



REDSTONE LEGAL BRIEF

A Preventive Law Service of The Office of the Staff Judge Advocate
Redstone Arsenal, AL

Keeping You Informed On Personal Legal Affairs



Adoption Expense Reimbursement

THIS HANDOUT

is provided for general information purposes; it does not constitute legal advice. If you have specific questions, call 876-9005 to make an appointment with a legal assistance attorney.

[REVISED OCTOBER 2014]

The following information is available online at <http://www.dtic.mil/whs/directives/corres/pdf/134109p.pdf> as of October 14, 2014.

MILITARY PAY: ADOPTION REIMBURSEMENT

Eligibility. Federal law authorizes reimbursement for certain adoption expenses for a maximum of \$2,000 per child, not to exceed \$5,000 per calendar year in the case of multiple adoptions. In order to qualify for adoption reimbursement, the adoption must have been arranged by either a qualified adoption agency or other source authorized to place children for adoption under state or local law. Independent (private) and stepchild adoptions are authorized for reimbursement only if they are finalized in a US court.

Requirements. In order to qualify for the reimbursement, service members must be serving on continuous active duty for at least 180 days and the adoption must be finalized while on active duty. In addition, the claim must be submitted while on active duty and within 1 year of the date that the adoption was finalized.

Procedures. The Personnel Office will assist the member in completing the application, review the package for completeness and submit to DFAS-CL via certified mail for the purpose of adjudication of the adoption reimbursement claim:

For domestic adoptions, the following documentation must be submitted:

- DD Form 2675, Sept 2006, Reimbursement Request for Adoption Expenses. Section VI is to be completed and signed by the Commanding Officer or someone authorized to sign on their behalf. A separate form must be completed for each child. The application must include the correct direct deposit information. The form is available on line at <http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd2675.pdf>.
- Copy of the final adoption decree.
- Copy of paid receipts for reimbursable adoption expenses, such as canceled checks, a letter from the adoption agency showing the amount paid, etc.

For foreign adoptions, the following documentation must be submitted:

- DD Form 2675, Sept 2006, Reimbursement Request for Adoption Expenses. Section VI is to be completed and signed by the Commanding Officer or someone authorized to sign on their behalf. A separate form must be completed for each child. The application must include the correct direct deposit information.
- Copy of the final court documents. (e.g. adoption order, adoption decree, adoption certificate etc.) A translation of this documentation must be included if necessary.
- Copy of paid receipts for reimbursable adoption expenses, such as canceled checks, a letter from the adoption agency showing the amount paid, etc. The receipts should be accompanied by the U.S. currency equivalency if applicable.
- Copy of documentation to show that the adoption was arranged by a qualified adoption agency. The following documentation may be submitted:

(1) A placement agreement from the adoption agency.

(2) A letter from the adoption agency stating what services it provided for the adoption.

(3) Documentation that describes the mission of the foreign agency and the authority delegated from the foreign government.

- Documentation of the adopted child's citizenship status. Any one of the following documents is acceptable:

(1) A copy of the front and back of the Permanent Resident Alien Card (green card) showing the IR-3 code or a VISA showing the IR-3 code.

(2) A copy of the personal information page of the child's U.S. passport.

(3) A copy of the child's certificate of citizenship.

(4) A letter from the United States Citizenship and Immigration Services which states that the adoption is final.

(5) A copy of a U.S. court order that recognizes the foreign adoption, or documents the "re-adopting" of the child in the United States.

NOTE: Any other documentation such as birth certificates, Social Security cards, and foreign passports are not acceptable.

For both domestic and foreign adoptions, service members will be reimbursed for the following adoption expenses:

- Public and private agency fees, including adoption fees charged by an agency in a foreign county.
- Placement fees, including fees charged the adoptive parents for counseling.
- Legal fees, including court costs for services that are unavailable to a member of the military services.
- Medical expenses.

(1) Includes hospital expenses of the biological mother of the child to be adopted and of a newborn infant to be adopted.

(2) Medical care given to the adoptive child before the adoption.

(3) Physical examinations for the biological mother of the child to be adopted.

NOTE: Service members are required to utilize the military treatment facilities (MTFs) once the child has been placed in the home by the placement agency for adoption.

