



## Keeping an Eye on Your HRA Options

**Health coverage is a focus for small employers as they look for innovative and cost-effective ways to provide benefits. A Health Reimbursement Arrangement, or HRA, is timely and can offer substantial flexibility for your small business.**

### **Tell me more**

Offering a small employer HRA to employees allows them to use account dollars to pay their individual healthcare premiums and to reimburse any out-of-pocket costs they or their dependents may incur.

- In 2023, you can contribute up to \$5,850 for an individual and \$11,800 for a family.
- For employees to be eligible, they must have completed 90 days of service, be full-time employees over the age of 25, and residents of the U.S.
- Participating employees must maintain minimum essential health coverage to realize the tax advantage of the HRA, or the funds could be included as taxable income during any lapse in coverage.
- HRA funding amounts are reported on W-2s, and a Form 1095B is required.

### **HRAs benefit employers too**

Small employer HRAs are cost-effective for you, your employees and their dependents. This is an exciting win for small employers who want to remain competitive and to promote retention of their valuable employees!

### **HRAs can be appealing for many employers:**

- HRAs help employers who are concerned about cash flow or that have a higher-than-average turnover. When employees leave the company, funds are returned to the employer.
- Healthcare funds contributed to the account are available for employees to use on day one.
- Retirement-aged employees are able to rollover funds contributed to their HRA.

**Get started today with a healthcare benefit option built for the needs of your small business.**