Childcare Fee Assistance

Frequently Asked Questions

Who is eligible for childcare fee assistance?

- Recipients must be full-time faculty, staff or undergraduate/graduate school students
- Children must be enrolled full time, five days per week, at the center
- Combined family income must be $100,000 or less, as documented on last year's tax return
- Both parents must be employed or in school full time (as is consistent with Dependent Care Flexible Spending Account rules)

When is the best time to apply for fee assistance?

Applications can be submitted beginning in January for the following school year or as soon as tax documentation from the prior calendar year has been completed, you can submit the fee assistance application with the completed tax return to the center or Office of Work/Life Resources contact. Fee assistance applications are accepted on a first come, first serve basis.

Who do I submit the fee assistance form and tax documentation to?

Fee assistance applications for The University Children’s Center can be submitted to The Office of Work/Life Resources.

Fee assistance applications for Bright Horizons can be submitted to evanston@brighthorizons.com.

Fee assistance applications for McGaw YMCA can be submitted to Rebecca Slenk.

How is the fee assistance money awarded?

For eligible faculty, staff or students fee assistance is awarded on a sliding fee scale according to the family’s adjusted gross income, as documented on the previous year’s tax return and the tuition rate associated with the child’s classroom.

Can I use fee assistance with the Dependent Care Match?

Yes. Staff and faculty with a family adjusted gross income up to $100,000 can apply for Northwestern matching funds by completing the Dependent Care Match application.
Can I use fee assistance with the Dependent Care Flexible Spending Account?

Yes. Dependent care expenses that allow you and your spouse to work can be reimbursed for a maximum annual election of $5,000.

Is the fee assistance award taxed?

Yes. The fee assistance you receive will be taxed. In accordance with the Internal Revenue Code and related Regulations, certain employer provided dependent care assistance is considered taxable income. The University is reporting employer provided childcare fee assistance on the W-2 form. When determining your FSA Dependent Care contribution, you will want to take into account the amount of child care fee assistance received from the University, as the maximum annual exclusion for tax free employer provided dependent care assistance is currently $5,000 annually.

Important Considerations:
If you terminate your relationship with the University, you will remain liable for the taxes associated with fee assistance received. For example, if you leave the University mid-month, the amount of your tax liability may not be reported to the University by the time you receive your final paycheck, so you may receive a bill from the University for the associated FICA taxes (7.65% of fee assistance) for the preceding month. You will be responsible for payment of these FICA taxes. Any federal and state tax obligations will be your own responsibility. If you fail to notify Northwestern University of your termination and continue to receive fee assistance beyond your termination date, you must reimburse the University for the Fee Assistance paid by the University on your behalf.

If you are a student and you become a temporary, part-time or full-time employee, you will be liable for federal and state taxes on child care fee assistance you receive retroactive to the beginning of the calendar year and will continue to be liable for the entire calendar year. Northwestern will send you a bill for the amount of uncollected FICA taxes, and paying the federal and state taxes will be your own responsibility. It is important to note that if you fail to pay these taxes, any future child care fee assistance will be in jeopardy.

Who do I inform if my status with Northwestern University changes?

If your status with Northwestern University changes, or if either parent is no longer working or in school full time, you are responsible for informing The Office of Work/Life Resources. It is also recommended that you inform the center director.