

# Health Reimbursement Arrangement (HRA)

Carrier: Highmark

Website: [www.highmarkbcbs.com](http://www.highmarkbcbs.com)

Phone: 1-866-267-3280



## What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement (HRA) is an account completely funded by I/N Tek & I/N Kote that reimburses employees for out-of-pocket IRS eligible medical expenses. HRA funds are provided by I/N Tek & I/N Kote on a pre-tax basis therefore they are not taxable when used. Unlike a cash payment, an HRA contribution is not subject to taxation and provides additional savings to members.

## How do I receive my HRA contribution?

**Under the PPO Plan:** A participant is eligible for an HRA contribution, by fulfilling HAI eligibility under the PPO plan. The employer contribution will be provided in a lump sum annual contribution. For HAI eligibility, if you are enrolled in a Employee + Spouse or Employee + Family tier, BOTH the Employee and the Spouse must complete HAI eligibility to receive the HRA contribution.

**Under the CDHP Plan:** Employees enrolled in the CDHP plan will automatically receive an HRA contribution.

## How do I contribute funds to my HRA?

The HRA account is completely funded by I/N Tek & I/N Kote. No employee contributions in the HRA are allowed under IRS regulations.

## What happens to my HRA balance at the end of the year?

**Under the PPO Plan:** Active employees who have an HRA account with a balance at the end of the year can rollover \$200 for Employee Only or Employee + Children tiers and \$400 for Employee + Spouse or Employee + Family tiers from year to year.

**Under the CDHP Plan:** Active employees can rollover funds from year to year if they remain in the CDHP plan.

## Can I participate in an HRA if I am 65 and enrolled in Medicare?

Yes, your participation in Medicare does not effect your eligibility to participate in the Health Reimbursement Arrangement benefit.

## What can I use my HRA funds for?

HRA funds can be used to pay for IRS eligible expenses that are not covered by your insurance. Please refer to IRS Publication 502 for a list of IRS approved medical expenses.

## Can I participate in an HRA and FSA?

You are eligible to participate in both the Health Reimbursement Arrangement (HRA) and the Medical Flexible Spending Account (FSA) for the 2020 plan year. The HRA funds are contributions from I/N Tek & I/N Kote and the FSA funds are employee contributions, both allow for IRS eligible medical expenses and require documentation (receipts) to substantiate all claims. When participating in the HRA and the FSA together, it is important to note that the funds from the HRA must be exhausted before claims can be made to your FSA account.

See the chart below for a Snapshot of how the HRA benefit will coordinate with other benefits:

Benefit:	PPO Plan with Deductible	CDHP Plan with Deductible and Health Reimbursement Arrangement
Flexible Spending Account (FSA)	Eligible to participate in both Health and Dependent/Elder Day Care FSA. If participate in both FSA and HRA, HRA funds must be exhausted before FSA funds.	Eligible to participate in both Health and Dependent/Elder Day Care FSA. If participate in both FSA and HRA, HRA funds must be exhausted before FSA funds.
FSA Rollover	Health FSA allows for \$500 rollover from year to year	Health FSA allows for \$500 rollover from year to year
Health Reimbursement Arrangement (HRA)	Receive an Employer Contribution in a HRA only if HAI eligibility is met.  \$400 EE Only \$600 EE + Children \$800 EE + Spouse or EE + Family	Auto enrolled in HRA if enrolled in the CDHP. Employer contribution to the HRA: *Not eligible for HAI  \$1,500 for EE Only Tier \$2,500 for Other Tier
HAI Rollover	Active employees can rollover \$200 for Employee Only and Employee + Children tier or \$400 for Employee + Spouse or Employee + Family tier from year to year.	Active employees can rollover funds from year to year if they remain in the CDHP plan.