



Excepted Benefit HRA

Health coverage is a focus for many employers as they look for innovative and cost-effective ways to provide benefits. An Excepted Benefit Health Reimbursement Arrangement, or EBHRA, is timely and can offer substantial flexibility for your employer groups.

Tell me more

The EBHRA allows employers of all sizes to reimburse their employees (tax-free) for certain medical expenses not covered by their health insurance plan. Employees may use EBHRA funds to pay for eligible out-of-pocket medical expenses they or their dependents may incur during the plan year.

What are the requirements for an HRA to qualify as an EBHRA?

- Employers must offer the EBHRA in conjunction with a traditional group coverage health plan; however, EBHRA participants do not have to enroll in the traditional group coverage plan, they must simply be offered the coverage.
- The maximum annual contribution amount must not exceed \$1,800
- The EBHRA may not be used to reimburse individual health insurance plan premiums, group health insurance plan premiums (except COBRA) or Medicare premiums
- The EBHRA must be uniformly available to all similarly situated employees
- Employers may not offer both an ICHRA and an EBHRA to the same employees

EBHRAs benefit brokers

Excepted Benefit HRAs allow you to deliver innovative product strategies to your employer groups and provide even greater flexibility when it comes to designing benefit programs tailored to their unique needs.

EBHRAs can be appealing for many employers:

- The EBHRA is tax-free for both employers and their employees
- Employers have the ability to offer different allowance amounts to different classes of similarly situated employees
- Employees do not have to enroll in their employer's group health insurance plan in order to participate in the EBHRA
- The EBHRA offers employees additional funds to help pay for copays and deductibles, dental and vision insurance, COBRA continuation coverage, short-term limited duration insurance, and long-term care coverage