

LOWER

Group Health Premium
with a **FLEX HRA**

Flexibility, Control, Savings

Employers want to provide the best group health benefits package to employees that they can afford. Most also want maximum flexibility in plan design, and control over funding options. And, like everyone else, employers want to get the best value from every single dollar spent.

The solution that offers all of this for many employers is the Deductible Gap Health Reimbursement Arrangement (HRA).

Flexibility

This HRA plan can be customized in several ways:

- Employers retain control of funds and decide what types of expenses will be reimbursed, in addition to whether the HRA funds will carry over from year to year.
- There are no restrictions on the type of health plan that can be paired with an HRA, so employers are free to choose the perfect plan for their employees.
- In addition, employees get to decide where and when to spend the HRA funds, as they are allowed to choose health care providers and better prices.

Control

HRAs do not require pre-funding. Employers reimburse plan members for eligible expenses as they occur. This frees up company assets until fund dollars are needed.

Savings

HRA reimbursements are tax-deductible for the employer and tax-exempt for employees so that everyone enjoys a tax advantage and lower premiums with a Deductible Gap HRA.

See How a Deductible Gap HRA Brings Big Savings

HDHP Savings

Current Group Health Plan Premium \$500,000

New HDHP Premium \$400,000

HDHP Savings \$100,000

Deductible Gap to Cover with HRA

HDHP Deductible \$ 4,000

Current Deductible \$ 1,000

Change in Deductible \$ 3,000

Funding for Deductible-Gap HRA (25 EE) \$ 75,000

Remaining HDHP Premium Savings \$ 25,000

HRA Distributions

Total HRA Funds \$ 75,000

Average \$2,000 Claim x 25 EE \$ 50,000

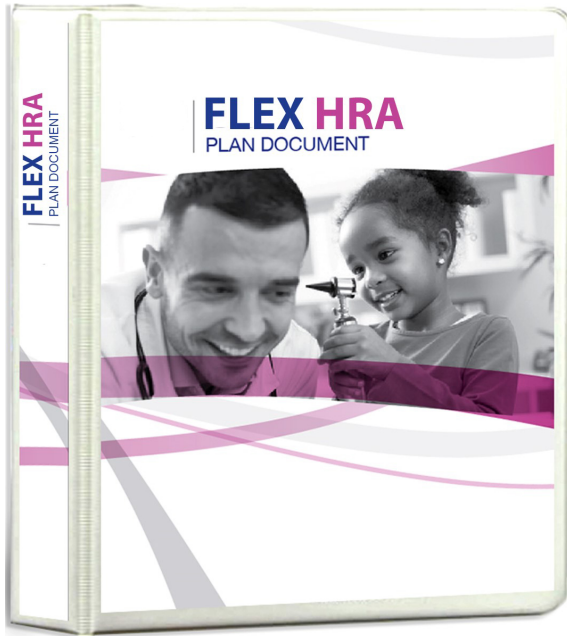
HRA Funds Remaining \$ 25,000

Total Savings with Deductible Gap HRA

HDHP Savings \$ 25,000

HRA Fund Balance \$ 25,000

Total Savings \$ 50,000



Set up your HRA in 3 easy steps:

Design your plan:

- Choose your plan year according to the calendar (Jan-Dec) or your tax year (Jul-Jun, for example) -- a short plan year is available for the first year;
- Determine the rules and limits for your plan -- our order form takes you through it step-by-step; and,

Order your plan:

- Place your order for the Flex HRA plan document package.
- Your personalized plan document package arrives at your inbox within a business day or two.

Start your plan:

- Print, review, and sign the plan document where indicated;
- Give a copy of the participant packet to each eligible employee; and then,
- Keep the Flex HRA plan document on file with other personnel paperwork -- there is no requirement to file the plan document with any agency.

More Popular HRA Plan Designs

The Health Reimbursement Arrangement is the most versatile pre-tax benefit plan available, and there is a Flex plan document package for every single one.

Comprehensive HRA's are for employers providing standard group health insurance and who would like to provide additional funds to help employees cover out-of-pocket medical expenses. Employees can also be reimbursed for excepted benefit insurance (dental, vision, cancer, etc.).

Limited HRA's offer nearly endless design options. One can be built to act as a Deductible Gap plan with additional funds for other out-of-pocket expenses, or set up to fund a specific medical expense (dental, vision, prescriptions) along with a standard group insurance plan, with all sorts of choices for the employer to further customize the plan.

Premium Reimbursement Arrangement HRA plans allow employers to reimburse employees for premiums on dental insurance, vision insurance, ancillary insurance, certain cancer and indemnity plans, and long-term care insurance -- essentially most group policies and excepted benefits.

Qualified Small Employer (QSE-HRA) plans are similar to the PRA in that they allow the employer to reimburse employees for premiums with the added feature of reimbursing the employee for health insurance premiums purchased on their own.

One-Employee HRA's allow the sole proprietor with one employee, usually a spouse, to take the full health insurance tax deduction available.