



Adoption & Surrogacy Assistance Policy

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Introduction

About Adoption & Surrogacy Assistance

This is a summary of the Kimberly-Clark Corporation (Kimberly-Clark, K-C, or the Company) Adoption and Surrogacy Assistance policy in effect on January 1, 2022. Adoption and Surrogacy Assistance provides financial assistance up to \$10,000 per child towards qualifying expenses (i.e., legal fees, travel expenses, medical expenses not otherwise covered by insurance, court costs, etc.) that you incur for an eligible adoption and/or surrogacy. The process as described here is administered by K-C and Optum Financial.

Eligibility

Employees

You're eligible to receive Adoption or Surrogacy Assistance if you're classified as:

- A regular employee not classified as temporary, intermittent, intern, or co-op.

An individual who is not classified as defined above is not eligible for reimbursement, even if the employee is later re-classified as an employee by a court or administrative agency.

If you're on leave or terminate employment, you're eligible for reimbursement as long as the finalization date is before your leave or termination date.

If you initially receive a reimbursement but the Company later determines that you were not eligible for reimbursement you will be required to repay the reimbursement to the Company.

How Adoption Assistance Works

Eligible Adoption Assistance Reimbursement Process Overview

When adopting a child, you pay any related expenses up front and then file a claim for reimbursement from K-C.

Adoption expenses are eligible for reimbursement if:

- The expense is incurred and the adoption is finalized (either successful or unsuccessful) while you're actively employed with K-C
- You provide proof the adoption is finalized (either successful or unsuccessful) with a notarized affidavit or legal bidding agreement
- You have a birth certificate showing your child's name and date of birth
- You have itemized receipts to show your eligible expenses

See "How to Get Reimbursed" to learn how to file a claim for reimbursement.

Eligible Expenses

The following expenses may be reimbursed:

- Domestic and foreign agency and placement fees
- Travel expenses associated with the adoption, including airfare, parking, tolls, taxis, rental cars, buses, gas for a car or mileage, lodging, and meals
- Medical expenses for the child not otherwise covered by insurance before the adoption
- Temporary foster care provided before permanent placement of the child in your home
- Miscellaneous fees such as immigration, immunization, and translation fees
- Legal fees and court costs associated with the adoption
- Counseling fees associated with the placement and initial adjustment
- Expenses that were part of an unsuccessful attempt to adopt a child
- Home inspection costs
- Expenses incurred before the adoption became final to care for children under the age of 18 and age 18 or older with special needs (for example, the purchase or rental of a wheelchair)

Ineligible Expenses

The following expenses may not be reimbursed:

- Prior adoption expenses incurred before the date you became eligible for Adoption Assistance reimbursement (See the "Eligibility" section for more information)
- Expenses related to surrogate parenting
- Expenses for establishing legal guardianship
- Expenses that are reimbursable under another program
- Expenses for which you take a credit or deduction under any other federal income tax rule
- Expenses related to adopting a blood relative or a child of spouse or domestic partner
- Expenses incurred for the routine care of a child
- Any other expenses not referenced above under "Eligible Expenses"

Maximum Reimbursement

K-C will reimburse qualifying employee adoption expenses up to a maximum of \$10,000 per child. The maximum applies to each eligible adoption (either successful or unsuccessful). The \$10,000 maximum is not an annual limit and more than one child may be adopted in the same calendar year.

Important Tax Considerations

Reimbursements paid under this policy may be excludable from your income for federal income taxes to the extent permitted under Internal Revenue Code section 137. **You're responsible for understanding the tax treatment of reimbursements under this policy and for claiming the applicable income exclusion by filing Form 8839 with your federal income taxes.** (Form 8839 and instructions are available from the IRS and on the IRS website at [irs.gov](https://www.irs.gov).)

