

## Comparison Chart: QSEHRAs, ICHRAs, EBHRAs

|   | QSEHRA  | ICHRA  | EBHRA  |
|---|---|--|--|
| <b>Provided by</b>  | Employers with fewer than 50 employees  | Employers; no limit on size  | Employers; no limit on size  |
| <b>Funded by</b>  | Employer only   | Employer only  | Employer only  |
| <b>Reimbursable expenses</b>                              | IRC Section 213(d) qualified medical expenses, including insurance premiums; employees choose their own individual coverage   | IRC Section 213(d) qualified medical expenses, including insurance premiums; employees choose their own individual coverage  | Limited excepted benefits; premiums for STLDI, COBRA; out-of-pocket IRC Section 213(d) medical expenses (except premiums)                                      |
| <b>Contribution/reimbursement limits</b>                  | Single: \$5,000 (indexed) annually<br>Family: \$10,000 (indexed) annually   | None (employer determines)   | \$1,800 (indexed) annually   |
| <b>Tax treatment of contributions/reimbursements</b>      | Tax-deductible by the employer; not taxable to the employee   | Tax-deductible by the employer; not taxable to the employee  | Tax-deductible by the employer; not taxable to the employee  |
| <b>Design flexibility</b>                                 | Generally, must be offered to all regular, full-time employees (limited classes may be excluded), on the same terms; cannot vary benefits among participating employees<br>Plans can be designed to cover any or all allowable expenses | Can be limited to certain employee classes; can vary terms <i>within</i> a class based on age and number of dependents<br>Plans can be designed to cover any or all allowable expenses | Must be offered on the same terms to all employees within the same employee class<br>Plans can be designed to cover any or all allowable expenses              |
| <b>Carryover of funds</b>                                 | Permitted; not required (all unclaimed funds belong to the employer)  | Permitted; not required (all unclaimed funds belong to the employer)   | Permitted; not required (all unclaimed funds belong to the employer)   |
| <b>Other employer-provided coverage</b>                   | Not allowed   | Employer can also offer a traditional group plan; however, a traditional plan and an ICHRA cannot be offered to the same employee class  | Must be offered in conjunction with a traditional group plan; however, employee does not have to participate in group plan in order to participate in an EBHRA |
| <b>Employee requirements</b>                              | Must have and maintain minimum essential coverage   | Must have and maintain qualified individual health insurance   | None   |
| <b>HSA/HDHP compatible</b>                                | Can contribute to an HSA only if QSEHRA is designed to reimburse premiums only  | Can contribute to an HSA only if ICHRA is designed to reimburse premiums only  | Can contribute to an HSA only if EBHRA is designed to reimburse premiums (for limited benefits) only   |
| <b>Premium tax credits</b>                                | Available if employee is eligible; must be offset by QSEHRA reimbursement   | Not available if the employee accepts ICHRA reimbursements   | Not applicable   |
| <b>Considered a group plan subject to ERISA and COBRA</b> | No  | Yes  | Yes  |