

MARCH
2022

Healthy Money Habits

Key Points

-The child tax credits (CTC) are not taxable and are not reported as income on your 2021 tax return.

-You must match your advance payments with the amount of the credit you are eligible to receive on your 2021 income tax return or your tax return processing could be delayed.

-CTC payments were distributed monthly between July 15, 2021 and Dec. 2021.

-The IRS sent, or is sending, Letter 6419 to let taxpayers know the total amount of advance CTC payments made throughout 2021.

-Advance child tax credit payments are not counted as income and will not affect eligibility for government benefits or assistance.



Got kids? How will the 2021 Child Tax Credit payment impact your refund?

If you're one of the millions of Americans who received advance Tax Credit payments, your 2021 tax refund could be impacted. If you were a recipient of this monthly payment, you should have received a 6419 Letter from the IRS by the end of January which will help you file your 2021 tax return so be sure to hold on to it. "Eligible taxpayers who received advance Child Tax Credit (CTC) payments should file a 2021 tax return to receive the second half of their credit. Eligible taxpayers who did not receive advance Tax credit payments can claim the full credit by filing a tax return."¹ The IRS recommends that you compare this amount with the total CTC you're entitled to. If the total CTC you qualify for exceeds how much you already received through your advance child tax credit payments, you can claim the remaining amount on your 2021 tax return. If you received more than you qualify for, you will need to repay some or all of the excess payments back to the IRS when filing your taxes.

Here's what the letter looks like for reference:



Department of the Treasury
Internal Revenue Service
[Operating Division/Program Name]
Austin, TX 73301-1501

Date:
[]
Contact Number:
800-908-4184

[Recipient name]
[Address line 1]
[Address line 2]
[Address line 3]

2021 Total Advance Child Tax Credit (AdvCTC) Payments	
Keep this important tax information. You need it to prepare your 2021 income tax return.	
Box 1. Aggregate amount of AdvCTC payments you received for 2021. Enter this amount on Schedule 8812, line 14f or line 15e, whichever applies. If you file a joint return for tax year 2021, you must add the amounts in Box 1 from both Letters 6419 and enter the total amount on Schedule 8812.	\$[xx,xxx.xx]
Box 2. Number of qualifying children taken into account in determining the AdvCTC. See Schedule 8812 instructions if you complete Part III, Additional Tax.	[xx]

Why you received this letter

Under the American Rescue Plan, the IRS made monthly AdvCTC payments as part of your 2021 Child Tax Credit from July through December to help support families raising children.

- If you're eligible for the credit, file Schedule 8812 with your 2021 income tax return to claim your remaining credit (for a total amount of up to \$3,600 per child under age 6 and \$3,000 per child age 6 through 17).
- If you aren't eligible for the credit, file Schedule 8812 to determine if you must pay back some or all the monthly payments you received in 2021 and if you qualify for **repayment protection** (discussed below).



What is the Healthy Money Habits Program all about?

Healthy Money Habits is a program available to Northern Nevada HOPES patients, free of charge. We are here to help you reach financial wellness by providing financial education, financial coaching, and additional services that help you set and achieve financial goals. We are not financial advisors or counselors, but we are dedicated to improving your financial health, empowering our community, improving financial literacy, and decreasing stress due to financial issues. Remember that financial health is part of your overall health! To find out more, contact the Financial Coach.

-If you have not received 6419 Letter you can access it on:

[Child Tax Credit Update Portal | Internal Revenue Service.](#)

-Those who make under \$73,000 per year can actually have their taxes done for free using the IRS Free-Filer Program online.

[Do your Federal Taxes for Free | Internal Revenue Service \(irs.gov\)](#)



Dear Financial Coach...

Q: I heard about child savings account and something called the Nevada College Kickstart. What exactly is it and how can I get involved?

Dear Reader: This is a great question and not many Nevadans are aware of these accounts. Statistically, Children who have savings are seven times more likely to attend college than those without². The Nevada College Kickstart Program establishes a college savings account in the name of Kindergarten students. However, as the parent you must claim your child's account by the time they enter the 5th grade to keep it. You can claim your child's account at www.NV529.org. If you'd like more information, contact the Financial Coach.



Contact Us

Diana Ruiz-Gonzalez

Financial Wellness Educator

775-786-4673 Ext. 7120



1. Should you be receiving CTC return?
[Internal Revenue Service | An official website of the United States government \(irs.gov\)](#)

2. Elliot, William & Beverly, Sondra (2011). The Role of Saving and Wealth in Reducing "Wilt" Between Expectation and College Attendance. *Journal of Children and Poverty*. 17. 165-185

