

Adoption Assistance

Welcoming an adopted child to your family is an exciting time! At Paycor, we will provide financial support related to reasonable and necessary adoption expenses directly related to the adoption of a child to support the financial burden of this process to eligible Associates. Eligible Associates may be reimbursed up to \$5,000 annually toward eligible adoption expenses. The reimbursement amount will be based on the amount of qualified expenses incurred.

ELIGIBILITY

The following criteria of an Associate must be met to receive Adoption Assistance:

- Must be an active, full-time or part-time, benefits eligible Paycor Associate
- Have a minimum of six months of continuous active service
- An Associate must be actively employed at the time of reimbursement. Associates subject to involuntary resignation will be reimbursed for expenses submitted and approved prior to separation.

Temporary, contract, seasonal, and Associates not-benefits eligible are not eligible for Adoption Assistance.

TERMS

To be eligible for Adoption Assistance, the Associate must sign an [Adoption Assistance Reimbursement Form](#) acknowledging the following terms:

- The child(ren) has been placed in the Associate's home and the adoption is finalized by the court.
- An eligible child is an individual who is under the age of 18 or 21 (depending on the applicable state law) or is physically or mentally incapable of self-care. The name and birth date of the child must be included.
- Adoption Assistance is not available for the adoption of a child by a new spouse or stepparent.

Reimbursement for eligible adoption expenses will not exceed \$5,000 maximum per calendar year for an adoption. Additionally, if more than one child is adopted during the same calendar year the maximum reimbursement allowed is still \$5,000 and will be paid out at the completion of the adoption.

The below situations do **not** increase or extend expense eligibility:

- If both adoptive parents are employed by Paycor
- If an Associate welcomes more than one child into the family at the same time

- If an Associate welcomes more than one child into the family in the same year

Benefits paid under the Adoption Assistance program are not subject to income tax withholding; however, they are subject to Social Security, Medicare, and federal unemployment taxes. Refer to the current IRS Topic 607, Adoption Credit and Adoption Assistance Programs, regarding income exclusions and tax credits for qualified adoption expenses.

Many of the benefit programs offered by Paycor are covered under the federal law known as the Employee Retirement Income Security Act of 1974 (also referred to as “ERISA”.) The Adoption Assistance Program described in this policy is NOT subject to ERISA. The administration of this benefit program is the responsibility of the Program Administrator. The Program Administrator has the discretionary authority and the responsibility to, among other things, interpret the plan provisions, and to exercise discretion where necessary or appropriate in the interpretation, administration, and determination of eligibility for benefits under the plans.

REIMBURSEMENT

Qualified, reasonable, and necessary adoption expenses may include:

- Agency fees – only recognized and licensed public and private agencies will be considered
- Court costs, legal fees, and attorney fees
- Immigration, naturalization, and translation fees
- Medical expenses for a child not covered by insurance
- Temporary foster care expenses – only where charges are required to be paid immediately preceding the child’s placement
- Travel and lodging expenses required to bring the child from another state or from a foreign country to the United States
- Other expenses that are directly related to, and for the principal purpose of, the legal adoption of an eligible child

Qualified adoption expenses **do not include** expenses that an Associate incurs to adopt the child of the Associate’s spouse.

APPLICATION AND REIMBURSEMENT PROCESS

- Associate completes and signs [Adoption Assistance Reimbursement Application](#), agrees to the terms of the program, and copies of receipts or itemized invoices to [AskHR](#) within 180 days of the finalized adoption. Associate must provide the name and birth date of the child at the time of request.
- Associates must submit all reimbursement requests altogether at one time. Multiple requests or lack of proper documentation will not be reimbursed with exception of items requested in follow up from People Operations or a member of the benefits team.
- [AskHR](#) will verify the available benefit balance for the calendar year and confirm that all required documentation has been received and approved prior to submitting to Payroll for reimbursement.
- Once approved, the Associate will receive notification from [AskHR](#) confirming reimbursement will be processed on the next payroll or as soon as administratively feasible.
- [AskHR](#) will update the Adoption Assistance Reimbursement Tracker sheet, submit payment request to Payroll, and notify the appropriate finance partner of the payout.

ADDITIONAL SUPPORT

Associates may be entitled to a leave related to the adoption of the child. Associates may be eligible for Family Medical Leave, Paid Parental Leave, and other location-based benefit eligibility. Please contact [LeaveAdmin](#) for additional information.

The National Adoption Center maintains a list of adoption resources by state and other valuable adoption information. Call 800-TO-ADOPT or visit adopt.org.

The IRS provides additional guidance on [Adoption Credit and Adoption Assistance Programs](#).

Paycor provides access to [Maven](#) and our [Employee Assistance Program](#) which provide free 24/7 support for planning or expecting to adopt, new parents who have adopted within the last 6 months, and more.

Paycor may modify this guideline as business needs require.