- Temporary foster care charges when payment of such charges is required to be made before the adoptive child's placement.

The following costs are not considered to be reimbursable:

- Travel costs incurred for the adoption.
- Costs associated with an adoption arranged in violation of federal, state or local law.
- Personal items such as clothing, bedding, toys, books etc.

A receipt must be provided to the service member upon completion of the adoption reimbursement package, which should be retained by them for their records as proof of the date that the request was submitted. The completed adoption reimbursement package should be sent by certified mail to:

Defense Finance and Accounting Service
Cleveland Center - Code JFLAGA
1240 East Ninth Street
Cleveland, OH 44199-2055

Packages should not be submitted through email or fax. Only packages sent through certified mail can be accepted.

DFAS-CL will provide a notification letter to the service member advising of the amount of the adoption reimbursement payment. A W-2 will also be provided to them no later than January 31st of the year following the payment. NOTE: Adoption reimbursement payments are nontaxable. A W-2 will be provided, however, the taxable wages field of the W-2 will be zero-filled. The adoption reimbursement payment will be reflected in Block 12 of the W-2 with a designator Code of "T", indicating that it is a nontaxable benefit.

Additional Information.

For complete information regarding the adoption reimbursement program, please see 10 U.S.C. 1052, DoDFMR, Vol. 7A, Appendix A at

http://comptroller.defense.gov/Portals/45/documents/fmr/archive/07aarch/07a_appendix_a_May09.pdf <http://comptroller.defense.gov/fmr/>

or DoDI 1341.9 at <http://www.dtic.mil/whs/directives/>

For questions concerning a claim, an e-mail can be sent to the DFAS Adoption Reimbursement mailbox at CCL-ADOPTION- REIMBURSEMENT@dfas.mil.

NOTE: It takes approximately 4-6 weeks for a determination to be made. For claims that are approved, payment will be issued via direct deposit. If a claim is denied or additional information is necessary, the service member will be notified in writing.

For information on tax issues related to adoption, see the IRS website:
<http://www.irs.gov/taxtopics/tc607.html>

The following information is available online at <http://www.dtic.mil/whs/directives/corres/pdf/134109p.pdf> as of October 14, 2014.

Adoption Reimbursement FAQs

1. What documentation must be submitted for a domestic or a foreign adoption?

For domestic adoptions, the following documentation must be submitted:

- DD Form 2675, Sept 2006, Reimbursement Request for Adoption Expenses. Section VI is to be completed and signed by the Commanding Officer or someone authorized to sign on their behalf. A separate form must be completed for each child. The application must include the correct direct deposit information. The form is available on line at <http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd2675.pdf>.
- Copy of the final adoption decree.
- Copy of paid receipts for reimbursable adoption expenses, such as canceled checks, a letter from the adoption agency showing the amount paid, etc.

For foreign adoptions, the following documentation must be submitted:

- DD Form 2675, Sept 2006, Reimbursement Request for Adoption Expenses. Section VI is to be completed and signed by the Commanding Officer or someone authorized to sign on their behalf. A separate form must be completed for each child. The application must include the correct direct deposit information.
- Copy of the final court documents. (e.g. adoption order, adoption decree, adoption certificate etc.) A translation of this documentation must be included if necessary.
- Copy of paid receipts for reimbursable adoption expenses, such as canceled checks, a letter from the adoption agency showing the amount paid, etc. The receipts should be accompanied by the U.S. currency equivalency if applicable.
- Copy of documentation to show that the adoption was handled arranged by a qualified adoption agency. The following documentation may be submitted:

(1) A placement agreement from the adoption agency.

(2) A letter from the adoption agency stating what services it provided for the adoption.

(3) Documentation that describes the mission of the foreign agency and the authority delegated from the foreign government.

Documentation of the adopted child's citizenship status. Any one of the following documents is acceptable:

(1) A copy of the front and back of the Permanent Resident Alien Card (green card) showing the IR-3 code or a VISA showing the IR-3 code.

(2) A copy of the personal information page of the child's U.S. passport.

(3) A copy of the child's certificate of citizenship.

(4) A letter from the United States Citizenship and Immigration Services which states that the adoption is final.

