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Funding Adoption: Adoption Packet 2

This packet is provided for prospective adoptive parents and others interested in learning more about costs of adoption and resources that may be available to help. Contents include:

- Costs of Adopting: A Factsheet for Families
- Adoption Assistance for Children Adopted From Foster Care: A Factsheet for Families
- Employer-Provided Adoption Benefits
- How to Make Adoption an Affordable Option (This booklet is not available in printable PDF format. The entire booklet may be viewed on the National Endowment for Financial Education website at <http://www.nefe.org/adoption>.)

Child Welfare Information Gateway (Information Gateway) offers many other resources about all types of adoption. For more information or to order additional publications, visit the Information Gateway website at www.childwelfare.gov, email Information Gateway at info@childwelfare.gov, or call Information Gateway at 703.385.7565 or 800.394.3366.



Child Welfare Information Gateway

PROTECTING CHILDREN ■ STRENGTHENING FAMILIES

A FACTSHEET
FOR FAMILIES

June 2004

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Costs of Adopting



Prospective adoptive parents may be concerned about the financial costs of adopting an infant or child and their ability to meet these costs. While becoming a parent is rarely free of expenses (even pregnancy and childbirth can be relatively expensive if there is inadequate insurance), adoptive parents often are faced with initial costs that can seem challenging. However, with planning and with knowledge about the different types of adop-

What's Inside:

- Universal expenses
- Adoption-specific expenses
- Resources to help defray adoption costs
- Additional resources

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tions and available resources, they should be able to develop a budget that includes most of the foreseeable expenses. This factsheet was designed to help prospective adoptive parents learn about these expenses so that they can make informed decisions throughout the adoption process.

The total cost of adopting varies from \$0 to more than \$40,000, depending on a number of factors. The chart below outlines some general categories of adoption and costs associated with the services provided. The wide range reflects the multitude of factors that may affect costs, including the type of adoption, the type of placement agency or facilitator, and the child’s age and circumstances. Prospective adoptive parents are encouraged to check with the agencies they are considering to find out more about specific costs for their circumstances.

RANGE OF ADOPTION COSTS	
Foster Care Adoptions	\$0 – \$2,500
Licensed Private Agency Adoptions	\$5,000 – \$40,000+
Independent Adoptions	\$8,000 – \$40,000+
Facilitated/Unlicensed Adoptions	\$5,000 – \$40,000+
Intercountry Adoptions	\$7,000 – \$30,000

While the overall figures may seem daunting, prospective adoptive parents should explore all adoption options and the associated costs for each. In some cases, the total cost may be much less than the maximum figures cited here; resources may also be

available to help offset costs. These are discussed at the end of this factsheet.

Breaking down the total cost into categorized expenses helps prospective parents understand what is involved and how to determine a predictable range for their costs. In some cases, understanding the costs associated with different types of adoption may help parents decide which type of adoption to pursue, or whether to pursue this approach to building a family.

This factsheet can help by outlining and discussing the following categories of expenses:

- Universal expenses, that is, those that occur for every type of adoption, including home study expenses and court costs.
- Adoption-specific expenses, that is, those that are associated with a particular type of adoption, including foster care adoptions, domestic infant adoptions, and intercountry (i.e., foreign or international) adoptions.

All adoptive parents pay some combination of universal and adoption-specific expenses.

Child Welfare Information Gateway (Information Gateway) offers a factsheet for parents, *Adoption Options*, that describes the different types of adoptions. This can be accessed at www.childwelfare.gov/pubs/f_adoption.cfm.

Universal Expenses

Universal expenses are incurred by everyone who adopts a child. (In some cases, they may be offset by reimbursements or other resources.) These expenses include home study expenses and court costs.

Home Study Expenses

A home study must be completed for all prospective parents, no matter what type of adoption they intend to pursue. In the case of foster care adoption, these most often are completed by the local public agency or its contractors; for other types of adoption, private agencies or certified social workers conduct the home study. The purpose of the home study is to prepare the prospective parents for the adoption, gather information about them so that an appropriate match between the child and parents can be made, and evaluate the fitness of the parents. Home studies culminate in the social worker's written report, which includes a recommendation about whether the prospective parents are qualified to adopt and, if so, what age child or children would be most appropriate. (For more information, read Information Gateway's *The Adoption Home Study Process* at www.childwelfare.gov/pubs/f_homstu.cfm.)

