

Excepted Benefit Health Reimbursement Arrangements (EBHRA) Broker Information



What Is An EBHRA?

Excepted Benefit Health Reimbursement Arrangement is the newest standalone HRA that enables employers of all sizes to reimburse their employees tax-free for healthcare expenses and excepted benefit premiums.

How Does an EBHRA Work?

EBHRA is an employer funded HRA that reimburses employees for out-of-pocket healthcare expenses and/or excepted benefit premiums, depending on how the employer designs the EBHRA. The employer would establish a monthly or annual allowance up to the maximum annual contribution allowed pursuant to IRS regulations. (Indexed each year).

What Does the EBHRA Plan Cover?

Excepted benefit insurance premiums, including dental and vision premiums, COBRA continuation coverage, in some circumstances short-term, limited-duration insurance (STLDI) and qualified 213 (d) healthcare expenses tax-free up to the maximum employer funding amount.

EBHRA Plan with ASI Visa® Card

The HRA can be offered as a debit or non-debit plan. A debit option offers convenience for employees, but requires substantiation.

Who Can Offer an EBHRA?

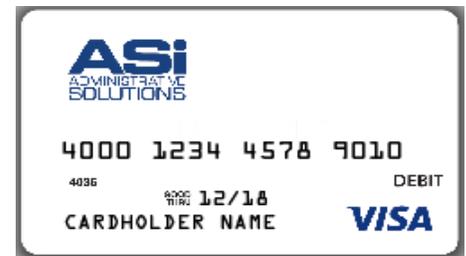
Available to any size business.

Eligible Employees

Coverage must be offered under the same terms and conditions within a class of similarly situated employees. A group health plan must be offered to the employee, but they are not required to enroll. An EBHRA cannot be offered to employees who are also offered an ICHRA.

What are the benefits of an employer offering an EBHRA?

An employer may wish to offer an EBHRA in addition to their group health plan to help the employees cover the cost of out-of-pocket expenses such as copays, deductibles, dental and vision. Employees can waive group health coverage and still receive the benefit under EBHRA. An EBHRA allows for higher levels of employer contributions than flexible spending arrangements (FSAs) and the unused funds can rollover year to year.



Administrative Solutions

Call our office 559-256-1320 or 866-777-1320

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What are some of the rules we should be aware of?

1. The EBHRA cannot reimburse premiums for individual health insurance coverage (other than COBRA coverage) or Medicare Parts A, B, C or D.
2. The employer can, but is not required to, allow unused funds to be carried over annually. Carryovers are disregarded for purposes of the IRS annual maximum.
3. An employee's eligibility for an EBHRA will not disqualify them from accessing premium tax credits from the Exchange/Marketplace.
4. For employees that enroll in a qualified medical insurance plan, that is HSA compatible, employers can restrict to reimbursing premiums only or limiting reimbursements in accordance with HSA rules (i.e. no reimbursement until statutory deductible is met).
5. For employees that have health insurance premium amounts that exceed the reimbursement through the EBHRA, the excess may be paid pre-tax through a cafeteria plan salary reduction. If offered, salary reductions must be available on the same terms and conditions to all employees within a class. As such, a health FSA may be offered alongside an EBHRA.

For information on fees and administrative services, you can contact our office at the number listed below.

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