

# ICHRAs & QSEHRAs

Tax-Free Reimbursements for Employee Health Expenses



# HRAs: Better Benefits for Small Business

## Attract & Retain Employees

Provide health benefits with superior cost control and flexibility compared *to group coverage*

## Control Costs

Employers set the amount available for reimbursement  
*With group coverage, insurance carriers dictate spend*

## More Insurance Options

Employees choose the plan that best fits them  
*With group coverage, employees have limited options*

## Tax Advantaged

Reimbursements excluded from income & payroll taxes

# Setting Up and Using an HRA

**1**

## **Choose Your HRA Type**

Decide between an ICHRA or QSEHRA, based on your business needs

**2**

## **Define Eligible Expenses**

Choose whether to reimburse insurance premiums only, or both premiums and out-of-pocket expenses

**3**

## **Set an Annual Allowance**

Decide how much employees can be reimbursed annually. Allowances can vary by age and family size and are typically made available in monthly installments

**4**

## **Employees Submit Claims**

Employees submit proof of payment for eligible expenses incurred during the plan year

**5**

## **Reimburse Claims**

Approved claims are reimbursed up to the available allowance. Claims exceeding the allowance roll forward and are reimbursed as funds become available

# Which HRA Is Right For Your Business?

Only cover employees who  
purchase their own insurance

**ICHRA**  
Individual Coverage HRA

Cover all employees regardless of  
how they are insured

**QSEHRA**  
Qualified Small Employer HRA

# Key Differences Between HRAs

## ICHRA

Individual Coverage HRA

## QSEHRA

Qualified Small Employer HRA

### Insurance Requirement

Employees must have individual coverage or Medicare

Employees must have a health plan that meets basic coverage requirements

### Eligible Employees

Flexibility to offer different benefits to full-time, part-time, salaried, unsalaried, and different geographies

All employees are eligible on the same terms, though certain groups (e.g. part-time employees) may be excluded

### Allowance Caps

No maximums

Single: \$6,350  
Family: \$12,800

### Tax Reporting

Employers file a 1094B and 1095B

Employers report the allowance made available in Box 12, Code FF of the employee's W2

### Premium Tax Credits

Employees not eligible for PTCs if the employee opts in or if the ICHRA is considered affordable

QSEHRA allowance replaces PTCs dollar for dollar

# Salusion powers small businesses with cost-effective HRA software

## Compliance

- Provides plan documentation
- Sends employee notifications
- Verifies employee's insurance

## Reimbursements

- Automates reimbursements via ACH

## Expense Verification

- Captures employee expenses via web portal and mobile app
- Verifies expenses on the same day

## Administrative Portal

- Provides comprehensive reporting
- Enables employers to modify plans and add third-party administrators

**\$14 per participant per month**

No set-up fees  
No platform fees  
No minimums

# Learn More



ICHRA vs QSEHRA



ICHRA Learning Center



QSEHRA Learning Center