- If you do not satisfy the conditions of Code section 137, all or part of your reimbursement under this policy may be considered taxable income when you file your federal income tax return – for example, if your adjusted gross income exceeds IRS limits, or if your total reimbursements for the year exceed the applicable dollar limit. The Company will not withhold federal income taxes from your reimbursements, even if all or part of a reimbursement is taxable. Instead, you will be responsible for paying any income taxes to the IRS. To cover this potential tax liability, you may wish to increase your withholding rate or make estimated tax payments to the IRS.
- Your reimbursements are subject to applicable Social Security and Medicare taxes. Your share of these taxes will be withheld from your regular pay from the Company.
- The Company will report the total amount of reimbursements to the IRS on your Form W-2.
- The Internal Revenue Code also provides a federal income tax credit for certain adoption expenses. The credit is subject to an annual dollar limit and is phased out for individuals whose adjusted gross income is above a certain level. Some expenses eligible for reimbursement under this policy also may qualify for the credit, but you may not receive a reimbursement and a credit for the same expense. It is up to you to decide whether a reimbursement or a credit is best for you.

Note: You are encouraged to seek legal and/or tax advice regarding reimbursement provided under this plan and the tax considerations described above.

How Surrogacy Assistance Works

Eligible Surrogacy Assistance Reimbursement Process Overview

Once your child is born via surrogate, you pay any related expenses up front and then file a claim for reimbursement from K-C.

Surrogacy expenses are eligible for reimbursement if:

- The expense is incurred and the surrogacy is finalized (either successful or unsuccessful) while you're actively employed with K-C
- You provide proof the surrogacy is finalized (either successful or unsuccessful) with a notarized affidavit or legal bidding agreement
- You have a birth certificate showing your child's name and date of birth
- You have itemized receipts to show your eligible expenses

See "How to Get Reimbursed" to learn how to file a claim for reimbursement.

Eligible Expenses

The following expenses may be reimbursed:

- Domestic and foreign surrogate agency fees
- Egg and/or sperm donation agency fees
- Egg and/or sperm donation shipping and transport fees. Travel expenses associated with the surrogacy, including airfare, parking, tolls, taxis, rental cars, buses, gas for a car or mileage, lodging, and meals
- Medical expenses for the child not otherwise covered by insurance before the finalization of the surrogacy
- Miscellaneous fees such as immigration, immunization, and translation fees
- Legal fees and court costs associated with the surrogacy
- Expenses that were part of an unsuccessful attempt to gain a child that is born via surrogate (only if not covered by another source)

Ineligible Expenses

The following expenses may not be reimbursed:

- Prior surrogacy expenses incurred before the date you became eligible for Surrogacy Assistance reimbursement (See the "Eligibility" section for more information)
- Payment(s) to the surrogate (indirectly or directly) for services
- Expenses for establishing legal guardianship
- Expenses related to the adoption of a child
- Expenses that are reimbursable under another program
- Expenses allowed as a credit or deduction under any other Federal income tax rule
- Expenses incurred for the routine care of a child
- Any other expenses not referenced above under "Eligible Expenses"

Maximum Reimbursement

K-C will reimburse qualifying employee surrogacy expenses up to a maximum of \$10,000 per child. The maximum applies to each eligible child born via surrogate (either successful or unsuccessful). The \$10,000 maximum is not an annual limit and more than one child may be born via surrogate in the same calendar year.

Important Tax Considerations

The Company will report surrogacy reimbursements that you receive as taxable income subject to federal income tax withholding, Social Security and Medicare tax withholding and state and local tax withholding. The applicable taxes will be withheld from your K-C pay and report the total amount of reimbursement to the IRS on Form W-2.

Note: You are encouraged to seek legal and/or tax advice regarding reimbursement provided under this plan and the tax considerations described above.

How to Get Reimbursed

Reimbursement Procedure

When you're ready to submit your claim for reimbursement, log onto the Optum Financial website where you'll file your claim.

K-C allows only one claim submission per year for reimbursement(s), following finalization of an adoption and/or surrogacy. You must provide proof that the adoption and/or surrogacy is complete and final by submitting a notarized affidavit or legal bidding agreement to Optum Financial, along with any incurred claims to receive reimbursement up to the benefit maximum.

All reimbursements are paid through K-C payroll and will be issued as soon as administratively possible.

Follow the instructions on the Optum Financial site to submit your claim and supporting documentation.

All claims must be submitted along with an [Adoption/Surrogacy Assistance Reimbursement Request Form](#).

