

A Health Reimbursement Arrangement (HRA) complements your health care plan



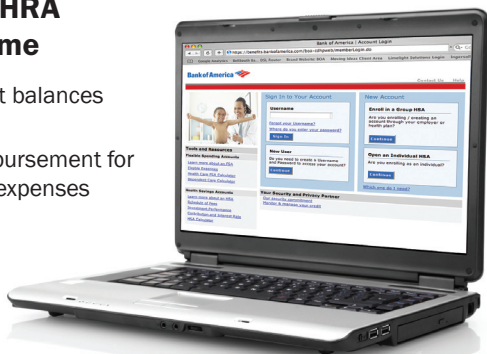
Health Reimbursement Arrangement

Your Health Reimbursement Arrangement

Your Health Reimbursement Arrangement (HRA) is an added medical benefit sponsored by your employer that accompanies your health care plan. Your employer will allocate a pre-determined amount of contributions to this account on your behalf which you can then access for reimbursement of qualified medical expenses not reimbursed by your employer's health plan or any other source.

Manage your HRA online – anytime

- Check account balances
- Pay providers
- Request reimbursement for out-of-pocket expenses



Use your HRA Visa® debit card that comes with your account to pay for qualified expenses*

- Doctor's office visits and annual physicals and prescriptions
- Copayments, coinsurance and deductibles
- Over-the-counter medicines and health care products
- Preventive dental care, orthodontia, eyeglasses, contact lenses and laser eye surgery (if not excluded by your HRA)
- Acupuncture, chiropractic services and many other medical expenses not typically covered by health plans



And if you elect to contribute pre-tax payroll contributions to a Health FSA, the funds to pay for your qualified medical expenses will be automatically deducted from your Health FSA first, and then from your HRA – easily from one convenient card.

To enroll:

- Contact your employer or benefits administrator to enroll today
- For specific questions regarding your employer's HRA, please refer to your plan documents or ask your employer for more information

Frequently asked questions

What is a Health Reimbursement Arrangement (HRA)?

A Health Reimbursement Arrangement (HRA) is a special reimbursement arrangement established and maintained by employers that is funded solely by employers for purposes of paying for medical expenses not covered under the employer's health plan. HRAs are not portable from job to job like Health Savings Accounts, but the money left in an HRA at the end of one year can roll over to the next year.

Who is eligible to set up an HRA?

Employers establish and maintain HRAs for the benefit of its employees that are eligible to participate (as determined by the employer). It is a group health plan subject to certain federal laws such as the Internal Revenue Code and, if you are a private employer, the Employee Retirement Income Security Act (ERISA).

What are the advantages of an HRA?

Both employers and employees can benefit greatly from an HRA.

- Employers who set up HRAs for their employees are adding a benefit plan that will help to attract and retain valued employees.
- Employees are given greater control over their health care spending because of the rollover feature.
- HRA funds are not treated as taxable income to the extent the funds are used for qualified medical expenses and the benefits are tax-free to the extent the funds are used for medical care.

Does the money in an HRA roll over year after year?

Unlike Health FSAs, amounts allocated to your HRA may roll over from year to year to the extent permitted by the employer. However, if you terminate employment (and do not elect COBRA), you generally forfeit the amount remaining in your account.

Who can contribute to an HRA?

Only employers can contribute to an HRA.

How much can be contributed to an HRA?

An employer can contribute as much as they want to an HRA (subject to antidiscrimination rules).

Who controls the use of funds in an HRA?

Although employees can submit claims for whatever expenses they choose, the employer (or its designee) must require the employee to provide substantiation of each expense to ensure that it is for a qualifying medical expense eligible for reimbursement under the HRA.

What kinds of expenses can be paid with an HRA?

Generally, only Code Section 213(d) medical care expenses may be paid from the HRA other than long term care services. However, the employer may decide to further restrict the scope of eligible expenses.

