

## Adoption Assistance FAQ

### Adoption expenses that qualify include:

- Home study and application fees
- Reasonable and necessary legal adoption fees
- Court costs
- Attorney fees
- Agency fees
- Medical services and counseling
- Travel and lodging fees
- Other expenses which are directly related to, and the principal purpose of which is for the legal adoption of an eligible child

### Adoption expenses that DO NOT qualify for payment by the plan:

- Adoption of a child belonging to the participant's spouse
- Illegal adoption fees
- Surrogate parenting arrangements
- Legal adoption expenses for which another deduction or credit is allowed

### Children that qualify:

- Individual who has not attained the age of 18 as of the time of the adoption.
- A child that is physically or mentally incapable of caring for himself.
- A child with special needs who cannot or should not be returned to the home of his or her parents and a specific factor or condition makes it reasonable to conclude that the child cannot be placed with adoptive parents unless assistance is provided as determined by a state. The child must be a citizen or resident of the United States.

### Please Note:

Although you won't save FICA on contributions to the Adoption Assistance Plan, you will save federal and state tax (where applicable). Consult your tax advisor for details.

### Will the Adoption Assistance Plan save more than taking the credit on my Form 1040?

If you expect to pay more than the annual limit in any one calendar year, you might want to take advantage of both. Take the tax credit on Form 1040 and be reimbursed for additional adoption expenses through this plan. Please note: although you won't save FICA on contributions to the Adoption Assistance Plan, you will save on federal taxes and most state taxes. Consult your tax advisor for more details.

### When are funds for my Adoption Assistance FSA available?

Adoption Assistance FSA reimbursements are available after incurring qualified expenses up to the amount you have contributed from your paycheck(s).

## What tax savings are available for Adoption Assistance FSAs?

While you will still owe FICA taxes, the Adoption Assistance FSA allows you to obtain Federal tax savings throughout the year rather than on your tax return.