Adoption Assistance Reimbursement Program

(Effective January 1, 2010)
# TABLE OF CONTENT

TABLE OF CONTENTS ...................................................................................................................................................... II
PROGRAM-AT-A-GLANCE .................................................................................................................................................... 1
ELIGIBILITY ........................................................................................................................................................................ 1
    Eligibility Exclusions ............................................................................................................................................... 1
PARTICIPATION DURING A LEAVE OF ABSENCE ......................................................................................................... 1
    Employees on Paid Faculty Research Leave ........................................................................................................ 1
    Employees on Disability Leave .............................................................................................................................. 1
    Employees on Military Leave ................................................................................................................................. 2
    Employees on Unpaid FMLA Leave or Unpaid Personal Leave ........................................................................... 2
WHEN ELIGIBILITY ENDS ................................................................................................................................................. 2
LEAVE OF ABSENCE ........................................................................................................................................................ 2
    Eligible Children ..................................................................................................................................................... 2
    Qualified Adoption Expenses ................................................................................................................................. 2
    Ineligible Expenses ................................................................................................................................................ 3
    Maximum Number of Reimbursable Adoptions ..................................................................................................... 3
CLAIMING REIMBURSEMENT .......................................................................................................................................... 3
IMPORTANT TAX NOTICE REGARDING PROGRAM REIMBURSEMENTS ................................................................. 3
CHANGING YOUR HEALTH & WELFARE BENEFIT ELECTIONS .............................................................................. 4
ADMINISTRATIVE INFORMATION ABOUT THE PROGRAM ......................................................................................... 4
ADOPTION RESOURCES AND REFERRAL SERVICES ..................................................................................................... 4
GENERAL PLAN INFORMATION ...................................................................................................................................... 4
PROGRAM-AT-A-GLANCE

The Adoption Assistance Reimbursement Program (“Program”) is designed to assist full-time faculty and staff members by reimbursing a portion of certain costs that may be incurred during the adoption process. The Program will reimburse 100% of eligible expenses related to the adoption of an eligible child up to a maximum of $2,000.00 per adoption. In the event that both parents are employees of DePaul University (“DePaul”), expenses are reimbursed only once per adoption, to the maximum of $2,000.00.

ELIGIBILITY

Employees who are classified as full-time are generally eligible to participate in the Program. You are eligible to participate in the Program as a full-time employee if you are in:

- an active faculty position that is classified as full-time, and you are under a contract or letter of appointment issued by the Office of the Provost; or
- an active staff member position that is classified as full-time, and you are regularly scheduled to work at least 1,820 hours per year.

Employees who transition to a voluntary reduced work time arrangement under DePaul’s Voluntary Reduced Work Time Arrangement Policy are also eligible to participate in the Program.

Eligibility Exclusions

You are not eligible to participate in the Adoption Assistance Program if you are:

- an instructional associate;
- a part-time employee;
- covered by a collective bargaining agreement;
- in a Vincentian House position;
- in a position classified as a student employee;
- a member of the Midwest Province of the Congregation of the Mission;
- an employee who has a non-U.S. home country or non-U.S. permanent residence, and you are employed in a position that will require you to work in a non-U.S. location; or
- designated by DePaul to be an independent contractor (whether determined at a later date to be a common law employee or otherwise).

PARTICIPATION DURING A LEAVE OF ABSENCE

There are five types of leave of absence that can be paid or unpaid:

- Disability Leave
- Personal Leave
- Faculty Research Leave
- FMLA Leave
- Military Leave

When you take a leave of absence (paid or unpaid), you will receive a letter describing the terms of your leave, including specific information about how the leave will affect your eligibility for benefits. The general rules that apply during a leave of absence are described below.

Employees on Paid Faculty Research Leave

If you are on a paid Faculty Research Leave, you will remain eligible to participate in the Program.

Employees on Disability Leave

If you are on a Disability Leave (which may run concurrently with FMLA Leave) because you become disabled while you are employed by DePaul, you may be eligible to receive short-term disability benefits and/or long-term disability benefits. Refer to the separate “Sick Pay, Short and Long-Term Disability” Policy and the separate summary plan description for the DePaul University Insured Component Program for more information on available disability benefits.
Program Coverage While You Are Receiving Short-Term Disability Benefits
You will continue to be eligible to participate in the Program while you are receiving short-term disability benefits. Your eligibility will terminate when your short-term disability benefits end (generally up to six months). Your eligibility will also terminate in the event that you no longer qualify to receive short-term disability benefits, but you do not return to work.

