

Affording Adoption at Adoption STAR



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This informational booklet is provided to prospective adoptive parents as they explore their adoption options. It is meant to assist you in learning that while adoption is not inexpensive, it is possible. Adoption STAR is committed to making adoption affordable and believes fees should not be a barrier to finding a child a forever family. Feel free to discuss your personal financial situation with the agency.

Adoption STAR Sliding Scale

Adoption STAR is a nonprofit agency whose mission is finding homes for children in need both in the United States and from countries around the world. While doing so, we are committed to providing quality services to children, birth parents and adoptive parents, as well as helping, through humanitarian aid, those children left behind. To accomplish our mission, we established a sliding scale fee for our services based on the applicant's gross worth to enable as many families as possible to become adoptive parents and provide homes for children. The actual cost of providing services far exceeds the revenue from fees. Adoption STAR does not receive government funding, we rely on fundraising, donations and adoption fees affordable for our clients.

Adoption STAR's fees are spelled out at the beginning of the adoption process. The fee schedule is comprehensive. It includes, among other services:

- Domestic and international adoption options
- Child placement programs
- Agency assisted private adoption track
- Assignment of a personal family advocate who is also a social worker
- Personalized and immediate attention
- 24/7 availability (no answering machines or voice mail utilized)
- Counseling
- Assignment of a home study social worker
- Home study and post placement services
- Connection to others who have adopted already
- Educational workshops to help prepare for adoptive parenthood
- Assistance with document preparation
- Participation in pre and post adoption support groups as well as online support groups
- Post adoption educational classes
- Experience!

The Adoption STAR Difference

You do not pay a deposit toward your domestic adoption placement fee. A small portion of the fee may be made at time of match with an expectant parent, but the majority of the fee is due at time of baby placement. Also our fees are consistent regardless of the infant's race.

Federal Adoption Tax Credit

The adoption tax credit, which can be claimed for eligible adoption-related expenses, has helped thousands of families offset the cost of adoption since the credit was established in 1997. The credit applies to all types of adoptions (except stepparent adoption), including international, domestic private, and foster care.

The American Taxpayer Relief Act of 2012 was signed into law on January 2, 2013 and included a provision that made the adoption tax credit permanent. It did not make the adoption credit refundable however, so it will only benefit those adoptive families who have federal income tax liability. The credit is still “flat” for special needs adoptions, meaning families who adopt a child with special needs do not need to document qualified adoption expenses.

For 2013 the maximum adoption credit and exclusion is \$12,970 per child. The credit will begin to phase out for families with modified adjusted gross incomes above \$194,580 and the credit will go away completely for those with incomes around \$234,580.

The tax credit is not refundable for adoptions that occurred in 2012 and beyond. A refundable credit is one that a person can receive regardless of their tax liability. A tax liability is the amount of federal income tax that you owe the IRS for the year. It is treated as a payment so the parent can receive a refund larger than any taxes they have paid in during the year. A non-refundable credit is one in which taxpayers receive a refund of federal income taxes, but only up to the amount of taxes they otherwise had due. In one year, taxpayers can use as much of the adoption tax credit as the full amount of their federal income tax liability, which is the amount on line 46 of the Form 1040 less certain other credits (such as the Child Tax Credit). Even those who typically receive a refund may still have tax liability; with the adoption tax credit the taxpayer could get a larger refund. Families who have lower or moderate incomes typically have no tax liability and will not benefit from a non-refundable credit. Adoption STAR encourages families even if they don't think they have a tax liability to file for the credit (Form 8839), in case families' tax liabilities change in future years as you can “carry it over” for a total of six years (the year you are first eligible to claim and the next five years.)

For special needs or international adoptions, you cannot claim the adoption credit until you file taxes for the year of finalization. For U.S. domestic adoptions with qualified adoption expenses, you can claim the credit before finalization (or for a failed adoption) but you must wait one year after you incur the expenses.

Adoption STAR is a member of the Adoption Tax Credit Working Group and we are still advocating for a return to a tax credit that is refundable. For the most up-to-date information on the Adoption Tax Credit, you can contact Adoption STAR by email at info@adoptionstar.com or toll-free at 1 (866) 691-3300.

State Adoption Subsidy Assistance

Infants born in the United States and diagnosed with specific medical conditions are eligible for State Adoption Subsidy Assistance. Under New York State laws, an application for subsidy can be submitted at the time of diagnosis. Application is generally made at the time of placement, although assistance can be accessed following finalization, if the family had not been aware of the presence or severity of the disability. Adoption STAR will help you apply for this assistance whenever a child may be eligible.

