



➤ March 26, 2025

Introducing the New Era of HRAs: ICHRAs and QSEHRAs

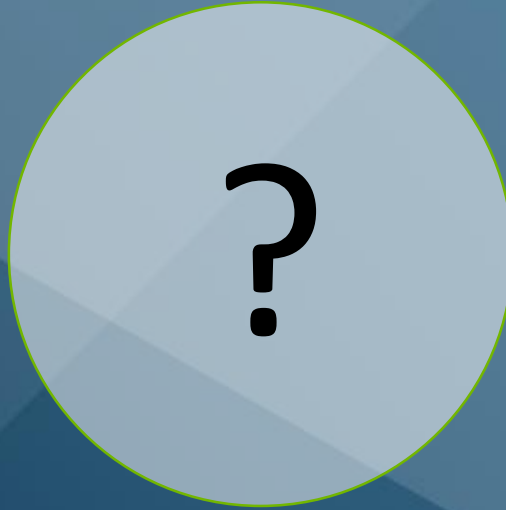


Presentation By:
Daniel Lopez

Before We Begin



We are
recording today's
webinar



Submit your
questions at
any time



Please
complete the
exit survey

Coast to Coast Administration



**BASIC services over
20,000 employers
nationwide.**



Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.



➤ Presenter



Daniel Lopez

Daniel is a Regional Sales Director at BASIC with over 20 years of professional sales experience. Employers and broker partners trust Daniel to find the right compliance and employee benefit solutions for themselves and their clients, knowing they'll receive personalized service and a level of expertise that exceeds their expectations.

➤ Today's Topics

- HRA definition and background
- Various types of HRAs available
- What is the difference between ICHRAs and QSEHRAs?
- BASIC's Solution



HRA 101

➤ What is a Health Reimbursement Arrangement (HRA)?

- Allows employers to reimburse employees
 - Out-of-pocket medical expenses
 - Insurance premiums (some HRAs)
- Tax- advantaged benefit plan for the employee
- Tax deductible expense for the employer
- Several types of HRAs available



➤ Advantages for the Employer

Cost Control

Tax Deductible

Flexibility & Low Risk

Talent Recruitment



➤ Advantages for Employees

- Reduced Healthcare Cost
- Personal Healthcare Freedom
- Empowerment of employees (choice under some HRAs)
- Employer contributions do not affect Income
- Tax-Advantaged Reimbursement
- Possible Rollover



➤ Various HRA Plans Available

- Traditional Group Coverage HRA - most common integrated HRA
- Qualified Small Employer HRA (QSEHRA)
- Individual Coverage HRA (ICHRA)
- Excepted Benefit HRA (EBHRA)
- Retiree HRA - unfunded and funded
- Dental/Vision HRA
- Spousal Incentive HRA (SIHRA)
- Medicare HRA

Regulations



HRA
Medical HRA
Section 105 Plan



Not required
Available for
1+ employees



Regulated by the
DOL & IRS

Health Reimbursement Arrangements (HRA) are a versatile benefit sponsored by employers. Plans can vary dramatically to meet the unique needs of each employer.

➤ Compliance Management

- **Summary of Benefits and Coverage (SBC)** – SBCs are provided to help employees and their family members make informed health coverage decisions by enabling them to compare plans.
- **IRS Form 5500** – Provided annually for required HRA plans.
- **Medicare Secondary Payer (MSP)** – We manage all MSP filing requirements for participants and dependents.

➤ Traditional HRA

- **Employer Eligibility:** Any Size
- **Employee Eligibility:** On Employer's or Spouses group medical
- **Other Eligibility:** Employer can design plan how they wish
- **Contribution Limits:** Set by the employer
- **Eligible Expenses:** Section 213(d)
- **Notice Requirements:** ERISA SPD, SBC, COBRA, HIPAA Privacy

QSEHRAs vs. ICHRAs

➤ Background

- Signed into law in December 2016, The 21st Century Cures Act introduced the QSEHRA which allowed small employers with **under 50 employees** to reimburse employees for qualified medical expenses including health insurance premiums.
- In 2019 regulations expanded on the QSEHRA and introduced the ICHRA which allowed reimbursement to be available to **any size employer**.



