

University of Idaho
Adoption Assistance Plan
Summary Plan Description

Contents

Introduction.....2
 Important Information.....2
Who Is Eligible.....3
Enrolling for Coverage.....4
 Your Cost for Coverage.....4
When Coverage Begins and Ends.....5
Adoption Assistance Benefits.....6
 Benefit for Full-time Employees.....6
 Benefit for Part-time Employees.....6
 Reimbursable Expenses.....6
Reimbursement Procedures.....8
 Tax Treatment.....8
Plan Administration and Contact Information.....9

Introduction

The University of Idaho (the University) offers an Adoption Assistance Plan (Plan) to reimburse eligible employees for the cost of certain adoption expenses.

Important Information

This summary describes adoption assistance benefits available to eligible employees as of July 1, 2005. It explains who is eligible for coverage, how to enroll, when coverage begins and ends, the benefits provided and how to obtain reimbursement. Read it carefully to familiarize yourself with your coverage. Keep this information with your important papers for future reference.

We have tried to make this summary as complete, accurate and up-to-date as possible. However, this summary is based on Plan documents, which are available for your review at University offices during business hours. The Plan documents govern the benefits described in this summary. If there is any discrepancy between the descriptions in this summary and the Plan documents, the Plan documents will always govern. You and your eligible dependents should not rely on any oral description of the Plan or benefits because the written terms of the Plan will always govern. To the extent not delegated, the University shall have the authority to interpret the summary and the related Plan documents.

Nothing in this summary should be interpreted as an employment contract. This summary is a description of the benefits offered to eligible employees under the Adoption Assistance Plan. The University reserves the right to change or terminate the Plan or coverage at any time.

If you have any questions after reading this summary, please refer to the “Plan Administration and Contact Information” section for information on where to call.

Plan Amendments

The University can replace the group contract through which benefit claims are paid under the Adoption Assistance Plan. The University also can amend the Plan or any part of the Plan. Plan amendments may include amendments to terminate coverage for some or all employees. If the Plan or any part of the Plan is terminated, the rights of a participant covered under the Plan or any part of the Plan are limited to the payment of eligible expenses incurred prior to such termination. Any provisions of the group policy that conflict, as of the policy effective date, with the laws of the state where it is issued are automatically amended to conform to the minimum requirement of the law.

Who Is Eligible

You are eligible to participate in the Adoption Assistance Plan if you are eligible for benefits and enrolled in the medical plan as an active employee.

The following employees are not eligible to participate in the Adoption Assistance Plan:

- Irregular help;
- Interns;
- Student hires;
- Lease employees;
- Independent contractors;
- Employee of any other state agency or third party; or
- Retirees.

Your dependents are not eligible for adoption assistance benefits.

Enrolling for Coverage

If you are an active benefit eligible employee and enroll in the Medical Plan, you are automatically eligible for and enrolled in the Adoption Assistance Plan. If you are eligible for benefits, but waive Medical Plan coverage, you are not eligible for adoption assistance benefits.

Your Cost for Coverage

There is no cost for coverage.

When Coverage Begins and Ends

Coverage begins when you become eligible.

Your coverage ends on the earliest of the following dates:

- The date you are no longer in an eligible class of employees or you no longer qualify for coverage;
- The date the Plan ends.

Adoption Assistance Benefits

The University provides a cash reimbursement subject to limited tax withholding of qualified adoption expenses for eligible employees. The amount of the benefit is based on your actual qualified adoption expenses, not to exceed the dollar amounts listed below.

Benefit for Full-time Employees

The Plan provides eligible full-time employees with up to \$2,000 in adoption assistance benefits per lifetime for the adoption of one or more children. If both parents are University employees (and at least one is employed on a full-time basis), a single \$2,000 adoption assistance benefit is shared by the family.

Benefit for Part-time Employees

Eligible part-time employees who work at least 75% of a regular work week are eligible for a maximum \$1,500 lifetime adoption assistance benefit. Eligible part-time employees who work between 50% and 75% of a regular work week are eligible for a maximum \$1,000 lifetime adoption assistance benefit.

