

JULY 2021

# 2021 CHANGES TO THE CHILD TAX CREDIT

## Facts at a Glance

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### What is it?

An increase in the dollar-for-dollar tax reduction available to families with children.

### How much is the credit?

\$3,600 per child under age 6, \$3,000 per child between the ages of 6 and 17.

### Who's eligible?

Families with adjusted gross income (AGI) less than \$75,000 per individual or \$150,000 per married couple filing jointly, with gradual phase outs after those income thresholds.

### How are payments made?

Payments are made in equal monthly installments from July through December 2021 via direct deposit or check (depending on your IRS payment method of record). Payments are issued on the 15th of each month.

### How much will I receive?

The IRS will issue monthly payments that equal 50% of your estimated Child Tax Credit. For example, if the IRS estimates that you will be eligible for \$2,000, you will receive \$1,000 (50% of the total) in equal monthly installments each month from July to December. You will then receive the remaining \$1,000 credit when you file your tax return.

### What if I receive payments based on IRS estimates but am ineligible when I file my 2021 tax return?

If you receive payments during the six-month period but you are not eligible for the tax credit when you file your 2021 returns because your income is too high, you will need to repay any money received. Therefore, it may make sense for some taxpayers to opt out of payments.

### How can I opt out of payments?

You can opt out of payments on the [IRS Child Tax Credit portal](#) once you've established an account.

### What else can I do on the online portal?

The portal also allows you to:

- View any payments that have already been made to you
- Update bank account information
- Add additional children who were born in 2021

If you have questions about the Child Tax Credit, or for any other financial matters, please contact your wealth manager.

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