



Health Reimbursement Arrangement (HRA) Plan Checklist

DO NOT USE THIS CHECKLIST IN LIEU OF THE PLAN DOCUMENT.

- 1. Adopting Employer** *(Enter primary adopting Employer here. Enter other members of affiliated companies in item 16.)*

- 2. Plan Name** - The legal name of the Plan is:

- 3. Dates**

- a. Effective Date (Effective date of this document): ____/____/____
- b. Adoption Date (date document is to be executed): ____/____/____
- (If this field is left blank, it must be manually entered in the printed document.)*

This HRA Plan is a

- ☐ c. New plan
- ☐ d. Restatement of a plan originally effective: ____/____/____

- 4. Plan type**

- ☐ a. Stand-alone HRA Plan
- ☐ b. Integrated HRA with High Deductible Health Coverage (HDHC) - An arrangement which usually has a major medical plan with a high annual deductible. The plan could have some supplementary benefits such as doctor co-pay and a prescription benefit. The HRA would include only those employees who participate in the employer's major medical plan and the HRA is used to pay medical expenses that are below the deductible or that are otherwise not paid by the health insurance plan.

PART I. The following identifying information pertains to the Employer and the Plan and Trust:

- 1. Employer Address :** _____
- (City, State, Zip) _____
- 2. Employer Telephone :** _____
- 3. Employer Tax ID :** _____
- 4. Three Digit Plan Number :** ____
- 5. Plan Year :** ____/____/____ to ____/____/____
- (Must be 12 consecutive months.)

6. **Short Initial Plan Year** : ____/____/____ to ____/____/____

7. **Legal Representative** : _____

☐ (same as Employer) _____

8. **Plan Administrator** : _____

☐ (same as Employer) _____

Appointed to keep the records for the Plan and be responsible for the administration of the Plan:

☐ a. Plan Administrator

☐ b. HR Manager

☐ c. Benefits Administrator

☐ d. Office Manager

☐ e. Other : _____

9. **Plan Administrator ID Number** : _____

10. **Benefit Coordinator** : _____

11. **Named Fiduciary** : _____

12. **Document Provider** : _____

13. **Trust**

☐ This is a Trusteed Plan

The Trust shall be known as:

Trust ID Number : _____

Plan Trustees :

14. **Legal Organization of Employer:**

- ☐ a. Sole Proprietorship
☐ b. Partnership
☐ c. C Corporation
☐ d. S Corporation
☐ e. Limited Liability Company (LLC)
☐ f. Limited Liability Partnership (LLP)
☐ g. Not for Profit Corporation
☐ h. Professional Service Corporation
☐ i. Medical Corporation
☐ j. Church or Government Plan (Exempt from ERISA)
☐ k. Other - Explain : _____

15. **State of Legal Construction** : _____

16. **Affiliated Companies:**

(Complete only for those Affiliated Companies that will be adopting the Plan.)

Affiliated Companies:

- ☐ a. Other Companies : _____

17. **Plan is administered by a Third Party Administrator:**

- ☐ a. Yes, Plan is administered by Third Party Administrator (default)
☐ b. No, Plan is NOT administered by Third Party Administrator

PART II. Unless specifically provided to the contrary, only one option may be made for each design category. Section references are relative to Plan Sections. Defined terms have the meanings provided in the Plan Document.

A. Eligibility and Participation Provisions

1. Eligible Employees - The Eligibility and Participation section of the document provides that all Employees, including Employees of certain related businesses and Leased Employees are eligible and including members of a collective bargaining unit and non-resident aliens. *(Select all applicable)*

- ☐ a. Exclude members of collective bargaining unit
- ☐ b. Exclude non-resident aliens
- ☐ c. Exclude Leased Employees
- ☐ d. Exclude part time Employees who regularly work less than ____ hours per week
- ☐ e. Exclude seasonal Employees who regularly work less than ____ months per year *(Not to exceed 6 months)*
- ☐ f. Other - Specify: _____ (Plan)
_____ (SPD)

NOTE: Self-employed individuals (e.g., sole proprietors, partners, and more-than-2% Subchapter S corporation shareholders) may not receive tax-free benefits. Self-employed individuals, including partners in a partnership and more-than-2% shareholders in an S corporation, cannot participate in an HRA on a tax-favored basis. A sole proprietor, partnership, or an S corporation can have an HRA for its common-law employees. But unlike in a sole proprietorship or a partnership, however, neither the employee-spouse of the more-than-2% shareholder in an S corporation, nor the more-than-2% shareholder's children, parents, and grandparents, can participate in the S corporation's HRA. This is because of the ownership attribution rules contained in Code § 318.

