



2020 HRA Update, Part One

Each week for the next several weeks, we will be emailing information about the new Health Reimbursement Arrangements which take effect on January 1, 2020.

Each update will address a portion of the new law so that you may focus on how the new HRA's will operate. Topics will include key provisions of the law, as well as, how your clients and employees may benefit. We have assumed that you basic knowledge of how the Individual Coverage (ICHRA) and the Excepted Benefit HRA (EBHRA) operate. If you need a refresher, you can click [HERE](#) to review our summary. The information provided below is in response to direct questions that we've already received from a number of brokers.

When can the new HRA's be offered?

Employers can begin offering either or both of the new HRA's beginning ON or AFTER **January 1, 2020**.

Employees who want to participate in an ICHRA as of January 1, 2020 will need to have individual coverage on January 1, 2020.

What notice needs to be given to employees?

Normally, notice must be provided to employees at least 90 days prior to the beginning of the Plan Year. However, for HRA's which are established LESS THAN 120 days prior to the beginning of the first Plan Year, the notice may be provided ANY TIME prior to the effective date for the participant.

Accordingly, for Plan Years beginning January 1, 2020, notice can be given to employees any time prior to that date.

Where can I find a sample notice?

A six-page model notice has been issued which will satisfy the notice requirements to employees. In order to view the model notice, please click [HERE](#).

The Basics: ICHRA 101

What may be reimbursed under an Individual Coverage HRA?

- Individual medical insurance premiums that qualify as Minimum Essential Coverage.
- Medical premiums including Parts A, B, C or D
- Medigap policy premiums
- Medical expenses as defined under Internal Revenue Code Section 213(d)--(similar to FSA/HSA eligible items).



Who is NOT eligible?

- Employees who are offered coverage in a group medical plan are NOT eligible for an ICHRA.

The Basics: EBHRA 101

What may be reimbursed under an Excepted Benefit HRA?



- Individual dental and vision premiums
- Medical expenses as defined under Internal Revenue Code Section 213(d)--(similar to FSA/HSA eligible items)
- Dental and vision expenses

Who is eligible for an EBHRA?

- ONLY employees who are offered group health insurance coverage are eligible for an EBHRA.

What is the annual limit for an EBHRA?

- The annual limit for plan years beginning in 2020 is \$1,800.

The Harrison Group can help!

The new HRA's that will be established for employees may differ considerably from employer to employer.

Our administration software and HG Advantage Card are currently configured to accommodate a wide variety of design alternatives.

Please contact us if you need guidance or assistance in establishing these plans for your clients.



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