

The American Rescue Plan Act of 2021, signed into law in March 2021, increased the Child Tax Credit (CTC) from \$2,000 to \$3,000 for each child between 6 and 17 years old, and to \$3,600 for each child under age 6. The new law also set up a plan to distribute approximately half of the CTC as advance payments to families over the final six months of this year. The changes to the CTC are for the 2021 tax year only.

The IRS has announced that the advance CTC payments will be disbursed to eligible recipients in six monthly installments on the following payment dates: **July 15, August 13, September 15, October 15, November 15** and **December 15**. Payments will be issued either by direct deposit or by check. If you are eligible to receive an advance CTC payment and have previously provided your HarborOne bank account information to the IRS for direct deposits, the payment may appear in your HarborOne account on or about the dates above.

Like other stimulus payments, the CTC phases out if modified adjusted gross income (MAGI) [exceeds certain limits](#). The amount of the CTC advances will be based the taxpayer's 2020 or 2019 tax return. The payments will be up to \$250 per month for each qualifying child from age 6 to age 17 (up to \$1,500 total), and up to \$300 per month for each qualifying child under age 6 (up to \$1,800 total).

The payments are considered an advance on the CTC that you would claim for 2021. Therefore, on your tax return that you file in 2022 for the 2021 tax year, you will not get your full CTC, because you received half of it in advance. You can opt out of receiving the CTC advance payments if you think the full deduction might be more valuable when filing taxes next year than receiving payments now (you should check with your tax adviser before making that decision).

The [Advance Child Tax Credit Eligibility Assistant](#) provides a series of questions for families to answer so that they can determine if they qualify for the advance credit. The [Child Tax Credit Update Portal](#) lets families verify their eligibility for the payments. It also can help them opt out of receiving the monthly payments, if they choose to, so they can instead claim the full credit next year when they file their tax return. Finally, the IRS has set up a [Non-filer Sign-up Tool](#), which allows families who are eligible for CTC payments but don't normally file tax returns to receive the advance CTC payments.