Adoption Assistance Program

All Employees
Revised: October 1, 2019

Program Summary

IMPORTANT

This Program Summary applies to all employees, effective November 1, 2019. For more information on other benefit programs under the National Technology & Engineering Solutions of Sandia, LLC “NTESS” Health Benefits Plan for Employees, see the NTESS Health Benefits Plan for Employees Summary Plan Description.

The Adoption Assistance Program is maintained at the discretion of NTESS and is not intended to create a contract of employment and does not change the at will employment relationship between you and NTESS. The NTESS Board of Managers (or designated representative) reserves the right to amend (in writing) any or all provisions of the Adoption Assistance Program, and to terminate (in writing) the Adoption Assistance Program at any time without prior notice, subject to applicable collective bargaining agreements.

The Adoption Assistance Program’s terms cannot be modified by written or oral statements to you from human resources representatives or Health Plans Team or other NTESS personnel.
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Section 1. About This Program

National Technology & Engineering Solutions of Sandia, LLC established the Sandia HR Adoption Assistance Program (the Program), amended and restated effective as of October 1, 2019, for the exclusive benefit of its eligible employees. It is intended that benefits paid under the Program will be excludable from employees’ income for federal income tax purposes to the full extent permitted under Internal Revenue Code §137. Please see Important Tax Considerations for more information.

This Program is duly restated and adopted by NTESS, LLC on October 1, 2019.
Section 2. Eligibility & Benefits

Eligibility

Persons employed by National Technology & Engineering Solutions of Sandia, LLC, including Represented (Full & Part-time), Non-represented (Full & Part-time), Temporary Non-Represented, including Limited Term & Post Doc employees, Temporary Represented OPEIU and MTC (Limited Term) are eligible to participate in this Program (an “Eligible Employee”).

Benefits

An Eligible Employee who meets the Program's conditions can obtain reimbursement of Qualified Adoption Expenses if those expenses are incurred in connection with the adoption of an Eligible Child, and while an Eligible Employee under the Program. Non-represented and MTC-represented employees, OPEIU-represented employees, and SPA-represented employees are eligible for up to $2,500 per child. The reimbursement maximums above hold regardless of whether both adoptive parents are NTESS employees.

An Eligible Employee is eligible for the maximum reimbursement for each child adopted. Any attempt that leads to a successful adoption of a child and any unsuccessful prior attempt to adopt a different child are treated as one adoption.

If both adoptive parents are Eligible Employees, the maximum benefit applies to the combined expenses of both parents.

An Eligible Child must be under the age of 18 or physically or mentally incapable of self-care and must not be a stepchild of the Eligible Employee.

General Provisions

The Program operates on a calendar-year basis.

Employees are not required or permitted to contribute to the Program. All Program benefits are to be paid by the Employer from its general assets.

The Employer administers the Program, and has sole discretionary authority to interpret the Program, to make eligibility and benefit determinations, and to make factual determinations in connection with the Program. Any determinations of the Employer are final and binding.

The Employer intends to continue the Program indefinitely but has the right to terminate or amend the Program at any time.

This Program is to be construed, administered, and governed by the laws of the state of New Mexico, to the extent not superseded by the Internal Revenue Code or other federal law.
Section 3. Expenses & Reimbursement

Qualified Adoption Expenses

Qualified Adoption Expenses are expenses reasonably and directly related to the adoption of an Eligible Child, that were actually paid or incurred and are not ineligible expenses. Qualified Adoption Expenses include:

- agency and placement fees (including home study fees);
- legal fees and court costs;
- medical expenses for the adoptive child prior to placement for adoption;
- temporary foster care costs;
- immigration, immunization, and translation fees;
- travel and transportation costs (including amounts spent for meals and lodging);
- counseling fees associated with placement and initial adjustment (beyond what is covered under the Employer's medical plan);
- expenses incurred as part of an unsuccessful attempt to adopt a different child, if those expenses would have been Qualified Adoption Expenses after final adoption of the different child; and
- other expenses as determined by the Employer, consistent with the Instructions to IRS Form 8839.

IMPORTANT: Eligible Employees who adopt a special-needs child, as defined in the Instructions to IRS Form 8839, may be able to exclude from income certain amounts in addition to the actual qualified adoption expenses they pay or incur, but the Employer does not reimburse those so-called “deemed expenses” under the Program.

The following expenses are “ineligible expenses” that are not Qualified Adoption Expenses and are not reimbursable under the Program:

- expenses paid or incurred before becoming an Eligible Employee under this Program;
- expenses reimbursed or reimbursable under a federal, state, or local program;
- expenses reimbursed under another employer-sponsored program;
- expenses that violate federal or state law;
- expenses associated with a surrogate parenting arrangement;
- expenses associated with the adoption of the child of an Eligible Employee's spouse (stepchild adoptions);
- expenses submitted later than 12 months following the date the adoption becomes final;
- expenses incurred after ceasing to be an Eligible Employee under this Program; and
- expenses the Employer determines are not Qualified Adoption Expenses.
Claiming Reimbursement

Reimbursements for Qualified Adoption Expenses may be requested by:

- submitting a signed and fully completed Adoption Assistance Claim Form to the Employer within 12 months of incurring the expense or within 12 months after the date the adoption is finalized; and
- attaching itemized bills or receipts substantiating the amount and nature of the expenses, and a copy of the final decree of adoption.

Requests for reimbursement not submitted within 12 months following the date the adoption becomes final will not be considered. In addition, to be eligible for reimbursement of Qualified Adoption Expenses, submitted expenses must have been incurred while you were an Eligible Employee.

Important Tax Considerations

Benefits paid under this Program are intended to be excludable from employees’ income for federal income tax purposes to the extent permitted under Internal Revenue Code §137. Employees are responsible for understanding the tax treatment of reimbursements under this Program and for claiming the applicable income exclusion by filing Form 8839 with their federal income tax returns. (Form 8839 and Instructions are available from the IRS and on the IRS website at www.irs.gov.)

If the conditions of Internal Revenue Code §137 are not satisfied—for example, if the employee’s adjusted gross income (as defined in the Instructions to Form 8839) exceeds IRS limits—all or part of the employee’s reimbursements under this Program may be considered taxable income.

Although the Employer is required to withhold applicable federal employment taxes from reimbursements (e.g., for Social Security, Medicare, and federal unemployment tax) and to report the total amount of reimbursements to the IRS on employees’ Form W-2s, reimbursements under this Program are not subject to and are made free of, federal income tax withholding. If an employee must include any of the reimbursements in income, their withholding may not be enough to cover the taxes due. Therefore, employees may need to adjust their withholding by filing a new Form W-4 with the Employer. (For general information on Form W-4, employees may consult Publication 919, available from the IRS and on the IRS website at www.irs.gov.)

State taxes may also apply to reimbursements under this Program.

In addition to the income exclusion discussed above, employees may also be entitled to a federal income tax credit for adoption expenses other than those reimbursed under this Program or elsewhere. Employees are responsible for coordinating the income exclusion and tax credit and for determining which one will provide them with the greatest financial and tax benefit. For additional information about the income exclusion and tax credit, employees should refer to the Instructions to Form 8839, available from the IRS and on the IRS website at www.irs.gov.