

FREQUENTLY ASKED QUESTIONS

HEALTH REIMBURSEMENT ARRANGEMENT

What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement is a tax-advantaged benefit that allows your employer to reimburse eligible expenses by making contributions to an employee's account. It supplements health insurance benefits and enables you to pay for a wide range of medical expenses not covered by insurance.

How does a HRA work?

With a HRA, your employer places a designated amount of money into your account. You can submit an eligible expense to your employer for reimbursement up to your account balance.

What are the benefits of having a HRA?

A benefit of having a HRA is the availability of employer-sponsored funds to pay for medical expenses incurred prior to point at which the insurance deductible is met. Contributions to the HRA are pre-tax, meaning you do not need to claim an income tax reduction for an expense that has been reimbursed under the HRA.

What kind of expenses can I pay for with my HRA?

Common plan designs include your health plan's deductible, co-pay, coinsurance, prescriptions, and other out-of-pocket health expenses.

What happens if I don't spend all the money in my HRA by the end of the year?

Some HRA plans allow unused fund amounts to carry over from year to year. Check with your employer's benefits representative to see how your plan works.

How do I submit an expense?

All requests for reimbursement under an HRA must be substantiated. The most common means is the EOB statement provided by your health insurance provider after a medical expense has been incurred. For other out-of-pocket expenses, a copy of a receipt or bill identifying the date of service, amount of service, and the name of the service provider is normally required to substantiate requests for reimbursement.

I also have a Flexible Spending Account. Can I use that as well?

If your employer offers a Flexible Spending Account (FSA), an employee-funded benefit, you may also use it alongside the HRA. Learn more about FSAs in the Flexible Spending Account FAQs.

Are my spouse/children covered by a HRA?

You can usually use your HRA to pay for expenses incurred by your spouse or tax-dependent children, but check with your employer to be sure.

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