

Health Reimbursement Arrangement (HRA)

The Health Reimbursement Arrangement (HRA) is for participants enrolled in the Consumer Driven health Plan (CDHP), and who are not eligible for an HSA, or who fail to establish an HSA.

HRAs are funded by PEBP. The contribution amount is determined each plan year and is prorated for new hires based on their coverage effective date and the remaining months in the plan year. Note: Employee contributions are not allowed with an HRA..

Funds in the HRA may be used tax-free to pay for any qualified medical expense as defined by the IRS (see IRS Publication 502 at www.irs.gov). For example, deductibles, coinsurance, dental costs or vision costs incurred by the employee, the employee's spouse or any other dependent claimed on the employee's annual tax return.

Any funds remaining in the HRA at the end of the plan year will roll over (i.e., will not be forfeited) and will be available in future plan years.

HRA funds are not portable; employees cannot use HRA funds if they are no longer covered by the CDHP. If the employee terminates their CDHP coverage, the remaining balance in the HRA account will revert back to PEBP.

Note: When your CDHP coverage ends and you are an HRA participant you will have one year (12 months) from the date your coverage ends to file a claim for reimbursement from your HRA for eligible claims incurred during your coverage period.