

Child Tax Credit FAQ for Assisters

The Child Tax Credit (CTC) was increased this year and is now available up-front to help families make ends meet. For 2021, the credit can be as high as \$3,600 per child 5 years old or under and \$3,000 for children ages 6 to 17 for people with income below \$40,000 (single) or \$80,000 (married filing jointly). (Lower for people at higher incomes.) Half of this credit is available in advance through monthly payments from the IRS, starting July 15. Families can take it now or on their 2021 tax return. The enhanced CTC is only available for 2021, unless Congress acts to extend it.

Why should Navigators and assisters get the word out on the advance CTC?

Navigators and assisters serve many low-income people who aren't required to file taxes and miss out on tax benefits like the advance CTC. For example, many of these parents might be eligible for Medicaid coverage (or are in the Medicaid coverage gap). The up-front CTC could be a lifeline for them through the rest of 2021.

Who needs to act to get the CTC in advance?

Most people will get the credit automatically, but others need to act. People need to take action if they didn't file a 2019 or 2020 tax return and didn't use the special IRS portal to claim the 2020 stimulus payments. For most people, the easiest way to get the advance CTC is to file a 2020 tax return. One simple option is getyourrefund.org. People who don't want to file a 2020 tax return and had income below \$12,400 (single) or \$24,800 (married filing jointly) can file a simplified version at getCTC.org (some features are live and others are coming soon.) or using the IRS tool at irs.gov/childtaxcredit2021. (People with higher income cannot use the IRS Tool.)

What can Navigators and assisters do to help?

This depends on your time, expertise, and resources. You can:

- Help people file their 2020 tax return;
- Walk people through getCTC.org or the IRS Non-filer Tool. (Find help using the Non-filer Tool at bit.ly/nonfilerform or help with the Update Tool at bit.ly/CTCUpdate;
- Provide information about other community groups that can help people file, such as a Volunteer Income Tax Assistance (VITA) site. Find locations irs.treasury.gov/freetaxprep; or
- Give clients outreach fliers that direct them to irs.gov/childtaxcredit2021.

Child Tax Credit FAQ for Assisters

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

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

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

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

If someone takes the CTC in advance but then isn't eligible, will they need to repay it?

Possibly, but there are repayment protections. In general, people with income below \$40,000 (single) or \$60,000 (married filing jointly) won't need to repay the advance CTC. Above that income, there is a formula to limit repayment and a gradual phase out of the credit. People with income or household changes are the most likely to have some repayment. Examples include if a child claimed in 2019 or 2020 is no longer a dependent, income significantly increases, filing status changes, or the family's main home is outside the US for more than half of 2021. The IRS will send letters in January 2022 to let people know how much they received in advance in 2021 to help with reconciliation. If a family's situation has changed, update it at irs.gov/childtaxcredit2021.

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

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