



Department: Human Resources
Area: Compensation & Benefits
Doc Number: HRP-CB-US-0023
Implementation Date: February 7, 2024
Document Author: Downs Johnson, Stephanie

US Adoption Benefit Policy

SCOPE

This policy applies to all full time and part time U.S. employees of Cummins Inc. or its subsidiaries unless a collective bargaining agreement or state or local law dictates otherwise.

PURPOSE

This policy describes the financial benefit that Cummins provides to eligible employees for purpose of qualifying adoption expenses per adopted child.

POLICY

The Cummins Adoption Benefit Policy reimburses employees up to \$5,000 in qualifying adoption expenses per adopted child.

To request reimbursement, you must submit the completed Adoption Reimbursement Form and supporting documentation no later than 12 months after the date of the finalized adoption.

Expenses must have been incurred after the effective date of this Policy, and after the date you become eligible for benefits under this Policy, in order for those expenses to be reimbursable under this Policy.

1. Definitions

Eligible Child - Any child an employee adopts (including an employee's spouse/domestic partner child(ren)) that is 17 or younger on the effective date of the adoption.

Parent - A birth mother, spouse, domestic partner (opposite or same sex), or an adoptive or foster parent.

Qualifying Adoption Benefit - A cost an employee incurs that is directly related to, and for the principal purpose of, the successful adoption of an eligible child. Refer to Section #3 for more details.

2. Employees Who Are Eligible for the Adoption Benefit.

All full-time or part-time U.S. based Cummins employees working 20 or more hours per week upon the date of hire on Cummins payroll, are eligible for the US Adoption Benefit. Subject to agreement by unions, U.S. employees who are union members shall be eligible for this benefit according to the same terms offered to non-union employees.

An employee must be in active status on the date the Adoption Benefit is requested. Eligibility for the US Adoption Benefit will automatically terminate upon the end of an employee's active employment with the Company.

3. Qualifying Adoption Expenses

A qualifying adoption expense is a cost an employee incurs that is directly related to, and for the principal purpose of, the successful adoption of an eligible child. Qualified Adoption Expenses include:

- Reasonable and necessary adoption fees. This can include such things as:
 - Agency and placement fees
 - Temporary foster care costs
 - Application fees
- Court costs
- Attorney fees
- Ordinary and necessary travel expenses (including meals and lodging)
- Immigration, immunization, and translation fees

IMPORTANT: Eligible Employees who adopt a special-needs child, as defined in the Instructions to IRS Form 8839, may be able to exclude from income certain amounts in addition to the actual qualified adoption expenses they pay or incur, even though the Employer does not reimburse those so-called “deemed expenses” under the Program.

Qualifying adoption expenses do **not** include:

1. Expenses such as expenses already paid for or reimbursed by another employer, benefit, program or party,;
2. Expenses that violate state or federal law; expenses associated with carrying out any surrogate parenting arrangement;
3. Expenses paid using any funds received from any federal, state, or local program; expenses claimed as a credit or deduction under any other provision of federal income tax law, or ordinary child rearing expenses (e.g. diapers, cribs, strollers, clothes, formula).

4. Maximum Benefit Coverage

Cummins will reimburse up to \$5,000 in qualifying adoption expenses for each adopted child, but only after the adoption is finalized. If both you and your spouse (or domestic partner) are Cummins employees, the maximum benefit applies jointly. This means that Cummins will only reimburse up to a total of \$5,000 of qualified expenses related to a child that you and your spouse adopt.

5. How to Request Reimbursement

After your adoption is finalized, complete the Adoption Reimbursement Form [here](#), attach documentation of your expenses, and submit the form with documentation to CBS (See **"Qualifying Adoption Expenses"** for eligible expenses.).

You must submit your request and all supporting documentation no later than 12 months after the date your adoption has been finalized. Any request for adoption reimbursement that is not submitted on a timely basis will not be reimbursed under the Policy.

Your request for reimbursement must include:

- The date the expense was paid or incurred,
- The name, organization or entity to whom the expense was paid,
- A description of the expense,
- The amount of the expense,
- Statements providing the payment of those amounts (bills, invoices, receipts or canceled checks),
- Other documentation that Cummins may request.

Submit your request, including your completed form (be sure to sign and date it) along with your documentation in Answers [here](#). You can also email your completed form and supporting documentation noted in “How to Request Reimbursement” to cbsbenefits@cummins.com. If you have questions, please call CBS at 877-377-4357.

If Cummins approves your request, you will receive reimbursement within 60 days after CBS has received your request.

6. Administrative Information

Written plan document: This Adoption Benefit Policy and the separate Adoption Reimbursement Form serve as the written plan required under IRC Section 137.

Funding: Cummins pays benefits solely from the general assets of the Company.

Taxes: Cummins intends that this Policy provide benefits that may be excluded from your income for purposes of federal income taxes to the extent permitted by IRC Section 137. However, Cummins makes no guarantee regarding the tax consequences of the adoption reimbursement. You are responsible for determining whether taxes apply to all or a portion of the reimbursement. For example, all or part of the reimbursements under this Policy may be considered taxable income when you file your federal income tax return if your adjusted gross income exceeds IRS limits as indexed annually. You are responsible for determining and claiming the applicable federal income tax exclusion by filing Form 8839 with your federal income tax return. In addition, the reimbursement you receive under this Policy may be subject to state income taxes.

IRC nondiscrimination tests: Cummins will maintain this Policy so that it does not discriminate in favor of highly compensated employees, as the IRC defines that term. Therefore, if the program pays benefits in any year that would otherwise result in the failure to pass the nondiscrimination tests, the Company reserves the right to restrict reimbursement to any highly compensated employee in order to meet the required tests.

Sole discretion: Cummins administers this Policy and has the sole discretionary authority to interpret the program, to make eligibility and benefit determinations, and to make factual determinations in connection with the program. Any determinations by Cummins are final and binding.

Coordinating with tax credit: You also may be entitled to a federal income tax credit for qualified adoption expenses that are not reimbursed under this Policy or a similar program. You are responsible for determining whether the income tax exclusion or the tax credit will result in the greatest tax benefit for you.