

ICHRA FAQ

1. What is ICHRA?

The **Individual Coverage Health Reimbursement Arrangement (ICHRA)** is a group benefit plan provided by your employer to contribute funds that you can use to pay the premium for an Individual or Family plan on a pre-tax basis. Eligible ICHRA expenses are:

- ✚ Premiums for qualified health plans purchased through the individual market
- ✚ Premiums for Medicare Part A, B, or C

2. How do I access ICHRA funds?

Enroll in an individual medical plan and complete your ICHRA Enrollment during the enrollment window communicated by your employer. MEDSURETY will then either pay your insurance premium directly or reimburse you via direct deposit to your personal checking account, depending on the reimbursement option selected by your employer.

If you're using ICHRA funds to pay for Medicare premiums, complete your ICHRA Enrollment, submit a copy of your Medicare statement, and fill out the Recurring Reimbursement Form. MEDSURETY will then reimburse you via direct deposit to your personal checking account.

3. How much money is available to me?

Your employer contribution is included in the "Welcome Letter" provided by your employer. When viewing plan options, premiums will be shown at the full amount. If you enroll in a health plan directly with the insurance company, any remaining premium owed by you can be paid through pre-tax salary deductions.

4. How does my premium get paid?

Regardless of which individual health plan an employee chooses, MEDSURETY coordinates the medical premium payment from the employer to the insurance carrier using individually assigned accounts created for each member. These accounts are owned and operated by MEDSURETY, do not require an application from the member, include built-in security measures to prevent misuse of funds, and are FDIC-insured. This payment system allows MEDSURETY to closely monitor payments to carriers and help eliminate issues with individual plan payments.

For Medicare members and their families, ICHRA funds are sent directly to their personal bank accounts.

5. I'm covered by a spouse or parent's group plan. Can I use ICHRA funds toward those premiums?

No, ICHRA funds cannot be used toward the cost of a spouse's or parent's group health plan. ICHRA can only be paired with individual health plans – that is, plans available for consumers to purchase directly in their area of residence.

6. Do ICHRA funds continue automatically?

When you enroll in your ICHRA, you'll acknowledge that MEDSURETY is making payments on your behalf, allowing ICHRA funds to continue on an ongoing basis. If MEDSURETY is



facilitating payments to the insurance carrier, we will conduct regular audits to ensure your coverage remains active and that funds are applied correctly. However, we are not notified directly if a payment issue arises. **It is your responsibility to review your monthly invoices and contact MEDSURETY Customer Service if you notice a past-due amount.**

If you are paying the insurance carrier directly and receiving reimbursement through your ICHRA, you must remain enrolled in your medical coverage. ICHRA funds must be used toward premiums, so your coverage must remain active in order to continue receiving the benefit.

7. My employer provided an ICHRA last year, and I'm using ICHRA now. Do I need to re-enroll?

Yes, you must actively re-enroll in your ICHRA each year.

If you take action during the federal open enrollment period and wish to keep the same health plan, you'll find instructions in your employer's Welcome Open Enrollment Letter to complete the ICHRA Enrollment Form for the near year. **Please note that your premium or employer contributions may change from year to year.** MEDSURETY requires your updated premium amount to ensure your insurance is paid correctly.

8. I'm currently receiving a government tax credit toward the cost of my health plan; will this be impacted by ICHRA?

Enrolling in an ICHRA means that you and your household are no longer eligible for tax credits. If you're currently enrolled in a Marketplace plan, you must notify the Exchange within 30 days of receiving your employer's notice of the ICHRA offering. MEDSURETY can assist you in enrolling in a complaint policy so you can receive your employer's benefit.

9. I'm currently enrolled in Individual Coverage and would like to switch plans. Do I need to terminate my current medical policy?

Yes, you will need to cancel any previously enrolled policy yourself. No one else is permitted to terminate your active coverage on your behalf. Be sure to notify the insurance company of the exact date you would like your coverage to end.

10. What information do I need to have ready?

Please have the following information ready:

- ✚ Date of Birth and Social Security Number for yourself and all dependents
- ✚ Names of doctors, preferred clinics, and other providers you want covered by your plan
- ✚ Names and dosage of prescription drugs you need covered

11. If I enroll in the Individual Coverage HRA, do I need to be enrolled in other health coverage too?

Yes. You—and your family members, if applicable—must be enrolled in individual health insurance coverage or Medicare for each month you are covered by the ICHRA. The ICHRA is an employer-funded account used to pay your insurance premium on a pre-tax basis. It becomes available to you only after you enroll in an eligible individual policy.

