

DEPARTMENT OF HEALTH AND HEALTH SERVICES

Chapter CC22--Pay and Allowance Administration  
Sub-Chapter CC22.1--Pay and Allowance Administration; General  
Personnel INSTRUCTION 6 -- Reimbursement of Adoption Expenses

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Section A. Purpose and Scope

This INSTRUCTION prescribes the procedures for reimbursing active-duty members of the Public Health Service (PHS) Commissioned Corps for qualifying adoption expenses. The INSTRUCTION states the conditions and circumstances under which active-duty reserve and regular commissioned corps officers of the PHS may be reimbursed adoption expenses. The INSTRUCTIONS also prescribes the eligibility requirements and the procedures for making payments.

Section B. Authority

1. PHS commissioned officers are authorized reimbursements for adoption expenses by Section 653, Subtitle E of Title VI of Public Law (P.L. 105-85), "National Defense Authorization Act for Fiscal Year 1998," November 18, 1997. PHS commissioned officers are eligible to receive reimbursement for adoption expenses in the same manner as members of the Armed Forces. P.L. 102-190 (10 USCS, Section 1052,) authorizes reimbursement for members of the Armed Forces, qualifying adoption expenses incurred by the member in the adoption of a child under 18 years of age.
2. Section 221(a) of the PHS Act (42 U.S.C. 213a(a))(16) is amended to extend the authorization for reimbursement of adoption expenses to the PHS Commissioned Corps officers.
3. The authority to administer the PHS Commissioned Corps is prescribed in 42 U.S.C. 216 of the PHS Act. The authority for daily administration of the PHS Commissioned Corps has been delegated to the Director, Division of Commissioned Personnel (DCP).

Section C. Definitions

1. Adoption. For the purpose of this INSTRUCTION, the term "adoption" means the legal procedure by which a member or a couple takes a child that is not their biological offspring (the officer's natural son or daughter) into the family and raises the child as their own. Adoption severs all legal ties between the adoptee and his/her birth parents and establishes such ties between the adoptee and the adoptive parents. Legally, the adoptee has the same status with respect to his/her adoptive parents as do any non-adopted siblings.
2. Intercountry Adoptions. The legal adoption of a child coming from a country other than the United States and its territories.
3. Qualifying Adoptions. Adoptions by a married couple, by a single person of a child under the age of 18 including United States or intercountry adoptions, adoptions with special needs, as defined by the Social Security Act.
4. Qualifying Adoption Expenses
  - a. Reasonable and necessary expenses directly related to the legal adoption of a child under 18 years of age, but only if such adoption is arranged through one of the following procedures:

- (1) by a State or local government agency that has responsibility under State or local law for child placement through adoption; or
- (2) by a nonprofit, voluntary adoption agency authorized by State or local law to place children for adoption;

Note: "Arranged by a State or local governmental agency" means that the appropriate agency, whether public or private, played an active role in the planning and/or preparation stages that effectively led to the actual physical change of custody of a child to its adoptive parent or parents. Preparations of the home study report and placement of the child in the Commissioned Corps officer's home for the purpose of adoption are activities which the agency usually performs when arranging an adoption.

Petitions filed directly with the court by an attorney, without the above stated agency involvement, are not acceptable. Regardless whether the state waives the requirement for a home study, it is required by the stated guidelines of the Department of Health and Human Services on reimbursement of adoption expenses.

- (3) Any other source authorized by a State to provide adoption placement if the adoption is supervised by a court under State or local law.

b. Does not include any expenses incurred for:

- (1) travel incurred by the adoption parent; or
- (2) in connection with an adoption arranged in violation of Federal, State or local law.

5. Reasonable and Necessary Expenses. This term means:

- a. Public or private agency fees, including adoption fees charged by an agency in a foreign country;
- b. Placement fees, including fees charged to adoptive parents for counseling;
- c. Legal fees, including court costs, in connection with services that are unavailable to members of the Armed Forces under sections 1044 or 1044a of Title 10 U.S.C.

- d. Medical expenses, including hospital expenses of the biological mother of the child to be adopted and of a newborn infant to be adopted, for medical care given to the adopted child before the adoption, and for physical examinations for the biological mother of the child to be adopted. Expenses relating to pregnancy and childbirth for the biological mother, including counseling and maternity costs.
  - e. Temporary foster care charges when payment of such charges is required to be made for the adoptive child's placement.
6. Special Needs Adoption. A child shall not be considered "special needs" unless:
- a. The State with jurisdiction over the child has determined that the child cannot or should not be returned to the home of his parents; and
  - b. Such State had first determined that:
    - (1) there exists with respect to the child a specific factor or condition (such as his/her ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical handicaps, mental or emotional disabilities) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance, as described in the Social Security Act, Section 473(c) (42.U.S.C. 673[c]), as amended, or medical assistance under Subchapter XIX, Chapter 7, Title 42, U.S.C.
    - (2) except where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance or medical assistance, as specified in the Social Security Act, cited in b.(1), above.

