

**ADOPTION AND SURROGACY ASSISTANCE PLAN
EFFECTIVE JANUARY 1, 2017**

1. Purpose and Intent

The City and County of San Francisco (“City”) Health Service System (“HSS”) hereby establishes the City and County of San Francisco Adoption and Surrogacy Assistance Plan (“Plan”) effective January 1, 2017. The purpose of the Plan is to establish terms, conditions and requirements for reimbursement of Qualified Expenses incurred by an Eligible Employee or Eligible Retiree in connection with an Eligible Adoption or Eligible Surrogacy. Under the Plan, the City shall offer a one (1) time benefit of reimbursement of up to \$15,000 to an Eligible Employee or Eligible Retiree for Qualified Expenses incurred in connection with either an Eligible Adoption or Eligible Surrogacy.

2. Eligibility

Eligible Employee. An active employee HSS member who has completed one (1) full calendar year of employment with a Participating HSS Employer. Time as a temporary or provisional employee is counted toward the one (1) year of employment requirement. For the purposes of this Plan, HSS Participating Employers are: the City and County of San Francisco, the San Francisco Unified School District, the San Francisco Superior Court, and the City College of San Francisco.

Eligible Retiree. An Eligible Retiree is a “Retired Person” as defined in Charter Section A8.428(a)

Eligible Child. A child who has not attained age 18, and who is not the child of the Eligible Employee’s or Eligible Retiree’s spouse or domestic partner.

Eligible Adoption. An adoption of an Eligible Child finalized or terminated (i.e., receipt of notice that an adoption will not proceed) after January 1, 2017. For purposes of the Plan, an embryo adoption is not an Eligible Adoption.

Eligible Surrogate. A person who gives legal written consent to give birth to a child/children, including from artificial insemination or the implantation of an already fertilized egg or eggs, and who surrenders to the Eligible Employee or Eligible Retiree all parental rights to the child/children. To be an Eligible Surrogate, the surrogate must give legal written consent prior to the initiation of any surrogacy procedures, including insemination or implantation. At the time the surrogate gives that consent, the surrogate must be over the age of consent under relevant state or local law, and a documented resident of the United States.

Eligible Surrogacy. A traditional or gestational surrogacy carried out by an Eligible Surrogate giving birth to a child/children after January 1, 2017.

3. Qualified Expenses

A. Adoption and Surrogacy Expenses

Adoption Expenses. The following adoption expenses are eligible for reimbursement under the

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Plan: (i) adoption fees; (ii) court costs; (iii) attorneys' fees and costs; and (iv) other expenses directly related to, and for the principal purpose of, the legal adoption of an Eligible Child by an Eligible Employee or Eligible Retiree. Adoption expenses are not eligible for reimbursement until an Eligible Adoption is finalized or formally terminated. The Eligible Employee or Eligible Retiree must have completed one (1) year of employment with a HSS Participating Employer by the time the adoption is finalized or formally terminated.

Surrogacy Expenses. The following surrogacy expenses are eligible for reimbursement under the Plan: (i) agency fees; (ii) screening and background check expenses; (iii) gestational surrogate compensation; (iv) in-vitro fertilization transfer payments; (v) egg donor compensation; (vi) attorneys' fees and costs; (vii) licensed social worker support fees; and (viii) other expenses directly related to, and for the principal purpose of, having an Eligible Surrogacy for an Eligible Employee or Eligible Retiree.

The Eligible Employee or Eligible Retiree must be an active employee or retiree HSS member at: (a) the date of finalization or termination of the adoption of an Eligible Child; or (b) the date of birth of a child/children resulting from an Eligible Surrogacy.

B. Ineligible Expenses

The following expenses are not eligible for reimbursement under the Plan:

- (i) Expenses incurred prior to the employee's or retiree's date of hire with an HSS Participating Employer;
- (ii) Expenses incurred after an employee's separation from employment and employee has not retired from an HSS Participating Employer;
- (iii) Expenses associated with an adoption or adoption proceedings terminated by the Eligible Employee or Eligible Retiree, or the Eligible Employee's or Eligible Retiree's spouse, domestic partner, agent or representative;
- (iv) Travel expenses, including transportation, housing, and food costs;
- (v) Loss of income or benefits as a result of an adoption or surrogacy;
- (vi) Surrogacy expenses incurred outside the United States;
- (vii) Voluntary contributions, such as donations;
- (viii) Expenses incurred in connection with the adoption of a child of the Eligible Employee's or Eligible Retiree's spouse or domestic partner;
- (ix) Guardianship or custody expenses that are not associated with the legal adoption of a child;
- (x) Expenses associated with the adoption of a biological child;
- (xi) Expenses associated with conservatorship, including mental health or Lanterman Petris Short conservatorship, and limited conservatorship;

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- (xii) Egg donor compensation if the donor is the Eligible Employee or Eligible Employee's spouse/domestic partner, or if the donor is the Eligible Retiree or the Eligible Retiree's spouse/domestic partner;
- (xiii) Future expenses, including costs of any planned or expected services to be rendered after submission to HSS of the application for reimbursement;
- (xiv) Expenses incurred in violation of federal, state or local law including, but not limited to, expenses incurred through fraud, misrepresentation or the failure to notify a biological parent; and
- (xv) Any expenses HSS determines to be ineligible under the Plan.

