



## Adoption Assistance Program

### Purpose/Objective

Graham recognizes that families are built in many ways. The Adoption Assistance Program ("Program") is provided to offer financial assistance to eligible employees who choose to build their families through adoption. The Program provides reimbursement of qualified adoption expenses that are paid or incurred in connection with the final adoption of an eligible child. The Program is intended to satisfy the requirements of Section 137 of the Internal Revenue Code of 1986, as amended (the "Code"), and the benefits paid to employees under the Program are intended to be excludable from gross income to the maximum extent permitted under Section 137 of the Code. The effective date of this Program is January 1, 2025.

### Eligibility

*Eligible Employee* - An "eligible employee" is defined as a full-time regular employee, actively at work, that Graham classifies as an employee on its payroll records, who is regularly scheduled to work a minimum of 30 hours per week, and who has been employed by Graham for at least 12 months. Part-time employees, temporary employees and interns are not eligible to participate in the Program.

*Eligible Child* - An "eligible child" is a child under age 18 or an individual 18 or older who is physically or mentally unable to care for themselves. An eligible child does not include a blood relative or child/blood relative of the employee's spouse or domestic partner (e.g. stepchild of spouse or domestic partner)

### Definition of Adoption

Under this Program, adoption is defined as an adoption of an eligible child by an eligible employee through a formal legal process. Adoptions must be legally finalized to qualify for reimbursement. Only adoptions finalized on or after the effective date of this Program are eligible for reimbursement.

### Application of Program

- An eligible employee can be reimbursed up to \$7,500 per adoption for qualifying expenses. Should an employee adopt a second child, they will be reimbursed up to an additional \$7,500. The Program provides reimbursement for a maximum of two (2) adoptions throughout the duration of the employee's tenure with Graham.
- Qualified adoption expenses incurred throughout the adoption process are not eligible for reimbursement until after the adoption is legally finalized.
- An employee must be actively employed at the time the eligible expense is incurred, the adoption is finalized and when any financial reimbursement is made.

- If both the employee and their spouse or domestic partner work for Graham, the maximum combined reimbursement benefit for the adoption of one eligible child is \$7,500.
- If two eligible children are adopted simultaneously, they will be treated as separate adoptions. Each adoption will be eligible for the maximum benefit of \$7,500.
- Unused funds for one adoption cannot be used for reimbursement for the second adoption.
- Expenses incurred for adoptions that are not successful (not finalized) do not qualify for reimbursement.
- Expenses incurred prior to the effective date of this Program are not eligible for reimbursement.
- Expenses incurred prior to employment with Graham are not eligible for reimbursement, even if the adoption is finalized while employed by Graham.

## Expenses

Only expenses that are reasonable, necessary, and directly related to, and the principal purpose of which is for, the legal adoption of an eligible child are eligible for reimbursement under the Program. Eligible expenses must be consistent with the guidelines described in IRS publication Instructions for Form 8839, *Qualified Adoption Expenses*, available at [irs.gov/formspubs/](https://www.irs.gov/formspubs/) . Examples of reimbursable qualified adoption expenses include the following:

- Adoption agency placement fees and any other non-recurring fees associated with meeting the requirements of the adoption such as:
  - Home study fees
  - Application fees
  - Social worker/facilitator fees
- Attorney costs for the adoption
- Court costs for the adoption
- Reasonable and necessary transportation, meals and lodging incurred solely for the purpose of completing the adoption
- Other reasonable non-recurring expenses directly related to the adoption of an eligible child, including immigration fees (for international adoptions)
- Translation services
- Medical expenses for the child required to complete the adoption (including immunizations)

Expenses not eligible for reimbursement through the Program include, but are not limited to:

- Adoption of individuals eighteen (18) year or older
- Any adoption that is not legally valid and recognized in the U.S.
- Any expenses that violate a state, federal, or local law
- Guardianship or custody costs that are not associated with the legal adoption of the child

- Expenses incurred prior to your employment with Graham or the effective date of the Program
- Expenses reimbursed under another employer program, or a state, local or federal program
- Expenses claimed as a credit or deduction on your personal tax return

## **Tax Treatment of Adoption Reimbursement**

The IRS provides for a tax credit and income exclusion to offset the expenses of adopting a child. Please refer to the IRS Form 8839 (Qualified Adoption Expenses) and the instructions thereto for additional information on, and the individual reporting obligations associated with, employer-provided adoption assistance benefits.