The cost for the home study is generally paid for by the prospective parents. In the case of foster care adoption, there may be no charge for conducting the home study, although parents may incur fees for medical or psychological evaluations that may be required as part of the process. With other types of adoption, the private agency or

certified (or licensed) social worker may charge \$1,000 to \$3,000 for the home study. In some cases, the fee for the home study may be included in the overall agency fee. Information about all fees should be provided in writing by the agency or social worker, and prospective parents should ask for such information.

Legal Fees

All domestic adoptions and some intercountry adoptions must be finalized in a court in the United States. Some intercountry adoptions are finalized in the child's country of origin. Although not required in these situations, parents often choose also to finalize the placement in a U.S. court to provide additional protection of their child's legal status. All of these procedures incur a cost. The cost for court document preparation can range from \$500 to \$2,000, while the cost for legal representation may range from \$2,500 to \$12,000 or more in some States. (Again, these costs may be reimbursable.) In some jurisdictions, an adoption can be finalized without representation by an attorney.

Adoption-Specific Expenses

In addition to the costs common to every adoption, adoptive parents generally incur costs specific to their type of adoption. The costs for three types of adoption are described here: foster care, domestic infant, and intercountry. These expenses are in addition to the universal expenses described above in most cases.

Foster Care Adoption

Costs: \$0 to \$2,500

Most public agencies in the foster care system place children with special needs only, a category that is defined differently in each State but may refer to children who must be placed with siblings, who are older or in a minority group, or those with disabilities. Up-front fees and expenses may range from \$0 to \$2,500, including attorney's fees and travel expenses. In foster care adoptions, fees often are kept to a minimum or even waived, so that final costs to parents are negligible. In some cases, the child may even be eligible for government subsidy payments (often called adoption assistance), Supplemental Security Income, or Medicaid coverage. (These resources are described at the end of this factsheet.)

Domestic Infant Adoption

Costs: \$5,000 to \$40,000

These vary widely according to the type of agency used and, sometimes, the individual adoption circumstances. It is important for prospective parents to fully understand what is included in agency and attorney fees. In some cases, the cost of the home study is included, rather than broken out separately. Domestic infant adoptions fall into three general categories, each with its own attendant costs:

Licensed Private Agency Adoption Costs: \$5,000 to \$40,000. Costs for this type of adoption include a fee charged by the agency and may include the cost of the home study, birth parent counseling, adoptive parent preparation and training, and social work services involved in matching a child to a prospective family.

The fees charged by licensed agencies are generally predictable, and some even have sliding fee scales based on family income. In addition, some agencies may offer reduced fees to prospective parents who locate a birth parent on their own but who need the agency for counseling, facilitation, home study, and supervision services.

Independent Adoption Costs: \$8,000 to \$40,000 (average is \$10,000-\$15,000).

Independent adoptions handled by an attorney generally result in costs that may include medical expenses for the birth mother (as allowed by law), as well as separate legal fees for representing adoptive and birth parents, and any allowable fees for advertising. Additional medical expenses may be required in situations in which there are birth complications.

State laws restrict many of these costs, including any reimbursements to the birth mother. Restrictions may also exist regarding advertisements seeking expectant parents. Where allowed, such advertising expenses may range from \$500 to \$5,000. Information Gateway publication *State Regulation of Adoption Expenses* (www.childwelfare.gov/systemwide/laws_policies/statutes/expenses.pdf) has more information about State laws regulating these types of adoption expenses.

Compared to licensed agency adoptions, the costs of independent adoptions may be less predictable. In addition, costs may not be reimbursable in cases in which a birth mother changes her mind and chooses to parent her child.

Facilitated/Unlicensed Agency Adoption Costs: \$5,000 to \$40,000. These costs are

generally the same as costs of licensed agencies. However, in States that allow adoptive placements by facilitators these placements are largely unregulated. Prospective parents may have no recourse if the adoption does not proceed as expected.

