



PAISBOA HEALTH BENEFIT TRUST

ADOPTION ASSISTANCE PROGRAM

PROGRAM DESCRIPTION AND EMPLOYEE NOTIFICATION

**PAISBOA HEALTH BENEFIT TRUST
ADOPTION ASSISTANCE PROGRAM**

PROGRAM DESCRIPTION AND EMPLOYEE NOTIFICATION

Effective November 1, 2023

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Section 1.

Name, Purpose; Effective Date, and Program Year

- (a) PAISBOA Health Benefit Trust (the “HBT”) hereby establishes; effective November 1, 2023 a program for the provision of adoption assistance for the exclusive benefit of eligible Employees of the PAISBOA Health Benefit Trust member schools, which shall be known as the HBT Adoption Assistance Program (the “Program”).
- (b) This Program is designed to furnish adoption assistance in the form of cash reimbursements for Covered Costs. It is the intention of the Employer that the 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 Section 137.
- (c) The effective date of the Program shall be November 1, 2023. The Program will only cover expenses incurred after both the Program’s effective date and after employees have been notified of the Program’s existence.
- (d) The records of the Program shall be kept on the basis of a Program Year that is November 1 to October 31 annually, or until this plan is changed or terminated.

Section 2.

Definitions

The terms used herein shall have the following meanings, unless a different meaning is clearly required by the context:

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- (a) “Benefits” means reimbursement of the Covered Costs incurred by a Participant for adoption expenses pursuant to the provisions of Section 4 hereof.
- (b) “Code” shall mean the Internal Revenue Code of 1986, as now in effect or as it may be amended hereafter, and includes any regulations or rulings issued thereunder.
- (c) “Covered Costs” means all reasonable and necessary adoption fees, adoption agency fees, court costs, attorney’s fees, traveling expenses (including amounts expended for food and lodging) while away from home, and other expenses that are directly related to, and the principal purpose of which is for, the legal adoption of an Eligible Child by a Participant. Covered costs do not include costs: (i) that violate state or federal law; (ii) for a surrogate parent arrangement; (iii) expenses for the biological parents; (iv) voluntary donations or contributions to an adoption agency; (v) costs to obtain legal guardianship or custody of a child that are not connected with the child’s legal adoption; (vi) for adopting a stepchild; (vii) paid using funds received from a local, state, or federal program or other source; (viii) for which a credit is undertaken under Code Section 23; or (ix) for which a credit or deduction is available under any other income tax provision. The Employer has discretion to determine whether an expense is considered a Covered Cost. (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, even though the Employer does not reimburse those so-called "deemed expenses" under the Program. For instructions about how to take that exclusion, see the Instructions to IRS Form 8839.)
- (d) “Child” is any individual who, at the time the covered cost is incurred, is (i)(1) under the age of 18, or (2) is physically or mentally incapable of caring for himself or herself; and (ii) is not a stepchild of the Employee.
- (e) “Employee” means any individual classified by a Participating the Employer as a common-law employee on the U.S. payroll on a regular full time basis, or regular part-time basis (if scheduled and regularly working 30 hours or more per week). Individuals classified as independent contractors, leased employees, or employed on a temporary or contingent basis are not eligible for coverage, even if they are later reclassified as common law employees for tax purposes.
- (f) “Employer” means any for one of the PAISBOA Health Benefit Trust member schools that has adopted the Program with the consent of the HBT. The HBT shall have the right to terminate an Employer’s adoption of the Program at any time. If a member school merges or is otherwise consolidated with any affiliate, the member school participation agreement will determine eligibility for the school’s employees to continue in the adoption assistance program.
- (g) “HBT” shall mean the PAISBOA Health Benefit Trust.
- (h) “Participant” means any Employee who has satisfied the eligibility requirements of Section 3 hereof.
- (i) “Program” means the PAISBOA Health Benefit Trust Adoption Assistance Program.

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- (j) "Program Administrator" means the PAISBOA Health Benefit Trust.
- (k) "Program Year" means the twelve (12) month period beginning on November 1 and ending on October 31.

Section 3.

Eligibility

- (a) Every Employee is eligible to receive Benefits under the Program as of their date of hire.
- (b) A participant who terminates or is discharged from employment with the Employer will cease being a Participant in the Program on the effective date of such termination or discharge.
- (c) If both parents are Employees of the Employer, the maximum total reimbursement for benefits remains \$10,000 under this Program, subject to annual indexing.

Section 4.

