

# Help your employees pay for qualified healthcare expenses

Today's employees are faced with rising out-of-pocket expenses. MetLife's Health Reimbursement Arrangement (HRA) can help by offering a highly flexible, employer-funded tax-advantaged reimbursement plan that can benefit both you and your employees.



## 53%

of employees feel employers have a responsibility for the financial well-being of their employees.<sup>1</sup>

### MetLife's HRA solution makes life easier for you and your employees

With a tax-advantaged HRA, you can offer an "employer-funded" health benefit with control over your level of contribution and the expenses for which funds may be used. As an added benefit, if you offer your employees a Flexible Spending Account (FSA) today, they can use their HRA along with their FSA, allowing them to cover additional out-of-pocket healthcare costs with tax-free dollars and maximize their savings in the future.

### The Benefits of an HRA

- You determine the type of HRA plan design from the various MetLife options that best aligns with your organization's benefits needs. By offering an HRA you can easily help your employees pay for out-of-pocket healthcare expenses and personal health insurance premiums
- You determine your contribution amount based on your unique plan design criteria, as well as which qualified health expenses (within IRS guidelines) will be reimbursable. All qualified expenses reimbursed through the HRA are 100% tax deductible to you and tax-free to your employees

# HRA Offerings from MetLife

Select the best HRA that meets the needs of your organization from the following designs offered by MetLife.

## Group Coverage HRA (GCHRA):

MetLife's GCHRA offers the most flexibility of the three available HRAs. It is available to employers of all sizes that offer group health coverage. There are no required caps and at your option you may allow unused funds to roll over annually.

## Qualified Small Employer HRA (QSEHRA):

MetLife's QSEHRA is an HRA available to employers with less than 50 employees and that do not offer group health coverage. You can contribute up to the maximum amount for individual employees and families set by IRS regulations.<sup>2</sup> Both health insurance premiums, as well as qualified out-of-pocket health expenses as determined by you, can be reimbursed. Maximums must be consistent across all your employees, although some exceptions can be made depending on an employee age and/or family size. You can make the QSEHRA available to both part-time and full-time employees.

## Individual Coverage HRA (ICHRA):

The main difference between MetLife's QSEHRA and ICHRA is that employers of any size can offer an ICHRA. An ICHRA allows you to offer group health coverage at the same time as the HRA, but not to the same groups of employees. There are no caps on annual allowance and there is also more flexibility when it comes to determining allowance caps for different types of employees. However, employees and their families are only eligible to participate in an ICHRA if they have coverage under an individual health insurance policy. If individual coverage is lost, they can no longer receive reimbursements from the ICHRA.

Compare the benefit of each HRA in the chart below:

Comparison Chart	GCHRA	QSEHRA	ICHRA
<b>Employers Size Restrictions</b>	No size restriction.	Available only to employers with fewer than 50 full-time equivalent employees as of the end of the prior calendar year.	No size restriction.
<b>Group Health Coverage Requirements</b>	Employers are required to offer group coverage.	Employers cannot offer group coverage with a QSEHRA.	Group coverage can be offered, but a choice between the HRA and group coverage cannot be offered to employees in the same class.
<b>Employee Eligibility Guidelines</b>	Only available to employees also covered by the organization's group coverage.	All full-time employees are automatically eligible. Employers can choose to include part-time as well.	Employer can specify eligibility guidelines for specific classes of employees. These classes may need to meet minimum size standards.
<b>Annual Contribution Caps</b>	No annual contribution caps.	You can contribute up the maximum amount for individual employees and families set by IRS regulations. <sup>2</sup>	No annual contribution caps.
<b>Rollover Guidelines</b>	Funds can roll over monthly or annually at your option.	Funds can roll over monthly or annually at your option, HRA reimbursements in any year can't exceed that year's maximum legal limits.	Funds can roll over monthly or annually at your option.
<b>Premium Tax Credit Guidelines</b>	N/A	Individuals participating in the HRA are still eligible for premium tax credits, but the amount of the credit is reduced dollar-for-dollar by the amount of the HRA allowance.	Employees offered the HRA aren't eligible for premium tax credits unless they waive the HRA.
<b>Health Expenses Available For Reimbursement*</b>	Any and all items listed in IRS Publication 502 except individual insurance premiums, which includes Medicare.	Any and all items that are listed in IRS Publication 502.	Any and all items that are listed in IRS Publication 502.

\*Employer determines which qualified health expenses to cover.

## Designed with your business in mind

- Flexible plan designs across MetLife's entire range of 25+ benefits, to help employers select and configure benefits to meet employees' unique needs
- Integrated, end-to-end customer experience and consolidated account management across all of MetLife's benefit offerings
- Tailored employee educational resources and decision support tools to help reduce work for your HR department

## Positive user experience for participants

- Simple and intuitive account setup and enrollment process
- Easy payments using a smart, multipurpose debit card that knows which of an employee's accounts to tap into
- 24/7/365 account access through a participant portal or mobile app
- Email alerts and online messages to keep participants updated
- One-click answers to benefits questions

## Tax advantages for everyone

- Employers are entitled to a tax deduction for qualified expenses reimbursed through the HRA
- Employers have the option of offering flexible rollover amounts

**Contact your MetLife representative today.**

**metlife.com**

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<sup>1</sup> Data from 2019 MetLife Employee Benefits Trends Study

<sup>2</sup> Contribution limits are subject to change and should be checked on an annual basis on the IRS website. Limitations apply.

See IRS publication 502 available at <http://www.irs.gov/pub/irs-pdf/p502.pdf> for a list of qualified expenses. In addition there may be legislation or additional publications that may modify or expand available qualified expenses. Please refer to your employers' plan document for the latest list of qualified expenses under your plan.

Like most group benefit programs, benefit programs offered by MetLife and its affiliates contain certain exclusions, exceptions, waiting periods, reductions of benefits, limitations and terms for keeping them in force. Nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or individual. Any discussion of taxes is for information purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax or accounting advice. You should consult with your own advisors for such advice. Federal and state laws and regulations are subject to change.

