

Exclusion of Prior Year Benefits Worksheet
(for the adoption of a foreign child that became final in 2020)

(Keep for your records)

2020

Name(s) as shown on return

Tax ID Number

1. Enter the total employer-provided adoption benefits you received in **2020 and all prior years** for the adoption of the foreign child **1.** _____
2. Enter **\$14,300**. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits in 2020 or any prior year to adopt the same child, see the instructions for line 2 at the end of this worksheet **2.** _____
3. Enter the **smaller** of line 1 or line 2 here and on Form 8839, line 17. **3.** _____

Next:

- Enter -0- on Form 8839, line 18.
- Enter the amount from line 3 of this worksheet on Form 8839, line 19.
- On Form 8839, line 20, enter the total amount of employer-provided adoption benefits received in **2020 and all prior years**. On the dotted line next to line 20, enter "PYAB" and the total amount of benefits you received **before 2020**.
- Complete Form 8839 through line 28. Then, complete lines 4 through 9 of this worksheet to figure the amount of any prior year benefits you can exclude and the taxable benefits, if any, to enter on Form 8839, line 29.

4. Is the amount on your 2020 Form 8839, line 28, less than the amount on Form 8839, line 21?
☐ **No.** Skip lines 4 through 6 of this worksheet and go to line 7.
☐ **Yes.** Subtract Form 8839, line 28, from line 21 **4.** _____
5. Enter the total employer-provided adoption benefits you received **before 2020** included on Form 8839, line 20, for all children **5.** _____
6. **Taxable benefits.** Subtract line 5 of this worksheet from line 4. If zero or less, enter -0-. Enter the result here and on Form 8839, line 29. If more than zero, also include this amount on line 1 of Form 1040 or 1040-SR or line 1a of Form 1040-NR, and enter "AB" on the dotted line **6.** _____
7. Enter the amount from Form 8839, line 28 **7.** _____
8. Enter the total **2020** employer-provided adoption benefits included on Form 8839, line 20, for all children. **8.** _____
9. **Prior year excluded benefits.** Subtract line 8 of this worksheet from line 7. If zero or less, **stop**; you can't exclude any of your prior year benefits **9.** _____

Next. Figure the total you would enter on line 1 of Form 1040 or 1040-SR or line 1a of Form 1040-NR **before** you exclude the amount from line 9 of this worksheet. Then, subtract the amount from line 9 of this worksheet from that total. Enter the result on line 1 of Form 1040 or 1040-SR or line 1a of Form 1040-NR. On the dotted line next to the line for wages, enter "PYAB" and the amount from line 9 of this worksheet.

Line 2. The maximum amount of employer-provided adoption benefits that can be excluded from income is \$14,300 per child. If you and another person (other than your spouse if filing jointly) each received employer-provided adoption benefits to adopt the same child, the \$14,300 limit must be divided between the two of you. You can divide it in any way you both agree. Enter your share of the \$14,300 limit on line 2 of this worksheet.