

To: All DHS Staff and Providers
From: Kimberly Ali, Commissioner
Re: Information about the new federal Child Tax Credit (CTC) and guidelines on the release of Social Security Numbers for children and youth in foster care

This memorandum is to inform DHS staff and contracted providers about responsibilities regarding the new federal Child Tax Credit and releasing Social Security Numbers (SSN) of children and youth in foster care for child-related tax purposes. This guidance is effective immediately.

The American Rescue Plan signed by President Biden earlier this year expands the federal Child Tax Credit (CTC) for the 2021 tax year. The newly expanded CTC will provide \$3,600 for each child aged 5 and younger, and \$3,000 for each qualifying child between the ages of 6 – 17. For the first time, the Internal Revenue Service (“IRS”) will begin making advance monthly payments of either \$250 or \$300 per child beginning July 15, 2021. The City of Philadelphia and the Department of Human Services encourages every eligible household to claim the CTC.

Informing Families

At the next visit with the caregiver (in-home or resource parent), staff should make the caregiver aware of the expanded Child Tax Credit and the benefit mentioned above for eligible caregivers. DHS staff and contracted providers may release the SSN of a child in foster care to the resource parent upon request of the resource parent. The requestor must be informed that the SSN may only be used for claiming child-related tax benefits for which the caregiver may be eligible because of their care of the child. Upon request, **staff may also provide the caregiver with verification that the child lived with them for more than six months in the tax year.** Staff should encourage potential CTC claimants to learn more from the links provided and seek assistance from the organizations listed below for questions about eligibility.

Child Tax Credit Eligibility

Some basic eligibility requirements include: the child must be under 18 before January 1, 2022; the child must live with the caregiver for more than half of the 2021 tax year; and the household income is less than a specified amount. For full criteria or if unsure whether a caregiver will be eligible to claim the CTC for the 2021 tax year, caregivers should be advised to consult a tax expert, or seek information from the IRS.

- Caregivers can use the IRS Eligibility Assistance Tool to see if they can claim the CTC: [Advance Child Tax Credit Payments in 2021 | Internal Revenue Service \(irs.gov\)](#)

How the Caregiver Can Claim the Child Tax Credit

- Caregivers should automatically receive the CTC if they:
 - Filed taxes for 2019 or 2020 and claimed the qualifying child or children
 - Gave the IRS information to receive the 2020 Economic Impact Payments (stimulus checks) and claimed the qualifying child or children.

The IRS will begin making monthly payments either to the bank account on record, or mail paper checks.

NOTE: For a child in foster care in 2021, a different caregiver may have claimed the child as a dependent on the 2019 or 2020 tax return. The 2021 caregiver may need to wait until they file their 2021 tax return to claim the child for 2021. If payment has been made to a different caregiver, the IRS may request additional information from both caregivers to determine who is eligible.

- If the caregiver has not filed taxes for 2019 or 2020, the caregiver will need to claim the CTC. In order to claim the CTC, the caregiver can either:
 - Get free help from one of the non-profit providers listed in the next section below.
 - File 2020 taxes late. If a caregiver does not owe the IRS any money, there is no penalty for filing late.
 - [Access the IRS Non-Filer Portal](#) if the caregiver is normally not required to file taxes: [Advance Child Tax Credit Payments in 2021 | Internal Revenue Service \(irs.gov\)](#)

Get Help Filing Taxes or Claiming the Credit for Free

- The City of Philadelphia partners with the Campaign for Working Families (CWF) to help families file taxes for free. CWF will help families claim all the tax benefits they may be eligible for. Go to www.cwfphilly.org or call 215-454-6483.
 - If caregivers have questions about who is eligible to claim a child, or how to sign up using one of the portals, they may contact Community Legal Services at (215) 981-3700 for assistance.
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RELATED DOCUMENTS AND RESOURCES

Attachments:

Forms:

Related Policies or

Procedures:

Other Resources:

REVIEW AND APPROVAL

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APPROVAL SIGNATURE

(Authorizing Leadership Name and title)

Signature: _____

Date: 9/29/2021

Name: Kimberly Ali

Title: Commissioner