

# Adoption Reimbursement Policy

Tire Rack has developed this policy to offer assistance to eligible employees who are adopting children.

## **Eligibility**

Effective January 1, 2005, all full-time employees are eligible for adoption benefits after completing 12 months of continuous employment. If an employee and his/her spouse both work at Tire Rack, only one employee can utilize the benefits. Adoption reimbursement benefits are limited to two per family.

Adopted children, to be considered for this benefit, must be under 18 years old and may not be biologically related to either the employee or his/her spouse.

## **Financial Reimbursement**

Eligible adoption-related expenses will be reimbursed up to a maximum of \$5,000 per adopted child. Most expenses directly related to the adoption are reimbursable. These include:

- Agency and placement fees
- Legal fees and court costs
- Medical expenses of the birthmother
- Medical expenses of the child, not covered by insurance
- Temporary foster care costs
- Immigration, immunization and translation fees
- Transportation and lodging

## **Taxation of Benefits**

Adoption reimbursements may be excludable from an employee's federal taxable income. If gross household income is \$150,000 or less, an income tax exclusion of up to \$10,000 for qualifying expenses is available. These expenses include reasonable and necessary adoption fees, court costs, attorney fees and other related expenses. Those with gross household income from \$150,000 to \$190,000 may claim a partial exclusion, and incomes over \$190,000 are not eligible for the tax exclusion. Employees should consult the IRS at 1-800-TAX-FORM or a personal tax professional for more information concerning their individual tax returns.

## **Timing and Procedure for Reimbursement**

Upon placement of the adopted child, obtain an Adoption Assistance Claim Form from the Human Resources department. Itemized receipts for expenses are required for documentation.

## **Adoption Leave of Absence**

The Family and Medical Leave Act provides up to 12 weeks of New Child Leave to care for a child placed with an employee for adoption. New Child Leave must be taken continuously. It may not be taken on an intermittent or reduced leave basis. Benefits and vacation policy follow FMLA guidelines.

## **Procedures for Leave of Absence**

Tire Rack employees seeking a leave of absence for adoption must provide their managers with available preliminary information on the need for leave as early as possible. Many adoptions are unpredictable as to when they occur. In many cases, however, early notice will prevent unplanned interruptions in workflow, and allow employees to take necessary leave time.

## **Coordination with other Benefits**

At the time of placement, you may add your child to your medical and group life insurance policies. Any additions to your benefits plan must occur within 30 days of placement and before finalization. You will need completed change forms and a copy of the adoption agreement in order to enroll.