Although a particular eligible employee's personnel tax situation may result in reimbursements not being excludable from an eligible employee's gross income, the benefits provided under this Program are generally designed to be excludable from gross income under Section 137 of the Code. Adoption assistance benefits provided under the Program, however, are generally not subject to federal income tax withholding. However, the payments are not excluded from Medicare, Social Security and Federal Unemployment taxes. Any payments received under this program will be reported on the employee's W-2. State and local tax laws may vary and the benefits received under the Program may be subject to state and/or local taxes.

This Program does not constitute legal, financial or tax advice, so employees should consult with their own tax and/or legal advisors for guidance. Employees are responsible for the accurate reporting to the IRS and state and local taxing authorities of amounts reimbursed under Graham's Adoption Assistance Program.

## **Reimbursement Process**

Employees are eligible for reimbursement for qualified expenses after the adoption is legally finalized, and the child has been placed in the employee's home. Applications for reimbursement must be made within six (6) months of the finalization of the adoption. Adoption Assistance Reimbursement forms can be found on Graham's Benefits website, [www.gpcbenefits.com](http://www.gpcbenefits.com) under Adoption Assistance Program.

Eligible employees seeking reimbursement must complete an Adoption Assistance Reimbursement form and submit it with the legal adoption decree and itemized receipts for qualified adoption expenses via one of the following methods:

- E-MAIL: [gpcbenefits@grahampackaging.com](mailto:gpcbenefits@grahampackaging.com)
- FAX: 717-326-1033
- MAIL: Graham Benefits, 700 Indian Springs Drive, Suite 100, Lancaster, PA 17601

NOTE: All receipts and documents must be translated into English and monetary amounts listed in US dollars. Documentation not meeting these requirements will not be accepted.

Eligible employees will generally be notified in writing of the status of their request for reimbursement within 10 calendar days after the reimbursement request review is completed.

### **Adding Your Child to Existing Benefits**

At the time of placement, eligible employees may add their child to certain benefit elections as a placement for adoption is considered a qualified life event. In addition, qualified employees may enroll in select benefit plans. Any additions to your benefit plans must occur within 31 days of placement date.

### **Nondiscrimination Requirements**

The Program is intended to cover a classification of employees that does not discriminate in favor of highly compensated employees in accordance with Section 137 of the Code and shall be administered and construed accordingly.

### **Administration**

The Program shall be administered by the Chief Human Resource Officer, who is authorized and empowered to issue uniform rules and adopt forms to be used in the administration of Program. Except as otherwise provided herein, the Chief Human Resource Officer shall have full authority and discretion to decide all matters relating to the administration and interpretation of the Program, which determinations shall be final, binding and conclusive.

### **Amendment and Termination**

Graham reserves the right to modify, amend, suspend, discontinue or terminate this Program at any time, in its sole and absolute discretion, and may take any other action it deems necessary or advisable to conform the provisions of the Program with Section 127 of the Code any other applicable law. Except as otherwise provided hereunder, all such modifications or amendments shall be made pursuant to a written instrument executed by Graham's Chief Human Resource Officer or other authorized officer.

### **Unfunded Program**

All benefits provided under the Program shall be paid from the general assets of Graham. Nothing contained in this Program, and no action taken pursuant to the provisions of this Program, shall create a trust of any kind or require Graham to maintain or set aside any specific funds for the purpose of paying any benefit hereunder.

### **No Right to Continued Employment**

Nothing contained in the Program shall confer upon any employee any right with respect to continued employment with Graham, or otherwise interfere in any way with the right of Graham to, at any time, reassign the employee to a different position or terminate the employee's employment for any reason at any time.

### **Governing Law**

The Program shall be governed and construed in accordance with the laws of the State of Delaware, without giving effect to any conflicts or choice of law provisions that would cause the application of the domestic substantive laws of any other jurisdiction.