

# HRA Basics



## Health Reimbursement Arrangement

An HRA is a **tax-free account** that **puts you in control** of your family's healthcare spending<sup>1</sup>. It's easy to use, and it's a smart way to save up for medical bills, including retiree insurance premiums. Plus, you never pay any taxes on the money going in or coming out. That's the **best tax advantage** there is—even better than tax-deferred 457, 403(b), and 401(k) plans!

- Pay no income or FICA taxes
- Choose your investments
- Get your money fast
- No use-or-lose or carryover limits



*I didn't have enough money to purchase my contact lenses and my prescription medication. I was able to use my HRA money. What a relief!*

HRA Participant



## How It Works

1. Your employer **sends tax-free money** to your HRA<sup>2</sup>. 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. Depending on your plan<sup>3</sup>, you can **use your money right away or save it up for later**, such as during retirement.
4. If you pass away, your HRA can transfer to your surviving spouse, children, or other survivors. Most other HRA plans can't offer this.

<sup>1</sup> Your HRA covers you, your spouse, and dependents, including your adult children through the end of the calendar year in which they turn age 26. <sup>2</sup> IRS rules require all eligible employees to participate (no individual elections). <sup>3</sup> Your HRA may be subject to post-separation benefits only or other limitations depending on your employer's plan design or any limited HRA coverage elections you may make.



## How It Helps

Are you struggling to cope with the cost of **doctor visits, prescriptions, new glasses or contacts, or braces for the kids**? Will you and your spouse be able to afford medical premiums up to **\$1,000 or more per month** if you want to retire before age 65?

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

HRA Participant ”

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



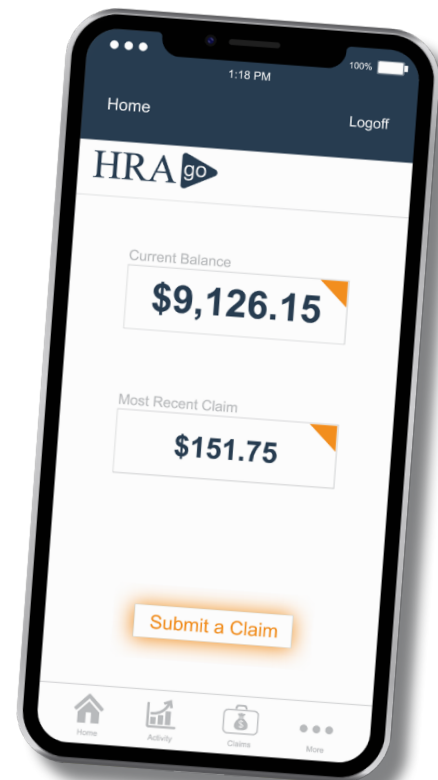
## Using Your HRA

Managing and using your HRA is now easier than ever!

- Fast online and mobile claims
- Handy mobile app (HRAgo®)
- Free debit card (upon request)
- Secure e-statements

**Ready to file a claim?** Log in online and click **Claims**, or use **HRAgo** and do it “on the go.” 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

[HRAveba.org](http://HRAveba.org)

### Ask Questions

1-888-659-8828



The HRA VEBA Plan is a group health plan. Plan administrative fees are \$1.50 (if claims-eligible) or \$0.75 (if not claims eligible) per month, plus an annualized asset-based fee of about 1.00%. The monthly fee is waived if your account balance is more than \$5,000. In addition, a 0.25% asset-based fee discount applies to any portion of your account balance in excess of \$10,000. Please refer to the HRA VEBA Plan Summary for more details.