



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 business.

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?

- The EBHRA must be offered 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
- You may not offer both an ICHRA and an EBHRA to the same employees

EBHRAs benefit employers

Excepted Benefit HRAs are cost-effective for you, your employees and their dependents. This is an exciting win for employers of all sizes that want to remain competitive and promote retention of their valuable employees!

EBHRAs can be appealing for many employers:

- The EBHRA is tax-free for both you and your employees
- You have the ability to offer different allowance amounts to different classes of similarly situated employees
- Your employees do not have to enroll in your group health insurance plan in order to participate in the EBHRA
- The EBHRA offers your 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