Intercountry adoption costs: \$7,000 to \$30,000

Agencies that provide intercountry adoption services charge fees that range from \$7,000 to \$30,000. These fees generally include dossier and immigration processing and court costs. In some cases, they may include a required donation to the foreign orphanage or agency. Overall costs may be affected by the type of entity in the foreign country that is responsible for placing the child (e.g., government agency, government orphanage, charitable foundation, attorney, facilitator, or some combination thereof). Many intercountry adoption agencies offer a sliding fee scale.

Depending on the country, there may be additional fees, such as:

- Child foster care (usually in South and Central American adoptions)
- Parents' travel and in-country stay(s) to process the adoption abroad
- Escorting fees, charged when parents do not travel but instead hire escorts to accompany the child on the flight
- Child's medical care and treatment (occasionally in South and Central America)
- Translation fees
- Foreign attorney fees

- Foreign agency fees
- Passport fees
- Visa processing fees and costs of visa medical examination

Resources to Help Defray Adoption Costs

In many cases, tax credits, subsidies, employer benefits, and loans or grants can help with adoption costs.

Tax credits

Adoption tax credits may be available to defray some adoption costs. The amount may depend on family income and any other adoption benefits. Parents may want to check with a tax professional to determine applicable benefits.

Federal tax credits and tax exclusion.

Prospective adoptive parents can find information about tax rules regarding adoption at the IRS website (<http://www.irs.ustreas.gov>). Parents should look for information on the IRS Adoption Taxpayer Identification Number (<http://www.irs.gov/individuals/article/0,,id=96452,00.html>) and information on the Adoption Tax Credit (<http://www.irs.gov/taxtopics/tc607.html>).

State tax credits. Several States have enacted State tax credits for families adopting children from the public child welfare system in that State. Some are restricted to adoptions from foster care, while others are not.

Subsidies and Reimbursements for Children with Special Needs

Each State has its own definition of children with special needs, but they often include children who are older, have disabilities, belong to a minority group, or must be placed with siblings. To facilitate the adoption of these children, who often are in foster care, States may provide reimbursements for some adoption costs, as well as subsidies for some children.

Reimbursement for Adoption Costs. After families have finalized the adoption of a child with special needs from the public child welfare system, they may be able to apply for reimbursement of expenses they paid related to the adoption, including home study fees, travel expenses to see the child, and attorney fees. Most States, under a Federal match program, offer non-recurring adoption expenses reimbursements up to a set limit (which cannot exceed \$2,000).

Subsidies. Federal and State adoption subsidies (or adoption assistance) may be available to help adoptive parents pay for the ongoing care of children with special physical, mental, or emotional needs. In addition, some children qualify for Supplemental Security Income (SSI) or Medicaid coverage. The Information Gateway factsheet *Adoption Assistance for Children in Foster Care* (www.childwelfare.gov/pubs/f_subsid.cfm) provides more information on this topic.

Employer Benefits

Many employers provide a range of benefits for families who adopt, including paid or unpaid leave when a child arrives in the

home, reimbursement of some portion of adoption expenses, or assistance with adoption services. (Corporate human resource departments can provide employees with information about any benefits available.) Information Gateway publishes a factsheet titled *Employer-Provided Adoption Benefits*, which can be accessed at on their website at www.childwelfare.gov/pubs/f_benefi.cfm.

Adoption Loans and Grants

Adoptive parents may be eligible to receive a loan or grant to offset some of their adoption costs. Such programs may have specific requirements regarding the type of adoption that is eligible, or they may give preference to families with the greatest financial need or with other specific characteristics. Many agencies also have adoption grant programs. More detailed information may be found by checking the resources listed below.

Additional Resources

National Endowment for Financial Education

www.nefe.org/adoption/default.htm

Offers an online booklet on adoption costs

National Adoption Foundation

www.nafadopt.org

Offers information on adoption grants and loans

Other Information Gateway factsheets pertaining to adoption costs:

Employer-Provided Adoption Benefits

(www.childwelfare.gov/pubs/f_benefi.cfm)

Adoption Assistance for Children in Foster Care

(www.childwelfare.gov/pubs/f_subsid.cfm)



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Adoption Assistance for Children Adopted From Foster Care



In every State there are children with special needs waiting in foster care for adoptive families. The most recent data estimate that 126,000 children are available to be adopted from foster care.¹ In the past, the costs of care and services were major obstacles to parents who would otherwise adopt and love these children, and most were not placed

¹ This figure is according to Adoption and Foster Care Analysis and Reporting System (AFCARS) data for 2001. See http://www.acf.hhs.gov/programs/cb/stats_research/afcars/tar/report8.htm.