<p>Child Eligible for Adoption</p> <p>An eligible child is under age 18 or physically or mentally incapable of caring for himself or herself and cannot be a stepchild.</p>
--

Amounts incurred in an unsuccessful attempt to adopt a child domestically before adopting another child will count toward the maximum limit. Expenses incurred to adopt a child domestically may be reimbursed as expenses are incurred. No reimbursement will be made for foreign adoptions unless the adoption is considered final. A non-United States adoption is considered final by the Internal Revenue Service (IRS) depending on the type of immediate relative (IR) visa under which your child enters the United States. Refer to IRS publication 968, Tax Benefits for Adoption for additional information.

Reimbursable Expenses

Qualified Adoption Expenses

Qualified adoption expenses include reasonable and necessary adoption fees, court costs, attorneys fees and other expenses that are:

- Directly related to the legal adoption of an eligible child;
- Not incurred in violation of state or federal law or in carrying out a surrogate parenting arrangement;
- Not for the adoption of the child of your spouse; and
- Not reimbursed by another source, such as grants or another employer.

Special Needs Adoptions

There is no change in benefits when adopting a child with special needs. Employees adopting a child with special needs will be entitled to the maximum reimbursement of the Plan as described earlier, regardless of the special needs of the child. You may, however, be eligible for additional income tax deductions.

International Adoptions

In the case of an adoption of a child who is not a citizen or resident of the United States at the time the adoption effort began, reimbursement will not be made until the adoption, based on IRS guidelines, is considered final. In this instance, expenses that are paid or incurred before the taxable year in which the adoption becomes final will be considered eligible for reimbursement.

Reimbursement Procedures

Requests for reimbursement of adoption expenses must be submitted in writing to the Plan Administrator and must include a completed claim form available under forms at www.hr.uidaho.edu/benefits and must include receipts and other required documents:

University of Idaho
Adoption Assistance Plan Administrator / Benefit Service
P.O. Box 444332
415 W. 6th Street
Moscow, Idaho 83844-4332

Your expenses, up to your maximum eligible benefit, will be reimbursed through the next available payroll after your claim has been reviewed and approved. The amount of your reimbursement will be the gross amount approved for payment, less Social Security and Medicare tax. No state or federal taxes will apply.

If your claim for reimbursement or any part of your claim for reimbursement is not approved in whole or in part or if additional information is required, you will be notified in writing of the additional information that is required and/or the reason that some or all of your claim for reimbursement has been denied. You will also be directed to information that may help you correct the reasons for denial and to your rights to appeal the decision if you believe your claim was denied in error.

Tax Treatment

Adoption assistance benefits are designed to be excludable from gross income. However, benefits are subject to both the employer and employee contributions to Social Security and the Medicare portion of the Federal Insurance Contributions Act (FICA) and for the University's contribution to federal unemployment insurance (FUTA).

The University will only reimburse expenses and will not make any direct tax payments on your behalf. The IRS imposes limits on adoption assistance benefits based on the earnings of the employee. Because the Plan does not reimburse the full IRS allowed benefit, you should not be subject to any federal income tax on these payments. However, we cannot predict assistance that you may receive from other sources or every tax situation. In the event that there is any taxable portion of the adoption benefit, this taxable portion will be your responsibility and may be due at the end of the tax year. Federal tax will not be withheld.

Plan Administration and Contact Information

Official Plan Name	University of Idaho Adoption Assistance Plan
Plan Description	Adoption Assistance Plan to provide benefits to assist eligible employees with the expenses of adoption
Plan Administrator	University of Idaho 415 West 6 th Street P.O. Box 444332 Moscow, ID 83844-4332
Type of Administration	The University administers the Adoption Assistance Plan
Plan Year	The Plan records are administered on a contract year basis beginning July 1 and ending June 30.
Agent for Service of Legal Process	University of Idaho 415 West 6 th Street P.O. Box 444332 Moscow, ID 83844-4332
Type of Funding	The University funds the Adoption Assistance Plan
To Obtain More Information	Visit www.hr.uidaho.edu/benefits or contact Benefit Services, benefits@uidaho.edu or 1-208-885-3697.
