum CTC is \$3,600 for children age 5 and under at the end of 2021 and \$3,000 for children ages 6 through 17. The credit drops to \$2,000 if your income is higher than \$75,000 (single) or \$150,000 (married filing jointly) and gradually phases out above that income. See if you're eligible at irs.gov/childtaxcredit2021.

Is there a limit on how much I can receive as part of the CTC payments?

No. There is no cap on the number of children you can receive CTC payments for as long as they are claimed as dependents on your tax return and are age 17 or younger on December 31, 2021.

Who needs to act to get the CTC in advance?

Most people will get the credit automatically, but other people need to act. Take action if you didn't file a 2019 or 2020 tax return and didn't use the special IRS portal to claim your 2020 stimulus payments. The easiest way to get your advance CTC is to file your 2020 tax return. One simple option is getyourrefund.org. If you don't want to file a 2020 tax return and your income was below \$12,400 (single) or \$24,800 (married filing jointly), you can file a simplified return at getCTC.org or use the IRS tool at irs.gov/childtaxcredit2021.

Will I need to repay the advance CTC if I get too much or find out later that I wasn't eligible?

You might, but there are repayment protections. In general, people with income below \$40,000 (single) or \$60,000 (married filing jointly) don't need to repay the advance CTC. Above these income amounts, there is a formula to limit your repayment obligations and a gradual phase out. Some examples of reasons for repayment are if a child you claimed in 2019 or 2020 is no longer your dependent, your income increase significantly, your filing status changes, or your main home is outside the US for more than half of 2021. If your status has changed, update it at irs.gov/childtaxcredit2021.

The payments started July 15. Is it still worth enrolling after that date?

Yes! You can receive up to one-half of your credit up front. If you enroll late, you'll get the same amount through higher monthly payments.

Does the CTC count as income for Medicaid or the premium tax credit?

No. Just like the stimulus payments, the CTC is not reported on the application for Medicaid/CHIP, the premium tax credit, or any other government benefit.

What if I don't want to receive the CTC in advance or need to update my information?

The IRS has an Update Portal to opt out of advance payments and to update things like the number of children you claim, your address, and your bank information. (Some features are live and others are coming soon.) For more information, go to irs.gov/childtaxcredit2021.

Need help?

Learn more and check out resources to help you fill out your form at ChildTaxCredit.gov

For assistance, please contact the Cleveland Chesed Center:

(216) 932-3115 | office@clevelandchesedcenter.org

or Dahna Baskin, JFSA:

(216) 470-0375 | dbaskin@jfsa-cleveland.org