Please note: You may **NOT** use short-term, limited-duration insurance or excepted benefits coverage (such as plans that only cover dental and vision care) to meet this requirement.



12. Can I opt out of the Individual Coverage HRA?

Yes, you may opt out of the ICHRA for yourself and your family members (if applicable). To do so, simply complete the ICHRA Waiver Form.

Please note: Upon termination of employment, any remaining ICHRA funds are forfeited.

13. How can I get individual health insurance coverage?

If you do not currently have individual health insurance coverage:

You can enroll in a plan through MEDSURETY outside of the Exchange. MEDSURETY will enroll you directly with an insurance company.

If you already have individual health insurance coverage:

You do not need to change your current plan to meet the ICHRA's coverage requirement. However, you will need to designate MEDSURETY as your servicing agent by completing the Agent of Record process.

Note: Most people use HealthCare.gov to enroll in coverage through the Exchange, but some states operate their own Exchanges. To learn about your state's options, visit <https://www.healthcare.gov/marketplace-in-your-state/>.

If you are enrolled in Medicare:

Enrollment in Medicare Part A and B or Medicare Part C satisfies the ICHRA coverage requirement. For information on how to enroll in Medicare, visit <https://www.medicare.gov/health-drug-plans/health-plans>.

14. When can I enroll in individual health insurance coverage?

Generally, anyone can enroll in or change their individual health insurance coverage during the individual market's annual open enrollment period, which runs from October 15th through December 15th. If your individual coverage ICHRA starts on January 1st, you (and your family members, if applicable) generally should enroll in individual health insurance coverage during open enrollment.

In certain circumstances, such as when your individual coverage ICHRA starts on a date other than January 1st or if you are newly hired during the ICHRA plan year, you (and your family members, if applicable) can enroll in individual health insurance coverage outside of open enrollment using a special enrollment period.

If you qualify for a special enrollment period, make sure you enroll on time:

- If you are newly eligible for ICHRA coverage that would start at the beginning of the ICHRA plan year, you generally need to enroll in individual health insurance coverage within 60 days before the first day of the ICHRA plan year.
- If the ICHRA was not required to provide this notice 90 days before the beginning of the plan year, or if you are newly eligible for ICHRA coverage that would start mid-plan year (for example, because you are a new employee), you may enroll in individual



health insurance coverage up to 60 days before the first day your ICHRA can start or up to 60 days after this date. **Enroll in individual health insurance coverage as soon as possible** to get the most out of your Individual Coverage HRA.

- If you're a new hire on July 1st, 2025, and your ICHRA has a waiting period of “1st of the month following 30 days,” here’s how the timeline breaks down:

Example:

 Key Dates:

- Hire Date: July 1, 2025
- 30-Day Waiting Period Ends: July 31, 2025
- ICHRA Effective Date: August 1, 2025

 Special Enrollment Period (SEP):

- You're eligible for a Special Enrollment Period that runs:
 - 60 days before and 60 days after your ICHRA effective date
- So, your SEP is:
 - Starts: June 2, 2025
 - Ends: September 30, 2025

 To Be Reimbursed Under ICHRA:

- You must be enrolled in an ACA-compliant individual health plan that is effective no later than August 1, 2025.

 Enrollment Deadline:

- To ensure an August 1 effective date, you’ll likely need to enroll by July 15, 2025 (the standard Marketplace cutoff in most states).

Note: If you enroll in individual health insurance coverage through this special enrollment period, you may need to submit a copy of this notice to the Exchange or the insurance company to prove that you qualify to enroll outside of the open enrollment period. For more information on special enrollment periods, visit [HealthCare.gov](https://www.healthcare.gov) or the website for the Exchange in your state.

15. Do I need to get new individual health insurance coverage each year if I want to enroll in my individual coverage ICHRA each year?

No. Individual health insurance coverage is typically sold for a 12-month period that aligns with the calendar year and ends on December 31st. The majority of insurance companies will automatically renew your insurance policy, but your insurance premium will change for the new year. If your ICHRA starts on January 1st, you will need to complete a new ICHRA Enrollment Form.

If your ICHRA has a plan year that starts on a day other than January 1st, your individual health insurance coverage will stay in effect until December 31st. Your policy will automatically renew, but your premiums will change, and you will need to complete a new ICHRA Enrollment Form. If you are enrolled in Medicare, your Medicare coverage will generally remain in place year to year.

16. Do I need to substantiate my (and my family member’s) enrollment in individual health insurance coverage or Medicare to the individual coverage ICHRA?



