

EMORY UNIVERSITY ADOPTION ASSISTANCE PROGRAM
PLAN DOCUMENT Revised effective January 1, 2015
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SECTION 1 -- INTRODUCTION

1.1 Purpose – Emory University (the “University”) maintains the Emory University Adoption Assistance Program (the “Plan”) to provide financial reimbursement of qualified expenses for the purpose of adoption to eligible faculty and staff. This Plan is intended to meet the requirements of Section 137 of the Internal Revenue Code of 1986 (26 U.S.C. § 137), as amended (the “Code”) and are excludable from the employee’s gross income to the maximum extent allowable under the Code. In addition, the University has implemented a separate policy to provide a taxable benefit to reimburse employees eligible to participate in this Plan for certain expenses incurred for the adoption of a child of a spouse or child of a same sex domestic partner (“Supplemental Taxable Adoption Assistance Policy”). This policy, which is separate from the Plan, is attached as Supplement A for convenience.

1.2 Effective Date, Plan Year -- The effective date of the Plan is January 1, 2014. The Plan Year shall run January 1 through December 31 of each calendar year. The Plan will only cover expenses incurred after the Plan’s effective date.

1.3 Administration -- The Plan shall be administered by a Plan administrator, who shall be duly authorized by the Vice President of Human Resources, in writing, to serve in this capacity. The Plan administrator, from time to time, may adopt rules and regulations as may be necessary or desirable for the proper and efficient administration of the Plan and as are consistent with the Plan’s terms. The Plan administrator shall have the discretionary authority to construe and interpret the Plan and make factual determinations thereunder, including the authority to determine eligibility of employees, to determine the amount of benefits payable under the Plan, and to decide claims under the Plan’s terms. Any Plan interpretation and any decision on any matter within the discretion of the Plan administrator made in good faith shall be binding on all persons.

SECTION 2 -- ELIGIBILITY

2.1 Eligible Employees -- Subject to the conditions and limitations of this section, all Emory University faculty and staff completing one year of satisfactory service and eligible to participate in Emory University’s benefit plans and programs are eligible to participate in the Plan. For the purpose of this section, the term eligible employees does not include (1) Students; (2) Any leased employees within the meaning of Section 414(n) of the Code; (3) Any party not classified as an employee by Emory University; (4) Employees of Emory Healthcare, Inc.; or (5) Dependents of an employee. An employee shall not be eligible to participate in the Plan during any calendar year in which the Employee’s adjusted gross income (as defined in accordance with Code Section 137(b)(3) for the current or immediately preceding year exceeds \$190,000 as adjusted for inflation under Code Section 137.

2.2 Eligible Child -- An eligible child is any individual who, at the time the adoption expenses are incurred, is under the age of 18 or is physically or mentally incapable of self-care. The child of the taxpayer’s spouse is not considered an eligible child.

SECTION 3 -- AMOUNT OF REIMBURSEMENT

3.1 Maximum Reimbursement -- Except as otherwise limited in the Plan, the Plan will provide each eligible employee up to \$5,000 (Five Thousand U.S. Dollars) in adoption assistance benefits pursuant to the requirements set forth in the Plan. The adoption assistance benefits provided by the Plan shall be in the form of reimbursements for qualified adoption expenses enumerated in Section 4.1. Notwithstanding the above, the reimbursement is limited to the employee's actual adoption expenses, limited to two adoptions throughout employment, up to \$5,000 per adoption. In the event spouses or same sex domestic partners are jointly employed by the University, the family will be entitled up to the reimbursement maximum per adoption event. Amounts incurred in an unsuccessful attempt to adopt a child before successfully adopting another child count toward the \$5,000 limit. This maximum reimbursement is determined by including any amount payable to the eligible employee under this Plan and under the Policy in Supplement A.

3.2 Reimbursement Limitation -- The maximum reimbursement of \$5,000 is less than the regulatory limit established under Section 137 of the Code. The maximum for exclusion and credit, either through tax credits and/or employer-sponsored adoption assistance is published annually by the IRS. Plan participants are responsible for researching and understanding tax implications and possible tax liability associated with utilizing adoption assistance benefits. No adoption expenses shall be reimbursed before the adoption becomes final.

3.3 Funding -- The adoption assistance reimbursement benefit provided herein shall be paid by the University fringe benefit account.