Benefits

- (a) Every Participant in the Program shall be eligible to receive Benefits under the Program in payment or reimbursement for up to \$10,000 of Covered Costs, incurred on or after November 1, 2023 while he or she was a Participant in the Program, with respect to the final qualified adoption of a child under the age of 18; however, Benefits may be available if an adoptee 18 or older is deemed "special needs" by the state/country in which the adoption takes place and is unable to care for himself or herself. No Benefits shall be payable to a Participant until the adoption has been finalized. Benefits are not available when the child being adopted is a stepchild or the biological child or other relative of either of the adoptive parents. The Program may recover any overpayments or payments made in error.
- (b) If a Participant ceases participation in the Program for any reason:
 - (i) no Benefits shall be paid to the former Participant for expenses incurred after the date of such termination; and
 - (ii) Unless the former Participant was discharged for cause, requests for Benefits may be made after the date of termination or discharge for Covered Costs incurred prior to such date, in accordance with the claims procedure set forth in Section 6.
- (c) In no event shall a Participant be entitled to receive any Benefit under the Program in lieu of cash or any other taxable compensation he or she might otherwise be entitled to receive from the Employer.
- (d) The Program is intended not to discriminate in favor of highly compensated employees (as defined in Code Section 414(q)) as to eligibility to participate or Benefits distribution, and to comply in

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this respect with the requirements of Code Section 137(c)(2) (which cross references the requirements of Code Sections 127(b)(2) and (3)). If, in the judgment of the Program Administrator, the operation of the Program in any calendar year would result in such discrimination, then the Program Administrator shall select and exclude from participation in the Program such employees as shall be necessary to ensure that, in the judgment of the Program Administrator, the Program does not discriminate.

(e) Benefits under this Program are designed to be excludable from federal income tax under Code Section 137. However, benefits are subject to Federal Insurance Contributions Act ("FICA") and Federal Unemployment Tax Act ("FUTA") taxes. In the case of reimbursed expenses, any FICA and FUTA taxes required to be withheld from Benefits under this Program shall be deducted from those Benefits. The HBT will report to each member school all qualifying adoption expenses paid or reimbursed under the Program for an Employee for the year to allow the member school to include such amounts on the Employee's Form W-2.

If any Benefit under this Program becomes subject to federal income taxes, whether as a result of nondiscrimination test, income limitation tests, or payment of benefits in excess of statutory limits, any federal income tax withholding owed with respect to the taxable portion of any Benefit, the employee will receive a 1099 form to report the income when preparing and filing taxes for the calendar year when the compensation was received.

Section 5.

Funding

Benefits shall be paid to or on behalf of any Participant from the HBT upon the submission and approval of a claim for benefits pursuant to the claims procedures set forth in Section 6. Participants shall not be required to make contributions as a condition of receiving Benefits.

Section 6.

Claims and Appeal Procedures

(a) A participant desiring to receive a Benefit under the Program shall submit a written request for such Benefit via Maven Wallet no later than 90 days after the adoption has been finalized. Such request shall provide the following information:

- (i) the Participant's name, Social Security Number, address, and office location;
- (ii) the name and date of birth of the child;
- (iii) a description of the adoption expense or expenses that the Participant has incurred; and
- (iv) the date and cost of such services, including itemized bills or receipts substantiating the amount and nature of the expenses, evidence of payment by the Participant of such expense, and a copy of the final decree of adoption.

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Requests for reimbursement not submitted within 90 days following the date the adoption becomes final will not be considered. In addition, to be eligible for reimbursement of Covered Expenses, an individual must be an Employee of the member school on the date the adoption becomes final, and submitted expenses must have been incurred while the individual was an Eligible Employee. If a reimbursement check is returned as undeliverable, or not cashed within 1 year after it is issued, the reimbursement will revert to the PAISBOA Health Benefit Trust to the extent permissible under applicable state law.

(b) If a claim is wholly or partially denied, notice of the decision, in accordance with subsection (c) below, shall be furnished to the claimant within a reasonable period of time, not to exceed 30 days after receipt of the claim, unless special circumstances require an extension of time for processing the claim. If such an extension of time is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 30 day period. In no event shall such extension exceed a period of 90 days from the date of receipt of the claim. The extension notice shall indicate the special circumstances requiring an extension of time and the date on which a decision is expected.

(c) The Program Administrator or its designee shall explain to each claimant who is denied a claim for Benefits, in a manner calculated to be understood by the claimant, the following:

- (i) a specific reason or reasons for the denial;
- (ii) specific reference to pertinent Program provisions upon which the denial is based;
- (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (iv) an explanation of the Program's claims review procedure, as set forth in subsections (d) and (e) hereof.