Employee Benefits Programs

Many companies offer some type of adoption benefits to their “regular” employees. These benefits, depending on your company, may include: direct reimbursement in the range of \$2,000 to \$10,460 upon placement; paid leave - in addition to vacation time, sick leave, or personal days; or unpaid leave - personal, medical, or childcare. Your employer may also have an Employee Assistance Program (EAP). This benefit helps employees deal with unusual personal situations or problems.

Federal Family and Medical Leave Act

Unpaid leave under the federal Family and Medical Leave Act can be an option. This act allows individuals to take up to 12 weeks unpaid leave with certain benefits, without jeopardizing employment. This is not exclusive to an adoption benefit since it is available for anyone who works for a company with 50 or more employees. However, it can provide valuable time for a new mother or father.

Grants and Loans

While it’s far from ideal to borrow money, prospective adoptive families may find a loan necessary. Possible loan sources include bank loans, private grants or special loan programs.

Adoption Grant Programs

Gift Of Adoption Fund

A national charitable organization that inspires adoption by providing grants to qualified parents - giving children who need families a permanent home and a chance to thrive.

<http://www.giftofadoption.org/>

Help Us Adopt

HelpUsAdopt.org is a national non-profit financial assistance grant program that will provide qualified couples and individuals (regardless of race, religion, marital status or sexual preference) with grants of up to \$15,000 towards their adoption expenses.
<http://www.helpusadopt.org/>

JSW Adoption Foundation

A private non-profit foundation funded through donations and fundraisers. It was established to help adoptive parents by subsidizing a portion of the adoption costs. Grants are awarded monthly, and usually are in excess of \$2,000. Any adoptive family may apply. Requirements are an approved home study and financial need. Preference is given to families without children.
<http://www.jswfoundation.com/>

National Adoption Foundation

This organization provides grants, an adoption credit card and adoption insurance. <http://fundyouradoption.org/>

Parenthood For Me

This organization provides financial and emotional support to those seeking parenthood through fertility treatments or adoption. This is a Western New York based organization.
<http://parenthoodforme.org/grants.php>

The Boatner Family Foundation

A small foundation that provides grants from \$1,000 up to \$10,000. They require an agency approval, a financial statement, and a formal application. For more information contact: The Boatner Foundation, PO Box 132272, The Woodlands, Texas 77393-2272.

Shaohannah's Hope

Provides grant assistance for Christian families.
<http://www.showhope.org/>

Adoption Loan Programs

Consult your banking representative to receive a consultation on any other options they may provide.

A Child Waits

Loans are available for up to \$10,000 for one child. They are interested in assisting families who can financially support a child and repay the loan, but who do not have the current funds to adopt. Website is <http://www.achildwaits.org/> or call 413-499-3992.

Hebrew Loan Association - Harry and Jeanette Weinberg Adoption Loan Program

Loans are available for up to \$15,000 for Jewish families in New York State who wish to adopt.

<http://www.hfls.org/loan-programs/jewish-family/jewish-family-adoption>

Little Feet

Pathways For Little Feet is a 501c3 which helps couples adopt children through financial assistance. <http://www.pathwaysforlittlefeet.org/>

Mortgage and Home Equity Loans

These are often ways to finance an adoption. Interest may be written off on your annual tax return. Also some credit unions offer low interest loan rates.

Other Possible Sources

Military Non-Recurring Subsidy

The military will reimburse active-duty personnel up to \$2,000 in adoption expenses. Reimbursement is made after the adoption is finalized and if the adoption is completed through a licensed agency. Eligible personnel should complete DD form 2673 and see Defense Finances and Accounting Service Instruction 1341 for more information. Additional details can be found by calling 1-303-333-0845. For more information about adoption for military families you may contact the National Military Family Association at <http://www.militaryfamily.org/>

Churches or Community Organizations

Several families have received financial support from their church, synagogue or other religious and community organizations.

Relatives

Grandparents, Aunts and Uncles often provide support when it is needed.

Insurance and Retirement Funds

Borrowing from your retirement account (you may be able to take a loan against the plan) or permanent life insurance. Some life insurance policies that have a cash value offer options to borrow against them.

Explore your individual financial resources: trusts, inheritances, etc.



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