

Big Savings Cause Employers to Rush into HRA Plans

Employers nationwide are rushing into Health Reimbursement Arrangements (HRA) plans as they discover the merits of this new group health insurance solution. The IRS and Department of Labor simply require employers to establish a formal plan document and Summary Plan Description (SPD) before taking advantage of HRA benefits.

Bradenton, FL (PRWeb) December 7, 2006 -- Bradenton, Florida based Core Documents, Inc, the nation's primary source for Section 125 and Section 105 HRA plan documents reports record numbers of employers rushing into Health Reimbursement Arrangements (HRA) plans. www.CoreDocuments.com

Here are four ways employers are utilizing HRA Plans to save money in order of popularity:

1. **Deductible Gap HRA Plan** - This concept allows the employer to opt for a much larger group health insurance plan deductible, say \$5,000 instead of \$500, and use some of the premium savings to add an HRA that cushions the effect of the new high deductible to their employees. Example: Employee still pays their \$500 standard deductible and the companies new HRA pays from \$501 to \$5,000. Actuarially only 20% of employees will experience a deductible during the plan year.
2. **Comprehensive HRA Plan** - This form of HRA allows employers to designate a certain amount of money each month employees can use to pay for medical, dental, vision expenses or individual insurance premium. Employees simply turn in their receipts, either to the employer or the Plan Administrator, to receive tax-free reimbursement for all expenses allowed under IRS Section 213(d).
3. **Premium Reimbursement Arrangement (PRA)** - The PRA plan allows employers to establish an HRA to reimburse employees for individual health insurance premiums only. The employer establishes a certain dollar amount to be reimbursed monthly and employees turn in receipts for coverage they pay for outside the group. Individual health insurance can be up to 50% less than group insurance premium.
4. **Limited HRA Plan** - Limited HRA plans are employer funded arrangements that limit benefits to specific expenses such as: prescription drugs, vision care, a specific hospital deductible, or a dental plan.

Gene Ennis the President of Core Documents, who is Certified in Flexible Compensation (CFC) by the Employers Council on Flexible Compensation, reports that any employer can establish a Section 105 HRA plan for only \$299 plus \$15 shipping and handling. This price even includes administration software for employers who prefer to self-administer their own HRA plan. The CoreHRA package provides the employer with everything they need to establish their HRA in compliance with all IRS and Department of Labor requirements. For employers who prefer to outsource HRA administration, Core Documents offers state-of-the-art Internet based administration services plus a debit card for every employee starting at only \$8 per month. For more information go to www.CoreHRA.com or cal 888-755-3373.

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