Section D. Eligibility Requirements

1. Eligibility. PHS commissioned officers must be on active duty for at least 180 consecutive days before applying for adoption reimbursement. No more than one Uniformed Service member may be reimbursed for the expenses related to the adoption of the same child.

2. Benefits. Benefits paid under this program shall be paid only after the adoption is finalized. Members who leave active duty before the final adoption decree is granted are not entitled to be reimbursed.
3. Submission. The application must be submitted within 365 days following the date on which the adoption is finalized. Claims not submitted within the specified period may result in loss of benefits.
4. Reimbursement. Reimbursement will not be made for adoptions or expenses incurred prior to November 18, 1997, (effective date of enabling law).

Section E. Policy

1. PHS commissioned officers, who adopt a child under 18 years of age, may be reimbursed a maximum of \$2,000 per child for qualifying expenses related to the adoption. In the event of multiple adoptions, the maximum reimbursable amount is \$5,000 per calendar year. The date the adoption is finalized will be the date used to determine the creditable calendar year for the reimbursement.
2. If both parents are members of the Uniformed Service, only one member may be reimbursed for the expenses related to the adoption of the same child. Couples, where both spouses are members of the Uniformed Service, may not receive reimbursement under this program totaling more than \$5,000 in any calendar year.
3. Adoptions qualify for reimbursement only if they are arranged by State or a local governmental agency that has responsibility under State or local law for child placement through adoption or by a nonprofit, voluntary adoption agency that is authorized by State or local law to place children for adoption.
4. Benefits may be paid only after the adoption is final and all expenditures claimed should be submitted for a one-time payment only. A benefit may not be paid for any expense paid to or for a member of the Uniformed Service under any other adoption benefits program administered by the Federal Government or under any such program administered by a State or local government.

Note: Benefits are subject to Federal income taxes and, if applicable, State income taxes.

Section F. Procedures for Payment

1. Claims for reimbursement shall be submitted on form PHS-7036, "Reimbursement Request for Adoption Expenses," via certified mail, along with supporting documentation to:

Division of Commissioned Personnel/HRS/PSC  
ATTN: Compensation Branch  
5600 Fishers Lane, Room 4-50  
Rockville, MD 20857-0001

2. Payment shall be processed with the regular payroll by Electronic Fund Transfer (EFT).
3. If eligibility of the adoption for reimbursement cannot be determined from the documents provided or if claimed expenses are not properly supported by receipts, CB, DCP, will retain the claim, and request from the officer the necessary information or documentation. The additional information must be submitted within 90 days of the request for the claim to be reconsidered.
4. If the claim is denied, a letter stating denial will be sent to the officer's payroll address. The claim will not be returned to the officer.

G. Privacy Act Provisions

Payroll records are subject to the Privacy Act of 1974. The applicable systems of records are 09-37-0002, "PHS Commissioned Corps Personnel Records," HHS/OASH/OSG.

EXHIBIT I

"Reimbursement Request for Adoption Expenses"

