Individual Coverage Health Reimbursement Arrangement (ICHRA)

Simple, Predictable and Flexible Employer Health Plans
Providing health insurance to your employees can be expensive, complex and difficult for businesses to manage. But with the introduction of Individual Coverage Health Reimbursement Arrangement (ICHRA), businesses of all sizes can now offer health insurance options to more employees than ever before.
New insurance rules allow employers to fund an ICHRA account for each employee who can then shop on the health insurance marketplace to buy their own health plan. With employees selecting a health plan that works best for them, employers no longer need to worry about picking a "one-size-fits-all" plan that rarely satisfies many. Plus, all financial contributions are free from both payroll and income tax.

**What is ICHRA?**

Benefits to the Employer
- More financial control and predictability (you decide how much you contribute each month)
- Tax advantages
- Simple administration
- Enhanced benefits for employee recruitment and retention
- Works for part-time and seasonal employees
- No stress of trying to please everyone

Benefits to the Employee
- Health benefits to part-time and hourly employees
- Select a personalized, individual health plan that fits best
- Better customer experience working directly with a carrier
- Use account balances for medical expenses
- Health plans are owned by the employee—they can take them with them if they leave
ICHRA is a perfect option for businesses that:
- Currently offer a traditional group health plan, but want to expand options to include more employees, or reduce costs of a traditional group plan
- Don’t offer a health plan currently, but want to offer an affordable option to employees
- Prefer predictable insurance costs instead of reacting to annual premium increases
- Don’t have the time or resources to administer health plans internally
- Would rather have employees pick their own health plans than trying to select one-size-fits-all for everyone
- Want to offer health benefits to part-time, seasonal and hourly employees
- Need to comply with the ACA employer mandate

Meet Dave, owner of ABC Brewing Co.*

Dave is the owner and brewmaster at ABC Brewing Co., an upstart brewery that employs four full-time, salaried employees and eight part-time employees who staff the bar and restaurant. Dave has always offered health plan benefits to his full-time employees, but the ICHRA now allows the company to also offer health plan options to his part-time and seasonal employees, too. Here’s how Dave implements the ICHRA:
- He offers full-time salaried employees a traditional health plan and contributed 50% of the cost
- He offers part-time staff an ICHRA and contributes $200 a month to their account

Offering an ICHRA to his part-time employees, in addition to his group health plan for full-time employees, Dave can competitively recruit and retain top talent at the management and front-line level.

Meet Lesley, owner of 123 Landscaping*

Lesley is the CEO and creator of 123 Landscaping. She employs two salaried managers to run the business, five part-time employees to service various homes across the Denver area all year round, as well as 20 seasonal employees who are hired back May through September during peak season. Lesley has never been able to provide health insurance as part of her benefits package because annual premium increases are too hard to manage, and her business is very seasonal. Here’s how she’s implemented the ICHRA:
- She offers salaried managers an ICHRA and contributes $300 a month to their account
- She offers year-round, part-time employees an ICHRA and contributes $200 a month
- She offers seasonal employees and ICHRA and contributes $100 a month

Because ICHRA is a fixed, predictable monthly expense, Lesley can manage her cash flow and finally offer her employees health benefits. Plus, she retains and attracts staff to help keep her business on track year over year.

*Examples of companies for illustrative purposes only.
Learn more by speaking with us today!

If you’re interested in learning more about Individual Coverage Health Reimbursement Arrangements (ICHRA), administrative partners, visit fridayhealthplans.com/ichra/or contact Friday directly at 800.475.8466.

Employees love Friday Health Plans

After getting set up on your ICHRA, tell your employees about Friday Health Plans. We provide wallet-friendly Catastrophic, Bronze, Silver, and Gold health insurance plans that Coloradans trust. Our products are designed with simplicity and affordability in mind for people who buy their own health insurance. Many plans include:

- Free doctor visits
- Free or low-cost generic drugs
- No doctor referrals
- An easy-to-use health network

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