

ICHRA *by BASIC*

Individual Coverage HRAs

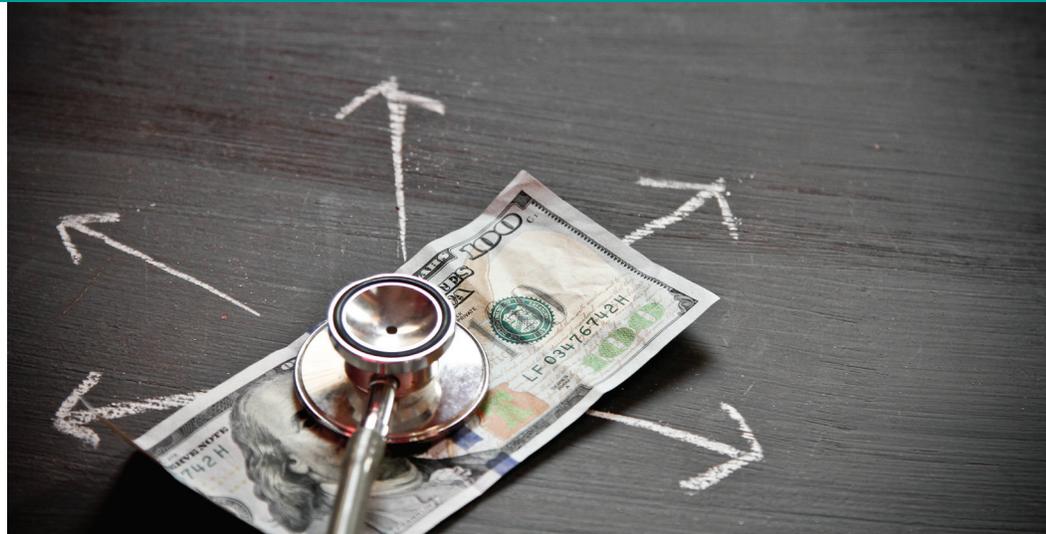
On June 13, 2019 the U.S. Treasury Department, the Department of Labor, and the Department of Health and Human Services issued a final ruling allowing employers to provide employees with a new kind of health reimbursement arrangement (HRA), known as an individual coverage HRA (ICHRA). The ICHRA allows employers to reimburse employees for insurance policies purchased in the individual market or Medicare premiums.

Features

- Available for groups of all sizes.
- Like traditional HRAs, ICHRAs are tax-favored. Employers may take a federal income tax deduction on contributions and exclude them from employees' wages.
- There is no contribution cap.
- Employers may offer a Section 125 plan for employees to make up any premium costs not covered by the ICHRA.

Prerequisites

- ICHRA participants must be enrolled in individual insurance or Medicare Parts A and B or C.
- Employers may not offer a choice between an ICHRA and a traditional group health plan.
- Employers must offer the same ICHRA terms to all employees within a class of employees.



Availability

Employees who want to take advantage of an Individual Coverage HRA will need to enroll in individual health insurance prior to being eligible for reimbursement.

- [FAQs on the final rules.](#)

BASIC ICHRA

As your compliance partner, BASIC will ensure your ICHRA falls within the IRS regulations. Like all of BASIC's services, clients receive a dedicated account manager for superior service.

- BASIC will provide the necessary model notices for the employer to distribute to employees
- Legal Plan Document and Summary Plan Description
- Plan design assistance
- Review employee classes to preclude discrimination and noncompliance
- Manage all reimbursements and claim substantiation
- Toll-free customer service
- Premium Only Section 125 Plan is available at a discounted rate



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