



## Individual Coverage HRA (ICHRA) – A New Way to Save on Healthcare

**Now available for ALL employers** – the Individual Coverage HRA! Effective January 1, 2020, companies can offer Health Reimbursement Arrangements (HRAs) to help employees pay premiums for individual insurance coverage. Prior to the IRS final rule in June 2019, this type of HRA was prohibited by the Affordable Care Act (ACA).

Sponsoring an ICHRA allows your business to better control healthcare costs and offer a robust benefits package that can help you attract and keep top-notch talent.

### ICHRA Overview

- ▶ Can be offered by employers of any size
- ▶ Employees must be covered by an individual health plan to be eligible
- ▶ Employer sets the maximum amount that can be reimbursed
- ▶ Employer defines the eligible out-of-pocket healthcare expenses
- ▶ Eligible expenses CAN include premiums for individual health plans
- ▶ Employers may offer an ICHRA and a traditional group health plan but may not offer employees a choice between the two; each class of employees must be offered one or the other
- ▶ Employees may be split into different classes (full-time vs part-time, salaried vs. hourly, etc.)
- ▶ All employees in a class must be treated the same, with special rules for age and family size
- ▶ Employees on Medicare can be enrolled in an ICHRA at the same time

*Contact us today to discuss how an ICHRA can work for you!*



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