What's Inside:

- Federal Title IV-E adoption assistance
- State adoption assistance
- Arranging adoption assistance

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for adoption. The Adoption Assistance and Child Welfare Act of 1980² provided the first Federal subsidies to encourage the adoption of children from the nation's foster care system. These subsidies, known as adoption assistance, serve to minimize the financial obstacles to adoption. In addition, other types of assistance often are available to help with medical care or other services. Adoption assistance serves to remove barriers and contribute to an increase in adoption of children with special needs.

Federal Title IV-E Adoption Assistance

Adoption assistance from the Federal Government is administered under the Federal Title IV-E adoption assistance program. Payments to the parents of an eligible child with special needs can take the form of either one-time (nonrecurring) adoption assistance or ongoing (recurring) adoption assistance. These funds are paid through the State agency or through another public or nonprofit private agency and are available for children being adopted from foster care.

Nonrecurring Adoption Assistance

Nonrecurring adoption assistance is paid or reimbursed for one-time reasonable and necessary expenses directly related to the legal adoption of a child with special needs that have not been reimbursed from other sources or funds. These reimbursable expenses may include the home study fees,

² See P.L. 96-272 Adoption Assistance and Child Welfare Act of 1980 at <http://thomas.loc.gov/cgi-bin/bdquery/z?d096:HR03434:@@DJTOM:/bss/d096query.html>.

attorney fees, replacement of the birth certificate, and travel for visits to the child (including mileage, lodging, and meals). The Federal maximum for this type of assistance is \$2,000 for each adoptive placement.³ Some expenses in excess of this amount may be tax deductible.

Recurring Adoption Assistance

Ongoing adoption assistance provides funds that may be used for any identifiable need of the child. These usually take the form of monthly payments to the parents of eligible children. The maximum payment amount may not exceed the amount that would have been paid for maintenance if the child had remained in a foster home in that State. Payments can continue until the child reaches age 18 (or until age 21 where the State determines that the child has a physical, mental, or emotional disability), and these payments continue even if the family moves to another State. While adoption assistance is not taxable, portions could be taxed if the family cannot prove that the amount spent on the child's support was more than the amount of assistance received.⁴ Families are advised to consult a tax professional.

³ See the Children's Bureau website for further information: http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=50#745.

⁴ For a more complete explanation, see <http://www.nacac.org/subsidyfactsheets/taxes.html>.

Eligibility for Federal IV-E Adoption Assistance

Eligibility for Federal Adoption Assistance has two main components, as outlined in this table:

Special Needs Determination The child must be determined to have “special needs,” which include <i>all three requirements</i> listed below. ⁵ (This is required for both nonrecurring and recurring Federal adoption assistance.)	Eligibility Requirements The child must meet <i>any one of four eligibility requirements</i> provided by the law. (These are required only for recurring adoption assistance.)
1. The child cannot or should not be returned home to his or her parent(s). <p style="text-align: center;">AND</p>	1. The child was eligible for AFDC ⁶ during the month in which court proceedings were initiated or was eligible within 6 months prior to that time. <p style="text-align: center;">OR</p>
2. The child has a “factor or condition” (uniquely defined by each State) that qualifies him or her as having “special needs.” Depending on the State, this factor or condition may include: <ul style="list-style-type: none"> • Ethnic background • Age • Membership in a sibling group • Medical, physical, or emotional condition or handicap The factor or condition must prompt the conclusion that the child cannot be placed without providing adoption assistance or medical assistance. <p style="text-align: center;">AND</p>	2. The child was eligible for Supplemental Security Income (SSI) programs under the Social Security Act before adoption. (A guide to Social Security benefits is available from the Casey Foundation at http://www.casey.org/Resources/Publications/GuideTOSSI.htm .) <p style="text-align: center;">OR</p>
3. An attempt to place the child without adoption assistance was made but was unsuccessful except where it would be against the best interests of the child. ⁷	3. The child’s parent was in foster care and receiving Title IV-E funds that covered both the parent and child when the adoption was initiated. <p style="text-align: center;">OR</p>
	4. The child previously received adoption assistance, and his or her adoptive parent died or the adoption was dissolved.