Once your claim is submitted, you'll generally be notified by email of the approval or denial within 7-10 business days.

Reimbursements are paid to you through normal K-C payroll processing and may take up to two payroll cycles before payment is issued. The amount K-C will reimburse is the total of all approved, eligible expenses up to the benefit maximum, less applicable tax withholdings.

Claims must be filed no later than 180 days from the finalized date of adoption and/or surrogacy (either successful or unsuccessful). An annual deadline is set, for **November 30th**, which is the latest claims can be filed to receive reimbursement from the current year's benefit allotment and to meet payroll processing deadlines. If your claim is received after the annual deadline, your reimbursement will be applied to the next year's benefit allotment and may take longer to issue due to year-end payroll processing deadlines.

Foreign Expenses

If you have documentation from a foreign country and in a different language, you're required to provide the translation in English. If necessary, for eligible expenses incurred in a foreign country, you're responsible for calculating the amount into U.S. dollars based on the currency exchange rate on the date the expense is incurred. You're required to include the formula used for the conversion as part of your supporting documentation.

Child with Special Needs (Only applicable to Adoption Assistance)

A diagnosis and statement of medical necessity is required if the adoption is for a child with special needs who is over age 18, or if requesting reimbursement for medical expenses. Proof of medical necessity includes any document that indicates the doctor's name and signature—such as a prescription pad, letter, or preprinted form—and the medical condition.

Medical Expense for the Child

Provide an itemized receipt containing the date of service, medical provider and description of care provided, product description, prescription name and amount. Credit card receipts without a description of the item are not acceptable. On the Optum Financial claim form, you, the employee, should be identified as the provider.

Travel Expenses

Provide an itemized receipt containing the date(s) of travel, travel provider (i.e., taxi service, parking, airline), and type of expense and amount (i.e., lodging). On the Optum Financial claim form, you, the employee, should be identified as the provider.

How to File a Claim

Claims Appeal Process

If your claim for reimbursement is denied in whole or in part, you have the right to appeal the denied claim if you are not satisfied with the outcome of the initial decision. To file an appeal, you must send an appeal in writing to Optum Financial within 180 days of the initial claim denial.

Appeals Department
307 International Circle, Suite 200
Hunt Valley, MD 21030

Note: Most appeals are resolved by you providing the required documentation. Optum Financial does not confirm to you the receipt of the documentation.

If the original decision is upheld, K-C will be provided all appeal documentation to review and make the final claim determination. K-C will provide a final decision to you within 14 business days of receipt of your final appeal.

Administrative Information

When This Policy May Be Amended or Terminated

K-C expects this policy to continue indefinitely. However, the Company reserves the right to make changes to and even discontinue this policy. If the Company were to terminate this policy or designate a partial termination with respect to a specific group of employees, each employee will have no further rights or obligations except as otherwise determined by the Company in its sole discretion. The form and administration of this policy may be changed by the Company.

Change of Address

It's your responsibility to update your mailing address. K-C is not responsible for correspondence or claim payments that are delayed or don't reach you because your address isn't correct.

For your own protection, an address change must either be made by you in Workday or by calling K-C & Me Live Support. K-C uses your address as it appears in Workday for all mailings concerning your benefits. You can contact K-C & Me Live Support at **866-444- 4516** to speak with a representative.

Employment Rights Not Guaranteed

Your participation under this policy doesn't give you the right to be retained in employment with the Company or its affiliates or subsidiaries, nor does it interfere with the right of the Company to discharge or terminate you without regard to the effect the termination would have on your rights under this policy.

The Use of Social Security Numbers

You'll be asked to provide your Social Security number. The Company and the claims administrators have the right to use your Social Security number for the purpose of administering this policy, including paying benefits under this policy and for tax-reporting purposes.

Contact Information

Claims/Reimbursement Questions

There are three ways you can contact Optum Financial:

- Online on their Web site (**secure.optumfinancial.com/portal/CC**);
- From your smart phone or tablet (Optum Financial); and
- By phone 24 hours a day, seven days a week at **844-594-1228**.

+Hearing impaired callers should call their local Hearing Impaired Relay Service for assistance.