

Adoption Assistance Program

Relias has established a program to provide employees with financial assistance to help cover the cost of adopting a child and reinforces our commitment to enhance family life.

The provisions of this program are detailed below.

Eligibility

Regular, full-time employees who have been continuously employed in a fulltime status with Relias for a minimum of twelve months are eligible.

Adoption Expense Reimbursement

The maximum amount that an Employee may receive in reimbursement for adoption related expenses is \$5,000 for each adopted child.

In the event that both an Employee and spouse work for Relias, the maximum reimbursement for each adoption will be subject to the \$5,000 maximum applicable to one Employee. *For example, if the total adoption expenses incurred for a child equal \$6,000, the Employee and spouse, combined, will be eligible for a total reimbursement of \$5,000. They cannot apply for \$5,000 under one Employee and the remaining \$1,000 for the spouse/Employee.*

To apply for reimbursement under the program, Employees must complete an Adoption Assistance Form and submit proof of the eligible expenses and a copy of the final adoption papers to Human Resources.

Any request for reimbursement of eligible expenses must be submitted within 6 months of the date the adoption is final. Human Resources will confirm eligibility, and review and approve payments. Upon approval, the reimbursement amount will be provided by separate check on the next payroll date following written notice of approval from Human Resources to the employee. Once approved, the copy of the adoption records will be returned.

An Employee who leaves the Company for any reason before eligible adoption expenses are reimbursed is ineligible for reimbursement, even if the adoption expenses were incurred and submitted prior to termination.

Qualifying Expenses Eligible for Reimbursement

Qualifying adoption expenses are reasonable and necessary adoption fees, court costs, attorney fees, traveling expenses, and other expenses directly related to, and whose principal purpose is for, the legal adoption of a child (as defined by the IRS).

Examples of expenses not eligible for reimbursement are those incurred:

- (1) in violation of state or federal law;
- (2) in carrying out any surrogate parenting arrangement;
- (3) in connection with the adoption of a child of a spouse, including step-child adoptions;
- (4) in connection with the adoption of someone over the age of 17; or
- (5) those that are expenses which are reimbursed under any other program.

Income Limits

Section 137 of the Internal Revenue Code of 1986, and its related regulations address adoption assistance plans. Expenses reimbursed under this program will be reported on the Employee's W-2 in Box 12. Amounts paid by Relias under this program are not subject to income tax withholding. However,

they are subject to FICA tax withholding. At the time the Employee files his or her annual income tax filing, the Employee must include reimbursements paid by the Company. These benefits may be exempt from federal income taxes, and Relias will not withhold federal income taxes. However, tax exemption may be unavailable (or less than expected) for employees above a certain income level. There may also be a tax credit available for expenses not reimbursed by an employer or paid by a grant program. Please refer to the IRS Guidelines for more detailed information. This information is available online at www.irs.gov. Relias recommends that employees seek tax advice from an accountant or lawyer regarding this benefit.

Adoption Resource and Referral Services

Adoption resources are available through the Relias Employee Assistance Program. An Adoption Specialist is on staff to assist Employees with resource and referral information for adoption agencies and/or legal support related to the adoption.