

**From:** Scott Corcoran [scott@afamilyforeverychild.org]  
**Sent:** Thursday, July 18, 2013 3:51 PM  
**To:** scott@afamilyforeverychild.org  
**Subject:** Adoption assistance



Dear ,

There are many resources and supports available to assist families with their decision to adopt.

**Adoption Subsidy:** Adoption subsidies, also known as adoption assistance, allows families to access services for their children, such as medical care, therapy, tutoring programs, special equipment, and more. These subsidies are available to families who adopt a child who has "special needs", such as emotional, physical or developmental challenges. Adoption subsidies are funded by the Federal Title IV-E Adoption Assistance Program and state money, or just state money. Adoption subsidies are in place to help remove some of the barriers to get children adopted, but are not intended to cover the full cost of adoption or raising a child. Subsidy amounts cannot exceed the amount that a child would receive if they remained in a foster care setting. Benefits are determined on an individual basis.

Special needs, as defined by the Department of Children and Families includes:

- a child who has one or more special needs as a result of a mental, emotional or physical impairment, behavioral disorder, or medical condition that has been diagnosed by a licensed professional who is qualified to make the diagnosis;
- a child who is a member of a sibling group of 2 to be adopted together and one of the children is 8 years of age or older;
- a child is a member of a sibling group of 3 or more to be adopted together;
- a child is a member of an ethnic or cultural minority of whom reasonable, but unsuccessful efforts to place the child in an adoptive home were made and documented;
- The child's birth and/or family history places the child at risk of having special needs but, due to the child's age, a reliable diagnosis cannot be made.

#### **More information on adoption subsidies**

To learn more about adoption subsidies, please refer to the following sites:

#### **Adoption Subsidy home**

page: <http://www.nacac.org/adoptionsubsidy/adoptionsubsidy.html>

#### **Adoption Subsidy definitions:**

<http://www.nacac.org/adoptionsubsidy/definitions.html>

#### **State Adoption Subsidy State**

Profiles: <http://www.nacac.org/adoptionsubsidy/stateprofiles.html>

#### **Adoption Subsidy Fact Sheets:**

<http://www.nacac.org/adoptionsubsidy/factsheets.html>

**Adoption Assistance by State:** [https://www.childwelfare.gov/adoption/adopt\\_assistance/](https://www.childwelfare.gov/adoption/adopt_assistance/)

**Adoption Tax Credit:** The adoption tax credit, which can be claimed for eligible adoption-related expenses, has helped thousands of American families offset the high cost of adoption since the credit was established in 1997. The credit applies to all types of adoption except stepparent adoption. How much of a tax credit a family receives is based on their income. As of 2012, families who had a federal modified adjusted gross income above \$229,710 cannot claim the income; families with an income above \$189,710 can claim partial credit.

For 2013, the maximum adoption credit and exclusion is \$12,970 **per child**. Since the

credit is per child, the maximum you claim depends on the number of children you adopt. If you adopt two children in 2013, your maximum is \$12,970 x 2 or \$25,940. If you adopt four children, the maximum is \$12,970 x 4 or \$51,880. For purposes of the tax credit, there is no limitation on the number of children you can adopt.

Qualified adoption expenses include:

- Adoption fees,
- Attorney fees,
- Court costs,
- Travel expenses (including meals and lodging) while away from home, and
- Re-adoption expenses relating to the adoption of a foreign child.

Qualified adoption expenses do not include expenses:

- For which you received funds under any state, local, or federal program,
- That violate state or federal law,
- For carrying out a surrogate parenting arrangement,
- For the adoption of your spouse's child (step-parent adoptions are excluded),
- Paid or reimbursed by your employer or any other person or organization, or
- Allowed as a credit or deduction under any other provision of federal income tax law.

**[More information on the Adoption Tax Credit](#)**

**Adoption Tax Credit:**

<http://adoptiontaxcredit.org/faqs/>

**IRS:**

<http://www.irs.gov/taxtopics/tc607.html> or call 1-800.829.1040

**NACAC-Tax Credit:**

<http://www.nacac.org/taxcredit/taxcredit.html>

**Adoption Learning Partner's FREE tax credit webinar:**

<http://www.adoptionlearningpartners.org/catalog/courses/adoption-tax-credit.cfm>

**Employee Benefits:** Employer adoption benefits may include reimbursement for costs, paid or unpaid time-off and other support services. For more information contact the Dave Thomas Foundation for Adoption at 1-877-777-4222 or [info@adoptionfriendlyworkplace.org](mailto:info@adoptionfriendlyworkplace.org) or visit their website at [www.adoptionfriendlyworkplace.org](http://www.adoptionfriendlyworkplace.org). You can also talk to your employer.

**Military Family Benefits:** There is also adoption assistance specifically for active and retired military members. Military members may receive up to \$2,000 per child under the age of 18, or up to \$5,000 for multiple adoptions in a calendar year, for qualifying adoption expenses. Members must file DD form 2675 no later than one year after the adoption is final. Qualifying expenses include:

- Public and private agency fees including adoption fees charged by an agency in a foreign country
- Placement fees, including fees charged adoptive parents for counseling
- Legal fees, including court costs, for services that are unavailable to a member of the military
- Medical expenses, including certain hospital expenses of the biological mother of the child to be adopted
- Certain hospital expenses of the newborn infant to be adopted
- Medical care given to the adopted child before the adoption
- Physical examinations for the biological mother of the child to be adopted
- Temporary foster care charges when payment of such charges is required to be made before the adoptive child's placement

To learn more about the reimbursement qualifications and what expenses do not qualify, please see the National Military Family Association's PDF guide on [Qualifications for Reimbursement](#).

For more information about adopting as a military family including leave, reimbursements, health care and more, please visit the [National Military Family Association](#) website.

To find more information on financial resources, please visit our Financial Aid page at [www.afamilyforeverychild.org/Resources/FinancialResources.php](http://www.afamilyforeverychild.org/Resources/FinancialResources.php)

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