



KEEP AN EYE ON YOUR QSEHRA OPTIONS

Health coverage is a focus for small employers as they look for innovative and cost-effective ways to provide benefits. A Health Reimbursement Arrangement, or HRA, is timely and can offer substantial flexibility for your small business.



TELL ME **MORE**:

Offering a small employer HRA to employees allows them to use account dollars to pay their individual healthcare premiums and to reimburse any out-of-pocket costs they or their dependents may incur.

- In 2022, you can contribute up to \$5,450 for an individual and \$11,050 for a family.
- For employees to be eligible, they must have completed 90 days of service, be full-time employees over the age of 25, and residents of the U.S.
- Participating employees must maintain minimum essential health coverage to realize the tax advantage of the HRA, or the funds could be included as taxable income during any lapse in coverage.
- HRA funding amounts are reported on W-2s, and a Form 1095B is required.



HRAS BENEFIT **EMPLOYERS TOO**

Small employer HRAs are cost-effective for you, your employees and their dependents. This is an exciting win for small employers who want to remain competitive and to promote retention of their valuable employees!

HRAs can be appealing for many employers:

- HRAs help employers who are concerned about cash flow or that have a higher-than average turnover. When employees leave the company, funds are returned to the employer.
- Healthcare funds contributed to the account are available for employees to use on day one.
- Retirement-aged employees are able to rollover funds contributed to their HRA. Health coverage is a focus for small employers as they look for innovative and cost-effective ways to provide benefits. A Health Reimbursement Arrangement, or HRA, is timely and can offer substantial flexibility for your small business.

**GET STARTED TODAY WITH A HEALTHCARE BENEFIT OPTION
BUILT FOR THE NEEDS OF YOUR SMALL BUSINESS.**

Learn more about us at claritybenefitsolutions.com



QSEHRA AND ICHRA COMPARISON CHART

	ICHRA	QSEHRA
EMPLOYER ELIGIBILITY REQUIREMENTS	Available to businesses of any size with or without group insurance, as long as group health and ICHRA are not offered to the same employee classes.	Available to businesses with fewer than 50 full-time equivalent employees who don't offer a group health plan.
ACA EMPLOYER MANDATE	May satisfy the employer mandate for ALEs (applicable large employers) if coverage is affordable and offered to more than 95% of full-time employees.	Not available for ALEs (applicable large employers) with over 50 full-time equivalent employees. Only ALEs are subject to the employer mandate.
EMPLOYEE ELIGIBILITY	The business can structure eligibility guidelines based on predefined employee classes, such as full time, parttime, salaried, hourly and seasonal. Employees must have qualified individual health insurance to participate.	All full-time employees are automatically eligible. Businesses can choose to extend eligibility to part-time employees, but must offer the same allowances to both groups. Employees aren't required to have individual health insurance.
ANNUAL ALLOWANCE CAPS	None.	The following caps exist: <ul style="list-style-type: none"> • \$5,450 for single employees (\$454.16/mo.) • \$11,050 for employees with a family in 2022 (\$920.83/mo.)
ROLLOVER GUIDELINES	Month-to-month rollover of unused funds, with no annual rollover.	Month-to-month rollover of unused funds, with no annual rollover.
BUDGETARY GUIDELINES	Businesses can offer different allowance amounts to different employees based on classes as well as employee family status.	Businesses can offer different allowance amounts to different employees based on family status.
PREMIUM TAX CREDIT GUIDELINES	Employees can't have both the premium tax credit and the ICHRA. They may waive premium tax credits and participate in the ICHRA, or opt-out of the ICHRA and collect premium tax credits if the HRA allowance amount is considered unaffordable.	Employees with premium tax credits can participate in the QSEHRA, but their premium tax credit will be reduced by the amount of their QSEHRA allowance. Employees cannot opt-out of the QSEHRA.
BEST SUITED FOR	Companies that: <ul style="list-style-type: none"> • Wish to reimburse premiums only (although there is an ICHRA version that reimburses for all eligible medical expenses as long as the employee has purchased individual insurance). • Want to vary allowances by employee classes: full-time or part-time status, salaried or hourly status, in-state or out-of-state address, or any combination of these. • Want to offer allowance amounts over the QSEHRA caps. • Are ALEs and wish to meet the employer mandate requirement of the ACA. 	Companies that: <ul style="list-style-type: none"> • Want to reimburse premiums as well as medical expenses. • Want to offer the same allowance to all full-time employees, except to vary by family status. • Have employees in a variety of insurance situations, e.g. on their spouse's employer plan. • Have fewer than 50 full-time equivalent employees.