SECTION 4 -- REIMBURSABLE EXPENSES

4.1 Qualified Adoption Expenses -- For purposes of the Plan, "qualified adoption expenses" shall include reasonable and necessary adoption fees, court costs, attorney's fees, traveling expenses (including amounts expended for meals and lodging) while away from home, and other expenses that are: (i) directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the employee, (ii) not incurred in violation of state or federal law, or in carrying out any surrogate parenting arrangement, (iii) not for the adoption of the child of the taxpayer's spouse or partner, (iv) not reimbursed by another source (*e.g.*, grants, another employer), (v) incurred while an eligible employee, and (vi) submitted for reimbursement no later than six (6) months following the date the adoption becomes final.

4.2 Special Needs Adoptions -- An eligible employee adopting a child with special needs is entitled to the maximum reimbursement regardless of whether the eligible employee actually has any adoption expenses and notwithstanding anything in Section 3.1 to the contrary. A child with special needs is an eligible child who is a citizen or resident of the United States who a state has determined: (i) cannot or should not be returned to the birth parents' home; **and** (ii) has a specific factor or condition (such as the child's ethnic background, age, or membership in a minority or sibling group, or the presence of factors

such as medical conditions, or physical, mental, or emotional handicaps) because of which the child cannot be placed with adoptive parents without adoption assistance.

4.3 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 commenced, any such expense which is paid or incurred before the taxable year in which such adoption becomes final shall be taken into account as if such expense were paid or incurred during the year the adoption becomes final. No such expense shall be taken into account in a taxable year before the adoption becomes final.

SECTION 5 -- REIMBURSEMENT PROCEDURES

No adoption assistance benefits shall be approved by the Plan administrator and paid under the Plan unless a participant has first submitted a written claim for benefits to the Plan administrator on a form specified by the Plan administrator and pursuant to procedures established by the Plan administrator which procedures shall require a copy of the final adoption decree and substantiation of the adoption assistance expenses in accordance with the requirements of the Code and to the satisfaction of the Plan administrator. The Plan administrator will provide notice in writing if a claim for benefits is denied and the Plan administrator will provide a review of that claim if requested. Any claim for benefits will be processed in accordance with procedures established by the Plan administrator, in its sole discretion. To be eligible for reimbursements for adoption assistance expenses, the individual must be an eligible employee both on the date the expenses are incurred and on the date the adoption becomes final.

SECTION 6 -- TAX TREATMENT

6.1 Exclusion From Income -- Benefits under this Plan are designed to be excludable from gross income under the Code. However, benefits are subject to both the Social Security and Medicare portions of the Federal Insurance Contributions Act ("FICA") and may be subject to state and/or local taxes.

6.2 Tax Withholdings -- The University will withhold any applicable federal, state and local taxes, as required by law, from any payments made under the Plan and/or from the participant's regular or any supplemental compensation from the University. In the case of reimbursed expenses, any FICA taxes required to be withheld from benefits under this Plan shall be deducted from those benefits. The University may choose to reimburse incurred expenses only (and not to pay expenses directly) so that all FICA withholding will come out of the benefits paid. If any benefit under this Plan becomes subject to federal income taxes (whether as a result of nondiscrimination testing, modified adjusted gross income limitations, payment of benefits in excess of statutory limits or the failure to finalize adoption of an international child when the expenses are reimbursed) any federal income tax withholding attributable to the taxable portion of any benefit may be deducted from the employee's other compensation in the same calendar year in which the benefit is provided.

6.3 Tax Mitigation -- The Plan is intended to provide tax-free adoption assistance benefits to eligible employees pursuant to the Code. However, subject to Section 7 of the

Plan, the University will provide the benefits described in this Plan even if such benefits are taxable or are in excess of the amount excludable under the Code; provided, however, that no such benefit will be provided to an individual if the benefit would cause the Plan to become discriminatory in favor of highly compensated employees as defined by Section 414(q) of the Code.

6.4 Tax Liability -- The tax liability on any payments made under the Plan is the sole responsibility of each participating employee.

SECTION 7--NONDISCRIMINATION

The Plan is intended not to discriminate in favor of certain highly compensated employees as defined in Section 414(q) of the Code and their spouses or dependents who are also employees and is intended to satisfy the nondiscrimination rules under Code Section 137. If in the judgment of the University or the Plan administrator, the operation of the Plan in any Plan Year would result in such prohibited discrimination, then the University or the Plan administrator shall, in its full discretion, select and exclude from eligibility and/or coverage under the Plan such employees as shall be necessary to assure that, in the judgment of the University or the Plan administrator, the Plan satisfies the applicable nondiscrimination.

