

# Rejoice: The Return of Premium-Reimbursement Plans for Small Employers

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December 12, 2016



Last week Congress passed H.R. 34, which will exempt certain health reimbursement arrangements ("HRA"), including premium-reimbursement plans, from most Affordable Care Act requirements for small employers (i.e. those employing less than 50 full-time equivalents).

Beginning in January, small employers can establish plans to partially or fully reimburse employees for individual health insurance premiums (and other medical expenses, if desired) without violating ACA market reforms or incurring daily excise tax penalties. However, there are

some catches:

- Small employers cannot offer a Group Health Insurance Plan in combination with an HRA;
- Employers must fully fund the HRA without salary reduction contributions;
- The reimbursements must be capped at \$4,950 per employee (or \$10,000 for family coverage); and,
- Employers must comply with additional limitations and notices requirements.

Contact us for more information, or watch our website for a complete summary of the new provisions.

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