| Department of Health and Human Services<br>Public Health Service Commissioned Corps<br><b>REIMBURSEMENT REQUEST FOR ADOPTION EXPENSES</b><br><small>(Please read Privacy Act Statement and Application Processing Instructions on page 3 before completing this form.)</small>   |  |   |
|--|--|---|
| <b>SECTION I - COMMISSIONED OFFICER INFORMATION</b>  |  |   |
| 1. NAME OF ACTIVE DUTY OFFICER (Last, First, Middle Initial)<br><small>(Print or Type)</small>   | 2. SOCIAL SECURITY NUMBER  | 3. PHS SERIAL NUMBER  |
| 4. MARITAL STATUS (Check one)<br>Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/>  | 5. PAY GRADE   |   |
| 6. OPERATING DIVISION / PROGRAM  | 7. HOME TELEPHONE NUMBER<br>( ) ( )  | 8. WORK TELEPHONE NUMBER<br>( ) ( )   |
| 9. HOME ADDRESS (Include 9-digit ZIP Code and Apartment number, if applicable)   | 10. STATE OF LEGAL RESIDENCE   |   |
|  |  | 11. ANY PREVIOUS REIMBURSEMENT CLAIMED FROM A UNIFORMED SERVICE IN CURRENT CALENDAR YEAR? (Check one)<br>Yes <input type="checkbox"/> No <input type="checkbox"/> |
| <b>SECTION II - SPOUSE INFORMATION</b>   |  |   |
| 12. IS SPOUSE A MEMBER OF A UNIFORMED SERVICE? (Check one)<br>Yes <input type="checkbox"/> No <input type="checkbox"/>   | 13. IF ANSWER TO ITEM 12 IS YES, PROVIDE THE FOLLOWING SPOUSE INFORMATION: |   |
|  | a. Name of Spouse (Last, First, Middle Initial)                            | b. Branch of Service  |
|  | c. Social Security Number  | d. Serial Number  |
| <b>SECTION III - ADOPTION INFORMATION</b>  |  |   |
| 14. DATE OF HOME STUDY (MMDDYYYY)  | 15. DATE CHILD PLACED IN HOME (MMDDYYYY)                                   | 16. DATE ADOPTION FINALIZED (MMDDYYYY)  |
| 17. NOTES<br>a. The adoption must have been finalized on or after November 18, 1997.<br>b. Adoption expenses by non-active-duty members or members on active duty less than 180 days are not allowable for reimbursement.<br>c. Reimbursement of adoption expenses may be paid only after the adoption is final. Members who leave active duty before the final adoption decree is granted are not entitled to be reimbursed.<br>d. Reimbursement claims must be submitted no later than 365 days after adoption is finalized. |  |   |
| 18. NAME OF ADOPTED CHILD (Last, First, Middle Initial)  | a. Date of Birth (MMDDYYYY)  | b. Sex (Check one)<br>Male <input type="checkbox"/> Female <input type="checkbox"/>   |
| 19. ADOPTION ARRANGED BY (Documentation attached) (Check one)<br><input type="checkbox"/> a. A State or local government agency that has responsibility under State or local law for child placement through adoption.<br><input type="checkbox"/> b. A nonprofit, voluntary adoption agency that is authorized by State or local law to place children for adoption.  |  |   |
| 20. EXPENSES INCURRED (Complete as applicable and attach documentation)  |  |   |
| a. Public and private agency fees.   | \$   |   |
| b. Placement fees, including fees charged adoptive parents for counseling.   |  |   |
| c. Legal fees, including court costs.  |  |   |
| d. Medical expenses, including hospital expenses for the newborn infant, for medical care furnished the adoptive child before the adoption, and for physical examinations of the biological mother of the child to be adopted.   |  |   |
| e. Expenses relating to pregnancy and childbirth for the biological mother, including counseling and maternity costs.  |  |   |
| f. Temporary foster care charges when such care is required for the placement of the adoptive child.   |  |   |
| g. Subtotal of expenses listed above (Items 20.a. through 20.f.).  |  |   |
| h. Amount of reimbursement previously applied for and/or received under any other adoption benefits program administered by the Federal government or under such program administered by a State or local government.  |  |   |
| i. Total expenses (Subtotal (Item 20.g.) minus any reimbursements in Item 20.h.).  |  |   |

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## EXHIBIT I (Continued)

## "Reimbursement Request for Adoption Expenses"



| SECTION IV- ACTIVE DUTY OFFICER'S CERTIFICATION  |                                   |
|--|-----------------------------------|
| <p>I certify that the information and expenses in Sections I through III are true and correct to the best of my knowledge. I understand and agree that reimbursement of expenses is limited to \$2,000 per adopted child with maximum reimbursement of \$5,000 in any calendar year to a member, or couple where both spouses are members of the Uniformed Services. I recognize that this benefit is taxable and shall be reported as income subject to tax. I agree not to seek further reimbursement under this program for the adoption of this child.</p> <p>I further certify that neither I nor my spouse have received a reimbursement under any other adoption benefit program administered by the Uniformed Services. To the best of my knowledge, I am the only active-duty member of the Uniformed Services claiming reimbursement of \$_____.</p> |                                   |
| 21. OFFICER'S NAME (Last, First, Middle Initial) (Print or Type)   | a. Officer's Signature            |
|  | b. Date of Signature (MM/DD/YYYY) |
| SECTION V- OPERATING DIVISION/PROGRAM AUTHORIZATION AND CERTIFICATION FOR ADOPTION EXPENSES  |                                   |
| <p>I certify that, based upon information provided and documentation attached, the below named individual is eligible for reimbursement of adoption expenses.</p>  |                                   |
| 22. NAME OF ACTIVE DUTY OFFICER (Last, First, Middle Initial) (Print or Type)  | 23. SOCIAL SECURITY NUMBER        |
| 24. TITLE OF CERTIFYING OFFICIAL (Print or Type)   |                                   |
| a. Typed Name  | b. Work Telephone Number          |
| c. Signature   | d. Date Signed (MM/DD/YYYY)       |
| 25. DUTY STATION ADDRESS   | 26. OPERATING DIVISION/PROGRAM    |

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