2. Eligibility Requirements - An Employee is eligible to participate in the Plan if he/she satisfies the following requirements: *(Select all applicable. Selecting more than one option means that an Employee must meet all indicated requirements for eligibility.)*

- ☐ a. No age or service required
- ☐ b. Requirements are same as group medical insurance plan
- ☐ c. Minimum age of ____ years *(Not to exceed 21 years of age; partial years may be used.)*
- ☐ d. Minimum of ____ hours required during each ☐ week ☐ month for part-time Employees
- ☐ e. Minimum of ____ months per Plan Year for seasonal Employees *(Cannot exceed 6 months)*
- ☐ f. Minimum of ____ ☐ consecutive calendar days ☐ non-consecutive days, counting his/her employment Commencement Date as the first day
- ☐ g. Enrolled in the Employer's High Deductible Health Coverage (HDHC) Plan
- ☐ h. Other - Specify: _____ (Plan)
_____ (SPD)

3. Entry Date - The Eligibility and Participation section of the document provides that an Employee who satisfies the eligibility requirements enters the Plan on the Entry Date. The Entry Date is:

- ☐ a. the date the eligibility requirements have been met.
- ☐ b. the same day as the Employer's group medical plan.
- ☐ c. the first day of the month coinciding with or following the date the eligibility requirements have been met.

- ☐ d. Other - Specify: _____ (Plan)
_____ (SPD)

4. Enrollment Process - For the first year of the Plan, once an Employee meets the eligibility requirements he or she:

- ☐ a. will automatically be enrolled in the Plan and no Enrollment form is required.*
☐ b. must complete an Enrollment form prior to the Entry Date; failure to file an Enrollment form will result in exclusion from the Plan.
☐ c. Other - Specify: _____ (Plan)
_____ (SPD)

NOTE: *Automatic/Default enrollments - Employer will need to confirm that the default elections will not violate state wage withholding laws.

5. Participation after Loss of Eligibility - If an Employee ceases to be an Eligible Employee for any reason other than for termination of employment, including, but not limited to, a reduction of hours and then becomes an Eligible Employee again, the Employee:

- ☐ a. must re-satisfy Plan eligibility requirements to rejoin the Plan or before becoming eligible to participate in the Plan (complete the waiting period).
☐ b. may rejoin the Plan without having to re-satisfy Plan eligibility requirements (complete the waiting period).

6. Treatment Rehires - Less than 30 Days - If a Participant terminates his/her employment, or ceases to be an Eligible Employee, for any reason, including, but not limited to, disability, retirement, layoff or voluntary resignation, and then is rehired within 30 days or less of the date of termination of employment and is otherwise eligible to participate in the Plan, then the Employee:

- ☐ a. may immediately rejoin the Plan and be reinstated with the same HRA account balance that the individual had before termination.
☐ b. may not be allowed to rejoin the Plan until the first day of the following Plan Year.
☐ c. Other - Specify: _____ (Plan)
_____ (SPD)

7. Treatment of Rehires - More than 30 Days - If an Employee (whether or not a Participant) terminates employment and is not rehired within 30 days or ceases to be an Eligible Employee for any other reason, including, but not limited to, a reduction of hours, and then becomes an Eligible Employee again, the Employee:

- ☐ a. will be treated as a new hire and must re-satisfy (complete the waiting period) Plan eligibility requirements to rejoin the Plan. Any unused reimbursement benefits account balance prior to the initial separation of service date will be forfeited.
☐ b. may immediately rejoin the Plan without having to re-satisfy (complete the waiting period) Plan eligibility requirements. Any unused reimbursement benefits account balance prior to the initial separation of service date will be forfeited. *(Should only be checked if B.1.a.1 (pro rata Accruals) is selected.)*
☐ c. may immediately rejoin the Plan and be reinstated with the same HRA account balance that the individual had before termination.

