

# Individual Coverage HRA

Your Healthcare Solution

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**Health coverage is a focus for many employers as they look for innovative and cost-effective ways to provide benefits. Medical Mutual's Individual Coverage HRAs are cost-effective for you and provide choice in healthcare for your employees and their dependents. This is an exciting win for employers of all sizes that want to offer cost effective, competitive benefits and promote retention of their valuable employees.**

An Individual Coverage Health Reimbursement Arrangement, or ICHRA allows employers of all sizes to reimburse their employees (tax-free) for health insurance premiums and other eligible medical expenses. Employees may use ICHRA funds to pay for individual healthcare premiums and eligible out-of-pocket medical expenses they or their dependents may incur during the plan year.

## **ICHRA's can be appealing for many reasons:**

- The ICHRA is tax-free for both you and your employees
- You can choose eligibility requirements
- You may be able to customize contribution amounts to different classes of employees
- ICHRA's can be offered along side a traditional group health plan in certain circumstances
- Employees can easily manage their accounts through our user-friendly website and app

## **ICHRA Requirements:**

- Available to groups of all sizes
- You can leverage 10 different employee classes to structure benefit eligibility and allowance amounts
- Requires a minimum funding of the HRA equal to the least expensive Individual silver plan by region and member
- Employees participating in an ICHRA must be enrolled in an ACA-compliant health insurance plan or Medicare
- You must have reasonable procedures in place to verify employee enrollment in an individual health insurance plan or Medicare
- A written notice must be provided to eligible employees at least 90 days prior to the beginning of the plan year explaining key terms of the ICHRA
- Eligible employees must have the option to opt-out annually and upon termination
- Members of an ICHRA are not eligible for the Premium Tax credit

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**For more information, contact your Medical Mutual sales representative or your broker.**