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COVID-19: WHAT YOU NEED TO KNOW ABOUT THE STIMULUS PAYMENT

STIMULUS PAYMENTS 2021

- In 2021, the American Rescue Plan increased the Child Tax Credit from \$2,000 per child to \$3,000 per child for children over the age of six, and from \$2,000 to \$3,600 for children under the age of six. All working families will get the full credit if they make up to \$150,000 for a couple or \$112,500 for a family with a single parent (also called Head of Household). According to the White House, if parents choose to opt out of the advance monthly payments, they will receive the full Child Tax Credit as a lump sum in 2022 when they file their 2021 tax return.
- Half the total credit amount is being paid in advance monthly payments, and you can claim the other half when you file your 2021 income tax return. Eligible families receive an advance payment of up to \$300 per month for each child age 5 and under, and up to \$250 for each child ages 6 through 17. Advance payments are sent automatically to eligible people.
- Advance Child Tax Credit payments are based on the children claimed on the taxpayer's 2020 tax return (or 2019 if 2020 hasn't been filed yet). If you will not be claiming a child for 2021, you should unenroll from receiving the monthly payments. Otherwise, you may have to pay that money back next year.
- Receiving Child Tax Credit payments is not considered income for any family. Therefore, it will not change the amount you receive in other Federal benefits. These Federal benefits include unemployment insurance, Medicaid, SNAP, SSI, SSDI, TANF, WIC, Section 8, or Public Housing.
- The best way to deal with this new benefit in a divorce or custody matter will depend on the facts and circumstances of each individual case.

IF THIS DID NOT FULLY ANSWER YOUR QUESTION(S), PLEASE CONTACT US BY CALLING 859-431-8200 DURING OUR LIVE HOURS MONDAY-FRIDAY 10AM-6PM OR VISIT www.lablaw.org/apply-here ANYTIME.