B. Funding/Contributions

1. **a. Accruals (Employer Contributions)** - The Employer will fund the full amount of the Participants' HRA Accounts on:

- ☐ a.1. a pro rata (monthly) basis (e.g., \$100 per month).
- ☐ a.2. an annual basis at the beginning of the Plan Year.
- ☐ a.3. Other - Specify: _____ (Plan)
_____ (SPD)

b. Short Plan Year - If the initial plan year is a short plan year, please specify if the Participants' HRA Accounts will: *(Leave blank if not applicable.)*

- ☐ b.1. be pro rated based on the remaining number of months.
- ☐ b.2. be credited with a full plan year's contributions.

2. **Mid-Year Hire Contributions** - If a Participant enters the HRA Plan mid-year, then the Participant shall receive:

- ☐ a. the full annual contribution (no proration)
- ☐ b. pro rated contributions (i.e., annual contribution divided by 12 x number of eligible months)

3. **Maximum Annual Benefits** - The maximum annual reimbursement for the HRA Benefit is: *(Select all applicable)*

- ☐ a. \$_____ for employee-only coverage per Plan Year
- ☐ b. \$_____ for employee plus spouse coverage per Plan Year
- ☐ c. \$_____ for employee plus children coverage per Plan Year
- ☐ d. \$_____ for family coverage per Plan Year
- ☐ d. \$_____ Other (Specify) _____

4. **Suspension of HRA Account** - If a Participant suspends his or her HRA account for a Plan Year in order to be HSA eligible, the Employer will: *(Leave blank if not applicable.)*

- ☐ a. continue to make contributions to the HRA account.
- ☐ b. cease to make contributions to the HRA account.

5. **Unused Funds** - If any balance remains in the Participant's HRA account after all reimbursements have been made for the Plan Year, such balance shall be:

- ☐ a. forfeited.
- ☐ b. carried over to the next plan year.
- ☐ c. carried over to the next plan year not to exceed \$_____ or _____ of remaining balance per Plan Year.

NOTE: In some cases carryover provisions may be required by state law; e.g., OCGA 33-6-5 (Georgia).

6. **Qualified HSA Distribution** - Any unused amounts from the prior Plan Year that are not used to reimburse

expenses from a General-Purpose HRA by the end of the run-out period: *(C.1.a must be checked. Leave blank if not applicable)*

- ☐ may be rolled over as a one-time Qualified HSA Distribution by an eligible HSA Individual.

NOTE: Only one qualified distribution is permitted to an HSA-either from a Health FSA with a grace period or a General-Purpose HRA, not both.

7. Funding Assets - All amounts payable under this Plan shall be paid from:

- ☐ a. the Employer's general assets.
☐ b. the Trust.
☐ c. Other - Specify: _____ (Plan)
 _____ (SPD)

NOTE: Many employers do not realize that they may need a trust to satisfy requirements under ERISA, such as when HRAs have "plan assets" triggering the need for a trust and compliance with ERISA's exclusive benefits rule. For example, one warning sign (there are others) that a trust may be needed is if checks written in connection with the Plan are drawn on any account other than the Employer's general checking account. Additionally, ERISA might require a trust for all HRAs because COBRA premiums paid to an HRA by individuals to continue their HRA coverage are plan assets. As plan assets, they must be held in trust until they are used to pay benefits, unless an exception applies.