In some cases, prospective adoptive parents may know early on whether the child they are considering for adoption is eligible for adoption assistance. Such information may

⁵ See the text of the P.L. 96-272 Adoption Assistance and Child Welfare Act of 1980 at <http://www4.law.cornell.edu/uscode/42/673.html>.

⁶ This requirement dates back to the Title IV-E plan that was in effect prior to enactment of P.L. 104-193 and uses the AFDC definition of “dependent child” that was in effect July 16, 1996. P.L. 104-193 replaced the AFDC program with the Temporary Assistance for Needy Families (TANF) program, but the definition of “dependent child” is still used. See www.acf.hhs.gov/programs/ofa/ for more information on the TANF program.

⁷ For the full text, see <http://www4.law.cornell.edu/uscode/42/673.html>.

be included in a photolisting and in background information provided to prospective parents by the agency or social worker. (See the Information Gateway factsheet *Obtaining Background Information on Your Prospective Adoptive Child* at www.childwelfare.gov/pubs/f_background.cfm.)

Family Income and Determination of Need

Federal law mandates that the resources of the adoptive parents cannot be considered when determining a child’s *eligibility* for

Title IV-E adoption assistance.⁸ However, the circumstances of the family and the needs of the child may both be taken into consideration when determining the *amount* of assistance.⁹

Medical Benefits. Children eligible for Title IV-E adoption assistance also are eligible for medical benefits under Title XIX (Medicaid). States may offer additional services through Title XX, which is a flexible block grant of monies from the Federal Government to State governments. Title XX services may include counseling, legal aid, respite care, information, referral, and transportation services. States may offer additional adoption preservation services as well. Each State's Title XX program is different. Families should check with their State agency to determine what services are available.

State Adoption Assistance

State adoption assistance programs provide assistance for children with special needs who are not eligible under the Federal IV-E adoption assistance program. This assistance is funded by State and/or county dollars and is designed for children who are neither AFDC- nor SSI-eligible prior to adoption. Eligibility criteria for these programs vary by State, but State adoption assistance programs generally fall into three categories:

⁸ See http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=81 to read the section of the Child Welfare Policy Manual that says that States cannot employ a "means test" in negotiating adoption assistance agreements.

⁹ The full text of the law can be found at <http://www4.law.cornell.edu/uscode/42/673.html>.

Medical assistance covers some or all the costs related to a child's specific medical condition that are not covered by the family's health insurance, as well as associated therapy, rehabilitation, and special education. (Most States call this assistance Medicaid; other States call it something else.)

Direct payment assistance refers to direct payments to the adoptive family to help meet the special physical, mental, or emotional needs of the child.

Supplemental adoption assistance varies greatly by State. Some States cover a child's emergency or extraordinary need; less often, assistance consists of repeated payments for services not covered by the medical or direct payments. Each State determines what is an allowable cost. Some States make this available for 3 months, others for 6 months, while still others provide one-time coverage for a specific service.

Eligibility for State Adoption Assistance and Other Assistance

Eligibility for State adoption assistance varies but is linked to (1) determination of "special needs" from the Federal adoption assistance law (see above) and (2) unique aspects of the State adoption assistance program.

States sometimes consider the prospective adoptive family's income and resources to determine if the family meets State eligibility requirements.

Arranging Adoption Assistance

When a State agency has determined that the child has special needs (as defined by that State), the possibility of adoption assistance is discussed with the prospective adoptive parents. States are responsible for telling prospective adoptive parents about the availability of adoption assistance.¹⁰ Most children registered with agencies as having special needs have already been classified as eligible for adoption assistance.

