



HRAs Health Reimbursement Arrangements

A Health Reimbursement Arrangement (HRA) is an employer-sponsored account that is established under IRS Section 105. This unique program permits employers to save on their healthcare costs by allowing members to pay for eligible expenses incurred under an employer insurance plan.



- HRAs can be designed to reimburse deductibles, co-insurance, copays and dental and vision expenses.



- HRAs are funded solely by the employer and your HRA can even be set up to allow unused funds to expire or roll over to a subsequent plan year.



- HRA reimbursements are even tax-deductible for the employer and tax-free for the employee.



- You have the ability to customize your plan.

A CLOSER LOOK: SAVE 10%-15% ON YOUR HEALTH PLAN COSTS



The most common HRA is one that is linked to a high-deductible health plan. For example, the health plan may have a \$2,000 individual deductible but the HRA would reimburse eligible deductible expenses incurred after the employee satisfies a \$500 deductible. Purchasing the \$2,000 deductible for your employees will reduce your overall health insurance premium versus buying a \$500 deductible plan. The HRA will reimburse expenses between \$500-\$2,000 but only when/if eligible expenses are incurred. This arrangement typically saves 10% to 15% on your health plan costs.

Simple, flexible and customizable low-cost plan

Administration by BAI allows you to tap into those savings for your company and provide a competitive benefit package to your employees.