



## ICHRA is a Simpler Approach to Employer Health Plans

Every business would love to offer health insurance as part of an employee benefits package, but the expense, complexity and limitations of traditional group health plans are significant challenges for small businesses to overcome.

However, with **Individual Coverage Health Reimbursement Arrangements (ICHRA)**, businesses of all sizes can now offer health insurance options to more employees than ever before.

As an alternative to the traditional way of providing health insurance to employees, ICHRA allows employers to fund an account for each employee. Employees can then shop on the individual marketplace to buy a portable health plan that works best for them, meaning they can take the health plan with them if they leave.

**1 More financial control and predictability**

Fixed financial contributions per employee, so you can avoid annual premium increases.

**2 Tax advantages to employers and employees**

Contributions do not count toward employees' taxable wages.

**3 Health benefits to part-time and hourly employees**

Flexible employer contributions for part-time, seasonal and hourly employees.

**4 Simple administration for employers**

You no longer have to endure the stress of picking one plan for your diverse company profile.

**5 Employees choose and "own" their health plan**

Flexibility to select a portable, individual health plan that works best for them.

**6 No maximum contribution per employee class.**

Employers can contribute different amounts to different employee types with no cap.





## How does an ICHRA work?



Connect with one of our administrative partners who can set up employee accounts and distribute the financial contributions to the accounts.



Employees are then free to select their own health plans and enroll independently.



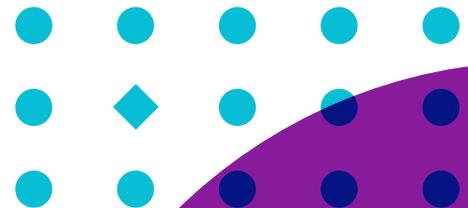
Employees submit their proof of premium payment to the administrator, who then reimburses the employees.

## What are the ICHRA's employee classes?

One of the greatest benefits of selecting an ICHRA over a traditional group plan is its flexibility among class options. Employers can delineate among 11 flexible employee classes, contribute custom amounts to each class, and combine various classes, if needed. Furthermore, there are no maximum contribution limits for any employee class, and best of all, businesses can offer an ICHRA alongside a group health plan option at the same time for ultimate flexibility.

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|---|--|
| 1 Full-time employees                             | 7 Employees who live in different locations, based on rating areas |
| 2 Part-time employees                             | 8 Foreign employees who work abroad                                |
| 3 Salaried employees                              | 9 Employees covered by a collective bargaining agreement           |
| 4 Hourly employees                                | 10 Employees in a waiting period                                   |
| 5 Seasonal employees                              | 11 A combination of two or more of the above                       |
| 6 Temporary employees working for a staffing firm |  |

If you're interested in learning more about Individual Coverage Health Reimbursement Arrangements (ICHRA), visit [fridayhealthplans.com/ichra/](https://fridayhealthplans.com/ichra/), or contact:



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