Employees on Military Leave
If you are on either a paid or an unpaid Military Leave, you will continue to be eligible to participate in the Program for up to 24 months of your leave, or until the day after the date you fail to apply for or return to work on a timely basis after your military leave, whichever is earlier.

Employees on Unpaid FMLA Leave or Unpaid Personal Leave
Generally, if you are on an approved unpaid FMLA or personal leave of absence, you will continue to be eligible to participate in the Program for the duration of your leave.

Special Note for Unpaid Faculty Research Leave
If you are on an unpaid Faculty Research Leave, details related to your benefits eligibility will be included in the letter you receive explaining the terms of your leave of absence.

WHEN ELIGIBILITY ENDS

All reimbursement applications must be submitted prior to termination of employment at DePaul. Upon termination of employment, employees are no longer eligible to receive benefits under the Program.

Your eligibility will also end on the last day of the month in which any of the following occur:

- you exhaust short-term disability benefits while on a disability leave of absence, or you cease to qualify for short-term disability benefits but do not return to work;
- you are on an unpaid faculty research leave, the terms of which do not permit you to continue benefits;
- you are on a military leave that extends beyond 24 months;
- you lose eligibility to participate in the Program;
- the Program is terminated; or
- your employee classification is no longer eligible to participate in the Program.

LEAVE OF ABSENCE

Employees adopting a child are eligible to take a Family Medical Leave of Absence up to a maximum of 12 weeks. This leave is unpaid unless you elect to use vacation accruals. Refer to DePaul’s “Family Medical Leave Act Policy” for more information.

BENEFITS

The Program offers reimbursement of up to $2,000 for Qualified Adoption Expenses (defined in the next section) relating to each adoption of an “eligible child.”

Eligible Children
Eligible children include any non-related child under the age of 18 at the time the adoption process is initiated. Adoptions made solely by an employee’s spouse will not be considered.

Qualified Adoption Expenses
Qualified Adoption Expenses are expenses that are reasonable, necessary, and directly related to the legal adoption of an eligible child by a DePaul employee. All adoptions must be final before reimbursements are awarded. The following expenses are examples of expenses that may be considered Qualified Adoption Expenses under the Program.

- Agency and placement fees;
- Legal and court costs;
- Medical expenses for the adoptive child prior to placement for adoption that are not covered by insurance;
- Medical expenses for the adoptive child’s birth mother that are not covered by insurance;
- Temporary foster care costs;
Immigration, immunization, and translation fees;
Travel and transportation costs (including amounts spent for meals and lodging); and
Other expenses as determined by DePaul, consistent with Section 137 of the Code.

Ineligible Expenses
The following expenses are not reimbursable under the Program:

- Expenses paid or incurred before you became an eligible employee under the Program;
- Expenses submitted for reimbursement after you terminate employment;
- Expenses associated with the adoption of a child if you, your spouse, or your SDA is the biological parent of the child (step child);
- Expenses associated with a surrogate parenting arrangement;
- Expenses reimbursed or reimbursable under a federal, state or local program;
- Expenses reimbursed under another employer-sponsored program;
- Expenses claimed under the adoption tax credit;
- Expenses submitted for reimbursement more than 12 months following the date the adoption becomes final; and
- Expenses incurred in violation of federal or state law.

Maximum Number of Reimbursable Adoptions
Employees may request reimbursement for a maximum of two adoptions over the course of their employment with DePaul.

CLAIMING REIMBURSEMENT
After the adoption of an eligible child is finalized, you may request reimbursements for Qualified Adoption Expenses by:

- submitting a completed Adoption Assistance Reimbursement Form, available on the Human Resources website at https://hr.depaul.edu, to the Compensation and Benefits Department 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.

Once approved, you will receive your reimbursement through your payroll.

Requests for reimbursement not submitted within 12 months following the date the adoption becomes final will not be eligible under the Program. In addition, to be eligible for reimbursement of Qualified Adoption Expenses, you must be an eligible employee on the date the expense was incurred and on the date the adoption becomes final and submit your completed Adoption Assistance Reimbursement Form with all required substantiation while you are an eligible employee.

