

## **WellSpan Health Adoption Assistance Program Policy Program Description and Employee Notification**

### **About This Program**

WellSpan Health (the Employer) established the WellSpan Health Adoption Assistance Program Policy (the Program), effective as of January 1, 2023, for the exclusive benefit of its eligible employees. It is intended that benefits paid under the Program will be excludable from your income for federal income tax purposes to the full extent permitted under Internal Revenue Code §137. Please see the discussion below of "Important Tax Considerations" for more information. This Program document is intended to satisfy the written plan document requirement under Code §137.

### **Eligibility**

An individual that the Employer classifies as an employee in its payroll records is eligible to participate in the Program if he or she is:

- Full-time regular Employee
- Part-time employee
- PRN employee
- Per diem employee
- AND
- Participates in the WellSpan Health Medical Plan

An individual is not eligible to participate in the Program if:

- the Employer classifies that individual as an independent contractor; or
- they do not participate in the WellSpan Health Cafeteria Plan

This document refers to an individual who meets these eligibility criteria as an "Eligible Employee."

### **Benefits**

An Eligible Employee who meets the Program's conditions can obtain up to \$10,000 in reimbursement of Qualified Adoption Expenses that are paid or incurred in connection with the final adoption of an Eligible Child and while an Eligible Employee under the Program. Any attempt that leads to a successful adoption of a child and any unsuccessful prior attempt to adopt a different child are treated as one adoption. The maximum benefit is combined with the infertility benefit under the WellSpan Health Plan. (Refer to the WellSpan Health Summary Plan Description.)

If both adoptive parents are Eligible Employees, the maximum benefit applies jointly.

### **Eligible Child**

An Eligible Child must be under the age of 18 or physically or mentally incapable of self-care and must not be a stepchild of the Eligible Employee.

### **Qualified Adoption Expenses**

Qualified Adoption Expenses are actual expenses reasonably and directly related to adoption of an Eligible Child and include the following:

- agency and placement fees (including home study fees);
- legal fees and court costs;
- temporary foster care costs;

- immigration, immunization, and translation fees;
- travel and transportation costs (including amounts spent for meals and lodging);
- qualified adoption expenses that were part of an unsuccessful attempt to adopt a different child;
- other expenses as determined by the Employer, consistent with Instructions to IRS Form 8839.

**IMPORTANT:** If you adopt a special-needs child, as defined in the Instructions to IRS Form 8839, you may be able to exclude from income certain amounts in addition to the actual qualified adoption expenses you pay or incur; however, the Employer does not reimburse those so-called “deemed expenses” under the Program.

The following expenses are not qualified adoption expenses and are not reimbursable under the Program:

- expenses paid or incurred before you became an Eligible Employee under this Program;
- expenses reimbursed or reimbursable under a federal, state, or local program;
- expenses reimbursed under another employer-sponsored program;
- expenses that violate federal or state law;
- expenses associated with a surrogate parenting arrangement;
- expenses associated with the adoption of the child an Eligible Employee's spouse (stepchild adoptions);
- expenses submitted later than 12 months following the date the adoption becomes final;
- expenses incurred after you are no longer an Eligible Employee under this Program;
- expenses incurred with respect to an adoption not finalized while you are an employee of the Employer (or any of its subsidiaries);
- counseling fees associated with placement and initial adjustment (beyond what is covered under the Employer's medical plan);
- medical expenses for the adoptive child prior to placement for adoption
- medical expenses for the adoptive child's birth mother
- expenses submitted for reimbursement before the adoption is finalized
- expenses determined to be not qualified adoption expenses by the Employer, consistent with the Instructions to IRS Form 8839.

### **Claiming Reimbursement**

After the adoption of an Eligible Child is finalized, reimbursements for Qualified Adoption Expenses may be requested by:

- submitting a signed and fully completed Adoption Assistance Request Form to the Claims Administrator (WellSpan Population Health Services) within 12 months after the date the adoption is finalized; and
- attaching itemized bills or receipts substantiating the amount and nature of the expenses—and a copy of the final decree of adoption.

Requests for reimbursement not submitted within 12 months following the date the adoption becomes final will not be considered. In addition, to be eligible for reimbursement of Qualified Adoption Expenses, you must be an employee of the Employer on the date the adoption becomes final and submitted expenses must have been incurred while you were an Eligible Employee. Timely requests for reimbursement will generally be approved or denied by the Employer, in writing, within 30 days.

### **General Provisions**

The Program operates on a calendar-year basis.

The Program is Self-Funded. WellSpan Health pays all benefits and expenses under the Program. The plan is funded through contributions from WellSpan Health and participating employees of the WellSpan Health Medical Plan.