➤ QSEHRA (Small Employer HRA)

- **Employer Eligibility:** Fewer than 50 FTEs. No group health plan.
- **Employee Eligibility:** Have proof of coverage and MEC for the month the expense is incurred.
- **Other Eligibility:** Offer QSEHRA to similarly employees. Reimbursement may vary based on premiums.
- **2025 Contribution Limits:** \$6,350 (single) \$12,800 (family)
- **Eligible Expenses:** Section 213(d) & individual coverage
- **Notice Requirements:** 90 days prior to first plan year and to renewal

➤ QSEHRA (Small Employer HRA)

- Qualified MEC plans - Integrate with QSEHRA
 - Major medical plans
 - Student Insurance
 - Spouse's group health plan
 - Government plans
- Plans can also be reimbursed (do not qualify as MEC)
 - Dental & Vision
 - Limited Benefit Plans
 - Cost Sharing & Direct Primary Care

➤ Individual Coverage HRA (ICHRA)

- **Employer Eligibility:** Any size
- **Employee Eligibility:** Need qualified individual or other coverage. Medicare, under certain conditions
- **Other Eligibility:** Don't need to offer to all employees. Can offer different terms to different groups.
- **Contribution Limits:** Set by the employer
- **Eligible Expenses:** Section 213(d) expenses. Individual, Student, Catastrophic plans, Medicare, or Medigap
- **Notice Requirements** SPD, SBC, COBRA, HIPAA Privacy and 90 days prior to first plan year and to renewals. **Attestation form required from participants.**

➤ ICHRA – Reimbursement of Premiums

Can reimburse premiums for:

- Individual Market
- State or Federal Exchange
- Medicare and Medicare Supplement (regardless of size of employer)

Cannot reimburse premiums for:



- Spousal Group Coverage
- Fixed indemnity plans
- TRICARE

➤ ICHRA – Benefits for Employers

- Flexibility
- Attraction/Retention
- Controlled Costs & Risks
- ACA Compliance
- Tax Efficiency
- Administration Reduction



➤ What's the Difference?

QSEHRA

- **Employer Eligibility:** Fewer than 50 FTEs
- **Other Eligibility:** Offer QSEHRA to similarly employees. Reimbursement may vary based on premiums.
- **2025 Contribution Limits:** \$6,350 (single) \$12,800 (family)

ICHRA

- **Employer Eligibility:** Any Size
- **Other Eligibility:** Don't need to offer to all employees. Can offer different terms to different groups.
- **Contribution Limits:** Set by the employer
- **Annual Attestation Form**

BASIC's Solution

Benefits Administration

➤ Consumer Driven Accounts (CDA)

- New integrated system allows employers and participants to manage all their benefit plans on **one card, one website, and one mobile app**
- Choose from a wide range of healthcare benefit accounts like FSA, Simple HRA, or HSA
 - Combine with Dependent Care, Transit, Wellness Rewards, and Education Reimbursement accounts



➤ Introducing BASIC's Platform

- ✓ All COBRA & Benefit Accounts on **one platform**
- ✓ COBRA clients have **easy access** to “Endless Aisle” of CDA benefit accounts
- ✓ **Employee-Centric:** respond to & manage diverse needs of workforce at any life stage
- ✓ Vendor **consolidation**
- ✓ **Peace of Mind:** Audit Guarantee and Hold Harmless