The Program administrator will generally approve or deny your request, in writing, within 30 days.

IMPORTANT TAX NOTICE REGARDING PROGRAM REIMBURSEMENTS
It is strongly recommended that you consult a qualified tax advisor before seeking reimbursement under the Program.

DePaul intends that benefits paid under the Program may be excludable from your income for federal income tax purposes to the extent permitted under Section 137 of the Internal Revenue Code (“Code”). You are responsible for understanding the tax treatment of reimbursements under the Program and for claiming the applicable income exclusion by filing Form 8839 with your federal income taxes.

If you do not satisfy the conditions of Code Section 137, all or part of the reimbursements under the Program may be taxable income to you. This will be the case, for example, if your adjusted gross income exceeds IRS limits for the year (in 2010, the exclusion will be phased out if you have adjusted gross income between $182,520 and $222,520; these amounts are indexed for inflation in subsequent years).

In addition to the income exclusion, you may also be entitled to a federal income tax credit for other adoption expenses. However, you cannot claim both a credit and an exclusion for the same expense. The credits and exclusions are each subject to separate dollar and income limits. In addition, you may be eligible for special tax treatment if you are
adopting a “special needs child.” You are responsible for coordinating the income exclusion and tax credit and for determining which one will produce the greatest financial and tax benefits for you and your family.

Reimbursements from the Program will appear on your W-2 form. The reimbursement amount will not be included in Box 1 of your W-2. It will appear with a “T” code in Box 12 on the W-2. They are subject to FICA and FUTA taxes as well as some state or local taxes that will be withheld. However, DePaul will not withhold federal income tax on reimbursement payments. If you need to include any of the payments in your income, it is your responsibility to ensure that sufficient amounts are withheld or paid to avoid tax penalties and are properly reflected on your Form 1040 (if applicable). This may be accomplished by adjusting your withholding (Form W-4) or making estimated tax payments. State taxes also may apply to reimbursements under the Program.

For additional information regarding the tax treatment of adoption assistance reimbursements, please visit the Internal Revenue Service website at http://www.irs.gov.

CHANGING YOUR HEALTH & WELFARE BENEFIT ELECTIONS

At the time of permanent placement for adoption, you may make changes to your current elections under other health and welfare benefit plans offered by DePaul, as long as all election changes are consistent with the qualifying event of “Adoption”. Such changes may include adding your adopted child for medical coverage, electing a Dependent Care Flexible Spending Account, or electing Supplemental Group Life Insurance, etc.

See specific Summary Plan Descriptions for more details on allowable mid-year changes.

This change to your benefits must occur within 31 days of the final placement or within 31 days of the finalized adoption.

ADMINISTRATIVE INFORMATION ABOUT THE PROGRAM

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 DePaul from its general assets.

DePaul 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 made by DePaul are final and binding. DePaul 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 Illinois, to the extent not superseded by the Internal Revenue Code or other federal law.

ADOPTION RESOURCES AND REFERRAL SERVICES

All employees eligible for adoption assistance may use Perspectives, the Employee Assistance Plan, for adoption information. Counselors are available to provide adoption information and referrals to resources.

GENERAL PLAN INFORMATION

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>DePaul University Adoption Assistance Reimbursement Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date</td>
<td>January 1, 2010 (originally effective January 1, 2004)</td>
</tr>
</tbody>
</table>
| Address for Plan Sponsor | DePaul University  
Office of Human Resources  
1 East Jackson Boulevard  
Chicago, IL 60604-2287 |
| Employer Identification Number | 36-2167048 |
| Type of Plan | Work/Life |
This document details the DePaul University Adoption Assistance Program in effect as of January 1, 2010.

Participation in the Adoption Assistance Program in no way guarantees employment with the University.

While the University expects to continue the Program indefinitely, it reserves the right to terminate, suspend, withdraw, amend or modify all or any part of the Program at any time without notice. Any such change or termination of the Program will be based solely on any decision of the Plan Sponsor and/or the Program Administrator and may apply to any or all groups of employees – including active and disabled employees – as determined under the Program.

No supervisor, manager or other representative of DePaul has any authority to enter into any oral or written agreement contrary to the foregoing or contrary to the terms of any program document.