

HRA Basics

Health Reimbursement Arrangement



An HRA is a tax-free savings account for health care. This valuable employee benefit is easy to use, and it's a smart way to save up for future medical, dental, and vision bills, including retiree insurance premiums.

Qualified "medical care" expenses and premiums are defined in Section 213(d) of the Internal Revenue Code. Common examples include: copays; deductibles; prescriptions; chiropractic; laser eye surgery; medical, dental, and vision premiums; Medicare Part B, Part D, and supplement premiums; and long-term care premiums (subject to IRS limits). For a detailed list, log in at HealthSecureHRA.com and click Resources.

HRAs are not insurance, and you do not pay a premium.

How It Works

1. Your employer sends tax-free money to your HRA¹. Often, these funds would have otherwise been paid to you as taxable income. Your employer might also contribute funds in place of some other tax-free employee benefit.
2. You choose how you want to invest your HRA funds using the available fund lineup.
3. You can use your HRA funds after you separate from service or retire². Some HRAs can also be used during employment, but this is rare.
4. You, your spouse, and dependents are covered³.
5. You never pay taxes on employer contributions, investment earnings (if any), or claim reimbursements (withdrawals) used for qualified medical expenses..

For more details visit HealthSecureHRA.com

How It Helps

Many participants use their HRAs during retirement to reimburse retiree insurance premiums and the cost of medical care items and services they wouldn't be able to afford otherwise. This includes things like power chairs, hearing aids, expensive vision and dental care, and emergency medical bills.

If your HRA allows you to submit claims while you're still working, you can save it up for retirement or use it now to help cover the cost of current expenses, such as doctor visits, prescriptions, new glasses or contacts, and braces for your kids.

¹ HRA eligibility and funding are usually subject to collective bargaining or employer policy. Check with your employer if you need to know more about your group's participation. ² Many HRAs are subject to vesting, post-separation claims eligibility only, or other limitations depending on your employer's plan design or any limited HRA coverage elections you may make. ³ Coverage includes your adult children through the end of the calendar year in which they turn age 26.

HRA Advantages

An HRA is one way to cover your future medical expenses for several reasons.

- No high-deductible health plan (HDHP) required—enroll in any qualified medical plan of your choice
- Reimburses medical premiums before and after age 65—including Medicare Part B, Part D, and supplement premiums
- No annual use-or-lose or carryover limits—unused funds roll over
- No IRS contribution limits—contributions are determined by collective bargaining or employer policy.

Using Your HRA

Managing and using your HRA is easier than ever!

- Fast online and mobile claims submission
- Handy mobile app, HRAgo®
- Debit card
- Convenient direct deposit for claim reimbursements
- Automatic premium reimbursements for retirees
- Secure quarterly e-statements.

Ready to file a claim? Log in online and click Claims, or use our mobile app HRAgo. With HRAgo, you can quickly snap pics of supporting documentation and submit claims right from your mobile device. We'll process your claim in about five to seven business days.

Are you a retiree? We can automatically reimburse your monthly insurance premiums, including Medicare premiums. Log in online and click Claims. Then, click the Set up an Automatic Premium Reimbursement button.

Your HRA is a group health plan. Plan administrative expenses include claims processing, customer service, account administration, printing, postage, legal, consulting, local servicing, auditing, etc. The fees charged to participant accounts to cover these costs vary from employer to employer and generally range from \$0 to \$20 per year per participant account (prorated and deducted monthly), plus an annualized asset-based fee of 0.38% to 1.00%. Your account value changes daily based on activity, which includes investment earnings or losses, contribution and claims activity, if any, and assessment of the asset-based fee.

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We're here to help you take action

You can reach out directly to your financial professional.

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