

Adoption Assistance Plan

Introduction

The Adoption Assistance Plan provides financial assistance to eligible employees seeking to adopt a child. This Plan is intended to qualify as an adoption assistance program under the meaning of section 137 of the IRS Code. This benefit is not subject to ERISA.

Eligibility

All regular full-time employees (scheduled to work 30 or more hours per week) are eligible for coverage under this Plan. Employees scheduled to work less than 30 hours per week are not eligible for coverage under this Plan. You must complete one year of service before being eligible for this benefit.

Reimbursable Eligible Expenses

Reimbursement is limited to eligible expenses as defined below. The maximum amount of reimbursement available per adoption is \$10,000.ⁱ The lifetime maximum reimbursement per family is \$20,000.

Eligible expenses can include but are not limited to the following reasonable and necessary expenses directly related to the legal adoption of an eligible child:

- Adoption fees;
- Court costs;
- Attorney fees;
- Counseling expenses;
- Traveling expenses (including amounts expended for meals and lodging while away from home); and
- Other expenses that are directly related to the legal adoption of an eligible child.

Human Resources will have the final determination on what are reimbursable eligible expenses.

Eligible Child

An eligible child means an individual who is not a relative of an eligible employee or domestic partner and who:

- Has not attained age eighteen (18); or
- Is physically or mentally incapable of caring for oneself.

Exclusions

Eligible reimbursement expenses do not include expenses that are:

- Paid, reimbursed, or excused under any other plan or program;
- Incurred in violation of any state or federal law or in carrying out any surrogate parenting

arrangement;

- Incurred with respect to the adoption of a child of the eligible employee's spouse (i.e. a stepchild);
- Incurred prior to the date the employee becomes an eligible full-time employee (as defined above) for purposes of the Adoption Assistance Plan;
- Incurred with respect to the adoption of an eligible child who is not a U.S. citizen or resident until and unless the adoption is finalized; or
- Incurred with respect to the adoption of embryos.

Exclusions from Taxable Income

The reimbursement amount you receive under this Adoption Assistance Plan will be excludable from federal tax unless your taxable income exceeds a certain dollar amount set by the IRS. Other taxes may apply, such as state taxes, which will vary by state. For 2019, if your federal modified adjusted gross income (MAGI) exceeds \$211,160, the dollar amount of the adoption assistance reimbursement you can exclude from your federal taxable income will begin to phase out, and once your MAGI reaches \$251,160 or more, none of these reimbursements you receive will be excludable from taxable income.

Reimbursement Procedures

A claim for reimbursement must be submitted within six months of finalizing the adoption (or within six months of the termination of the domestic adoption proceedings, if applicable). You may submit up to two claims per adoption event.

You must also be an eligible full-time employee on the date the adoption becomes final, submit your claim for reimbursement while you are employed as an eligible full-time employee, and be employed as an eligible full-time employee on the date the Adoption Assistance reimbursement is paid.

You may request reimbursement by contacting Chief Human Resources Officer or whoever he has empowered to administer the program and providing the necessary documents reflecting proof of adoption and substantiation of expenses. Reimbursement will be paid via normal payroll practices.

ⁱ This is without regard to lower maximums that may apply or limit the amount excludable from federal taxable income on an individual taxpayer basis due to adjusted gross income.