

VANDERBILT UNIVERSITY AND MEDICAL CENTER

HUMAN RESOURCES POLICIES AND PROCEDURES

SUBJECT: ADOPTION ASSISTANCE POLICY

POLICY #: HR-037

EFFECTIVE DATE: January 1, 2004

POLICY

The purpose of this policy is to outline the adoption assistance benefit available to regular full-time staff members who are eligible for this benefit. Adoption will be defined as steps taken through legal procedure to assume parental responsibility for an unmarried child younger than eighteen (18) years of age.

PROCEDURE

Full time regular staff who meet the established criteria listed below shall be eligible for reimbursement for eligible expenses related to the adoption process. Reimbursement will not exceed \$3,000 per child with a lifetime maximum limit of two (2) adoptions per staff member .

Criteria for Eligibility

- Regular staff with at least one (1) year of continuous service in a full-time regular position at the time of application for the benefit
- The adopted child must be under the age of eighteen (18) at the time of adoption and must not be married

Eligible Expenses

- Adoption agency and placement fees
- Attorneys fees/court costs
- Cost of temporary foster care for the child (during the adoption process)
- Immunizations (during the adoption process and prior to the finalization of the adoption)
- Reasonable and necessary transportation and lodging associated with the adoption

It is intended that this Policy meet the criteria and conditions set forth in Section 137 of the Internal Revenue Code pertaining to adoption assistance programs.

Exclusions

- Temporary, term, and part-time staff
- Children eighteen (18) years or older
- Step-children residing in the household of a natural parent
- Expenses related to the surrogate parent prior to the adoption
- Adoption expenses incurred prior to the effective date of this policy

Upon finalization of the adoption, itemized receipts and a copy of the final adoption papers from the court should be submitted to the Director of Benefits for review, approval and reimbursement. Once approved, the copy of the adoption records will be returned. Adoption assistance reimbursement is not subject to income tax withholdings. However, this benefit amount is subject to FICA tax withholding.

A Staff Member who receives a reimbursement or payment from Vanderbilt pursuant to this policy but who does not qualify, or only partially qualifies, for the exclusion from income under the Federal Tax Code must make an appropriate adjustment on his/her IRS Form 1040 to include in gross income the taxable portion of the reimbursement. In addition, the Staff Member may need to make an adjustment to his/her income tax withholding certificate (IRS Form W-4) or make estimated tax payments to avoid potential penalties for underpayment of tax on the taxable portion of a reimbursement. Consult IRS Publication 505 for more information on estimated tax payment obligations.

A staff member who adopts a child is eligible to use the Medical and Personal Leave of Absence Policy if available. ([See HR Policy # 012](#))

GENERAL INFORMATION

Forms to apply for Adoption Assistance, Leave of Absence and FMLA are available at <http://hr.vanderbilt.edu/forms>.

Contact IRS Toll-Free number (1-800-829-1040) and See Notice 97-9 1997-2 I.R.B. 35 for information about taxation of this benefit.

This policy is intended as a guideline to assist in the consistent application of University policies and programs for staff. The policy does not create a contract implied or expressed, with any Vanderbilt staff members, who are employees at

will. Vanderbilt reserves the right to modify this policy in whole or in part, at anytime, at the discretion of the University.

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Approved by Kevin Myatt, Associate Vice Chancellor, Human Resources

Approved by Lauren J. Brisky, Vice Chancellor, Administration

Approved by Harry Jacobson, M.D. Vice Chancellor, Health Affairs