C. HRA Benefits

1. Available HRA Plan Options: The HRA Plan provides the following coverage options where a Participant may receive reimbursement for expenses incurred during a Period of Coverage, as limited by the Plan Coverage Options listed below: *(Select all applicable)*

- ☐ a. **General-Purpose HRA:** Reimburses eligible out-of-pocket medical expenses that meet the definition of medical care under Code § 213(d) for the employee, spouse, and dependents, such as co-pays, deductibles, COBRA premiums (that a participant pays on an after-tax basis under any other group health plan sponsored by the Employer), prescriptions, long-term care insurance, and medical expenses that are not covered under the employer's health plan on a first dollar basis;
- ☐ General-Purpose Exclusions (Appendix): _____
- ☐ b. **Limited-Purpose HRA:** Only reimburses expenses not covered by insurance. *(Select all applicable)*
- ☐ b.1. Vision expenses *(HSA Eligible*)*
☐ b.2. Dental expenses *(HSA Eligible*)*
☐ b.3. Preventive Care expenses *(HSA Eligible*)*
☐ b.4. Prescription Drug Coverage
☐ b.5. Other: *(Specify)* _____
 _____ (Plan)
 _____ (SPD)

*** NOTE:** No other expenses prior to the HSA Deductible being met are eligible for reimbursement.

- ☐ Limited-Purpose HRA Exclusions (Appendix): _____

- ☐ c. **Bridge HRA:** Reimburses only health care expenses incurred after the Code §223(c)(2)(A)(i) minimum annual HDHP deductible has been satisfied-providing a bridge between the out-of-pocket expenses and insurance coverage. Eligible medical expenses are those incurred after the deductible level required for an HDHP has been met on a first-dollar basis and Preventive Care expenses;
- ☐ Other: (Specify) _____ (Plan)
_____ (SPD)
- ☐ Bridge HRA Exclusions (Appendix): _____
- ☐ d. **Insurance Premiums:** Reimburses only Insurance Premiums. Only premiums that qualify as a medical expense under Code § 213(d) can be an eligible expense under an HRA. (Select all applicable)
- ☐ d.1. Individually-owned health insurance premiums
- ☐ d.2. Dental insurance premiums
- ☐ d.3. Long-term care insurance premiums
- ☐ d.4. Other: (Specify) _____ (Plan)
_____ (SPD)
- ☐ Limited-Purpose HRA Exclusions (Appendix): _____

NOTE: An HRA cannot be used to pay the employee's share of premiums for employer group health coverage (or individual coverage) if the employee could pay those costs on a pre-tax basis through the employer's cafeteria plan. Such an arrangement would violate the prohibition on HRAs being directly or indirectly funded through cafeteria plan pre-tax salary reductions.

CAUTION: HRAs used solely to pay for individual policies for major medical coverage (premium reimbursement purposes) raise special HIPAA compliance concerns.

2. Reimbursement After Termination of Employment or Loss of Eligibility - If a Participant terminates his or her employment for any reason, including, but not limited to, disability, retirement, layoff, or voluntary resignation, any unused amounts in his or her HRA account:

- ☐ a. are forfeited.
- ☐ b. may be spent down until the account balance is depleted.

NOTE: COBRA must be offered unless the small employer exemption applies. Even if a spend-down feature is offered, the HRA must still offer COBRA once a qualifying event has occurred, and each qualified beneficiary has an independent right to elect COBRA continuation coverage under the HRA.

3. Run-out Period - Period after the close of a Plan Year or other period during which the Participants may request reimbursement for expenses incurred during the Period of Coverage.

Run-out Period: ____ ☐ Days (Typically 30, 60 or 90 days)

- ☐ Weeks
- ☐ Months

NOTE: An expense incurred by a participant in one year may be properly paid out of the HRA balance

attributable to a subsequent year, provided that the individual was a participant when the expense was incurred and remains a participant in the subsequent year.

4. Ordering Rule/Coordination of Benefits - If the Participant's Medical Care Expenses are covered by both this Plan and a Health FSA, then the: *(Leave blank if not applicable.)*

- ☐ a. HRA will pay first and the health FSA will pay last. *(general rule)*
- ☐ b. HRA pays only after health FSA amounts are exhausted.

D. Other Administrative Provisions

1. COBRA Continuation Coverage - A Participant and his or her dependents, whose coverage terminates under this plan because of a COBRA qualifying event, shall be given the opportunity to continue on a self-pay basis with the same coverage that he or she before the qualifying event for the periods prescribed by COBRA.

