



Health Reimbursement Arrangements (HRAs)

Offset out-of-pocket healthcare expenses

By allowing you to pay for some of your out-of-pocket healthcare expenses without going into your own pocket, an HRA can help optimize your healthcare finances.

HRAs are employer-funded accounts you use to reimburse yourself for IRS-qualified healthcare expenses not covered by your insurance plan. The money funded by your employer is not included in your wages as taxable income¹. To be eligible for an HRA, you must be enrolled in your employer-sponsored group health plan.

How an HRA works:

- Your employer funds your HRA (employees or third parties aren't allowed to contribute).
- You can pay for IRS-qualified healthcare expenses with your Benefits Card (if one is provided under your plan) directly to your healthcare provider, or pay out-of-pocket and submit a claim to HSA Bank for reimbursement.
- When submitting a claim, scan and upload your bill(s), Explanation of Benefits, prescription(s), and receipt(s) through online or through the HSA Bank app.
- Once your claim is approved based on eligibility and availability of funds, reimbursement will be sent to you.
- Check your balance and account information online or on the app 24/7.
- Receive your reimbursements more quickly by signing up online for direct deposit to your personal checking or savings account. On your online account, go to View account. On the Accounts tab, under Profile, click Banking/Cards. Select Add Bank Account, enter your external account information and click Submit.

Are you eligible for an HRA?

HRAs are established and funded solely by your employer. Therefore, self-employed persons are not eligible for an HRA.

Employers may only offer an HRA to active employees in combination with an employer-sponsored group health plan². Plan designs vary so check with your Human Resources department or Plan Administrator for more information about your plan design.

Certain limitations may apply if you are a highly compensated participant (IRS publication 969).

Is there a limit to how much my company can contribute to my HRA?

The IRS does not place limits on HRA allocations, however, funds can only be used for eligible expenses.

How can you benefit from tax savings?

The money available in your HRA is not considered income and is not taxed, as long as it is used for IRS-qualified healthcare expenses.

IRS-qualified healthcare expenses

You can use your HRA to reimburse yourself or pay for a wide range of IRS-qualified healthcare expenses, as permitted under your plan.

IRS-qualified healthcare expenses are generally defined as healthcare related products or services, equipment, or medications as defined under Section 213(d) of the Internal Revenue Code.. Funds used for IRS-qualified healthcare expenses are always tax-free.

Qualified healthcare expenses from your HRA may include the following:

- Amounts paid for health insurance premiums (other than premiums paid through an employer's plan)³
- Amounts paid for long-term care coverage
- Amounts not covered under another health plan

For a list of eligible expenses, visit hsabank.com/QME.

Note: IRS-qualified healthcare expenses are defined by your employer's plan design. Please check with your employer.

¹ HSA Bank does not provide tax advice. Consult your tax professional for tax related questions.

² Employers may contribute to HRAs for retirees who are not enrolled in an employer-sponsored group health insurance plan.

³ Insurance premiums only qualify as an IRS-qualified healthcare expense: while continuing coverage under COBRA; for qualified long-term care coverage; for coverage while receiving unemployment compensation; or for any healthcare coverage for those over age 65 including Medicare (except Medicare supplemental coverage).



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