SECTION 8 -- MISCELLANEOUS

8.1 Information to be Furnished to the Plan Administrator -- Eligible employees must furnish the Plan administrator with such evidence, data or information as the Plan administrator considers necessary or desirable to administer the Plan. A fraudulent misstatement or omission of fact may be used to deny claims for benefits and such conduct may be subject to sanction under Emory University's Standards of Conduct policy.

8.2 Uniform Rules -- The Plan administrator shall administer the Plan on a reasonable and nondiscriminatory basis and shall apply uniform rules to all persons similarly situated.

8.3 Controlling Law -- Except to the extent superseded by the laws of the United States, the laws of the State of Georgia shall be controlling in all matters relating to the Plan.

8.4 Interests Not Transferable -- Except as otherwise expressly permitted by the Plan or as may be required by the tax withholding provisions of the Code or any state's income tax act, benefits under the Plan are not in any way subject to the debts or other obligations of the persons entitled thereto and may not be voluntarily or involuntarily sold, transferred, alienated, assigned or encumbered.

8.5 Severability -- In the event that any provision of the Plan is held to contravene the provisions of the Code or the regulations thereunder, or any other applicable federal or state law, the remaining provisions of the Plan will nonetheless continue in full force and effect, and this Plan will be construed as though any invalid provisions hereunder had not been included herein, as of the earliest date that such invalid provision first came into

conflict with the Code or any final regulations issued thereunder, or any other applicable federal or state law.

8.6 Employment Rights -- Employment rights of an employee shall not be deemed to be enlarged or diminished by reason of establishment of the Plan, nor shall establishment of the Plan confer upon any employee any right to be retained in the service of an employer or promoted by an employer.

8.7 Amendment or Termination-- The University reserves the right to amend the Plan at any time for any purpose. The University further reserves the right to terminate the Plan at any time in whole or in part for any reason.

IN WITNESS WHEREOF, the University has caused this instrument to be duly executed in its name and on its behalf.

EMORY UNIVERSITY

By: Peter Barnes

Name: Peter Barnes

Title: Vice President

Date: 8/17/15

Supplement A

Supplemental Taxable Adoption Assistance Policy

In addition to maintaining the qualified adoption assistance program (the Plan); Emory University has implemented a separate policy effective January 1, 2015 to provide certain taxable adoption assistance benefits to employees who are eligible employees under the terms of the Plan. This new policy is referred to as the Supplemental Taxable Adoption Assistance Policy (the "Supplemental AA Policy"). Although the AA Policy is not part of the Plan, it is described in this Supplement to the Plan because it is administered in a manner similar to the Plan.

If an eligible employee under the Plan incurs adoption assistance expenses that are not eligible for reimbursement under the Plan solely because they relate to the adoption of a child (referred to here as a "Related Child") who, at the time the adoption expenses are incurred, is the child of the eligible employee's spouse or same sex domestic partner (as defined by the University), such adoption assistance expenses may be eligible for reimbursement under this Supplemental AA Policy.

The University, through this Supplemental AA Policy, provides a reimbursement, subject to required withholding, for taxable adoption expenses incurred by an eligible employee (as defined under the Plan) after the effective date of this Supplemental AA Policy on behalf of a Related Child, provided the adoption is finalized when the individual is still an eligible employee.

For purposes of this Supplemental AA Policy, "taxable adoption expenses" include reasonable and necessary adoption fees, court costs, attorney's fees, travelling expenses (including amounts expended for meals and lodging) while away from home, and other expenses that are: (i) directly related to, and the principal purpose of which is for, the legal adoption of a Related Child by the employee, (ii) not incurred in violation of state or federal law, or in carrying out any surrogate parenting arrangement, (iii) solely for the adoption of the child of the taxpayer's spouse or same sex domestic partner, (iv) not reimbursed by another source (e.g., grants, another employer), (v) incurred while an eligible employee, and (vi) submitted for reimbursement no later than six (6) months following the date the adoption becomes final.

The maximum amount that is payable to an eligible employee, on an aggregate basis, under the Plan and under this Supplemental Policy, is set forth in Section 3 of the Plan. Claims and benefits under this Policy are provided and administered pursuant to the same procedures and requirements as under the Plan (except that these benefits are taxable to the eligible employee). The University retains the discretionary authority to interpret this Policy, to implement procedures for administering this Policy, and to amend or terminate it at any time.