

**The Regents of the University of California**

**ADOPTION ASSISTANCE PLAN**

**EFFECTIVE March 1, 2023**

**DRAFT**

**TABLE OF CONTENTS**

I. Purpose ..... 1

II. Administration ..... 1

III. Eligibility..... 1

IV. Termination of Participation ..... 1

V. Plan Benefits ..... 1

VI. Eligible Expenses..... 2

VII. Reimbursements..... 2

VIII. Contributions and Funding ..... 3

IX. Income Tax Implications ..... 3

X. Amendment and Termination ..... 3

XI. Miscellaneous ..... 3

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## **I. Purpose**

Effective March 1, 2023, The Regents of the University of California hereby establishes this Adoption Assistance Plan (hereinafter "Plan") for the purpose of providing certain benefits between The Regents of the University of California (hereinafter "UC Residents") and Carrot Fertility, Inc. (hereinafter "Carrot").

The Regents of the University of California ("Company") has established this Adoption Assistance Plan ("Plan") for the exclusive benefit of its eligible employees. The Plan provides for reimbursement of qualified adoption expenses. It is intended that benefits paid under the Plan will be excludable from an employee's income for federal income tax purposes to the extent permitted under Internal Revenue Code ("Code") section 137. All benefits paid under the Plan are subject to FICA and FUTA.

## **II. Administration**

Company is the Plan Administrator and shall have the authority to interpret and construe the Plan in regard to all questions of eligibility, the status and right of any person under the Plan, and each eligible employee shall, from time to time, upon request of Company (or its third party administrator), furnish to Company (or its third party administrator) such data and information as Company shall require in the performance of its duties under the Plan. Carrot is the Claims Administrator responsible, in its sole discretion, for processing reimbursement claims under the Plan and determining the manner, time, and amount of payment of any benefits under the Plan. Carrot's determination regarding a reimbursement claim under the Plan is final and binding.

## **III. Eligibility**

Reimbursements will be provided only to eligible employees, as determined by the Company. The Company shall ensure that no more than 5% of the amounts paid under this Plan during any year are provided to the class of individuals who are shareholders or owners (or their spouses or dependents), each of whom (on any day of the year) owns more than 5% of the stock or of the capital or profits interest of the Company, if applicable. Participation in the Plan shall continue while an eligible employee is on an approved leave of absence for military leave/medical leave/personal leave/family leave.

## **IV. Termination of Participation**

Participation in the Plan will terminate upon the earlier of:

- A. The effective date of termination of the Plan;
- B. The date on which an employee ceases to be eligible as described in Section III above; or
- C. The date on which an employee has received reimbursements under the Plan equal to the lifetime maximum reimbursement limit described in Section V, below.

## **V. Plan Benefits**

- A. The Company will reimburse costs incurred by eligible employees in connection with the adoption of a child who is under 18 years of age, or is physically or mentally incapable of self-care.
- B. The total lifetime maximum benefit under the Plan is \$30,000.00. The benefit amount shall be reduced by the amount reimbursed to the eligible employee for covered infertility expenses, gestational surrogacy expenses, covered fertility expenses, or other benefits, if any, incurred in the eligible employee's lifetime.

## **VI. Eligible Expenses**

- A. The Plan provides for reimbursement of reasonable and necessary expenses that are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child ("Qualified Adoption Expenses"), including:
  - 1. Adoption fees
  - 2. Legal fees
  - 3. Court costs
  - 4. Travel expenses (including meals and lodging) necessary for the adoption
  - 5. Home study application fee
  - 6. Home study fees
  - 7. Matching and placement fees
  - 8. Interstate Compact on the Placement of Children fees
  - 9. Other expenses Carrot determines to be Qualified Adoption Expenses.
- B. The Plan does not provide reimbursement for expenses:
  - 1. Incurred before an employee becomes eligible to participate in the Plan;
  - 2. Incurred after an employee is no longer eligible to participate in the Plan;
  - 3. Reimbursed under a federal, state, or local plan;
  - 4. Incurred in violation of federal or state law;
  - 5. Reimbursed under another employer-sponsored plan;
  - 6. Incurred in relation to a surrogate parenting arrangement;
  - 7. Incurred in connection with the adoption of the child of a spouse; or,
  - 8. Which Carrot determines in its sole discretion are not Qualified Adoption Expenses.
- C. Eligible employees receiving reimbursements under the Plan must provide reasonable substantiation that expenses incurred constitute Qualified Adoption Expenses.

