Overview

Q: What is a health reimbursement account (HRA)?
A: An HRA is an Internal Revenue Service (IRS)-approved program that allows employers to reimburse eligible medical expenses incurred by participating employees as tax-free medical benefits to offset health care costs. HealthFlex allows HRA balances to be rolled over from year to year, somewhat like a savings account, with no limit to the amount rolled over. A HealthFlex HRA reimburses all eligible items covered by a health care flexible spending account (FSA) that are not covered by the participant’s medical plan benefit design, such as your share of out-of-pocket costs for deductibles, co-payments, co-insurance, dental and vision expenses.

Q: How does money get put into my HRA?
A: All money funded into your HRA is done by your plan sponsor. This can be money that is “included” with the plan in which you are enrolled (see HealthFlex Benefit Booklet for details), or funded as an incentive. If you are in HealthFlex Exchange, your extra premium credit (if applicable) may also fund your HRA.

Q: Is the HRA funded with the full plan amount for mid-year enrollments?
A: Yes. Regardless of the enrollment date, the HRA is generally funded with the annual amount for individual or family coverage based upon the plan design. Plan sponsors that offer an incentive-based HRA outside of HealthFlex will have discretion for mid-year HRA deposits.

Q: Can I contribute money to my HRA?
A: No. You cannot contribute your own money to the HRA. Only your employer (plan sponsor) can contribute dollars to your HRA.

Q: What happens to the unused portion of my HRA after the plan year?
A: At the end of the plan year, unused HRA funds are rolled over to your HRA for the next plan year.
Q: Is there a limit to how much money can accumulate when unused HRA funds are rolled over?
A. No. There is no HRA rollover limit.

Q: What happens to my HRA if I leave HealthFlex voluntarily or terminate HealthFlex coverage without continuation coverage or waive HealthFlex coverage?
A. Upon voluntary termination from HealthFlex, any remaining HRA balance will be available for you to use for up to 90 days after the termination date or until exhausted; whichever is earlier.

Q: What happens if I terminate employment from my plan sponsor?
A. Upon termination from your plan sponsor, any remaining HRA balance will be available for you to use for up to 90 days after the termination date.

Q: What happens to my HRA if I leave HealthFlex voluntarily (including waiving coverage) or terminate without continuation coverage and enroll in medical coverage through the public Health Insurance Marketplace (also known as an exchange) under the Affordable Care Act (ACA)?
A. Upon voluntary termination from HealthFlex or termination from your plan sponsor (for a clergyperson, when you terminate your service with The United Methodist Church), any remaining HRA balance will be available for you to use for up to 90 days after the termination date. After 90 days, your balance will be forfeited. You may wish to change the nature of your HealthFlex HRA for the 90 days if you are otherwise eligible (e.g., you are a U.S. citizen or resident and have an eligible income level for your family size) to take advantage of federal assistance toward the purchase of a Marketplace plan. This federal assistance is called a premium tax credit (PTC). Eligibility for a PTC may be prohibited if you are covered by a full-use HRA, like the one you had under HealthFlex. Having an HRA balance with HealthFlex causes you to have “minimum essential coverage” under the ACA, which renders you ineligible for a premium tax credit. If you wish to prevent being made ineligible for the premium tax credit, you can request to “opt out” of your HRA entirely (i.e., forfeit the remaining balance before the 90 days), or you can request to have your HRA converted to a “limited-use” HRA that can be used only for limited purposes for the remainder of the 90 days, such as vision and dental expenses, which are “excepted benefits” under the ACA.

Q: What happens to my HRA if I leave HealthFlex voluntarily and have continuation coverage?
A. Upon termination from HealthFlex, the HRA balance will remain throughout your continuation coverage period. After the continuation coverage ends, any remaining HRA balance will be forfeited after 90 days.

Q: What happens to my HRA if my Plan Sponsor ceases to sponsor HealthFlex?
A. The HRA balance will remain available for you to use until it is exhausted or until you terminate from the plan sponsor. Upon termination (for a clergyperson, when you terminate your service with The United Methodist Church), any remaining HRA balance will be available for you to use for up to 90 days after the termination date.

