

Adoption Assistance

Reimbursement Program Policy – United States



REWARDS
at WSP

\$ my Wallet

wsp

WSP is pleased to offer an Adoption Assistance Reimbursement Program (the “Program”) to support eligible employees who wish to expand their immediate families through adoption. Navigating the adoption process can be challenging, and cost is among the many factors families need to consider as they make the decision to adopt. This Program provides financial support through reimbursement of qualified adoption-related expenses. The Program is effective January 1, 2024.

Eligibility

To receive assistance under the Program, an Eligible Employee must incur Qualified Expenses in the process of legally adopting an Eligible Child. For purposes of this policy, the following definitions apply:

Eligible Employee

An Eligible Employee is one whose status is “active” and is classified as “Benefits Eligible” at the time of each of the following events:

- the date the Adoption is final, and
- the date(s) Qualified Expenses are incurred, and
- the dates on which the reimbursement(s) are requested, approved, and paid.

Employees who are not classified as “Benefits Eligible” are ineligible to participate in the Program. Employees may refer to Section 3.1 of the WSP Employee Handbook (“Employee Categories”) to determine if they are in a “Benefits Eligible” category.

Eligible Child

An Eligible Child is an individual who is under the age of 18 or is physically or mentally incapable of self-care. A child of a spouse or domestic partner does not qualify.

Adoption

For purposes of this policy, the term Adoption refers to the legal adoption of an Eligible Child by an Eligible Employee. Adoptions must be finalized by a court of competent jurisdiction before they will qualify for reimbursement under the Program. Proof of finalized legal Adoption will be required. Only Adoptions finalized on or after January 1, 2024, are eligible for reimbursement.

Qualified Expenses

Under this Program, Qualified Expenses are those that meet the definition of Qualified Adoption Expenses from Internal Revenue Code §23(d)(1). Such expenses generally include reasonable and necessary costs, the primary purpose of which is the legal Adoption of an Eligible Child. Examples of qualified and non-qualified expenses are listed below. These lists are intended to be illustrative only and are not exhaustive.

Qualified Expenses include:

- Adoption fees,
- Attorney fees,
- Court costs,
- Travel expenses (including meals and lodging) while away from home, and
- Re-adoption expenses relating to the adoption of a foreign child.

Non-Qualified Expenses include:

- carrying out a surrogate parenting arrangement,
- the adoption of your spouse's or domestic partner's child,
- expenses for which you received funds under any state, local, or federal program,
- expenses that are in violation of state or federal law.

For purposes of this Program, expenses will be considered incurred on the date the services are rendered, regardless of when they are billed or paid for. Qualified Expenses must be incurred on or after January 1, 2024.

How the Program Works

Eligible Employees pay for adoption expenses and then submit claims for reimbursement of Qualified Expenses after the Adoption is finalized. WSP will reimburse Eligible Employees for up to \$10,000 in Qualified Expenses per Eligible Child.

Enrollment and Cost

Eligible Employees are automatically enrolled. No action is required by the employee. There is no cost for Eligible Employees to participate.

Claims Submission

HealthEquity is WSP's claims administrator and will assist Eligible Employees through the claims process. To submit for reimbursement under the Program, Eligible Employees must:

- complete a claim form online (or by mail) with HealthEquity,
- provide HealthEquity a copy of the adoption certificate and adoption contract,

- provide HealthEquity copies of itemized bills, receipts, proof of payment such as cancelled checks or bank statements, etc. made for Qualified Expenses.

Eligible Employees have 180 days from the date the Adoption is final to submit claims for reimbursement. Claims submitted after 180 days will not be eligible for reimbursement.

Claims Approval and Payment

Upon approval of a claim by HealthEquity, reimbursement of Qualified Expenses will be made by WSP, through payroll, within 2-3 pay cycles. WSP expense reports are not required.

Taxes and Tax Implications

Reimbursements made under the Program are generally not subject to federal income tax, however, they are subject to Social Security and Medicare taxes and possibly state and/or local taxes. Amounts reimbursed through WSP will be taxed in accordance with required tax withholding and will be reflected on the W-2, in box 12, code "T", based on the year the reimbursement was made.

Rules regarding the taxation of adoption reimbursement benefits are complex. Eligible employees should consult a tax professional regarding how this Program and any other adoption tax credits could impact their individual taxes prior to opening a claim.

Expenses Limited to Finalized Adoptions Only

Qualified Expenses incurred throughout the process are not eligible for reimbursement until after the Adoption is legally finalized. Expenses for Adoptions that are unsuccessful do not qualify for reimbursement.

Reimbursement Limits

The Program provides reimbursement of Qualified Expenses of up to \$10,000 per Eligible Child. There is no limit to the number of Adoptions that an Eligible Employee may submit for, however, in no case will the reimbursement exceed \$10,000 per Eligible Child.

If two Eligible Children are adopted simultaneously, they will be treated as separate Adoptions. Each Adoption will be eligible for the maximum benefit or \$10,000. Unused funds from one Adoption cannot be used for reimbursement of expenses for the second Adoption.

If both adoptive parents work for WSP, the maximum reimbursement for the Adoption of one Eligible Child is \$10,000.

Policy Administration and Other Governance

Compliance with this policy or any related procedures, may be reviewed by WSP at any time. Fraudulent misstatements or omission of fact may result in an employee becoming ineligible for reimbursement under this Policy or ineligible for future participation in the Program, or disciplinary action.

This Program will not discriminate in favor of highly compensated employees. WSP has full discretion to amend the program at any time to ensure that such discrimination does not occur.