➤ New Features Customers Will Love

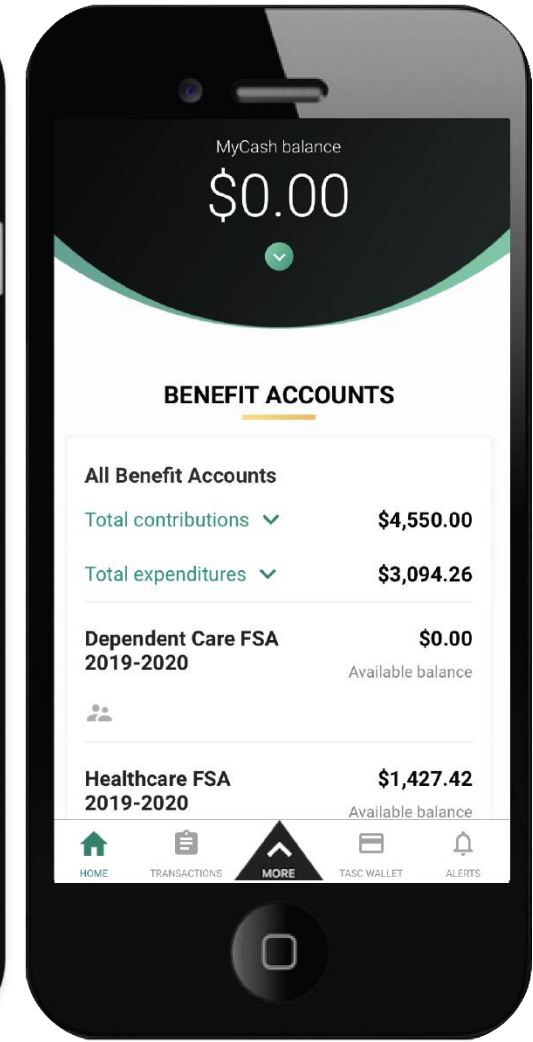
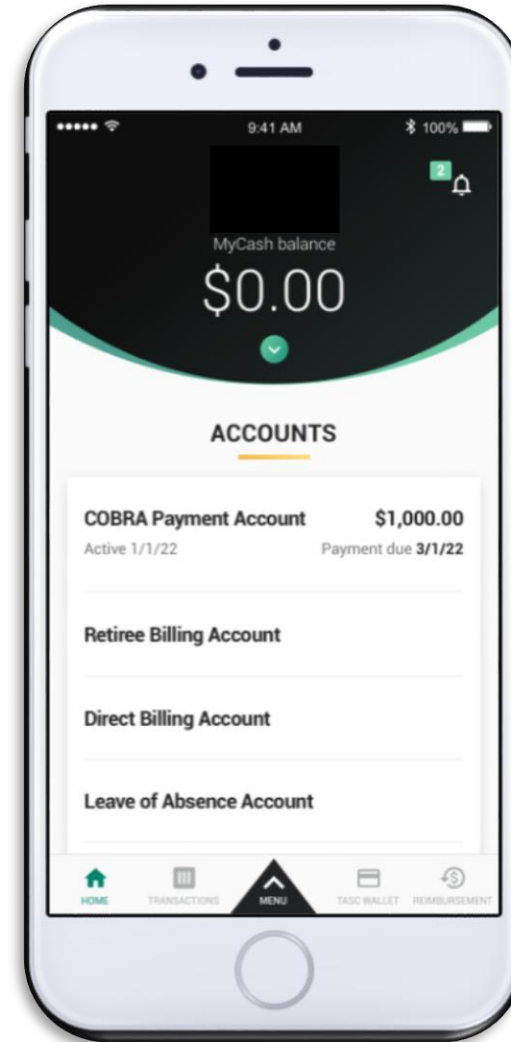
Improved Feature Functionality

- ✓ Single sign-on for **everything**
- ✓ **Better**, more responsive service
- ✓ Participants pay **their** way
- ✓ **Integrated** web-based & mobile participant experience
- ✓ **Industry-leading** security



➤ THE BASIC MOBILE APP

- Free download:
- Innovative Features:
 - Biometric Security: Touch ID and Facial Recognition
 - Mobile Alerts
 - BASIC Wallet
 - Receipt Repository
 - Card Management and Holder
 - COBRA participants can pay their premiums
 - Pay by Credit Card, check and/or ACH



➤ Even more value...

- Access to Plan Advisors to help create a unique, attractive benefits program
- Reduce payroll taxes with pretax benefits
- Get **unlimited** benefits at one low rate
- Quickly review/track important benefit activity and information all within one system
- Efficiently enroll/manage employees throughout their employment lifecycle



Before Q&A



Slides are in
the handout
section



Receive an email
tomorrow with
the recording



Please
complete the
exit survey

QUESTIONS

View our current webinar schedule at
www.basiconline.com/webinar.



Disclaimer

This presentation is designed to provide accurate information in regard to the subject matter covered. It is provided with the understanding that BASIC is not engaged in rendering legal or other professional services. If legal advice or other expert assistance is required, the services of a competent attorney or other professional person should be sought. Due to the numerous factual issues which arise in any human resource or employment question, each specific matter should be discussed with your attorney.