



# The Benefits of Health Reimbursement Arrangements (HRA)

## What is a HRA?

A HRA is an employer-established account to pay for an employee's eligible medical expenses and premiums on a tax free basis. HRA funds can roll over from year to year.

## How is National Insurance Services' HRA different?

Unlike HRAs that are tied to a particular health insurance carrier or provider, National Insurance Services' (NIS) HRA is independent of any carrier. Therefore, you are able to change health carriers or providers without leaving a trail of multiple HRAs from prior carriers.

Our HRA, while employer-controlled, is not employer-owned. The funds are deposited into a trust with interest bearing accounts to the benefit of the Participants and earnings are tax free. We believe this satisfies the needs of the employer to control the plan design, while Participants feel secure that funds will be available. Both immediate vesting or vesting schedules can be accommodated. Vested balances follow the Participant upon leaving employment.

Funds are invested in a group annuity through insurers with secure financial ratings. These group annuities allow for employee withdrawal of funds to pay for medical expenses and premiums without surrender charges. They also yield a competitive return with a guaranteed minimum.

### *NIS offers Active HRAs and Retirement HRAs:*

#### **Active HRA**

Active HRAs can be accessed while an employee is actively working. Money remaining in the account after retirement belongs to the employee.

#### **Retirement HRA**

Retirement HRAs can only be accessed and used after an employee retires.



## Why would an employer make deposits on behalf of employees into our Active HRA?

1. As a substitution or trade-off for making changes to the employer-provided health insurance plan such as:
  - Increased medical deductibles
  - Increased drug deductibles
  - Steerage to a HMO, PPO or POS Plan
  - Change in vendors
2. As an incentive for employees with access to insurance through a spouse to waive participation in the employer's health insurance plan.
3. In exchange for:
  - Other benefits
  - Contract language changes
  - Calendar changes (for example, adding a contract day)

## Why would an employer make deposits on behalf of employees into our Retirement HRA?

1. To minimize the impact of GASB 43/45 by transitioning from offering retiree health insurance to offering annual deposits on behalf of new hires. This approach offers a fixed-cost alternative to the ever-increasing cost of offering retiree health insurance.
2. In exchange for payments made for unused sick leave or vacation time.

National Insurance Services has implemented HRAs in each scenario described. We remain at the forefront of this valuable solution for you and your employees and look forward to being of service to you.

For more information, contact:



National Insurance Services  
*of Wisconsin, Inc.*

### Retirement Income Division

Corporate Headquarters:  
250 South Executive Drive • Brookfield, WI 53005  
Offices Nationwide: 800-627-3660 • Fax: 262-785-9269  
[www.nis-sif.com](http://www.nis-sif.com)

Plans administered by:



MidAmerica  
Administrative & Retirement Solutions, Inc.

211 E. Main St., Ste. 100, Lakeland, FL 33801  
863.688.4500 • (FAX) 863.686.9727 • 800.430.7999  
[www.midamerica.biz](http://www.midamerica.biz)

Securities offered through GWN Securities, Inc.

11440 Jog Road, Palm Beach Gardens, FL 33418 / 561.472.2700 / Member NASD, SIPC

Rev.9.06