(5) A copy of a U.S. court order that recognizes the foreign adoption, or documents the "re-adopting" of the child in the United States.

NOTE: Any other documentation such as birth certificates, Social Security cards, and foreign passports are not acceptable.

2. How do I submit the documentation to DFAS-CL?

Your personnel office will assist you in assembling the documentation needed to apply for reimbursement. You should obtain a receipt from the personnel office showing that you submitted the adoption reimbursement request in a timely manner for your records. They will submit the completed claims package by certified mail to:

Defense Finance and Accounting Service
Cleveland Center - Code JFLAGA
1240 East Ninth Street
Cleveland, OH 44199-2055

Please, do not send the packages electronically, by email or fax. Only packages sent through certified mail can be accepted.

3. Are adoption reimbursements taxable?

Adoption reimbursements are nontaxable. A W-2 will be provided, however, the taxable wages field of the W-2 will be zero-filled. The adoption reimbursement payment will be reflected in Block 12 of the W-2 with a designator code of "T" which indicates that it is a nontaxable benefit.

4. Can reserve members apply for adoption reimbursement?

Only if the member was on active duty continuously for 180 days and the adoption was finalized while on active duty.

5. What if it has been more than one year since the final adoption and I just found out about the program?

Because the law requires that you submit your application within one-year and you failed to do so, you are not eligible for reimbursement. Some exceptions may apply if you were deployed during the one year time frame. Please send an e-mail to the adoption reimbursement e-mail address (CCL-ADOPTION-REIMBURSEMENT@dfas.mil) for additional information.

6. I was discharged from active duty but the adoption occurred before I was discharged. Can I apply?

No, you need to apply before you are discharged.

7. What is required to prove that the adoption is final?

If you adopted the child in the United States you must provide a court order showing that the adoption is final.

If you adopted the child in a foreign country, you must provide a copy of the final adoption decree (along with the translation, if necessary) and proof of the child's U.S. citizenship status. Any one of the following documents is acceptable:

(1) A copy of the front and back of the Permanent Resident Alien Card (green card) showing the IR-3 code of a VISA showing the IR-3 code.

(2) A copy of the personal information page of the child's U.S. passport.

(3) A copy of the child's certificate of citizenship.

(4) A letter from the United States Citizenship and Immigration Services which states that the adoption is final.

(5) A copy of a U.S. court order that recognizes the foreign adoption, or documents the "re-adopting" of the child in the United States.

Note: Any other documentation such as birth certificates, social security cards, and foreign passports are not acceptable.

8. My child's immigration status shows that he/she was issued an IR-4. Question number 7 states that I do not qualify. How can I qualify?

You can qualify once the child becomes a United States citizen or when you re-adopt the child through a court in the United States. The one-year time frame starts to run from the date that the child is issued the citizenship certificate or from the date of the court order, because that is when the adoption becomes final. Once you obtain this information you may then submit your application.

9. How must an adoption have been arranged to qualify for reimbursement?

The adoption must have been arranged by either a qualified adoption agency or "other source" authorized to place children for adoption under state or local law. (Hence, because the "other source" is required to be authorized under U.S. law, foreign adoptions must still be arranged by a qualified adoption agency).

10. I did not use a qualified adoption agency. The adoption was for a relative, or the birth mother placed the child with us. Do I qualify for adoption reimbursement expenses?

You may qualify if the person placing the child for adoption is authorized to do so under state or local law (i.e. U.S. law including U.S. territories). The adoption also needs to be supervised by state or local court (i.e. a court in the U.S. or one of its territories).

11. What types of receipts are required?

Receipts showing U.S. currency amounts.
A letter from the adoption agency stating the amount paid.
Canceled checks showing the amounts paid.

12. How long does it take my claim to be processed?

It takes approximately 4 - 6 weeks for a determination to be made. For claims that are approved, payment will be issued via direct deposit. If your claim is denied, or additional information is needed, you will be informed in writing.

13. My spouse is adopting my children. I am active duty and my spouse is not. Does this qualify for reimbursement?

No, the military spouse must be adopting the children.

14. Are clothes, bedding, toys and books reimbursable expenses?

No, those are not reimbursable expenses.