



HRA

DID YOU KNOW...

Health Reimbursement Arrangements (HRA) help you reduce premiums and retain good employees by allowing you to offer more competitive health care benefits.

Let BeneFLEX show you how to save money on your group health insurance.

BeneFLEX
HR RESOURCES INC.

"We make benefits work for you."

Savings for You and Your Employees

What is a Health Reimbursement Arrangement (HRA)?

A tax-free, employer funded plan that allows the employer to make funds available to employees for reimbursement of qualified health care expenses.

These IRS approved Section 105 plans provide employee reimbursements of eligible Section 213 expenses.

The HRA must be integrated with an employer's group medical plan.

Dental and Vision HRAs are excepted benefits that do not require an employer group medical plan.

Designed properly, employers and employees all enjoy cost savings in a difficult health care environment.

Who can sponsor an HRA plan?

Corporations, partnerships, S-corporations, limited liability companies (LLCs), sole proprietorships, governmental entities, and not-for-profit organizations all reduce health care costs by establishing an HRA plan. IRS guidelines prohibit sole proprietors, partners, members of an LLC, and 2% or more shareholders of an S-corporation from participating in the HRA plan.

Employers and employees benefit from reduced health insurance costs.

How does it work?

- ▶ An employer saves money by increasing the health insurance deductible (saving premiums) and protects their employees with an HRA Plan.
- ▶ The most common HRA Plan reimburses employees for portions of deductible and coinsurance expenses. Typically insurance premium savings are far greater than actual HRA claims.
- ▶ No money goes into the Plan until claims are submitted. As eligible expenses are submitted, the employee is reimbursed with funds the employer provides at that time.
- ▶ At the employer's option, the plan can be designed to allow funds not spent by employees to be rolled over for employees' expenses in the future.

How to Get Started

You can start an HRA at any time. The first year can be a short plan year so future plan years coincide with either your fiscal year, calendar year, or health plan year. Complete the Intent to Enroll form and fax or mail to BeneFLEX. Upon receiving your Intent to Enroll form, BeneFLEX will send you an electronic launch kit and will be available to help you design a custom HRA plan document and set up administrative procedures.



**Ask BeneFLEX how the Benny
Card enhances the HRA plan.**

Steps in the HRA Process for the Employee

1. An HRA plan is set up by the employer.
2. Employer identifies expenses to be covered.
3. Employee receives SPD defining covered expenses.
4. Participant has a qualifying medical event.
5. Insurance company receives medical bill, creates Explanation of Benefits (EOB) and sends to participant.
6. Participant submits claim form and EOB to BeneFLEX.
7. Participant receives reimbursement from BeneFLEX on behalf of the employer to pay the medical provider.

Plan Set Up and Administration is easy with BeneFLEX

1. **Plan Consulting.** Upon receiving your Intent to Enroll form, a BeneFLEX account manager will send you an electronic launch kit.
2. **Easy Plan Set Up.** Your launch kit includes the Business Associate Agreement, HRA Plan Checklist, Contact Listing, Banking Information, and Sample Reports.
3. **Employee Account Management.** HRA contributions are posted to their account. Other services include account balance tracking, weekly claims adjudication, and claims reimbursement by check or direct deposit.
4. **Participant Assistance.** Employees have 24-hour access to their account online at www.beneflexhr.com or via the BeneFlexHR Mobile app.
5. **Annual Plan Compliance.** Services include monthly year-to-date reporting of employee account balances, discrimination testing, and updates or amendments to the plan documents.

BeneFLEX is Here to Help Keep Your HRA Plan in Compliance

- ▶ Plan designs are flexible. Employees can be reimbursed for a wide range of health care expenses including insurance deductibles, coinsurance, prescriptions, dental, and vision.
- ▶ BeneFLEX will provide an electronic version of your Plan Document and Summary Plan Description (SPD). A copy of the SPD must be distributed to each plan participant.
- ▶ Employers are required to pay eligible medical expenses only to the extent of an individual's account balance. Unclaimed funds remain in the employer's account.
- ▶ COBRA continuation should be provided to all terminating participants.
- ▶ BeneFLEX tests to ensure the plan does not discriminate in favor of highly compensated or key employees.
- ▶ If you have over 100 participants in the plan, you will need to file the IRS Form 5500 each year. Check with BeneFLEX for special pricing for this service by our CPA Tax Specialists.

Example

	No HRA	HRA
Plan Deductible	\$500	\$2,000
Annual Premiums	\$ 221,000	\$ 187,000
Savings		\$34,000
Average Usage		\$10,800
Potential Savings		\$23,200

Employer purchases higher deductible health plan.

Employer realizes substantial savings on insurance premiums.

Industry standard – average HRA deductible usage is 15-20%!!!

Employer only reimburses eligible expenses. Unused funds remain in the employer's account.

**You don't buy a zero or low deductible car insurance.
The same holds true for Health Insurance.
High deductibles save money and make sense.**

Who is BeneFLEX HR RESOURCES?

A focused Third Party Administrator specializing in providing seamless employee benefits. BeneFLEX takes the burden of benefit regulations and compliance away from the employer AND ensures employees receive the full benefit of their FSA, POP, HCSO HRA, TMA, HRA, HSA, and COBRA.

**Contact BeneFLEX at 800-631-FLEX to implement your HRA plan
and start your premium savings!**

**Complete your Intent to Enroll form, receive your electronic launch kit,
and start to benefit from BeneFLEX's HRA administration services.**

BeneFLEX
HR RESOURCES INC.

"We make benefits work for you."

10805 Sunset Office Drive, Suite 401 ~ St. Louis MO 63127
800.631.FLEX (3539) ~ 314.909.6979 ~ Fax 314.909.6983
www.beneflexhr.com – info@beneflexhr.com

Rev. 053014

