

Policy: Adoption and Surrogacy Reimbursement

Purpose:

To support employees in their family-forming journeys by providing financial assistance for adoption and surrogacy expenses.

Scope:

This policy applies to all full-time employees of Epiq, regardless of their enrollment in the company's health insurance plan.

Eligibility:

- All full-time employees of Epiq are eligible for this program, regardless of their enrollment in the company's health insurance plan.
- All full-time employees with at least 12 months of continuous service are eligible for reimbursement.
 - Employee must be in “good standing” as of the request date through the course of completion date. If the employee falls out of “good standing” during the application process, reimbursement may not be approved and processed.
 - Employee must be actively employed with the company at the time of reimbursement.
- The benefit is available for domestic adoptions and surrogacies.
 - “domestic” in the policy refers to the location of the surrogacy or adoption event, not the citizenship status of the individuals involved.
 - The surrogate does not need to be a U.S. citizen.
 - The parents do not need to be U.S. citizens.
 - What matters is that the birth or legal adoption occurs within the United States.
- Employees can receive reimbursement for up to two adoption or surrogacy events, with a lifetime maximum reimbursement of \$15,000 per event.

Covered Expenses:

- Legal fees
- Agency fees
- Medical expenses for the surrogate, related to the pregnancy, and labor and delivery, if not covered by another source
- Travel expenses related to the adoption or surrogacy process

Exclusions:

- Donor charges, fees, and services associated with donor sperm and donor oocytes are not covered.
- Any expenses deemed not medically necessary.
- Expenses not permitted by applicable law.
- For purposes of surrogacy reimbursement, expenses which are not incurred pursuant to a legally valid and fully executed surrogacy contract.
- Medical expenses of the Epiq employee, the employee's spouse/domestic partner or child.
- the adoption benefit applies only to the adoption of an "individual" who has not attained age 18 or is physically or mentally incapable of caring for themselves and does not extend to the adoption of embryos or donor eggs/sperm.

Paying Taxes on Surrogacy Reimbursement:

- Covered surrogacy reimbursement expenses are considered wages and subject to federal income tax withholding, social security, and Medicare taxes. Epiq is required to withhold federal and state income tax at the time of reimbursement, as well as withhold social security and Medicare tax. The required taxes will be deducted in the payroll cycle in which the reimbursement is paid.
- Reimbursements are identified on the employee's Form W-2 as wages for the year in which the benefit is paid. In all cases, the employee is responsible to report appropriately to the IRS, state, and local taxing authorities all amounts reimbursed under this Program. Epiq strongly advises that you consult your tax advisor before participating in the program to make sure that you fully understand any personal tax impacts of this program.

Paying Taxes on Adoption Reimbursement:

- All payments or reimbursements made under this adoption assistance program for an employee's qualified adoption expenses will be excluded from the employee's wages subject to federal income tax withholding. However, these payments will be included in wages subject to social security, Medicare, and FUTA taxes. The amount will also be reported on Form W-2 in Box 12 using Code T.
- All payments or reimbursements made under this adoption assistance program in excess of the annual exclusion limit (\$17,280 as of 2025) shall be included in the employee's wages and subject to federal income tax withholding, social security, Medicare, and FUTA taxes.