

# Marathon Petroleum Adoption Assistance Plan

Effective January 1, 2020



# Adoption Assistance Plan

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# Adoption Assistance Plan

## I. Purpose

Marathon Petroleum Company LP has established this Adoption Assistance Plan (the “Plan”) for the exclusive benefit of its eligible employees. The Plan provides for the reimbursement of adoption-related expenses that are paid or incurred in connection with the final adoption of an eligible child and while an eligible employee of the Company. It is intended that benefits paid under the Plan will be excludable from an employee’s income for federal income tax purposes to the full extent permitted under Internal Revenue Code (the “Code”) § 137.

## II. Eligibility

Regular Full-time and Regular Part-time employees are eligible to participate.

Regular Full-time means you have a normal work schedule with the Company of at least 40 hours per week or at least 80 hours on a bi-weekly basis.

Regular Part-time employment means you are a non-supervisory employee who is employed to work on a part-time basis (minimum of 20 hours but less than 35 hours per week), and not on a time, special job completion, or call when needed basis.

You are not eligible for this Plan if you are:

- A casual or common law employee who has not been designated by the Company as a Regular Full-time or Regular Part-time employee;
- An individual who has signed an agreement, or has otherwise agreed, to provide services to the Company as an independent contractor, regardless of the tax or other legal consequences of such an arrangement; or
- A leased employee compensated through a leasing entity, whether or not you fall within the definition of “leased employee” as defined in Code § 414(n).

## III. Enrollment

Employees do not enroll for participation in benefits under the Plan.

## IV. Plan Benefits

The Company will provide reimbursement according to the following provisions:

- The maximum reimbursement limit for the adoption of each child is \$7,500;
- There is no limit on the number of adoptions permitted;
- The lifetime maximum reimbursement is \$15,000 (for purposes of this maximum, a spouse or Domestic Partner each employed by a Participating Company shall be recognized as having received the same adoption assistance reimbursement amount);
- Duplication of benefits is not permitted for a spouse or Domestic Partner each employed by the Company;
- Reimbursement is intended to be non-taxable for federal income tax purposes but is subject to all applicable withholdings;

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- Reimbursement is not considered for Retirement or Thrift Plan purposes and does not affect any other benefit that is income-related;
- Reimbursement will be provided for qualifying adoption expenses incurred on or after an eligible employee's date of hire as a Regular Full-time or Regular Part-time employee;
- Reimbursement will be provided only to eligible employees who are employed by the Company on the date of the reimbursement payout; and
- The child adopted must be under the age of 18 or physically or mentally incapable of self-care and must not be a stepchild of the eligible employee (i.e., not a spouse's child).

Please refer to Appendix A for a list of eligible and ineligible expenses.

**Note:** The tax-free status of employer-provided adoption assistance reimbursement payments is based on adjusted gross income. See your tax advisor for details. Regardless of the tax treatment, the reimbursement will be provided. See Section VIII for additional tax information.

## V. Continuation of Participation

As described below, if you are on a leave of absence, you may be eligible to continue participation as follows:

- A. Participation may continue if you are on any of the following leaves of absence:
- Military Leave,
  - Medical Leave,
  - Personal Leave, and
  - Family Leave.
- B. Participation terminates if you are on a leave of absence other than described in A, such as an Educational Leave.

## VI. Reimbursement Requirements

- The adoption related expenses submitted for reimbursement must have been paid or incurred in connection with the final adoption of an eligible child.
- Adoption expenses must be qualified as defined under Code § 137 (please refer to Appendix A for a listing of qualified adoption expenses).
- Qualifying expenses must be submitted 1) no later than February 28 (generally faxed on or before February 28 or postmarked by February 25) of the calendar year following the calendar year in which the adoption became final (date of final adoption decree), and 2) expenses will be reimbursed no later than March 15 of the calendar year following the calendar year in which the adoption became final.
- The adoption related expenses reimbursed will include only those incurred while you were an eligible employee under the Plan.

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- Adoption expenses will not be reimbursed if they were reimbursed or are reimbursable under a federal, state, or local program or under another employer-sponsored program.
- No expenses will be reimbursed if they are associated with a surrogate parenting arrangement or with the adoption of a stepchild.
- No expenses will be reimbursed if the request for reimbursement is submitted later than February 28 of the year following the year in which the adoption became final.

## VII. Adoption Assistance Reimbursement Procedure

Once your adoption becomes final, you will need to file a claim for reimbursement. Claims for reimbursement must be submitted no later than February 28 of the calendar year following the year the adoption became final. Although adoption related expenses may have been incurred and paid by you in years prior to the year in which the adoption became final, you can receive reimbursement for all expenses up to the Plan limit as long as you file your claim within this deadline. You will also need to submit with your claim copies of itemized bills or receipts substantiating the nature and amount of all expenses, as well as a copy of the final decree of adoption. Claims will be reimbursed no later than March 15 of the calendar year following the calendar year in which the adoption became final. Contact the Benefits Service Center for instructions on how to file claims for reimbursement.

If a claim for a Plan benefit is wholly or partially denied by PayFlex, PayFlex shall furnish notice of the decision to the Participant within a reasonable period of time after receipt of the claim, including the reason for the denial. Participants have the right to appeal such a denial directly to PayFlex. PayFlex will evaluate the appeal and advise the Company of its recommendation. PayFlex will provide an appeal response to the Participant.

