

# Frequently Asked Questions about your HRA

1. **What is a Health Reimbursement Account (HRA)?**

The HRA is an employer-sponsored plan that can be used to reimburse a portion of you and your eligible family member's out-of-pocket medical expenses, such as deductibles, coinsurance and pharmacy expenses. It is not an insurance program, but a financial reimbursement plan funded entirely by your employer. Your employer has designated a specific dollar amount to credit to the account (either monthly or annual contributions). You choose which out-of-pocket qualified medical expenses you would like to submit for reimbursement. Unused account balances will be rolled over to the following plan year provided your employer continues to offer the program and you remain enrolled in it.

2. **Do I have to have health insurance to have a health reimbursement arrangement (HRA)?**

HRAs are usually provided by employees to complement a higher-deductible health plan (HDHP), but can be paired with any type of health plan or offered alone. Once you have used your HRA funds, you pay all new and remaining expenses out of pocket.

3. **Who can put money in my HRA?**

HRAs are fully owned and funded by the employer.

4. **How do I know how much is contributed to my HRA each plan year?**

At the beginning of each plan year, your employer will notify you of the amount they will contribute to your HRA for that plan year.

5. **Do I need to enroll each plan period?**

Yes. All eligible employees must enroll each year during the open enrollment period. Your employer will instruct you on how to complete enrollment.

6. **Can I be reimbursed for my dependents' medical expenses?**

Yes, as long as your dependent meets the definition of a dependent as defined by the IRS and is included in your employer's plan.

7. **What is an eligible health care expense?**

Eligible expenses under an HRA plan are determined by your employer. Contact your human resources department for information about your HRA plan design and eligible expenses.

Generally, the following expenses are eligible under an HRA plan:

- Health insurance deductibles
- Coinsurance and co-pays
- Other expenses included in IRS Publication 502—Medical and Dental Expenses as eligible or qualified expenses
- Some insurance premiums

Eligible expenses must be incurred by the employee and/or eligible members of the employee's family, and take place within the benefit plan year.

8. **Is there a minimum claim amount?**

There is no minimum claim amount; however, your plan may place a minimum on the reimbursement account (usually \$15). If your eligible claim amount is less than the minimum, it will be held until additional claims are submitted.

9. **What's the maximum reimbursement amount from my HRA?**

Your HRA benefit amount is determined by your employer. Most plans will reimburse eligible expenses up to the full available balance in your HRA. If your plan is based on an accrual, you'll only be reimbursed the amount that you've earned in the plan. Contact your benefits department for specific information about your plan design.

10. **Do funds carry over at the end of the plan period?**

Any unused amounts left in the accounts at the end of the plan period may or may not be carried over into the next plan period depending on your plan. You have access to these funds from year to year as long as you remain an eligible employee and carryover is permitted by your plan. You may even have access to funds after termination of employment, if permitted by the plan.