



HEALTH REIMBURSEMENT ARRANGEMENT



Customer Service 1-800-422-4661

Website www.benefitspaymentsystem.com

FAQ's



- Q. What is a Health Reimbursement Arrangement (HRA)?**
A. An employer makes contributions to a Health Reimbursement Account (HRA) for each benefits eligible employee who is on the employer HRA designated health plan. This money is used to reimburse the employee's out-of-pocket medical expenses such as deductibles and coinsurance.
- Q. Can HRA funds be used to pay for health care premiums?**
A. No. Employee premiums for the School Board of Polk County Health Plan are paid by the School Board of Polk County. Premiums for dependents are made through pre-tax deductions from the employee's payroll check.
- Q. When can I use my HRA?**
A. You can use funds as available to reimburse yourself for your or your covered dependent's deductible or other qualified out-of-pocket medical expenses and prescription drug costs only. **IMPORTANT:** Remember, if you use your HRA dollars to pay prescription copays/co-insurance, it will not help you to meet your health plan deductible.
- Q. Will I have funds in my HRA account on January 1, 2011?**
A. Yes, the District will contribute \$250 to each employee that enrolls in the 3160/3161 (HRA) Plan for the 2011 Plan Year. Employees who take a Personal Health Assessment (PHA) and a few simple health screening tests for blood pressure, glucose, cholesterol and height and weight will be eligible to receive an additional \$500 HRA contribution from the District. This means for the 2011 period, employees are eligible to receive up to \$750 HRA contribution.
- Q. Can employees fund the HRA account?**
A. No. HRAs are employer-funded only. Employees are not able to make contributions to an HRA. However employees may continue to participate in a FSA.
- Q. What are the tax benefits of an HRA?**
A. Contributions made to your HRA are 100 percent employer-funded, so they are free of federal, state and FICA taxes. The distributions for medical expenses are also tax-free.
- Q. What happens if employees do not use all of their HRA dollars?**
A. Any unused amounts in an employee's HRA account will roll over for use at a later time.
Note: The participant must be enrolled in the HRA designated plan in the *next* plan year in order to roll over funds.
- Q. What happens to HRA funds if an employee separates from service?**
A. There is no cash-out option for employees. Employers keep any HRA balances once an employee is no longer employed. Employees whose employment terminates are entitled to submit eligible claims incurred between the beginning of the plan year and the termination date. These claims must be submitted by the end of the plan year's run-out period. An employee that elects COBRA is entitled to their use their remaining balance in their HRA account as long as they remain on COBRA.