Q: What happens to my HealthFlex HRA if I am reappointed to a non-HealthFlex conference?
A. The HRA balance will remain available for you to use until it is exhausted or until you terminate from the plan sponsor. Upon termination (for a clergyperson, when you terminate your service with The United Methodist Church), any remaining HRA balance will be available for you to use for up to 90 days after the termination date.

Q: What happens to my HRA if I enroll in HealthFlex with another plan sponsor?
A. The HRA balance will remain available for you to use until it is exhausted or until you terminate from the plan sponsor. Upon termination (for a clergyperson, when you terminate your service with The United Methodist Church), any remaining HRA balance will be available for you to use for up to 90 days after the termination date.

Q: What happens to my HRA if I enroll in a HealthFlex plan that does not have an HRA attached to it?
A. The HRA balance will remain available for you to use until it is exhausted or until you terminate from the plan sponsor. Upon termination (for a clergyperson, when you terminate your service with The United Methodist Church), any remaining HRA balance will be available for you to use for up to 90 days after the termination date. If you select an HSA plan with a health savings account (HSA), HealthFlex will convert any remaining HRA balance into a limited-use HRA until your IRS-defined deductible is met each year. (Full-use HRA is not compatible with an HSA.)
Q: What happens to my HealthFlex HRA if I retire and move to a plan through Via Benefits?
A. The HRA will be converted to a Retiree HRA, but will not be combined with any HRA you may receive through Via Benefits. It will function exactly as your previous HRA, but you will also be allowed to use funds to pay for your health plan premiums, including medical, pharmacy, dental and vision premiums. The HRA will remain separate from an HRA through Via Benefits.

Q: What happens to my HealthFlex HRA if I retire?
A. The HRA will be converted to a Retiree HRA. It will function exactly as your previous HRA, but you will also be allowed to use funds to pay for your health plan premiums, including medical, pharmacy, dental and vision premiums.

Q: What happens to my HealthFlex HRA if I retire as a clergyperson, but then become employed as a lay participant?
A. If you do not qualify for health coverage as a lay participant and you retain your retiree health coverage, then your HRA will not be impacted. However, if you will have health coverage as an active employee (under a HealthFlex B1000 or HRA plan) and your HRA was already converted to a Retiree HRA, it will return to being an Active HRA—meaning that you cannot use the funds to pay for health plan premiums.

Q: What happens to my HRA if I retire and then return to an effective relationship with the conference?
A. If you do not qualify for health coverage as an active employee and you retain your retiree health coverage, then your HRA will not be impacted. However, if you will have health coverage as an active employee when you return to an effective relationship with the conference and your HRA was previously converted to a Retiree HRA, the HRA will return to being an Active HRA. As an Active HRA, you cannot use the funds to pay for health plan premiums.

Q: What happens to my HRA if my spouse or I become eligible for a retiree HRA while the other remains in HealthFlex?
A. If you or your spouse becomes eligible for a Retiree HRA, all funds currently in the Active HRA will be converted to a Retiree HRA for that person. Any funds in the Retiree HRA can be used to pay for eligible reimbursements for anyone [participant or dependent(s)] and can also be used for health plan premiums for the person with the Retiree HRA. The person(s) remaining in HealthFlex will have an HRA created (if eligible for one), and funds in subsequent plan years will be contributed according to the rules of the HealthFlex Plan. However, funds contributed to the Active HRA are not available to a person with the Retiree HRA.

Q: What happens to my HRA if I die and I have no covered dependents?
A. Any remaining HRA balance will be available for 180 days for claims run-out. After 180 days, any remaining HRA balance will be forfeited.

Q: What happens to my HRA if I die and I have covered dependents?
A. Any remaining HRA balance will be available for your dependents to use while enrolled in HealthFlex. Once their coverage ends, any remaining HRA balance will be available for them to use for up to 90 days after the coverage termination date.

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