

HRA COMPARISON *by BASIC*

Plan Design / Compliance Issue	HRA §105, §106	QSEHRA §9831(d)	ICHRA §54.9802-4	EBHRA §54.9831-1
Eligible Employer	Any employer, but must offer HRA with sponsored group health plan	Any employer, must not be an ALE and not sponsor group health plan	Any employer, but cannot offer group plan for those eligible for ICHRA	Any employer, must sponsor group health plan but cannot offer ICHRA to those eligible
Employer Size	Any	Under 50	Any	Any
Eligible Employees	Group eligible, must pass eligibility test under Code §105(h)	Any employee of the “eligible employer,” and allows certain employees to be excluded	A group of employees defined by the employer participating in individual coverage, but cannot be eligible for group coverage or EBHRA	A group of all similarly situated individuals as defined by the employer, but cannot be offered ICHRA and group, must pass nondiscrimination rules under Code §105(h)
When employees are eligible to participate	A waiting period cannot exceed 90 days	When employee is no longer considered an excluded employee	A waiting period cannot exceed 90 days	A waiting period can exceed 90 days
Salary Reduction Funding	Not permitted, but can be offered with Health FSA and POP	Not permitted	Not permitted, but can be offered with Health FSA and POP	Not permitted, but can be offered with Health FSA and POP
Eligible for HSA contributions	Yes, if reimburses only dental, vision or post-deductible expenses	Likely yes, if reimburses only individual coverage premiums	Likely yes, if reimburses only individual coverage premiums and certain excepted benefits (e.g., dental or vision)	Yes, if reimburses only dental or vision expenses
Employees allowed to Opt-out	Yes	No	Yes	Yes
Permitted Amount of Contributions	Amount available is determined by employer	For 2025, self-only coverage is \$6,350 & \$12,850 for family coverage	Amount available is determined by employer	For 2025, \$2,200, up from \$2,100 in 2024

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Medical Expenses Eligible For Reimbursement	Otherwise unreimbursed Code §§213(d) medical expenses incurred while coverage in effect, including premiums for group eligible health insurance and long-term care	Reimburse individual major medical health insurance premiums, as well as other Code Section 213(d) expenses incurred during the QSEHRA coverage period	Reimburse any Code Section 213(d) medical care expenses or to limit reimbursements to particular expenses (e.g., premiums), but not group health	Reimburse only dental, vision, and STLDI premiums and out-of-pocket medical expenses, not group health, individual or Medicare coverage
Expense Substantiation	Required	Required	Required	Required
Claims Adjudication	Required	Required	Required	Required
Tax Credit	HRA is considered with group health plan coverage to determine minimum value and affordability	Not applicable	Yes, under Code §4980H(a); possibly, under Code §4980H(b) (coverage must be affordable)	No
Nondiscrimination Requirement	Applies	Not applicable, if meets the eligibility rules	Not applicable if ICHRA rules are met	Applies
ERISA Requirements & Notices	SPD & SBC	SPD & Special Notice	SPD & Special Notice	SPD
COBRA	Applies –Employer has 20 or more employees	Does not apply	Applies –Employer has 20 or more employees	Applies –Employer has 20 or more employees
Medicare Secondary Payer Rules	Applies	Applies	Does not apply	Applies
Carryover Option	Yes	Yes	Yes	Yes
Disqualifies Subsidy	Yes	Yes	Yes	No



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