## **VII. Reimbursements**

- A. A claim for reimbursement shall be made in accordance with procedures established by the Claims Administrator, using the Carrot platform.
- B. All reimbursement claims and required documentation must be submitted by Participants no later than 90 days following the end of each plan year. No qualified adoption expense incurred after participation in the Plan terminates shall be reimbursed. A Participant may

submit a claim for reimbursement of any qualified adoption expense incurred prior to termination of participation, by 30 days after the Participant's termination.

- C. The Company may limit reimbursements under the Plan as necessary to comply with applicable non-discrimination requirements.

#### **VIII. Contributions and Funding**

- A. Employees are not required or permitted to contribute to the Plan.
- B. The Plan is unfunded. All reimbursements are paid from the Company's general assets.

#### **IX. Income Tax Implications**

- A. Benefits paid under the Plan may be excludable from eligible employees' federal taxable income to the extent permitted under Code section 137.
- B. Eligible employees may claim both an exclusion and a credit in connection with the adoption of an eligible child, but may not claim both a tax credit and exclusion for the *same* expense.
- C. Eligible employees may not claim a tax credit for expenses reimbursed under the Plan that are excludable from their federal taxable income. See Form 8839, Qualified Adoption Expenses and Instructions for Form 8839 on [www.irs.gov](http://www.irs.gov) for more information.
- D. The Company does not provide employees with personal tax advice.

#### **X. Amendment and Termination**

The Company, in its sole discretion, may amend or terminate this Plan for any reason at any time, and without prior notice to employees. However, any eligible employee who has submitted documentation of their expenses in connection with an adoption at the time of such amendment, modification, or termination, but has not yet been reimbursed for such expenses, will be reimbursed in accordance with the terms of this Plan.

#### **XI. Miscellaneous**

- A. Limitation of Rights. Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits under the Plan, shall be construed as giving to any eligible employee or other person any legal or equitable right against the Company or Carrot.
- B. Restriction on Alienation. The interests of persons entitled to benefits under the Plan are not subject to their debts or other obligations and, except as may be required by the tax withholding provisions of the Internal Revenue Code or any state's income tax act, may not be voluntarily or involuntarily sold, transferred, alienated, assigned, or encumbered.
- C. Facility of Payment. When any person entitled to benefits under the Plan is disabled or is in any way incapacitated so as to be unable to manage his/her affairs, the Company may cause such person's benefits to be paid to such person's legal representative for their

benefit, or to be applied for the benefit of such person in any other manner that the Company determines appropriate.

- D. No Employment Contract. This Plan is not an employment contract. Any employment rights of an eligible employee are neither enlarged nor diminished by the establishment of the Plan.
- E. Severability. If any provision of the Plan is declared invalid or unenforceable by a court or agency of competent jurisdiction, such stricken provision shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.
- F. Applicable Laws. Except to the extent superseded by the laws of the United States, this Plan and all rights and duties thereunder shall be governed, construed, and administered in accordance with the laws of the State of California.
- G. Forum Selection. Any court action must be brought in the U.S. District Court of the Northern District of California.
- H. Headings. The headings and subheadings of this Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.
- I. No Waiver of Terms. No term, condition or provision of the Plan shall be deemed to have been waived, and there shall be no estoppel against the enforcement of any provision of the Plan except by written agreement of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

## **XII. Execution**

This Adoption Assistance Plan has been established by: [counterpartySignerSignature\_RdRk9yu] ,  
dated [counterpartySignerDateField\_5o1rbS3] .