

**UNIVERSITY OF PENNSYLVANIA
ADOPTION ASSISTANCE PLAN**

(Effective as of July 1, 2009)

PURPOSE AND INTENT

Effective July 1, 2009, The Trustees of the University of Pennsylvania (the "University") established the University of Pennsylvania Adoption Assistance Plan (the "Plan") for the exclusive benefit of its eligible employees. The purpose of the Plan is to reimburse such employees for all or a portion of the expenses resulting from the adoption of an eligible child. The Plan is intended to satisfy the requirements of section 137 of the Internal Revenue Code of 1986, as amended (the "Code"), and to provide benefits to eligible employees that are excludable from federal gross income under section 137 of the Code.

ELIGIBILITY

All active full-time faculty with a benefits-eligible title, regular full-time staff, and limited service employees are eligible to participate in this plan after completing their first year of employment. Time as a temporary, part-time, or student worker is not counted toward this one year of employment requirement. To be eligible, a limited service staff member must work at least 35 hours per week for nine or more months of the year. If an employee is covered by a collective bargaining agreement, the employee shall be eligible to participate in the Plan only to the extent provided in the provisions of the applicable collective bargaining agreement.

QUALIFIED ADOPTION EXPENSES

Adoption expenses that may be reimbursed under the Plan include the "reasonable and necessary" include:

- adoption fees,
- court costs,
- attorney fees,
- traveling expenses (including amounts spent for meals and lodging) while away from home, and
- other expenses which are directly related to, and the principal purpose of which is for, the legal adoption of an Eligible Child (as defined below) by an eligible employee.

The following expenses, however, will not be eligible for reimbursement under the Plan:

- expenses incurred in violation of state or federal law or in carrying out any surrogate parenting arrangement, or
- expenses incurred in connection with the adoption by the eligible employee of a child of the eligible employee's spouse or domestic partner.

Adoption expenses for foreign adoptions will not be eligible for reimbursement under the Plan until the adoption becomes final. If the adoption involves an Eligible Child who is a citizen or resident of the United States, expenses will be eligible for reimbursement if the adoption proceedings are finalized or formally terminated. In either case, this must occur after the faculty or staff member has completed one year of service with the University as defined under the Eligibility clause above.

ELIGIBLE CHILD

In general, the term "Eligible Child" means any child who has not attained age 18 or who is physically or mentally incapable of self-care and who is not the child of the employee's spouse or domestic partner.

LIMITATION ON ADOPTION ASSISTANCE

Adoption assistance under the Plan is limited to \$5,000 with respect to any Eligible Child. This is a limit on the total qualified adoption expenses that may be reimbursed in connection with any Eligible Child and is not an annual limit. There is also a limit of two adoptions per household for the lifetime of employment with the University. However, if siblings are adopted simultaneously, this counts as one adoption for the household and the \$5,000 limit on reimbursements per adoption is multiplied by the number of siblings adopted at that time. All adoptions covered under this Plan must be finalized (or adoption proceedings must terminate, in the case of a terminated domestic adoption) after the faculty or staff member has completed the first year of employment with the University, and after the effective date of the Plan.

REIMBURSEMENT PROCEDURE

To obtain reimbursement, the eligible employee must submit to the University all of the following information within six months of finalizing the adoption (or within six months of the termination of domestic adoption proceedings, if applicable):

- A completed Adoption Cost Reimbursement Request Form
- Documentation of all fees, costs and other expenses incurred in connection with the adoption of an Eligible Child (including detailed receipts, invoices, canceled checks, etc.)
- Documentation that indicates whether the child is a citizen or resident of the United States or not.
- For the adoption of an Eligible Child who is not a citizen or resident of the United States, a final decree of adoption by a competent authority of the foreign-sending country establishing a parent-child relationship under the laws of the foreign-sending country as well as evidence that the child has been issued the appropriate visa from the State Department of the United States.
- For the adoption of an Eligible Child who is a citizen or resident of the United States, a final decree of adoption or documentation of the termination of the adoption proceedings.

Reimbursements will be made in accordance with the University's standard payroll practices.

CONTRIBUTIONS AND FUNDING

Eligible employees are not required or permitted to contribute to the Plan. All payments will be made by the University from its general assets.

PLAN ADMINISTRATOR

The Plan will be administered by the University's Vice President for Human Resources (or any individual or entity to whom the Vice President of Human Resources has authorized and empowered to issue uniform rules and adopt forms to be used in carrying out the purposes of the Plan). The Plan Administrator may make and enforce such rules and regulations as is deemed necessary or proper for the efficient administration of the Plan. The Plan Administrator will determine whether expenses are qualified adoption expenses eligible for reimbursement under the Plan. Additionally, the Plan Administrator will have discretionary authority to interpret the Plan and decide any and all matters arising hereunder, including the right to remedy possible ambiguities, inconsistencies or omissions and make factual determinations.

Any such corrections, interpretations, determinations of the provisions of the Plan by the Plan Administrator will be final, binding and conclusive upon all parties, including the University, employees, their families, and dependents.

AMENDMENT AND TERMINATION

The University intends to continue the Plan so long as the federal income tax exclusion is available under the Code. However, this Plan will be subject to amendment or termination at any time, and for any reason, by or pursuant to a written instrument executed by the University's Vice President of Human Resources.

IN WITNESS WHEREOF, the undersigned officer of the University has executed this Adoption Assistance Plan on behalf of the University on this 20th day of APRIL, 2009.

**THE TRUSTEES OF THE UNIVERSITY
OF PENNSYLVANIA**

By: John J. Heuer

John J. Heuer, Ed. D.

Vice President for Human Resources