



UBA
Compliance Brief

What every HR leader should know
about compliance, *at a glance*



Advance Availability of the Increased Child Tax Credit

May 18, 2021

1-Minute Read

The American Rescue Plan Act (ARP) is most notable for the COBRA subsidy but also provides relief for taxpayers with children. The ARP increased the maximum Child Tax Credit (CTC) and also allowed taxpayers to receive an advance of the CTC. For 2021, the CTC is increased to \$3,600 for children under the age of 6 and to \$3,000 per child for children between ages 6 and 17.

On May 17, 2021, the IRS and Department of Treasury [announced](#) that the increased CTC payments will be made on the 15th of each month unless the 15th falls on a weekend or holiday. The payments are scheduled to begin in July 2021. Eligible families will receive a payment of up to \$300 per month for each child under age 6 and up to \$250 per month for each child age 6 and above. The IRS and Treasury indicated that roughly 39 million households, covering 88% of children in the United States, are slated to begin receiving monthly payments. The advance CTC is intended to assist families to recover from financial distress caused by the COVID-19 pandemic.

Additional information for taxpayers on how they can access the Child Tax Credit will be available soon at [IRS.gov/childtaxcredit2021](https://www.irs.gov/childtaxcredit2021).

This information is general and is provided for educational purposes only. It is not intended to provide legal advice. You should not act on this information without consulting legal counsel or other knowledgeable advisors.