*Contact your employer for a description of expenses actually covered by your HRA. Your employer may limit the scope of expenses covered under the HRA. Most HRAs will disqualify you from establishing a Health Savings Account (HSA). However, your employer may sponsor a limited reimbursement HRA that will not disqualify you from establishing an HSA. Contact your employer for more information. Bank of America has been retained as Claims Administrator for the HRA. Bank of America does not sponsor or maintain the HRA.

Health FSA

Flexible Spending Account



Get a handle on your health care costs with the tax-advantaged benefits of a Flexible Spending Account (FSA)

What is a Health FSA?

A **Health Flexible Spending Account (FSA)** is an employer sponsored reimbursement arrangement that allows employees to set aside pre-tax money on an annual basis to pay for qualified medical expenses. You can be reimbursed for eligible expenses incurred during the benefit year or shortly thereafter, if your employer chooses.

Who should elect a Health FSA?

The Health FSA is beneficial for anyone who has eligible out-of-pocket medical, dental or vision expenses that are not covered by their insurance plan.

What are the advantages of a Health FSA?

With a Health FSA, you can use pre-tax money to pay for certain health care expenses that are not covered by other plans. Benefits from the Health FSA are tax-free to the extent that they are for qualified medical expenses, so you can save on both taxes and health care. And if you qualify for an employer-sponsored HRA, you can save those funds for future medical expenses because unused HRA dollars roll over from year to year.

How does it work?

Simply determine the amount of money you would like to contribute for such expenses for the coming year. A prorated portion of this annual amount is automatically deducted from your paycheck each pay period and allocated to a Health FSA established on your behalf. However, you are eligible to be reimbursed up to your annual reimbursement amount from the first day of coverage.

How much can be contributed to a Health Flexible Spending Account?

It is up to your employer to set any limits on how much can be contributed to a Health Flexible Spending Account. There are no statutory limits; however, employers generally establish a maximum contribution limit. Within those limits, you are free to decide how much to contribute to your account.

Who controls the use of funds in a Health Flexible Spending Account?

Although you can submit claims for whatever expenses you choose, your employer (or its designee) must require you to provide substantiation of each expense to ensure that it is for a qualifying medical expense eligible for reimbursement under the Health FSA.

Does the money in a Health FSA roll over year after year?

No, money in a Health Flexible Spending Account will not roll over year after year. Any unused contributions remaining in a Health FSA at the end of the plan year will be forfeited. However, employers may allow employees to submit claims up to a specified number of days after the plan year ends (run-out period) to use up those funds from the previous year for eligible expenses incurred during the previous year or plan period.

What kinds of expenses can be paid with a Health FSA?

- Standard medical services such as office visits, annual medical physicals and more.
- Prescriptions, over-the-counter medicines and health care products.
- Preventive and restorative dental care as well as orthodontia for children and adults.
- Eyeglasses, contact lenses and solutions, and laser eye surgery.
- Copayments, coinsurance and deductibles.
- Acupuncture, chiropractic services and many more medical expenses not typically covered by health plans.

For a more comprehensive listing, visit bankofamerica.com/benefitslogin; click on **Eligible Expenses** under **Tools and Resources**.

Contact your employer or benefits administrator to enroll today.

Flexible Spending Account Savings Worksheet

Expense Category	Estimated Annual Expense <small>(not covered by insurance plan)</small>
Annual deductible (medical, vision and dental)	\$
Copayments and co-insurance (medical, vision and dental)	\$
Immunizations, injections and vaccinations	\$
Routine exams	\$
Dental/orthodontics	\$
Prescription drugs and copayments	\$
Eye examinations, contacts and glasses	\$
Hearing exams	\$
Medically necessary elective surgery	\$
Over-the-counter medicines	\$
Other qualified expenses	\$
Estimated Annual Expenses	\$

Health FSA annual election amount	\$
Tax bracket (sum of federal, state and FICA tax rates)	%
Multiply Health FSA annual election amount by your tax bracket	\$

Estimated Annual Tax Savings

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