



A Turn For The Better



HEALTHCARE Reimbursement Account

Healthcare Reimbursement Accounts (HRA) reimburse members for medical, dental and vision expenses that are not immediately covered by insurance. Employees do not have to pay taxes on money received from an HRA, however, the employer is the sole contributor and controls both what medical expenses are covered and when the account funds can be used. See the chart below for a direct comparison of our HRA options.



Comparison Between HRA Options Effective 1/1/2020

	Small Business-QSEHRA	The Individual Coverage HRA- ICHRA (Similar to QSEHRA, But with Fewer Restrictions)	The Excepted Benefit HRA-EBHRA	Traditional HRA
Currently Available?	1/1/2017	1/1/2020	1/1/2020	Yes
Who Can Contribute?	Employer Only	Employer Only	Employer Only	Employer Only
Does Company Size Matter?	Yes. Less than 50 employees and no Group Insurance.	No	No	No
What Expenses Are Eligible?	Some flexibility in design and both premiums and Qualified Medical Expenses can be reimbursed.	Lots of flexibility in design and both premiums and Qualified Medical Expenses can be reimbursed.	Individual Premiums and Medicare are excluded. Qualified Medical Expenses can be reimbursed.	Individual Premiums and Medicare are excluded. Qualified Medical Expenses can be reimbursed.
Can It Be Combined with a Group Plan?	No	No, cannot be combined and offered to same class of participant	Yes	Yes
Eligibility Restrictions?	Generally, no. However, employees with 90 days or less service or under age 25 can be excluded. Cannot be "classed".	Customizable, but ICHRA may not be offered to anyone with a Group Plan. Can be classed. Requires coverage in a qualified individual Health plan.	Yes, Bonafide job criteria and eligibility qualifications. May participate only in the EBHRA. Cannot be classed.	Yes, Bonafide job criteria and eligibility qualifications. May not be classed.

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	Small Business-QSEHRA	The Individual Coverage HRA- ICHRA (Similar to QSEHRA, But with Fewer Restrictions)	The Excepted Benefit HRA-EBHRA	Traditional HRA
Annual Contribution Limits (as of 1/1/2020)	\$5250 per single employee and \$10,600 for an employee with a family. Contributions are usually monthly.	There is no minimum or maximum amount. Contributions are usually monthly.	\$1,800 annually. Contributions are usually monthly.	No Limits.
ACA Premium Tax Credit Implications.	None. However, any HRA contribution will be considered as income in determining Tax Credit Eligibility	None. However, any HRA contribution will be considered as income in determining Tax Credit Eligibility.	Not applicable, since participants are covered under a qualified group plan.	None. However, any HRA contribution will be considered as income in determining Tax Credit Eligibility.
Is Minimum Essential Coverage Required?	A MEC is not Required.	Must enroll in a qualified individual health plan or Medicare	May decline employer group coverage, but still may take the EBHRA	A MEC is Required for Employers with 50+ employees.
What Happens with Unspent Funds?	May not be rolled over between years. Unspent funds at yearend are the employer's.	Optional. Rollover allowed at option of the employer. Unspent funds at yearend, if not rolled over, are the employer's.	Optional. Rollover allowed at option of the employer. Unspent funds at yearend, if not rolled over, are the employer's.	Optional. Rollover allowed at option of the employer. Unspent funds at yearend, if not rolled over, are the employer's.
Does it satisfy the Employer Mandate under the ACA?	No	Yes, for Large Employers, as long as ACA Minimum Value and Affordability are satisfied.	Yes, for Large Employers, as long as ACA Minimum Value and Affordability are satisfied.	Yes, for Large Employers, as long as ACA Minimum Value and Affordability are satisfied.
Special Enrollment Period?	Yes, in 2020 a 60 day window is triggered	Yes, in 2020 a 60 day window is triggered	N/A since offered alongside a qualified ACA Plan.	N/A since offered alongside a qualified ACA Plan.
Can it be Used if Covered Under a Spouse Plan?	Individual Premiums, Medicare and dependent contributions are excluded. Qualified Medical Expenses can be reimbursed.	Not Allowed.	Employees may participate, but group premiums are not an eligible expense.	Not Allowed.
Value Proposition/ Challenges	<ul style="list-style-type: none"> • First "New" program available (2017) • Size limited to under 50 • May not be classed • Restricted • Amounts limited 	<ul style="list-style-type: none"> • New generation HRA • No size limits • Benefit Design flexibility • May be classed for bonafide classes 	<ul style="list-style-type: none"> • New generation HRA • Limited to \$1800 annually • No size limits • Benefit Design flexibility • May be classed for bonafide classes 	<ul style="list-style-type: none"> • Established legality and time tested option • May not be classed • No minimum or maximum amounts • Flexible design options



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14710 Tamiami Trail N,
Suite 201
Naples, FL 34110
Phone: 239.403.7884

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