

Kansas Legal Services

A non-profit law firm and community education organization helping low and moderate income people in Kansas



www.kansaslegalservices.org

Third round of child tax credit payments go out this week

By Bailey Aldridge - [Kansas City Star](#) September 13, 2021

Eligible families are set to receive a third round of monthly child tax credit direct payments this week.

The temporarily enhanced tax credits — included in the \$1.9 trillion American Rescue Plan signed into law by President Joe Biden in March — provide eligible parents with up to \$3,600 per child over the course of a year. The first half of the credit will be sent as monthly payments of up to \$300 for the rest of 2021, and the second half can be claimed when filing taxes for 2021. The first two payments were sent on July 15 and Aug. 13.

Here's what to know about the child tax credit ahead of September's payments.

When does the next payment go out?

September's child tax credit payments go out to eligible families who have not opted out of receiving the direct payments on Wednesday, either through direct deposit or a paper check sent in the mail.

Where to find your September payment

Eligible parents can use the [Internal Revenue Service's Child Tax Credit Update Portal](#) to check whether they will receive their September payment via direct deposit or through the mail and to confirm which bank account or mailing address the money will be sent to.

Aug. 30 was the deadline to change where Wednesday's payments will be sent, but parents have until Oct. 4 to use the portal to update their bank account information or mailing address for next month's payments.

Parents can also use the tool to enroll in direct deposit for future payments.

What to do if you're missing a payment

Eligible families who have not received their July or August payment should check the update portal to make sure they are enrolled in direct payments and that the payments are being sent to the right place.

Families who haven't received their issued payments after a certain amount of time can request a payment trace to track their payment.

The IRS can't trace the payment unless it has been more than five days "since the deposit date and the bank says it hasn't received the payment," more than four weeks since the payment was sent via mail, more than six weeks since the payment was mailed to families with a forwarding address and more than nine weeks since the payment was sent to an address outside the U.S.

Opting out of direct payments

Families have the option to forgo future monthly payments and instead receive a larger lump sum when they file income taxes for 2021.

Aug. 30 was the deadline to opt out of September's payment, but parents can unenroll from future payments using the update portal. Once families opt out of the direct payments, they won't have an option to re-enroll yet.

If married and filing jointly, both spouses will need to opt out, the IRS says, as "unenrolling applies to the individual only." If one spouse unenrolls and the other doesn't, they will receive half the joint payment they were supposed to receive with their spouse.

The IRS says there are several reasons families may decide against receiving the monthly payments.

Parents may want to opt out if they expect the amount of taxes they'll owe to be more than their expected refund when they file their 2021 tax returns in 2022, the IRS says. The IRS says that by accepting the advance payments, the refund may decrease or the amount owed may increase.

Who is eligible for the payments

The tax credits provide eligible families with \$3,600 total per child under age 6 and \$3,000 total per child ages 6 to 17. Single parents earning up to \$75,000 a year and couples earning up to \$150,000 a year are eligible for the full credit. Benefits are then phased out for higher incomes.

The Internal Revenue Service's Child Tax Credit Eligibility Assistant tool allows families to check if they're eligible.

Low-income families who do not earn enough income to file income taxes are also eligible for the

credit. They can claim the credit using the IRS's non-filer sign up tool or can file a "simplified return" using a new tool launched by Code for America, the White House and the U.S. Treasury Department.

The Treasury Department says eligible families who didn't sign-up in time to receive the first rounds of payments can "receive increased monthly payments to catch-up for previous months after they sign up."

Printed:September 28, 2021

<http://www.kansaslegalservices.org/node/2478/third-round-child-tax-credit-payments-go-out-week>

©Kansas Legal Services