(Select all applicable)

- ☐ a. COBRA Continuation Coverage is offered
- ☐ b. An alternative coverage is available in place of COBRA continuation coverage

NOTE: Selection of an alternative coverage causes loss of rights to continuation coverage. COBRA Administrative Information *(Select all applicable)*

- ☐ c. Provide COBRA Continuation Coverage regardless of employee count
- ☐ d. Employer pays the cost of COBRA
- ☐ e. Coverage is suspended during the grace period (late COBRA payment) for non-payment
- f. COBRA payments are due on the ____th day of the month (i.e., 1st, 15th, etc.)
- g. Days to notify Administrator of other Qualifying Event ____ *(Must be at least 60 days)*

COBRA Administrator

- ☐ *(Same as Plan Administrator. If not, fill out information below.)*

- ☐ h. Include COBRA Initial Notice in SPD

NOTE: COBRA must be offered if the Employer Contribution is \$500 or more.

2. HIPAA Privacy Provisions - Provision of Protected Health Information to Employer

- ☐ a. Plan is not subject to HIPAA privacy requirements
- ☐ b. HIPAA privacy requirements apply; Effective Date: ____/____/____

Protected Health Information (PHI) - PHI access is allowed by the following *(Select all applicable)*

- ☐ b.1. Human Resource Manager

- ☐ b.2. Human Resource and payroll staff performing HRA functions
- ☐ b.3. Benefits Manager
- ☐ b.4. Plan Administrator
- ☐ B.5. Other - Specify:

 _____ (Plan)
 _____ (SPD)

COBRA Administrator

- ☐ (Same as Plan Administrator. If not, fill out information below.)

NOTE: While not likely, it is possible that certain HRAs may not be subject to HIPAA's portability requirements. For example, a 100% employer-paid stand-alone HRA with an annual limit less than or equal to \$500 and no carryovers will not be subject to the portability requirements of HIPAA if the employer makes major medical insurance available to all employees who are eligible for the HRA. This is because such an HRA may be considered to be a health FSA and would qualify as an excepted benefit. The above HIPAA exception will not apply to most HRAs. HRAs that permit carryovers, or HRAs with an employer-funded benefit of more than \$500, will be subject to HIPAA's portability requirements (including the certificate of creditable coverage requirement and the rules prohibiting discrimination based on health status). Regardless of whether an HRA permits carryovers or limits the employer-funded benefit, the HRA is likely to be subject to HIPAA's other requirements (e.g., administrative simplification rules covering privacy, security, and EDI).

3. Appeals Procedure - If a claim for reimbursement under this Plan is wholly or partially denied, the claim shall be administered in accordance with the claims procedure set forth below:

- a. Days until denial notice: ____ (must be 30 days or less)
- b. Days to return additional information: ____ (must be 45 days or greater)
- c. Days Employee has to request review: ____ (must be 180 days or greater)
- d. Additional days to process claim: ____ (must be 15 days or less)
- a. Days until review decision: ____ (must be 60 days or less)

4. ERISA Coverage of HRA - The HRA can be an employer-sponsored employee benefit plan. In such a case, it falls under the rules of ERISA.

- ☐ a. The HRA is subject to ERISA. (general rule)
- ☐ b. The HRA is not subject to ERISA

5. Plan Expenses - All reasonable expenses incurred in administering the Plan are currently paid by:

- ☐ a. the Employer.
- ☐ b. both, the Employer and the participants' account balances.
- ☐ c. the participants' account balances.

6. Compensation Definition - Compensation is defined as:

- ☐ a. Gross Compensation
- ☐ b. Base Compensation - Bonus and overtime excluded.
- ☐ c. Other - Specify: _____ (Plan)
_____ (SPD)

7. Debit Card Availability - Debit card, stored value card, or credit card that allows a Participant to access funds in a reimbursement account to pay the service provider at the point of sale.

- ☐ Debit card is offered (Leave blank if not available.)