

Adoption Assistance Plan Overview

Banner Health wants to support you if you're in the process of growing your family through adoption by reimbursing eligible adoption expenses.

Who Is Eligible

Banner team members who are classified as regular FT/PT assigned a total FTE (full-time equivalent) of 50% or greater and have completed one year of service prior to the start of the adoption proceedings for which reimbursement is to be provided.

How It Works

- » The Plan will reimburse eligible team members for costs incurred to adopt either a child under the age of 18 or someone of any age physically or mentally incapable of self-care.
- » \$10,000 is the maximum amount of expenses that Banner will reimburse under this plan.

What Banner Health Will Reimburse

The expenses related to an adoption that are reimbursable under this program as qualified adoption expenses are the substantiated, reasonable and necessary adoption fees, court costs, attorney fees and other expenses (excluding, however, (i) travel expenses, (ii) living, medical and delivery expenses of a birth mother and (iii) any other expenses not permitted for reimbursement under the Code) that:

- a) are directly related to, and the principal purpose of which is for, the legal adoption of an Eligible Child by the Eligible team member;
- b) are not incurred in violation of state or federal law or in carrying out any surrogate parenting arrangement; and
- c) are not expenses in connection with the adoption of a child who is the child of the Eligible team member's spouse. (However, see Special Non-Qualified Benefit in plan).

Approved reimbursements are awarded on the final paycheck each month. If you submit an application and/or documentation near the end of the month, your reimbursement will process in the following month.

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General Provisions

Banner Health administers the plan and has sole discretionary authority to interpret the plan, to make eligibility and benefit determinations and to make factual determinations in connection with the plan, which are final and binding.

Important Tax Considerations

This plan benefits all eligible team members, and its eligibility requirements do not discriminate in favor of highly compensated employees or their dependents as required under §137 of the Internal Revenue Code.

Federal and state taxes may apply to qualified adoption expenses reimbursed under this plan. A portion of the reimbursements under the plan may be excludable from your income for federal income taxes to the extent you qualify under **Internal Revenue Code §137 and by filing Form 8839 with your federal income taxes**.

1. For domestic adoptions, reimbursements for qualified adoption expenses may be excludable from a team member's gross income for the tax year in which the qualified adoption expenses are reimbursed.
2. For foreign adoptions, this exclusion may only be available for the tax year in which the adoption becomes final.
3. Banner is required to withhold applicable federal employment taxes (FICA and FUTA) and to report the total amount of reimbursements on your Form W-2. Banner Health will not withhold other federal income taxes for reimbursements made under this plan, and you may be required to pay taxes on these reimbursements when you file your tax returns.
 - a) You also may be entitled to a federal income tax credit for adoption expenses that are not reimbursed under this plan or elsewhere. You will need to coordinate the income exclusion and tax credit to determine the greatest tax benefit for you and your family.

For additional information about the federal income exclusion and tax credit, please refer to the **Instructions to Form 8839**, available from the IRS and on the IRS website at [irs.gov](https://www.irs.gov). Banner does not make any commitment or guarantee that any reimbursements under the plan will be excludable in whole or in part from your gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to you.

The tax treatment of reimbursements of qualified adoption expenses under this plan is complex and will depend on your personal tax situation. Banner does not provide team members with personal tax advice. We strongly recommend that you speak to your personal tax advisor.

This plan overview is not the plan. See the Adoption Assistance Plan and Application below for complete information.

Click the link below and type in "Adoption Assistance" to find the policy information and application.

[Adoption Assistance Plan and Application](#)