

CITY OF RICHARDSON INTERDEPARTMENTAL POLICY AND PROCEDURE

ADOPTION ASSISTANCE PROGRAM

POLICY

It is the policy of the City of Richardson to provide adoption benefits to all eligible City employees who are building families by the means of adoption. These benefits include financial assistance outlined in the following Procedure, and adoption leave under the Family Medical Leave Act (Section 79 A of City of Richardson Civil Service Rules and Regulations and City of Richardson Interdepartmental Policy and Procedure on the Family and Medical Act, issued May 1995).

PROCEDURE

I. ELIGIBILITY

All regular full-time employees of the City of Richardson are eligible for adoption benefits after completing their initial probationary period of employment with the City. If both parents are City employees, only one employee may utilize this benefit for each child adopted.

II. FINANCIAL REIMBURSEMENT

Eligible adoption-related expenses will be reimbursed up to a maximum of **\$6000** per eligible child adopted, once the adoption is final. An eligible child is defined as one under 18 years old, who is physically or mentally incapable of self care, or is a child with special needs. Only expenses directly related to the adoption are reimbursable, and only after the adoption has been finalized. Qualified expenses (according to IRS Regulations) include:

- Agency and placement fees, including home study fees
- Legal fees and court costs
- Medical treatment expenses of the birth mother directly related to the pregnancy of the mother and delivery of the baby, if applicable
- Medical treatment expenses of the child prior to the adoption
- Immigration, immunization, and translation fees, where applicable
- Transportation and lodging expenses incurred in securing the adoption (mileage reimbursement rate is determined by IRS standards)

Expenses NOT eligible include: those involved in a surrogate parenting arrangement, those incurred in adopting a child of the employee's spouse, voluntary donations, contributions, and other costs the employee is not legally required to pay.

Adoption benefit reimbursements are not subject to income tax withholding. However, they are subject to withholding for FICA and Medicare taxes.

Adoption reimbursements from an employer may be excluded from an employee's federal taxable income, as noted in Section 137 of the Internal Revenue Code. The **\$6000** reimbursement from the City's Adoption Assistance Program is excludable from the employee's gross income. Eligible employees are responsible for determining tax implications for their particular situation. IRS Publication 968 (Tax Benefits for Adoption) is available for this purpose (request it from the City's Accounting department or other sources).

III. PROCEDURE FOR REIMBURSEMENT

An employee contemplating adoption should contact Human Resources to discuss expenses eligible for reimbursement and procedures for submitting claims for payment.

The employee adopting the child must complete an Adoption Assistance Claim Form (refer to Attachment I.) Submit the completed and signed form to the Director of Human Resources. Itemized receipts for expenses incurred must be attached for proper documentation and audit purposes.

NOTE: A cancelled check alone will NOT be considered sufficient documentation.

All reimbursement requests, with necessary receipts, must be received in Human Resources within six months of adoption finalization.

IV. ADOPTION LEAVE

Employees may utilize family and medical leave as noted in City of Richardson Civil Service Rules and Regulations, Section 79 A (see excerpts below):

- (a) "A full time employee within the classified service who has been employed by the City of Richardson continuously for at least 12 months shall be entitled to a total of 12 work weeks of unpaid leave during a calendar year for any of the following reasons:
 - 1. birth of a child of the employee, in order to care for such child;
 - 2. placement of a child with the employee for adoption or foster care" ...
- (b) "Entitlement to leave for the birth or placement (for adoption or foster care) of a child shall expire at the end of the 12 month period beginning on the date of such birth or placement."
- (c) "The employee must substitute any accrued vacation leave ... for a part of the 12 work week period of unpaid family and medical leave."
- (d) "In any case where the need for family and medical leave is foreseeable, the employee shall provide written or verbal notice to his/her supervisor with not less than 30 days' notice before the leave is to begin. If birth or placement of a child requires leave to begin in less than 30 days, the employee shall provide the maximum amount of notice possible."

Refer also to the City of Richardson Interdepartmental Policy and Procedure on the Family and Medical Act (accessible on the City's Intranet).

V. COORDINATION WITH OTHER BENEFITS

At the time of placement for adoption, the City employee may add the child to CORPlan coverage. Any such additions MUST be made WITHIN 31 DAYS OF PLACEMENT. (Refer to City of Richardson CORPlan Employee Benefits Handbook, accessible on the City's Intranet.)

Original Signed by Bill Keffler

08/05/98 (revised 9-09)

Bill Keffler
City Manager

Date