

QSEHRA / ICHRA / EBHRA Comparison Chart

- QSEHRA - Qualified Small Employer Health Reimbursement Arrangement
- ICHRA - Individual Coverage Health Reimbursement Arrangement
- EBHRA - Excepted Benefit Health Reimbursement Arrangement

	QSEHRA	ICHRA	EBHRA
Primary purpose?	To allow for reimbursement of individual health insurance premiums.	To allow for reimbursement of individual health insurance premiums.	To allow for reimbursement of out-of-pocket medical expenses, excepted benefit coverage, COBRA premiums, or STLDI.
What size employers can offer this type of HRA?	Non-ALE employers.	Employers of any size.	Employers of any size.
Can other group health plans be offered along with the HRA?	No. Employers that maintain any other group health plan (including major medical plan, HFSA, other HRA, excepted benefits, etc.) within their controlled group cannot also sponsor a QSEHRA.	Yes. Employer that sponsors ICHRA can offer group medical coverage to classes of employees that are not also offered the ICHRA.	Yes. Employer must offer other traditional group health plan coverage to EBHRA participants, but enrollment in the traditional group health plan is not required. EBHRA participants cannot also be offered an ICHRA.
What expenses can the HRA reimburse?	Individual coverage premiums and out-of-pocket medical expenses.	Individual coverage premiums, Medicare-related premiums, and out-of-pocket medical expenses.	Out-of-pocket medical expenses, premiums for COBRA, excepted benefit coverage (e.g., dental, vision), or STLDI.
Compatible with Health FSA?	No.	Yes.	Yes. Note that other account-based plans may impact the EBHRA \$1800 limit.
Compatible with HSA?	Yes, if reimburses only individual coverage premiums.	Yes, if reimburses only individual coverage premiums and certain excepted benefits (e.g., dental or vision).	Yes, if reimburses only dental or vision expenses.
Benefit limits?	Yes, there are benefit limits that are indexed each year for inflation, both for single and family.	No, it is not subject to annual maximum benefit limits.	Yes, there is a benefit limit that is indexed each year for inflation. Note that amounts made available under other HRAs or account-based plans provided by the employer for the same time period will count against the dollar limit, unless those arrangements reimburse only excepted benefits.

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Eligibility requirements?	QSEHRA must be provided to all eligible employees but may exclude certain classes of employees (see below).	ICHRA cannot be offered to a class of employees that is also offered a traditional group health plan. See below for allowable classes.	Employer must offer other traditional group health plan coverage to EBHRA participants (enrollment in the traditional group health plan is not required). EBHRA participants cannot also be offered an ICHRA.
Nondiscrimination and uniformity rules?	Must be offered on same terms to all eligible employees. But, may vary reimbursement amount based on participants ages.	Must be offered on the same terms and conditions to all employees within a class. But, the HRA benefit amount may increase based on age (up to 3x the max dollar amount available to the youngest participant) or family size.	Must be made available under the same terms and conditions to all similarly situated individuals.
Classes?	<p>Must be provided uniformly. But, may exclude:</p> <ul style="list-style-type: none"> Part-time or seasonal employees Employees who have not completed 90 days of service, Employees who have not attained age 25 before beginning of plan year Non-participating employees covered by CBA Nonresident aliens who do not receive earned income from the employer from sources within the US. 	<p>Permitted classes include:</p> <ul style="list-style-type: none"> Full-time Part-time Seasonal Salaried Non-salaried Different primary site of employment Covered by CBA Etc. 	<p>The following groups may be treated as similarly situated (based on a bona fide employment-based classification):</p> <ul style="list-style-type: none"> Full-time / part-time Occupation Date of hire Geographic location Covered by CBA Current / former employee status Length of service Etc.
Substantiation required?	Yes. Substantiation of MEC coverage is required through (1) proof of coverage from insurer and attestation from participant that coverage is MEC or (2) participant's attestation.	Yes. Must substantiate that each ICHRA participant is or will be enrolled in individual health insurance coverage through (1) documentation from carrier or (2) participant's attestation.	No.
Notice of availability requirement?	Yes. Written notice must be provided 90-days prior to beginning of each plan year.	Yes. Written notice must be provided 90-days prior to beginning of each plan year.	No.
Reporting requirements?	<p>Form W2 reporting of permitted QSEHRA benefit amount in Box 12 using Code "FF."</p> <p>ACA 6055 reporting NOT required (using IRS Form 1094-B).</p>	TBD.	TBD.

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Impact on premium tax credit (PTC)?	Employee provided with an affordable QSEHRA (based on excess cost over QSEHRA amount of 2nd lowest-cost silver plan) is not eligible for a PTC.	Participation in an ICHRA eliminates PTC eligibility. Eligibility for an affordable ICHRA eliminates eligibility for PTC. But, ICHRA-eligible employees must be given annual opt-out option to preserve PTC eligibility.	No impact.
Impact on Employer Mandate?	No impact. Only non-ALE employers can utilize a QSEHRA.	ICHRA counts as MEC. Can be considered affordable coverage under various affordability safe harbors. If determined to be affordable, it will also be considered minimum value.	No impact.
Subject to HIPAA?	Yes, unless an exception applies (e.g., for certain small, self-administered plans).	Yes, unless an exception applies (e.g., for certain small, self-administered plans).	Yes, unless an exception applies (e.g., for certain small, self-administered plans).
Subject to COBRA?	No. QSEHRAs by statutory definition are not subject to COBRA.	Yes. COBRA applies absent an exception under the COBRA rules.	Yes. COBRA applies absent an exception under the COBRA rules.
Subject to ERISA?	Yes, unless an ERISA exception applies (e.g., church or governmental plans). Plan document and SPD is required.	Yes, unless an ERISA exception applies (e.g., church or governmental plans). Subject to plan document, SPD, and Form 5500 reporting (if applicable).	Yes, unless an ERISA exception applies (such as for church or governmental plans). Subject to plan document, SPD, and Form 5500 reporting (if applicable).
SBC Required?	No.	Yes.	No.

This information is provided as educational material only and is not intended as legal, financial or tax advice. Consult your legal counsel for complete details on your compliance requirements for your plan(s).

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