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Informational Letter

Section 1

Table with 2 columns: Field Name and Value. Fields include Transmittal, To, Issuing Division/Office, Date, Subject, Suggested Distribution, and Contact Person(s).

Filing References

Table with 6 columns: Previous ADMs/INFs, Releases Cancelled, Dept. Regs., Soc. Serv. Law & Other Legal Ref., Manual Ref., Misc. Ref.

Section 2

I. Purpose

The purpose of this Informational Letter (INF) is to inform social services districts (districts) that, as of July 15, 2021, families across New York State have access to new, expanded federal Child Tax Credit (CTC) benefits.

Districts are encouraged to inform their clients and other low-income households of this tax credit and how to access it if they did not file a federal income tax return for 2019 or 2020.

## II. Background

The expanded federal Child Tax Credit is an advance on the Child Tax Credit that was temporarily increased in the American Rescue Plan Act of 2021 to help families impacted by the COVID-19 economic crisis.

For eligible families, the CTC has been increased from \$2,000 to \$3,000 per child between the ages 6 and 17 (\$250 monthly per child). The CTC has been raised from \$2,000 to \$3,600 for every child under age 6 (\$300 monthly per child). Children who turn 18 on or before December 31, 2021 are not eligible for the CTC.

Half of the CTC will be paid in six monthly installments, on the 15<sup>th</sup> of each month, between July 2021 through December 2021, with the remainder of the credit being claimed when 2021 federal income taxes are filed.

Individuals who filed tax returns for 2019 or 2020, or those who signed up to receive a stimulus check from the Internal Revenue Service (IRS), will get this tax relief automatically. They do not need to sign up or take any action.

Individuals who did not file a federal income tax return, do not have a permanent address, or do not have a bank account may need assistance claiming advance CTC payments. Individuals who did not file a federal income tax return for 2019 or 2020 and who didn't use the IRS Non-filers tool to register for Economic Impact Payments should use the Child Tax Credit [Non-filer Sign-up tool](#) to register for monthly advance CTC payments. The tool enables individuals to provide required information about themselves, qualifying children age 17 and under, other dependents, and direct deposit bank information so that the IRS can quickly and easily deposit the payments directly into their checking or savings account. Individuals may also update their bank account information, mailing address, view payments, or unenroll from the advance payments by using the IRS's [Child Tax Credit Update Portal](#).

Everyone who is eligible will receive the full CTC benefits they are authorized to receive. If an individual does not meet the criteria for automatic enrollment and signs up for monthly payments after the monthly installments have begun, their remaining monthly payments will be larger to include missed payments. Individuals who do not meet the criteria for automatic enrollment and do not sign up in time for monthly payments in 2021, and those who opt-out of the advance payments, will receive the full benefit when they file their 2021 federal income tax return in 2022.

## III. Program Implications

Districts are encouraged to inform clients and other low-income individuals about the availability of tax credits, including the 2021 CTC. The IRS has provided a Toolkit ([Publication 5537](#)) that provides additional information, links to posters, and tips for spreading awareness of the CTC. Districts are also encouraged to attend a webinar hosted by the ACF in conjunction with the Treasury Department and the White House entitled [Child Tax Credit Navigator Training on 9/14/2021 at 4:30 EDT](#) to help enroll eligible families, with a particular focus on families that may not usually file taxes. This training will give information on the CTC, how to sign up for it, and will show a newer and easier version that can be used by parents. This one hour training is community and state focused. Those attending will include agencies with a family engagement component, national and community non-profits, ACF Regional Administrators, family programs and initiatives, state legislative and executive branch leaders, community health leaders, parents and youth in recovery and others. Districts may register [here](#).

Districts should also note that, as described in [GIS 21 TA/DC015](#), the 2021 CTC does not count as income for the calculation of benefits. The same is true for services.

For Family Assistance (FA) and Safety Net Assistance (SNA): whether the credit is received as an annual credit or in the form of advance monthly payments, the monies must be excluded as income in the month received and as a resource for 12 months from the date of receipt. The payments cannot be counted toward the \$2,000/\$3,000 resource limit for 12 months.

For Emergency Assistance to Needy Families with Children (EAF), Emergency Safety Net Assistance (ESNA), and Emergency Assistance for Adults (EAA): available income tax refunds and credits which are deemed exempt resources must be used to mitigate any emergency before the use of Emergency Assistance.

For Supplemental Nutrition Assistance Program (SNAP): whether the credit is received as an annual credit or in the form of advance payments, it is excluded as income in the month received and as a resource for 12 months following the date of receipt. A household would not be considered to have exceeded the income limit due to these payments because they are excluded, but for households subject to a resource test, receipt of these payments could affect eligibility after 12 months if a remaining balance from the payments were to cause the household to exceed the resource limit.

For Home Energy Assistance Program (HEAP): the credit payments will be excluded as countable income for HEAP eligibility and benefit determinations and must not be counted in the HEAP budget. Payments will be excluded from the HEAP household's income when determining eligibility for Regular HEAP, Emergency HEAP, Heating Equipment Repair and Replacement (HERR), Heating Equipment Clean and Tune (C&T), and Cooling Assistance benefits. Any remaining balance from CTC payments are not considered a liquid resource for the Emergency and HERR benefit components.

These payments, if received retroactively, are excluded as income and are not subject to lump sum provisions.

For Child Care Assistance, whether the credit is received as an annual credit or in the form of advance monthly payments, the monies must be excluded as income in the month received.

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