**Please contact the Benefits Service Center at 888-421-2199 for claim reimbursement instructions.**

## VIII. Important Tax Considerations

It is intended that benefits paid under the Plan may be excludable from your income for federal income taxes to the extent permitted under Code § 137. **You are responsible for understanding the tax treatment of reimbursements under this Plan 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 [www.irs.gov](http://www.irs.gov).)

- If you do not satisfy the conditions of Code § 137, all or part of the reimbursements under this Plan may be considered taxable income when you file your federal income tax return — for example, if your adjusted gross income exceeds IRS limits.
- It is important for you to understand that although the Company is required to withhold applicable federal employment taxes from reimbursements (e.g., for Social Security, Medicare, and federal unemployment tax) and to report the total amount of reimbursements to the IRS on your Form W-2, reimbursements under this Plan are not subject to and are made free from federal income tax withholding. If you must include any of the reimbursements in your income, your withholding may not be enough to cover the tax on these payments.

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- State taxes may also apply to reimbursements under this Plan.
- In addition to the income exclusion discussed above, you may also be entitled to a federal income tax credit for adoption expenses other than those reimbursed under this Plan or elsewhere. You are responsible for coordinating the income exclusion and tax credit.

## **IX. Termination of Participation**

Your eligibility to participate in the Plan shall cease on the earlier of:

- A. The date you cease to be eligible to participate; or
- B. The date on which your employment with the Company terminates; or
- C. The date on which your employer discontinues participation; or
- D. The date on which Marathon Petroleum Company LP terminates the Plan itself.

## **X. Administration of the Plan**

Human Resources, in conjunction with PayFlex, the Third Party Administrator, coordinates the administration of this Plan throughout the Company. The contract with PayFlex is incorporated by reference as part of this Plan document. The terms of the contract prevail in the event of a conflict with any other Plan provision or other document.

The Company has discretionary authority to interpret the Plan, to make eligibility and benefit determinations, and to make factual determinations in connection with the Plan. Any determinations of the Company are final and binding.

The Plan operates on a calendar year basis. Employees are not required or permitted to contribute to the Plan. All Plan benefits are paid by the Company from its general assets.

## **XI. Further Information**

### **A. Limitation Regarding Employment**

Neither the existence of the Plan nor the fact that an employee becomes eligible for benefits provided under this Plan shall give any person any right to continued employment. Further, the Company may make decisions relating to an employee's employment without regard to the effect that such decisions may have on the employee's rights under the Plan.

### **B. Severability**

In case any Plan provisions shall be held illegal or invalid for any reason, such illegality or invalidity shall not affect the remaining provisions, and the Plan shall be construed and enforced as if such illegal and invalid provisions had never been set forth in the Plan.

### **C. Internal Revenue Service (IRS) Regulations**

Employees are responsible for ensuring the expenses submitted for reimbursement under this program meet all of the eligibility requirements set forth under the Internal Revenue Service regulations. Deliberately providing false information could result in penalties imposed by the Internal Revenue Service.

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## D. Unclaimed Payments

If, within 5 years after any amount becomes payable hereunder to a Participant, the same shall not have been claimed, provided due and proper care have been exercised by the Claims Administrator and the Company in attempting to make such payments by providing notice at the participant's last known address, the amount thereof shall be forfeited and shall cease to be a liability of the Plan. In such case, the amount thereof shall be retained by the Company in its general assets. Provided that the claimant initially made a timely claim, the claimant shall have the right and responsibility to re-establish their claim for payment with the Company by providing due proof that such amount is owed to the Participant.

## **XII. Participation by Associated Companies and Organizations**

Upon specific authorization and subject to any terms and conditions it may wish to establish, Marathon Petroleum Company LP may permit eligible employees of subsidiaries and affiliated organizations to participate in this Plan. Currently, these participating companies include, but are not limited to, Marathon Petroleum Company LP, Marathon Petroleum Corporation, Marathon Petroleum Service Company, Marathon Refining Logistics Services LLC, Marathon Petroleum Logistics Services LLC, and Treasure Card Company LLC.

The term "Company" and other similar words shall include Marathon Petroleum Company LP and such affiliated organizations. The term "employee" and other similar words shall include any eligible employee of these companies.

## **XIII. Modification and Termination of the Plan**

The Company reserves the right to modify or terminate this Plan, in whole or in part, in such manner, as it shall determine, either alone or in conjunction with other plans of the Company. Modification or termination may be made by the Company for any reason.

## Appendix A

### Qualifying and Non-Qualifying Expenses

The following is not intended to be a complete list of Internal Revenue Service Qualifying Adoption Assistance Expenses and non-Qualifying Adoption Assistance Expenses. If you have questions concerning eligibility of adoption expenses for favorable tax treatment, contact your tax advisor.

#### **Adoption Assistance Expenses Allowed by the IRS**

- Reasonable and necessary adoption fees
- Reasonable and necessary court costs
- Reasonable and necessary attorney fees
- Reasonable and necessary traveling expenses, including amounts spent for meals and lodging while away from home
- Agency and placement fees (including home study fees)
- Temporary foster care costs
- Immigration, immunization, and translation fees
- Counseling fees associated with placement and initial adjustment
- Qualified adoption expenses that were part of an unsuccessful attempt to adopt a different child
- Other expenses that are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child

#### **Adoption Assistance Expenses NOT Allowed by the IRS**

- Expenses that violate state or federal law
- Expenses for carrying out any surrogate parenting arrangement
- Expenses for the adoption of a spouse's child
- Expenses allowed as a credit or deduction under any other federal income tax rule
- Expenses paid using funds received from any federal, state or local program