Yes. You must substantiate that you (and your family members, if applicable) will be enrolled in individual health insurance coverage or Medicare for the period you will be covered by the ICHRA. MEDSURETY Administrative Services LLC will request the substantiation documentation from you.

Each time you seek reimbursement for a medical care expense from the ICHRA, you must substantiate that you (or the family member whose medical care expense you are seeking reimbursement for, if applicable) had (or have) individual health insurance coverage or Medicare for the month during which the expense was incurred.

MEDSURETY Administrative Services LLC will ask you for your coverage information upon enrollment. To be reimbursed for your premium expenses, you will complete a recurring claim form and, at that time, attest that you have individual health coverage or Medicare.

17. What happens if I am (or one of my family member's is) no longer enrolled in individual health insurance coverage or Medicare?

If you (or a family member, if applicable) are no longer enrolled in individual health insurance coverage or Medicare, the ICHRA will not reimburse you for medical care expenses incurred during any month when you (or your family member, as applicable) did not have individual health insurance coverage or Medicare. This means that **you may not seek reimbursement for medical care expenses incurred when you (or your family member, if applicable) did not have individual health insurance coverage or Medicare.**

Note: You must report to the ICHRA if your (or your family member's) individual health insurance coverage or Medicare has been terminated retroactively, including the effective date of the termination.

INFORMATION ABOUT THE PREMIUM TAX CREDIT

1. What is the premium tax credit?

The premium tax credit is a tax credit that helps eligible individuals and their families pay premiums for health insurance coverage purchased through the Exchange. The premium tax credit is not available for health insurance coverage purchased outside of the Exchange.

Factors that affect premium tax credit eligibility include enrollment in Exchange coverage, eligibility for other types of coverage, and household income.

When you enroll in health insurance coverage through the Exchange, the Exchange will ask you about any coverage offered to you by your employer, including through an ICHRA. Your ability to claim the premium tax credit may be limited if your employer offers you coverage, including an ICHRA.

The Exchange also will determine whether you are eligible for advance payments of the premium tax credit, which are amounts paid directly to your insurance company to lower the cost of your premiums. For more information about the premium tax credit, including advance payments of the premium tax credit and eligibility requirements, see [irs.gov/aca](https://www.irs.gov/aca).



2. If I accept the ICHRA, can I claim the premium tax credit for my Exchange coverage?

No. You may not claim the premium tax credit for your Exchange coverage for any month in which you are covered by the ICHRA. Likewise, you may not claim the premium tax credit for the Exchange coverage of any family members for any month in which they are covered by the ICHRA.

3. If I opt out of the ICHRA, can I claim the premium tax credit for my Exchange coverage?

It depends.

If you opt out of the ICHRA and the ICHRA is considered unaffordable, you may claim the premium tax credit for yourself and any family members enrolled in Exchange coverage, if you are otherwise eligible.

If you opt out of the ICHRA and the ICHRA is considered affordable, you may not claim the premium tax credit for yourself or any family members.

If you are a former employee, the offer of an ICHRA will not prevent you from claiming the premium tax credit (if you are otherwise eligible), regardless of whether the ICHRA is considered affordable, as long as you do not accept the ICHRA.

4. How do I know if the ICHRA I've been offered is considered affordable?

The Exchange website will provide information on how to determine the affordability of your individual coverage ICHRA. To find your state's Exchange, visit:
<https://www.healthcare.gov/marketplace-in-your-state/>.

5. Do I need to provide any of the information in this notice to the Exchange?

Yes. Be sure to have this notice with you when you apply for coverage on the Exchange. If you're applying for advance payments of the premium tax credit, you'll need to provide your employer's contribution amount for the new plan year, the names of any family members eligible for the ICHRA, your coverage start date, the ICHRA plan year dates, how your employer reimburses premiums (direct payment to your insurance company or ACH deposit to your personal checking account), and whether you are a current or former employee. Having this information ready will help ensure your Exchange application is processed smoothly.

6. If I'm enrolled in Medicare, am I eligible for the premium tax credit?

No. If you have Medicare, you are not eligible for the premium tax credit for any Exchange coverage you may have.

7. Is the individual health insurance coverage I pay for with my ICHRA subject to ERISA?

The individual health insurance coverage paid for with amounts from your ICHRA, if any, is not subject to the rules and consumer protections under the Employee Retirement Income Security Act (ERISA). If you purchase individual health insurance coverage, you should contact your state insurance department for more information about your rights and responsibilities.



8. Who can I contact if I have questions about ICHRA?

www.MEDSURETY.com

customerservice@medsurety.com

PH: 052.303.5700 | TF: 888.816.4234

