

HRA Basics

Health Reimbursement Arrangement

An HRA is a **tax-free savings account** for health care. This valuable employee benefit is easy to use, and it's a smart way to save up for future **medical, dental, and vision bills**, including **retiree insurance premiums**.

Qualified "medical care" expenses and premiums are defined in Section 213(d) of the Internal Revenue Code. Common examples include: copays; deductibles; prescriptions; chiropractic; laser eye surgery; medical, dental, and vision premiums; Medicare Part B, Part D, and supplement premiums; and long-term care premiums (subject to IRS limits). For a detailed list, log in at IndianaHRA.com and click **Resources**.

HRAs are not insurance, and you do not pay a premium.

“
This plan helped me retire a few years early and pay insurance premiums until Medicare kicks in.
”

How It Works

1. Your employer **sends tax-free money** to your HRA¹. Often, these funds would have otherwise been paid to you as taxable income. Your employer might also contribute funds in place of some other tax-free employee benefit.
2. You choose how you want to **invest your HRA funds** using the available fund lineup.
3. You can use your HRA funds after you **separate from service or retire**². Some HRAs can also be used during employment, but this is rare.
4. **You, your spouse, and dependents** are covered³.
5. You **never pay taxes** on employer contributions, investment earnings (if any), or claim reimbursements (withdrawals). That's the best tax advantage there is—*even better than 401(k), 403(b), and 457 retirement plans with taxable withdrawals!*

For more details, read our **Indiana HRA Plan Benefits** brochure or visit IndianaHRA.com.

¹ HRA eligibility and funding are usually subject to collective bargaining or employer policy. Check with your employer if you need to know more about your group's participation. ² Many HRAs are subject to vesting, post-separation claims eligibility only, or other limitations depending on your employer's plan design or any limited HRA coverage elections you may make. ³ Coverage includes your adult children through the end of the calendar year in which they turn age 26.



How It Helps

Many participants use their HRAs during retirement to reimburse **retiree insurance premiums** and the cost of medical items and services they wouldn't be able to afford otherwise. This includes things like **power chairs, hearing aids, expensive vision and dental care, and emergency medical bills.**

If your HRA allows you to submit claims while you're still working, you can save it up for retirement or use it now to help cover the cost of current expenses, such as **doctor visits, prescriptions, new glasses or contacts, and braces for your kids.**



HRA Advantages

An HRA is one of the best ways to cover your future medical expenses for several reasons.

- **No high-deductible health plan (HDHP) required**—*enroll in any qualified medical plan of your choice*
- **Reimburses medical premiums before and after age 65**—*including Medicare Part B, Part D, and supplement premiums*
- **No annual use-or-lose or carryover limits**—*unused funds roll over*
- **No IRS contribution limits**—*contributions are determined by collective bargaining or employer policy*



Using Your HRA

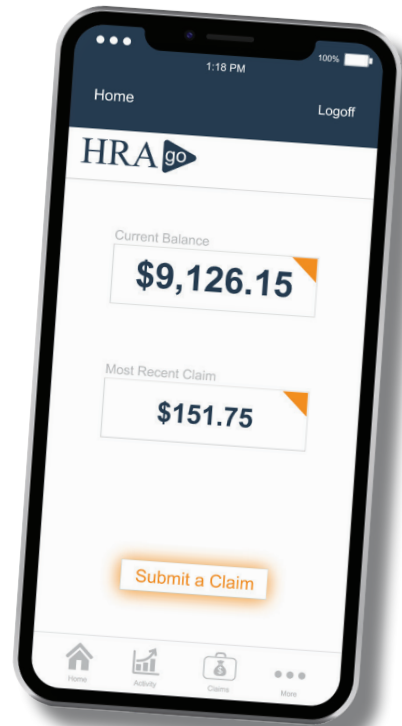
Managing and using your HRA is easier than ever!

- Handy **mobile app**, HRAgo[®]
- Easy **online and mobile** claims submission
- Convenient **direct deposit** for claim reimbursements
- Automatic **premium reimbursements** for retirees
- Secure quarterly **e-statements**

Ready to file a claim? Log in online and click **Claims**, or use our mobile app **HRAgo**. With HRAgo, you can quickly snap pics of supporting documentation and submit claims right from your mobile device. We'll process your claim in about five to seven business days.

Are you a retiree? We can automatically reimburse your monthly insurance premiums, including Medicare premiums. Log in online and click **Claims**. Then, click the **Set up an Automatic Premium Reimbursement** button.

More Information IndianaHRA.com
Ask Questions 1-888-711-9182



Your HRA is a group health plan. Plan administrative expenses include claims processing, customer service, account administration, printing, postage, legal, consulting, local servicing, auditing, etc. The fees charged to participant accounts to cover these costs vary from employer to employer and generally range from \$0 to \$20 per year per participant account (prorated and deducted monthly), plus an annualized asset-based fee of 0.38% to 1.00%. Your account value changes daily based on activity, which includes investment earnings or losses, contribution and claims activity, if any, and assessment of the asset-based fee.