



- INTRODUCING -

ICHRA

INDIVIDUAL COVERAGE HEALTH REIMBURSEMENT ARRANGEMENT WITH

E.D.I.S.
EMPLOYER DRIVEN INSURANCE SERVICES

We're ushering in a whole new era of group health coverage with ICHRAs!

This is the ultimate liberation for health insurance consumers. With an ICHRA an employee can shop the market to find the best-fitting individual coverage for themselves and an employer can help cover the cost of their premiums and even a portion of their medical expenses!

Individual coverage HRAs deliver: Satisfied Workforce, Great Benefit Packages, Minimum Employer Risk.

ADVANTAGES FOR EMPLOYERS

- **Transfers Risk.** Employers will not be hit with huge group insurance rate hikes year after year; and won't be responsible for finding a group plan that satisfies the needs of all employees.
- **Satisfies Employer Mandate** without enrolling in a traditional group health insurance plan if ICHRA meets affordability requirement.
- **Greater Tax Efficiency.** Allows tax-free reimbursement of premiums and eligible medical expenses...all through ONE simple program.
- **The Mix & Match.** Employers are able to offer a traditional group plan for one class of employees while offering an ICHRA to another. Total customization options allow employers to choose the best benefits for employee retention.

Administrative Cost:

\$500 set-up fee

*\$30 PEPM

\$100 Renewal Fee

Reimbursement/Claims Funding:

YOU SET THE MAXIMUM \$ AMOUNT!

Get Started:

888-886-7973 or marketing@employerdriven.com

www.employerdriven.com

CA Insurance License #0M76879

**For additional HRA Benefit Plans beyond the first, add \$5 per plan.*

HOW IT WORKS

1. Employer chooses if all employees, or which employee class(es) will be offered the ICHRA.

2. E.D.I.S. works with the broker to provide resources for purchasing individual health plans.

3. Employer sets annual defined contribution allowances and any special reimbursement amounts for benefits.

4. Employee purchases individual plan and provides annual and monthly substantiation.

5. E.D.I.S., on behalf of the employer, provides notices & legal documents, and reimburses employees monthly for premium and qualifying medical expenses.

THINGS TO CONSIDER WHEN BUILDING AN ICHRA

REIMBURSEMENT RULES

What's covered? Employers can choose to reimburse for:

- Insurance Premiums Only
- Insurance Premiums & IRS Code 213(d) Qualified Medical Expenses
- IRS Code 213(d) Qualified Medical Expenses Only

How much premium can be covered? Employers can offer the same premium reimbursement amount for all employees or various reimbursement amounts based on family size or employee age or a combination of these two factors.

- **Flat Rate:** Give all employees the same set monthly amount for premium reimbursement.
- **Family Size Rate:** This can be completely custom designed. A simple way to manage would be to offer all employees the same amount for an individual and add a set dollar amount for employees with dependents.
- **Age Rate:** Employers can offer higher reimbursement amounts for older employees but the reimbursement amount must be structured using a 1:3 ratio from the youngest employee to the oldest employee. (Because of complexity issues, this is not a recommended classification.)

Required Compliance Documents provided by E.D.I.S.

- Legal Agreement
- Plan Summary
- ICHRA Employee Notice
- ICHRA Attestation (if needed in place of premium billing)

Affordability

Ask us how to determine affordability for large employers who are subject to the Employer Mandate. We can help set up defined contribution amounts that meet the federal requirement!

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ELIGIBLE EMPLOYEE CLASSES

- Full-Time*
- Part-Time*
- Seasonal
- Union
- Employees who haven't satisfied waiting period
- Employees who are located in same Geographic area**
- Salaried*
- Non-Salaried*
- Temporary
- Custom Classes that combine two or more of the listed classes.

* For employers who are **also** offering a traditional group health plan, these classes of employees require a minimum class size. For group size of less than 100 employees, minimum class size is 10. For group size of 100-200, minimum class size is 10%. For group size of more than 200, minimum class size is 20. The class sizes are based on the expected number of employees in the class on the first day of the plan year. **Minimum doesn't apply if you designate all employees in another state or all employees out of your home state as a class.

ICHRA SETUP EXAMPLE FOR 65 LIFE GROUP

Employee Class	Monthly Premium Reimbursement	Medical Expense Allowance
Class 1 - Full-Time Employees	OFFERED TRADITIONAL GROUP INSURANCE	
Class 2 - Manager / Salaried & Full-Time	\$600/\$1,200 defined contribution	\$20 OV copay 80/20% coinsurance \$1,000/\$2,000 max
Class 3 - Part-Time Employees	\$400/\$800 defined contribution	N/A