

The Interaction Between HRAs and HSAs

Questions and Answers for Employees

Am I eligible for a HSA Account if I am currently enrolled in an Employer funded HRA Plan?

A general purpose HRA plan may make you ineligible to contribute to a HSA; however, there are a few different HRA options available that will still allow you to make contributions to a HSA. The following HRA types will maintain HSA eligibility:

Limited Purpose HRA- Reimbursements for the following expenses:

- Vision
- Dental
- Preventative Care

Suspended HRA-

- You must elect to suspend your HRA before the HRA plan year begins
- You will not be able to seek reimbursement from your HRA during the suspended period for expenses other than permitted insurance, permitted coverage, and preventative care
- Your Employer can continue to make contributions to your HRA plan during the suspension period
- Once you discontinue making HSA contributions, you can continue to spend down your HRA balance during the following plan years; however, any expenses incurred during the suspension period may not be reimbursed from the HRA

Post-Deductible HRA Combined with a High Deductible Health Plan-

- Once your HDHP deductible is met, your HRA plan will reimburse full 213(d) medical expenses
- Your HRA funds cannot be used to pay any portion of your deductible expenses
- A HSA account can be used to pay deductible expenses for your high deductible health plan before your HRA plan allows reimbursement.

Retirement HRA-

- Access to funds are restricted until retirement or separation from service; however, your Employer can make contributions during active employment
- The Retirement HRA allows you to remain HSA eligible during active employment. Once you retire or separate from service allowing you access to your HRA plan, you are no longer eligible for a HSA account.

A Combination of the HRA Plan Options-

- It is possible to combine two of the above options, such as a Limited Purpose and Post-Deductible HRA, as long as the combined options satisfy all requirements of health care reform.

Are there any rules on which plan I have to seek reimbursement from first?

No. There are no ordering rules between the HRA and HSA plan. You can be reimbursed from either plan first, no matter what the balance, as long as you do not seek reimbursement for the same expense from another source.

Can I enroll in a HSA eligible medical plan while covered by an HRA if I don't plan to contribute to a HSA?

Yes. Your enrollment in the medical plan is allowed and you are eligible to access your HRA funds as long as you are not making contributions to the HSA plan.