

Health reimbursement arrangement Q&As

What are HRAs and who can have them?

1. What is a health reimbursement arrangement (HRA)?

A health reimbursement arrangement (HRA) is an employer-sponsored plan that can be used to reimburse a portion of your out-of-pocket medical expenses, such as deductibles, coinsurance and/or copays for you and your eligible family members. It's a financial reimbursement arrangement funded entirely by your employer that is paired with your medical plan.

2. How do participants benefit from an HRA plan?

The HRA plan benefits participants by allowing them to be reimbursed up to a specified amount each year for certain eligible health care expenses. Each dollar that goes into the plan is provided by the employer for the purpose of health care expenses, so the benefit is free from federal, state and Social Security taxes.

3. What are the tax benefits of an HRA?

Contributions made to your HRA are 100% employer-funded. They are not considered part of your income and are not subject to federal, state and FICA taxes. The distributions for medical expenses are also tax free. An HRA plan may save you money through lower premiums and tax-free medical reimbursements.

4. Who owns the HRA?

Your employer owns the arrangement and determines the scope of how it is set up and used — including the amount you will receive. The HRA is not portable; if you change jobs, the arrangement and any funds stay with the employer.

5. Who can contribute to an HRA?

Only your employer can contribute pre-tax or tax-deductible dollars to your HRA.

6. How can HRA funds be used?

Your employer may decide what types of medical expenses can be reimbursed through the HRA. Typically, reimbursable expenses can include deductibles, copays, coinsurance costs, prescription drugs or other types of out-of-pocket costs. Contact your employer or check your evidence of coverage or summary plan description materials for details about your specific HRA.

7. How can I be reimbursed for out-of-pocket expenses?

Most HRA programs allow for payment card issuance to provide for a convenient way to pay for eligible expenses. In the event you cannot use your payment card, you can file a claim in two ways:

- File an online claim. First, sign in to your account. Click on **File a Claim** in the **I want to...** section and walk through the steps to enter the details of the claim.

Make sure you upload your receipt or explanation of benefits with eligible expense identified, or your claim will not be processed.

- File your claim using the claim reimbursement request form. Follow the provided instructions to complete this form. Claims and copies of your supporting documentation can be submitted.

Account holder responsibilities

8. What happens if I don't cash my reimbursement check?

We use a positive pay system to ensure only valid reimbursement checks are processed. A file is sent to Optum Financial on a daily basis. Only checks that match the file are processed. Checks remain on the positive pay file for 180 days. An exceptions list is sent to Optum Financial daily, showing checks presented for payment that do not match the file.

9. If I change employers, what happens to my HRA?

If you leave the company or move to a different employer, your HRA does not go with you. Since your employer funds the HRA, your employer owns any amount that remains after you leave. An exception may be if you elect COBRA continuation coverage.

Check your plan details for more information.

10. Do I still need to keep my receipts and documentation for prescriptions and office visits, plus the Explanation of Benefits that are sent to me?

Yes. Throughout the year, you should keep your original receipts and documentation for prescriptions and health-related expenses for all transactions (including payment card transactions), so you'll have them if needed to verify a claim.

The IRS requires that all transactions be validated, including the payment card transactions.



In most cases involving payment card transactions, the electronic data we already have will be sufficient to accommodate this requirement. If we need additional documentation, we'll contact you and you'll be asked to provide documentation with receipts. Failure to respond promptly to a request can result in the expense being labeled as "ineligible," in which case, you would be obligated to reimburse your account. In addition, your payment card could become deactivated.

11. Is there a daily transaction limit on my card?

There is no daily transaction limit on your card.



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Flexible spending accounts (FSAs), dependent care assistance programs (DCAPs), health reimbursement arrangements (HRAs), Commuter and Parking Benefits, Tuition Assistance Plans, Adoption Assistance Plans, Surrogacy Assistance Plans, Wellness Benefits, and Lifestyle Accounts (collectively, "Employer-Sponsored Plans") are administered on behalf of your plan sponsor by Optum Financial, Inc. or ConnectYourCare, LLC (collectively, "Optum Financial") and are subject to eligibility and restrictions. Employer-Sponsored Plans are not individually owned and amounts available under the Employer-Sponsored Plan are not FDIC insured. This communication is not intended as tax or legal advice. Please contact a legal or tax professional for advice on eligibility, tax treatment, and restrictions. Please contact your plan administrator with questions about enrollment or plan restrictions. Federal and state laws and regulations and the design of your plan are subject to change.

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