4. Limitation on Expenses

Reimbursable expenses under the Plan are limited to fifteen thousand dollars (\$15,000.00). In addition, there is a limit of one (1) adoption or one (1) surrogacy per Eligible Employee or Eligible Retiree. An employee or retiree spouse or domestic partner of an employee or retiree that has previously received any reimbursement for an adoption or surrogacy under the Plan is ineligible for reimbursement under the Plan.

5. Application for Reimbursement for Adoption

To apply for reimbursement for Qualified Expenses for an Eligible Adoption, the Eligible Employee or Eligible Retiree must submit all of the following information to HSS within twelve (12) months of finalizing the adoption (or within twelve (12) months of the termination of adoption proceedings, if applicable):

- (i) A completed HSS Adoption and Surrogacy Reimbursement Form;
- (ii) Documentation establishing payment of all fees, costs, and other Qualified Expenses incurred in connection with the Eligible Adoption of an Eligible Child; and
- (iii) Documentation that indicates the citizenship status of the child, including
 - a. For the adoption of an Eligible Child who is not a citizen of the United States, a final decree of adoption by the authority of the country establishing a parent-child relationship under the laws of the country, as well as evidence that the child has been issued the appropriate visa from the State Department of the United States; or
 - b. For the adoption of an Eligible Child who is a United States citizen, a final decree of adoption or documentation of the termination of the adoption proceedings.

Any reimbursement request submitted more than twelve (12) months after finalization or termination of an Eligible Adoption will be untimely and denied on that basis.

6. Application for Reimbursement for Surrogacy

To obtain reimbursement for Qualified Expenses for an Eligible Surrogacy, the Eligible Employee

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or Eligible Retiree must submit the following information to HSS within twelve (12) months of the birth of a child/children resulting from an Eligible Surrogacy:

- (i) A completed HSS Adoption and Surrogacy Reimbursement Form;
- (ii) Documentation establishing payment of all fees, costs, and other Qualified Expenses incurred in connection with the Eligible Surrogacy; and
- (iii) Documentation indicating the citizenship status of the Eligible Surrogate.

Any reimbursement request submitted more than twelve (12) months after a birth resulting from an Eligible Surrogacy will be untimely and denied on that basis.

7. Reimbursement Procedure

Reimbursements will be issued in accordance with the Eligible Employee's payroll or reimbursement policies, and procedures as determined by the City Controller's Office. Reimbursements for Eligible Retirees will be issued in accordance with reimbursement procedures determined by the City Controller's Office. Funding under the Plan for reimbursement requests submitted between January 1, 2017 and December 31, 2017 shall be limited to three hundred thousand dollars (\$300,000.00). In the event requests for reimbursements exceed funding under the Plan, reimbursements will be issued in the order that the applications for reimbursement were received by HSS.

8. Plan Administrator

HSS is the "Plan Administrator" for the Plan. The Plan Administrator may make and enforce such rules and regulations as is deemed necessary or proper for the efficient administration of the Plan. The Plan Administrator will determine whether expenses are Qualified Expenses eligible for reimbursement under the Plan. Additionally, the Plan Administrator is authorized to interpret and administer the Plan, and decide any and all matters arising hereunder, including the right to remedy possible ambiguities, inconsistencies or omissions and to make factual determinations.

9. Appeals

Appeals regarding the denial of reimbursement requests will be conducted under HSS Member Rule Section U (Member Appeals and Grievances). For a denial of a reimbursement request, the employee must submit the appeal to HSS within sixty (60) days of the denial of the request. All decisions and interpretations of HSS and the Health Service Board shall be final, conclusive and binding upon all persons, and shall be given the greatest deference permitted by law.

10. Miscellaneous

This Plan Document provides basic general information, and is should not be considered, or relied upon, as advice regarding a person's individual tax status, or the tax implications of proceeding with an adoption or surrogacy. Employees should contact a licensed tax advisor for more information regarding applicable IRS limitations and/or tax credits.

09/08/2016

SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

ADOPTION AND SURROGACY ASSISTANCE PLAN REIMBURSEMENT FORM

Employees and Retired persons of HSS participating employers (the City and County of San Francisco, the San Francisco Unified School District, the San Francisco Superior Court, and the City College of San Francisco) may be eligible for financial assistance to help cover certain expenses associated with the adoption of a child or a surrogacy. Eligibility for employees and retirees, qualified expenses, reimbursement limits, and reimbursement procedures are defined in the City and County of San Francisco Adoption and Surrogacy Assistance Plan, available at <http://www.myhss.org/> under “Other Benefits” (the “Plan”).

To apply for reimbursement for potential Qualified Expenses for an Eligible Adoption or Eligible Surrogacy under the Plan, please submit this form and return to the San Francisco Health Service System, along with documentation establishing payment of all fees and costs for each requested expense listed below, including, but not limited to, itemized bills, paid invoices, receipts and cancelled checks.

