

QSE HRA

Qualified Small Employer HRA



Employer Reimbursement Plan

The BASE® Qualified Small Employer Health Reimbursement Arrangement (QSE HRA) helps employers offer their employees a more attractive benefits package. Thanks to new legislation, employers can help their employees pay for medical coverage for themselves and their families, tax-free. The employees can use the money for insurance premiums, co-pays, deductibles, eye care, dental care, or any other qualified healthcare expense. The amount provided is tax-free to the employees and 100% tax deductible to the employer.

With a QSE HRA, employees have the ability to secure their own medical insurance either on or off the Marketplace. This allows the employee to have an active role in finding the right medical coverage for their situation.

QSE HRA in Action



Employer has chosen to sponsor QSE HRA for 10 employees & has chosen to reimburse each employee an annual maximum of \$4,950.

EXAMPLE FOR 1 EMPLOYEE

Including Qualified Subsidy Without QSE HRA	Monthly Cost	Annual Cost
Silver Plan on the Exchange	\$ 500.00	\$ 6,000.00
Premium Tax Credit	\$ 150.00	\$ 1,800.00
Cost to Employee	\$ 350.00	\$ 4,200.00

EXAMPLE FOR 1 EMPLOYEE

With Employer Sponsored QSE HRA	Monthly Cost	Annual Cost
Silver Plan on the Exchange	\$ 500.00	\$ 6,000.00
QSE HRA	\$ 412.50	\$ 4,950.00
Cost to Employee	\$ 87.50	\$ 1,050.00

Who is a Qualified Small Employer HRA for?

Employers need to meet two qualifications to offer this arrangement to their employees:

- Employer must have less than 50 Full-Time Equivalents (FTEs) employees
- Employer must not offer a Group Health Plan to its employees

How does it work?

- Employer decides on the benefit amount to offer - like a regular HRA, a QSE HRA is funded solely (100%) by the employer. For single employees, employers can make a maximum contribution of \$4,950 annually, and for families, a maximum of \$10,000 annually.
- Determine eligibility and other administrative details and provide all required notification to employees with the help of BASE®, which will include meeting specific timeframe requirements.
- Employees must secure medical insurance that meets the minimum essential coverage definition and provide proof of coverage in order for reimbursement to be tax-free.
- Employees must submit any documented healthcare expense under IRC Section 213(d), including individual health insurance premiums to BASE®.
- BASE® will work with employers to handle reimbursements and assist in the reporting requirements.

What are the benefits?

Benefit to Employer

- **Employee Satisfaction.** Attract and retain talented employees with an increased benefit package.
- **Tax Benefit.** All reimbursements are 100% deductible as a business expense.
- **Controlled Funding Limits.** Employer determines benefit amount and only pays when an expense is substantiated. No prefunding is required.
- **Peace of Mind.** All legal and administrative concerns are taken care of by BASE®.

Benefit to Employee

- **Cost Savings.** Employees now have additional money to help with the rising cost of healthcare.
- **No Taxes.** All reimbursements are considered non-taxable income.
- **Convenience.** Easy way to get reimbursed for healthcare expenses.

Call 1-888-386-9680 to learn more about the QSE HRA!