

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