(d) The purpose of the review procedure set forth in this section is to provide a procedure by which a claimant, under the Program, may have reasonable opportunity to appeal a denial of a claim to the HBT for a full and fair review. To accomplish that purpose, the claimant (or his or her duly authorized representative) may:

- (i) request a review of a denied claim;
- (ii) review pertinent Program documents; and
- (iii) submit issues and comments in writing.

A claimant (or his or her duly authorized representative) shall request a review by filing a written application for review with the HBT at any time within 60 days after receipt by the claimant of written notice of the denial of his or her claim.

(e) Decision on review of a denied claim shall be made in the following manner:

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- (i) The decision on review shall be made by the HBT or its designee within 60 days of receiving the request for review, unless special circumstances require an extension of time for processing, in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of the request for review. If such an extension of time for review is required, written notice of the extension shall be furnished to the claimant prior to the commencement of the extension.
 - (ii) The decision on review shall include specific reasons for the decision, explained in a manner calculated to be understood by the claimant, and specific references to the pertinent Program provisions on which the decision is based.
 - (iii) In the event that the decision on review is not furnished within the time period set forth in paragraph (i), the claim shall be deemed denied on review.
 - (iv) If dispute arises with respect to any matter under this Program, the HBT may refrain from taking any other or further action in connection with the matter involved in the controversy until the dispute has been resolved.
- (f) No legal action to recover Benefits under the Plan may be filed more than twelve (12) months after the date of the Program Administrator's decision on appeal.

Section 7.

Amendment or Termination

- (a) **Right to Amend.** The HBT, through its Board of Trustees, shall have the right at any time to: (i) amend, or modify the Program; but in no event shall any such amendment or modification prejudice any claim or benefit under the Program which was incurred but not paid prior to the amendment or modification; and (ii) delegate to the Executive Director of the HBT the authority (a) to make any Program amendment required to bring the Program into conformity with law or regulation; and (b) to amend the Program provided such amendments are not considered material because the financial exposure to either the Program or to the HBT is not material and there is no change in the participants' benefits or any change is immaterial and/or the change is to the administrative provisions of the Program, such as claims processes or allocation of responsibilities for administering various aspects of the Program.
- (b) **Right to Terminate.** The HBT, through its Board of Trustees, shall have the right at any time to terminate the Program in whole or in part; but in no event shall such termination prejudice any claim or benefit under the Program which was incurred but not paid prior to the termination date.

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Section 8.

Miscellaneous

- (a) All final decisions in interpreting provisions of the Program shall be the sole discretionary responsibility of the HBT, including making eligibility and benefit determinations and making factual determinations in connection with the Program. Any determinations of the HBT are final and binding.
- (b) Nothing contained herein shall impose on any officer or directors of the HBT or member schools any personal liability or any Benefit due an Employee pursuant to this Program.
- (c) Any rules, regulations or procedures that may be necessary for the proper administration or functioning of this Program that are not covered in this Program shall be promulgated and adopted by the HBT.
- (d) This Program shall not be deemed to constitute a contract between the HBT and any Employee, or to be a consideration or an inducement for the employment of any Employee. This Program shall not be deemed to give any Employee the right to be retained in the service of the Employer, or to interfere with the right of the HBT member schools to discharge any Employee at any time regardless of the effect which such discharge shall have upon such person as a Participant in this Program. This Program shall not be deemed to give the member school the right to require any Employee to remain in the employ of the member school, or to restrict any such person's right to terminate his or her employment at any time.
- (e) If any provision of this Program shall be held invalid for any reason, such illegality or invalidity shall not affect the remaining parts of this Program, and this Program shall be construed and enforced as if such illegal and invalid provisions had never been included.
- (f) In the construction of this Program, reference to any gender shall include the masculine, feminine and neuter genders, the plural shall include the singular and the singular the plural, whenever appropriate.
- (g) The terms of the Program shall be construed under the laws of the Commonwealth of Pennsylvania except to the extent such laws are preempted by federal law.

Section 9.

Entire Agreement

This document sets forth the entire Program. Except as provided in this Program, no other employee benefit plan or program which is, or may hereafter be, maintained by the Employer shall constitute a part of this Program.

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Appendix A

Participating Employers include members schools participating in the PAISBOA Health Benefit Plan.

NONE

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IN WITNESS WHEREOF, the Employer has caused this Program to be executed this 26th day of January, 2024, to be effective as of November 1, 2023.



By: _____

Title: Executive Director