Once a petition for adoption has been filed, a final determination of the child's eligibility under Title IV-E or the State program is made. The family applies for the adoption assistance to the State agency, through the local office. If approved, an adoption assistance agreement is drawn up between the public agency and the prospective parents, specifying the types of adoption assistance to be provided. This is usually done around the time of placement and must be done before finalization of the adoption. Each State has its own regulations for arranging a State-only subsidy, and each State establishes its own procedures to achieve compliance with the Federal Title IV-E program in arranging this type of assistance.

Deferred Adoption Assistance

In some States, it is possible for adoptive parents to defer adoption assistance until it is needed to meet the needs of the adopted

¹⁰ See http://www.acf.hhs.gov/j2ee/programs/cb/laws_policies/laws/cwpm/policy_dsp.jsp?citID=176 for information from the Child Welfare Policy Manual stating that it is the responsibility of the State to notify parents of adoption assistance availability.

child. In these cases, parents can elect to receive a Medicaid card only and sign the agreement with the payment level of \$0 – to be raised to meet the needs of the child at a future date. The adoption assistance agreement between the parents and the public agency is written in such a way as to clearly identify what event(s) would trigger services. Often, psychiatric reports and other documentation are necessary to justify the potential need for a future subsidy.

Appealing an Adoption Assistance Decision

Adoptive parents may appeal the State agency's decision regarding adoption assistance or the adoption assistance amount by using the State's fair hearing and appeals process. If the family is appealing a decision regarding a Title IV-E subsidy, the family files an appeal through the local agency that administers Title IV-E assistance. The local agency should inform the family about steps in the State fair hearing process. During the process, some families choose to hire an attorney or seek the advice of advocacy organizations for children with special needs. If a family wishes to appeal a decision regarding State adoption assistance, they should consult the local agency director about the existence of and steps in the State appeals (or "fair hearing") process.

Conclusion

Adoption assistance exists to help parents afford the costs associated with raising a child adopted from foster care. Current trends indicate that States are providing

more and more such assistance, as the population of children in foster care shifts and a greater percentage of these children are adopted.¹¹ By providing financial assistance to these families, the State and Federal subsidy programs minimize the financial barriers to these adoptions, so that more children find permanent homes and families.

Adoption assistance payments are not the only type of financial assistance available to adoptive parents. Prospective adoptive parents should explore all potential resources to help make adoption an affordable option. The Information Gateway website (www.childwelfare.gov) offers several factsheets that provide this type of information. For example:

- Information on tax benefits and reimbursement for one-time adoption costs is included in the factsheet *Costs of Adopting* (www.childwelfare.gov/pubs/s_cos/index.cfm).
- Information on employer benefits is contained in the factsheet *Employer-Provided Adoption Benefits* (www.childwelfare.gov/pubs/f_benefi.cfm).
- *Information on Funding Resources for Adoption Services* (www.childwelfare.gov/pubs/rl_dsp.cfm?subjID=59&rate_chno=AR-0047A) lists contact information for national organizations that provide adoption funding information.

¹¹ See <http://aspe.hhs.gov/hsp/fostercare-issues02/adoption/index.htm> for F. H. Wulczyn and K. B. Brunner's (2002) paper on statistics and projections of children adopted from foster care.



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Employer-Provided Adoption Benefits



A growing number of employers offer benefits to adoptive parents. In 1990, a survey by Hewitt Associates found that only 12 percent of employers surveyed offered some kind of adoption benefits; by 1995, the proportion had climbed to 23 percent. In the 2004 Hewitt survey of 936 major U.S. employers, the percentage grew to 39 percent, with an average maximum reimbursement of \$3,879

What's Inside:

- Types of benefits
- Eligibility and conditions
- Employers offering adoption benefits

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for adoption expenses.¹ Employers that offer adoption benefits cite various advantages for their companies, including maintenance of productivity, retention of good employees, a positive public image, and equity in benefits for all employees.

Employer-sponsored adoption benefits take many forms. This factsheet examines:

- What types of benefits do employers offer to help with adoption?
- What are the eligibility criteria and conditions for receiving adoption benefits?
- Which employers offer adoption benefits?

Child Welfare Information Gateway provides additional factsheets and other information about making adoption affordable. The factsheets *Costs of Adopting* (www.childwelfare.gov/pubs/s_cost/index.cfm) and *Adoption Assistance for Children Adopted From Foster Care* (www.childwelfare.gov/pubs/f_subsid.cfm) can be found on the Information Gateway website.

