

Workforce Benefit Solutions

QSEHRA: Qualified Small Employer Healthcare Reimbursement Account

Whether you're looking to offer benefits for the first time or are tired of the hassles associated with administering your group medical insurance. There is a new cost effective way to provide health benefits. The 21st Century Cures Act provides a new opportunity for small employers (under 50 FTE employees) to help employees pay for health insurance on a pre-tax basis. Employer allocations through the QSE-HRA are deductible to you and reimbursements from the QSEHRA are excludible from your employee's income. Because the QSEHRA allows businesses to set their own budget on a per-employee basis, business owners can control costs, eliminate the administrative nightmare, allow the employees full choice of many options available. Individual insurance can be cheaper than group policies, allocations can cover more of an employees' premium while cutting the employer's expenses.

“Take yourself out of the Medical Insurance Business”

What are the benefits to the Employer?

COST CONTROL: eliminates the element of surprise, 'your rates are going up', inherent with group policies, allows businesses to control cost while offering a formal benefit.

More value to employee: Besides being a tax free benefit, employees have more freedom in how they choose to plan their healthcare coverage.

LESS COMPLEXITY: Complexity and administrative time are among the most important factors in determining whether small businesses offer health benefits. More than 8% of employer's time is spent on health benefit administration, the QSE-HRA eliminates this.

GIVES YOUR EMPLOYEES WHAT THEY WANT: Majority of employees want a choice in selecting their health benefits, yet small businesses offer on average, maybe two plan choices for group health insurance. Employee will never be stuck with no real choice.

Are there limits on reimbursable expenses?

Yes. In 2017, the reimbursement may not exceed \$4,950 annually for single coverage, and \$10,000 annually for family coverage.

How are QSE-HRA's funded?

QSE-HRA's is funded solely by the Employer. Employees need not contribute on a pre or post tax basis.

What benefits does a QSEHRA cover?

Reimbursable expenses include premiums for health, dental or vision policies. Copays, deductible and other medical expenses defined in IRS Publication 502 are also eligible.

Are there contribution limits?

Yes. For single employees, an employer may contribute up to \$4,950; employees with a family plan, employers may contribute up to \$10,000 annually.

