

Adoption Reimbursement Benefit Policy: FAQ

1. What is the purpose of the Adoption Reimbursement Policy?

The benefit provides financial assistance to eligible employees who are going through the adoption process.

2. Who is eligible to apply for adoption assistance benefits?

All benefit-eligible employees can apply for adoption assistance benefits after six continuous months of employment.

3. Does the policy cover all types of adoptions?

The benefit covers adoptions for children, other than stepchildren, who are U.S. citizens or residents under the age of 18 and adopted through an agency licensed by the State of South Dakota, and for private adoptions legally permitted by the State.

4. What adoption-related expenses are reimbursed?

Expenses such as application fees, home studies, agency and placement fees, legal costs, transportation, and lodging expenses related to obtaining physical custody of the adopted child, and parent, child, and family adoption counseling.

5. What is the maximum amount of reimbursement provided?

The maximum reimbursement is \$25,000 per adoption. It is important to note that the reimbursement is per adoption and not per child. This means that if two or more children are adopted at the same time the adoptive parent will only receive up to a maximum of \$25,000.

6. What if both parents are employees? Can both apply for the benefit?

If both parents are employees, only one can utilize the financial benefit.

7. Are there any tax implications for the reimbursement I receive from the adoption benefit?

Yes. While some of the employer-provided adoption assistance is exempt from federal tax withholding under Section 137 of federal tax law, these amounts are subject to social security, Medicare, and FUTA taxes. Please refer to the IRS's instructions on "Qualified Adoption Expenses" or contact a tax professional for more information..

8. How do I apply for reimbursement?

To apply for reimbursement, please contact a Benefits Specialist at 605.773.3148 or via email at benefitswebsite@state.sd.us.

9. How much can I get reimbursed for specific costs like application fees, home studies, etc?

The maximum you can get reimbursed for specific costs are:

- Up to \$2,500 for application fees
- Up to \$4,000 for home studies
- Up to \$15,000 for agency and placement fees, including legal costs and proceedings
- Up to \$5,000 for travel costs
- Up to \$2,500 for parent, child, and family adoption counseling

10. When can I make requests for reimbursement?

Requests for reimbursements can be made as costs are incurred.

11. Am I eligible for benefits if I am adopting my stepchild?

No, the policy does not cover the adoption of stepchildren.

12. What happens if my adoption costs exceed \$25,000?

The Adoption Support benefit provides reimbursement up to a maximum of \$25,000 per adoption.

13. What if the child I'm adopting is older than 18?

This benefit covers adoptions for children who are U.S. citizens or residents under the age of 18.

14. Are international adoptions covered by this policy?

No, this policy covers children who are U.S. citizens or residents.

15. Are costs for adopting counseling covered by the policy?

Yes, the policy provides up to \$2,500 for parent, child, and family adoption counseling.

16. Are transportation and lodging expenses covered?

Yes, reasonable and customary transportation and lodging expenses to obtain physical custody of the adopted child are covered. These expenses may be for the adoptive parents, child, and natural mother.

17. How soon after submitting the Adoption Financial Reimbursement Form can I expect reimbursement?

The timing for reimbursement may vary. Please contact a Benefits Specialist for specific information about your case.

18. Do I have to be actively employed at the time of financial reimbursement?

Yes, the policy requires that the employee be actively employed at the time of financial reimbursement.

19. What if I leave state government after the adoption but before I've been reimbursed for all my expenses?

You must be actively employed at the time of financial reimbursement. If you leave before receiving reimbursement, you may not receive the benefit. We encourage you to submit all eligible expenses for reimbursement as soon as possible.

20. Can I apply for reimbursement if I adopted a child before I was eligible for the benefit?

Only adoption expenses incurred after an employee becomes eligible will be reimbursed.

21. Do I need to save and submit receipts for all adoption-related expenses?

Yes, itemized receipts for expenses must accompany the completed Adoption Financial Reimbursement Form when it is submitted.

22. What if my adoption process takes longer than a year? Will I still be eligible for reimbursement?

The policy does not specify a timeframe within which the adoption process must be completed. However, you must be actively employed at the time of financial reimbursement.