If approved by HSS, the reimbursed amounts for qualified adoption expenses for Eligible Employees will not have taxes withheld for federal income tax as permitted by the Internal Revenue Code. Reimbursed amounts will also not be subject to California personal income tax withholding as long as the reimbursement is less than \$13,640. Social Security and Medicare taxes, as well as applicable California employment taxes, will be withheld on all reimbursements. For more information, please visit www.irs.gov for Instructions for Form 8839. Reimbursed amounts for qualified surrogacy expenses will have taxes withheld for federal and state income tax as well as Social Security, Medicare, and applicable California employment taxes.

Any reimbursement request submitted more than twelve (12) months after finalization or termination of an eligible adoption, or more than twelve (12) months after a birth resulting from an eligible surrogacy, will be deemed untimely and denied on that basis.

Please refer to the Plan for complete details including, but not limited to, the definition of Eligible Employee, Eligible Retiree, Eligible Adoption, Eligible Child, Eligible Surrogacy, Eligible Surrogate, Qualified Expenses, as well as a list of expenses that are ineligible for reimbursement under the plan (Ineligible Expenses), and other limitations on expenses and reimbursements.

Your Personal Information:

Last Name		First Name		Initial
Street Address		City	State	Zip Code
Employee (DSW) #:	Social Security # (if no Empl. ID):		Home / Cell Telephone Number:	
eMail Address:			Work/Other Telephone Number:	

Spouse/Domestic Partner Information (if applicable):

Last Name		First Name		Initial
Street Address		City	State	Zip Code
Employee (DSW) # (if applicable):	Social Security # (if no Empl. ID):		Home / Cell Telephone Number:	
eMail Address:			Relationship: Spouse <input type="checkbox"/> Domestic Partner <input type="checkbox"/>	

Type of Reimbursement Request (check one):

Adoption *Date of finalization/termination of adoption (MM/DD/YYYY):* _____

For adoption expenses, include a copy of paperwork that demonstrates citizenship of the child and a final decree of adoption and/or documentation of the termination of the adoption proceedings, as applicable under the Plan.

Surrogacy *Date of birth of child (MM/DD/YYYY):* _____

For surrogacy expenses, include a copy of paperwork that demonstrates citizenship of the surrogate.

Expenses Requested for Reimbursement:

Date of Expense (MM/DD/YYYY)	Paid To (NAME OF PERSON/ORGANIZATION)	Services Rendered (LEGAL, MEDICAL, , OTHER DESCRIPTION)	Amount
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
Total Requested Reimbursement			\$

Please attach a separate sheet for additional expenses and submit all required documentation for each reimbursement item.

If you have any questions regarding this Form or the Adoption and Surrogacy Assistance Plan, please contact HSS Member Services at (415) 554-1750 or toll-free at (800) 541-2266.

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Signature Page:

I certify that the documentation I am submitting covers Qualified Expenses under the City and County of San Francisco Adoption and Surrogacy Assistance Plan. I also certify that these Qualified Expense have not been and will not be reimbursed under another plan or from another source, other than the City and County of San Francisco Adoption and Surrogacy Assistance Plan.

I acknowledge that I have read and agree to the following:

The submission of expenses for reimbursement under the City and County of San Francisco Adoption and Surrogacy Assistance Plan does not guarantee reimbursement under the Plan.

There is a limit of one (1) adoption or one (1) surrogacy per Eligible Employee or Eligible Retiree, and an employee or retiree spouse or domestic partner of an employee or retiree that has previously received any reimbursement for an adoption or surrogacy under the Plan is ineligible for reimbursement under the Plan.

HSS does not make any guarantee that any amounts paid to me will be excludable from your gross income for income tax purposes or receive favorable tax treatment.

It is the responsibility of each participating Employee or Retiree to determine the availability of any tax credit(s) and whether such credit(s) may be more advantageous to you with respect to a qualified expense than reimbursement for such expense under the Plan.

The income tax liability on any benefits paid under the Plan is the sole responsibility of each participating Employee or Retiree.

Each participating Employee or Retiree should consult his/her own tax advisor regarding the tax consequences of any payment received under the Plan.

For more information, please visit www.irs.gov and www.ftb.ca.gov.

Any tax or legal information contained herein is general in nature and based on authorities that are subject to change. HSS guarantees neither the accuracy nor completeness of any information and is not responsible for any errors or omissions, or for results obtained by others as a result of reliance upon such information. HSS assumes no obligation to inform applicants of any changes in tax laws or other factors that could affect information contained herein. This form and accompanying Adoption and Surrogacy Assistance Plan do not, and are not intended to, provide legal, tax or accounting advice, and applicants should consult their tax advisors concerning the application of state and/or federal tax laws to any reimbursement of adoption or surrogacy expenses under this Plan.

Signature: _____

Date: _____

HSS USE ONLY:

Approved & Reimbursement Amount: \$ _____

Denied & Reason: _____

Name/Title: _____

Signature: _____

Date: _____
