

Calvin College

Adoption Benefit Plan – 2007

Introduction

In its commitment to family concerns, Calvin College assists faculty, staff and their dependents with medical insurance, which includes certain maternity benefits. Calvin believes that certain benefits should also be provided to employees who desire to have children through the adoption process.

Eligibility

The adoption benefit is available to all half-time or greater employees.

Benefit

For all adoptions completed in 2007, Calvin College will reimburse employees for eligible expenses beyond the first \$5,000 per child. Employees can receive reimbursement for up to \$6,250 related to the adoption of one child, and up to \$9,375 for the adoption of two or more children. To apply for this benefit please inquire in the Human Resources Office.

Background on the Federal Income Tax Credit

Starting in 1997, a new tax credit applied to adoption expenses such as attorney's fees, court costs, adoption fees, and travel expenses including food and lodging. The person being adopted must be under the age of 18 at the time of adoption or be physically or mentally incapable of caring for himself or herself. The maximum credit that can be claimed per child is \$10,160.

The credit applies to adoption attempts, even if the adoption is not consummated. However, foreign adoptions must be consummated before any credit can be claimed.

There is an income limitation that applies to the adoption tax credit. The full credit applies if the taxpayer's Adjusted Gross Income (AGI) is less than \$150,000. When AGI exceeds \$190,000, the tax credit is completely eliminated. When AGI is between these limits, a portion of the credit is available related to the amount AGI exceeds \$150,000.

Full details on the Federal Income Tax are available in IRS Publication 968, "Tax Benefits for Adoption."