The Employer administers the Program, and has sole discretionary authority to interpret the Program, to make eligibility and benefit determinations, and to make factual determinations in connection with the Program. Any determinations of the Employer are final and binding.

The Employer intends to continue the Program indefinitely but has the right to terminate or amend the Program at any time.

This Program is to be construed, administered, and governed by the laws of the Commonwealth of Pennsylvania, to the extent not superseded by the Internal Revenue Code or other federal law.

### **Important Tax Considerations**

It is intended that benefits paid under the Program may be excludable from your income for federal income taxes to the extent permitted under Internal Revenue Code §137. You are responsible for understanding the tax treatment of reimbursements under this Program and for claiming the applicable income exclusion by filing Form 8839 with your federal income taxes. (Form 8839 and Instructions are available from the IRS and on the IRS website at [www.irs.gov](http://www.irs.gov).)

- If you do not satisfy the conditions of Internal Revenue Code §137, all or part of the reimbursements under this Program may be considered taxable income when you file your federal income tax return—for example, if your adjusted gross income (as defined in the Instructions to Form 8839) exceeds IRS limits.
- It is important for you to understand that although the Employer is required to withhold applicable federal employment taxes from reimbursements (e.g., for Social Security, Medicare, and federal unemployment tax) and to report the total amount of reimbursements to the IRS on your Form W-2, reimbursements under this Program are not subject to and are made free of federal income tax withholding. If you must include any of the reimbursements in your income, your withholding may not be enough to cover the tax on these payments. Therefore, you may need to adjust your withholding by filing a new Form W-4 with the Employer. (For general information on Form W-4, see Publication 919, available from the IRS and on the IRS website at [www.irs.gov](http://www.irs.gov).)
- Pennsylvania state and local taxes generally apply to reimbursements under this Program.
- In addition to the income exclusion discussed above, you may also be entitled to a federal income tax credit for other adoption expenses (other than for expenses reimbursed elsewhere, including under this Program or a program like this one). You are responsible for coordinating the income exclusion and tax credit and for determining which one will produce the greatest financial and tax benefit for you and your family. For additional information about the income exclusion and tax credit, please refer to the Instructions to Form 8839, available from the IRS and on the IRS website at [www.irs.gov](http://www.irs.gov).

This Program is duly adopted by WellSpan Health effective January 1, 2023.  
TPA address updated for January 1, 2024.

**WellSpan Health Adoption Assistance Program Policy  
Adoption Assistance Request Form**

Name: \_\_\_\_\_ Member ID: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Telephone: \_\_\_\_\_  
 E-mail Address: \_\_\_\_\_

Complete the information below for qualified adoption expenses paid or incurred by you. (For information as to what expenses can and cannot be reimbursed, see the Adoption Assistance Program Description and Employee Notification.) Along with this Form (properly completed and signed) you will also need to submit:

- documentation (bills, invoices, statements from independent third parties, receipts, etc.) showing your reimbursable expenses;
- a copy of the final decree of adoption; and
- any additional documentation that the Employer may request.

Be sure to provide all information requested by this Form and attach all required items. If the Form is incomplete, or if required items are not submitted, you will not have completed the steps necessary to file a claim for benefits under the Program. Remember, you must complete all steps required to file a claim within 12 months after the adoption is finalized. Please date and sign the Form, then send it along with your supporting documentation to WellSpan Population Health Attention: Claims, PO Box 2347, York, PA 17404 or via email to [pophhealthbenefits@wellspring.org](mailto:pophhealthbenefits@wellspring.org).

**Expenses for Which Adoption Assistance Reimbursement Are Requested**

| Date (Paid or Incurred) | To Whom Paid or Incurred | Description | Amount |
|-------------------------|--------------------------|-------------|--------|
|                         |                          |             | \$     |
|                         |                          |             | \$     |
| Total Reimbursement:    |                          |             | \$     |

I do/do not have access to adoption assistance from a source other than the Employer (e.g., a governmental agency or a plan covering my spouse).

I certify that I have received and read a copy of the WellSpan Health Adoption Assistance Program Policy Description and Employee Notification and that the expenses for which I am seeking reimbursement are qualified adoption expenses the Program.

I also understand that the Employer does not make any commitment or guarantee that amounts paid to me under this Program will be excludable from my income for federal, state or local tax purposes, or that any other federal, state, or local tax treatment will apply to or be available to me. I understand that it is my obligation to determine whether any payment made under this Program is excludable from my income for federal, state, or local tax purposes.

I further acknowledge that to the extent any income tax exclusion or credit may be available to me, I cannot claim both the exclusion and the credit for the same expense.

Signature \_\_\_\_\_

I certify that the information provided on this form is correct and complete.

Signature \_\_\_\_\_  
 Date \_\_\_\_\_