Types of Benefits

Typically, adoption benefits mirror benefits available to new biological parents. Adoption benefits fall into three general categories:

- Information resources

- Financial assistance
- Parental leave policies

Employers may offer one or more of these types of benefits during a single adoption.

Information Resources

Resources made available to employees may include referrals to licensed adoption agencies, support groups, and organizations; access to an adoption specialist to answer questions about the process; and help with special situations, such as a special needs adoption. Many employers that offer this type of benefit contract with a human resources consulting firm to provide these services to employees.

Financial Assistance

Financial benefits take different forms. Some employers provide a lump sum payment for an adoption, usually between \$1,000 and \$15,000. Other employers pay certain fees related to an adoption. Still others partially reimburse employees for expenses. Typical reimbursement plans cover 80 percent of certain itemized expenses up to an established ceiling (about \$4,000 on average). Some employers reimburse at a higher rate for adoptions of children with special needs. Most frequently, employer-provided financial assistance covers public or private agency fees, court costs, and legal fees. Employers also might help with foreign adoption fees, medical costs, temporary foster care charges, transportation costs, pregnancy costs for a birth mother, and counseling fees associated with placement and transition.

¹ Recent data are taken from the Hewitt Associates 2004-2005 SpecSummary, available for a fee at http://was4.hewitt.com/hewitt/services/retirement/subretirement/spec_summary.htm.

Some employers pay benefits per adoption, while others pay per child adopted. In most cases, the benefits are paid after the adoption is finalized, although some employers may pay benefits when the child is placed or as the expenses are incurred.

Parental Leave

In many cases, employers are required to grant parental leave to parents who have adopted a child. Federal law requires employers with 50 or more employees to offer both mothers and fathers up to 12 weeks of unpaid leave upon the birth or adoption of a child. The law ensures that employees can return to their current jobs or an equivalent position, and it requires employers to continue the employee's health benefits during the leave period. Information about this law, entitled the Family and Medical Leave Act, can be found at <http://www.dol.gov/esa/whd/fmla/>.

Some employers allow employees to take more than the required 12 weeks of unpaid leave. Employees may be permitted to combine accumulated paid leave (such as vacation or sick leave) with unpaid leave to extend their total leave. Some employers even offer paid leave for employees who adopt a child. Certain employers may be bound by public and private union contracts that have provisions for adoption leave.

In addition to the Federal law, many States require employers to offer parental leave to adoptive parents. To find out about a particular State, contact the State's Adoption Specialist. Information Gateway's online National Adoption Directory lists contact information for each State's Adoption Specialist (see www.childwelfare.gov/nad).

Eligibility and Conditions

Eligibility for adoption benefits usually depends on employment status (for example, policies frequently specify that full-time employees are eligible while temporary employees are not). Employers also might tie eligibility to length of employment or participation in a company-sponsored health plan.

The type of adoption also can affect the benefits offered. For example, some employers do not provide benefits when a stepparent adopts his or her stepchild or stepchildren. Some employers specify that the child being adopted cannot be older than 16 or 18 years. Others offer enhanced benefits for the adoption of a child with special needs.

Employers Offering Adoption Benefits

A list of employers offering adoption benefits was prepared by the Adoption-Friendly Workplace Program operated by the National Adoption Center (NAC) in collaboration with the Dave Thomas Foundation for Adoption and supported through a grant from the W.K. Kellogg Foundation. The Dave Thomas Foundation maintains and regularly updates the list on their website at <http://www.adoptionfriendlyworkplace.org/employers.asp>. In addition, they offer the following free toolkits:

- **Stand in Good Company—Offer Adoption Benefits**

This packet of information provides comprehensive information to help employers develop or enhance their adoption benefits programs.

- **Convincing Your Organization to Offer Adoption Benefits**

This toolkit provides step-by-step information to help employees advocate effectively for adoption benefits in their workplace.

For more information, contact the Adoption-Friendly Workplace Program at www.adoptionfriendlyworkplace.org/index.asp or 877.777.4222.