

Health Reimbursement Arrangement – Employee Plan

What is a Health Reimbursement Arrangement?

A Health Reimbursement Arrangement (HRA) is an employer-funded benefit in which your employer contributes money into an account which you can use to pay, or be reimbursed, for out-of-pocket medical, dental and vision expenses that you incur. The HRA is available to you and your dependents. HRAs are 100% employer-funded and not taxable to you the participant.

What types of expenses are reimbursable under this plan?

Examples of expenses that can be reimbursed under this plan include co-pays, hospital bills, prescriptions, dental expenses, vision expenses AND health insurance premiums that are paid with post-tax dollars. A more comprehensive list can be found in [Publication 502](#) on the IRS website.

Are domestic partner expenses eligible for reimbursement?

No, unless the domestic partner is also a qualified dependent as defined by IRS Code Section 152.

To be an IRS Qualified Dependent a dependent must fall into one of two categories defined by the IRS. They must either be a Qualifying Child, or a Qualifying Relative. There are specific tests that must be met under both categories for them to be considered IRS Qualified Dependents. Refer to the Overview of the Rules for Claiming an Exemption for a Dependent in IRS [Publication 17](#) on the IRS website.

How can I get the health insurance premiums deducted from my paycheck reimbursed from my HRA?

Only health insurance premiums paid with post-tax dollars can be reimbursed from your HRA. Most employees pay their share of County sponsored insurance premiums pre-tax through the Section 125 Premium Conversion Plan because this option offers you the greatest tax benefits. If you wish to have your premiums reimbursed through the HRA you will need to contact your payroll clerk and request a form allowing your County sponsored medical insurance premiums to be deducted from your paycheck post-tax. Once you have a pay stub showing the post-tax deduction for insurance premiums you can submit that along with a claim form to P&A for reimbursement. Only premiums paid on a post-tax basis will be eligible for reimbursement. An automated process which would eliminate the need for you to submit a claim and instead reimburse you automatically for your post-tax premium payment is being developed. Stay tuned.

What contributions will be made to my HRA?

The contribution varies by bargaining unit. Check your [MOU](#) or Salary Resolution for complete details. All eligible full and part time employees in the Confidential (BU 51) and Unrepresented (BU00) units (not Admin Mgt) employees enrolled in the County sponsored medical plan will receive a contribution to an HRA. The County will contribute to eligible part-time employees on a pro-rated basis.

Unfortunately, due to recent Affordable Care Act regulations, employees not enrolled in their employer's medical plan are not eligible for an HRA. The Human Resources staff is meeting with affected employee groups to address this issue and come up with an alternative. In the mean time, amounts designated per the MOU or Salary Resolution as HRA contributions are being held in trust until the bargaining organizations and the County have reached agreement on replacement language. No HRA accounts were set up for employees not enrolled in a medical plan. Direct any questions you have about this issue to your union representative or 565-6087.

When am I eligible to access the HRA balance and start receiving reimbursements for eligible expenses?

Employees are immediately vested 100% in the employee HRA and is available for use on June 1, 2013. Contributions have made retroactively for all pay periods after 3/19/13, per the SEIU MOU and Salary Resolution. Eligible expenses incurred on or after 1/1/2013, are eligible for reimbursement. However, only premiums paid on a post-tax basis are eligible for reimbursement. These are premiums you pay directly to an

insurance company for an individual health plan (not your employer's group plan), or premiums you pay through payroll deduction on a post-tax basis beginning in June 2013.

Is there a “use it or lose it” provision to an HRA if I have funds left over at the end of the year?

No, funds in an HRA automatically roll over into the next calendar year.

What if I also have a Health Flexible Spending Account (FSA)?

The list of health expenses that are eligible for reimbursement from an HRA and Health FSA are almost identical. The only difference is that you can be reimbursed from your HRA for your health plan premium costs paid on an after tax basis. However these expenses are not eligible for reimbursement from your FSA. Since your FSA has a “use it or lose it” provision that does not exist in your HRA, submit your eligible health expenses (excluding premiums) to your FSA first to help ensure you don't “lose it” at year end. You may only be reimbursed from one account or the other for each expense, not both. However, you can submit qualified expenses for reimbursement from your HRA once your FSA funds have been fully reimbursed and for eligible health plan premium expenses.

How does the HRA debit card work?

Once becoming eligible to access your HRA balance P&A will issue you a debit card which will take 7-10 business days to be received, additional debit cards for your spouse and dependents over age 18 can be requested after you receive your card. Your debit card is automatically activated upon first use. The cards are good for three years from the date of issue. This card is a limited access card. P&A controls where the debit card can be used through Merchant Category Codes (MCCs) and the Inventory Information Approval System (IIAS) so that only eligible expenses can be charged at pre-approved locations such as doctor's offices, hospitals, pharmacies, dentists, opticians and general merchants that sell eligible items. The card will not work if you attempt to purchase an ineligible item or swipe the card for more than the available balance. If your card is lost or stolen please notify P&A so we can deactivate the card and issue you a new one.

How do I request a manual reimbursement when I can't use my debit card?

To submit a manual claim you have three options:

1. Log on to your P&A account online at www.padmin.com and use “upload a claim” feature. Please note you will need to have electronic copies of your receipts in order to upload a claim
2. Fax a claim form (available at www.padmin.com) and copies of receipts to (877)855-7105
3. Mail a claim form and copies of receipts to:

P&A Group
17 Court St. Suite 500
Buffalo, NY 14202

Please note manual claims take 3-5 business days to process. When submitting a manual claim you will have the option of receiving a check or direct deposit. If you would like direct deposit please visit our website at www.padmin.com and log on to your account to enroll. Or you can print the direct deposit authorization form on the website and submit it with your claim, please note enrolling in direct deposit is the fastest way to receive your reimbursement.

How do I get more information on my account?

Sonoma County Human Resources, ACTTC Payroll, and P&A staff will be conducting informational meetings on Wednesday 6/5, and Thursday 6/6. Please refer to the meeting schedule for times and locations.

Account balance information can be found at www.padmin.com, select the “Participant” box and Login to My Benefits. **P&A's toll-free customer service number is (800)688-2611** and customer service representatives are available Monday-Friday 5:30 AM - 5:00 PM Pacific Standard Time. Questions about eligibility can be directed to the Sonoma County Human Resources Benefits office at 707-565-2900.