

Frequently Asked Questions – Health Reimbursement Arrangement

Q: What is a Health Reimbursement Arrangement (HRA)?

A: A Health Reimbursement Arrangement is an account set up and funded by your employer on your behalf. You use the money in this account in the same way you would use money you set aside yourself in a Flexible Spending Account (FSA) for medical expenses.

Q: How do I qualify to participate in the HRA?

A: First, you must sign up for one of the 3 Traditional medical plans (Silver, Gold or Choice Traditional). Once you have done this, there are 2 different ways to qualify to get money in the HRA:

- Non-tobacco use – if you do not use tobacco products, sign and return the Non-Tobacco Use Discount Affidavit form to get the non-tobacco incentive contribution put into your account.
- Income – if your yearly income is less than \$35,000, you will receive a contribution into your HRA.

Q: How much does Knox County put into my account based on the qualifications above?

A: Knox County will make the following contributions:

- \$240 for non-tobacco use
- \$100 for full time employees **with employee-only medical coverage** who earn less than \$25,000 gross yearly income
- \$200 for full time employees **covering family members on their medical plan** who earn less than \$25,000 gross yearly income
- \$75 for full time employees **with employee-only medical coverage** who earn at least \$25,000 but less than \$35,000 gross yearly income
- \$150 for full time employees **covering family members on their medical plan** who earn at least \$25,000 but less than \$35,000 gross yearly income
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Elected officials on a Knox County medical plan are eligible for the non-tobacco incentive but not the income-based contributions.

Q: Other than being enrolled in a medical plan, do I have to do anything to participate in the HRA?

A: If you are eligible for the income-based contribution, your HRA account will be automatically set up and funded for you by Knox County.

If you are not eligible for the income-based contribution but are eligible for the non-tobacco incentive, you must sign and return the Non-Tobacco Use Discount Affidavit form at the time you sign up for medical coverage.

Regardless of your income level, you must sign and return the Non-Tobacco Use Discount Affidavit form in order to receive the non-tobacco incentive contribution.

Q: How do I access this money?

A: You will receive a debit card already funded with the money you qualify for. You can then use this debit card to pay for qualified medical expenses. The card works exactly like a Flexible Spending Account (FSA) card works. In addition, you can file paper claims to get reimbursed for qualified expenses.

Q: What happens if I don't use this money before the end of the year?

A: Unlike money in the FSA, the **money in your HRA account will roll over** from year to year. If you don't use it this year, it will be there for you next year. In addition, **if you leave employment** here at Knox County, **you can take the funds with you.**

Q: Can I deposit my own money pre-tax into the HRA?

A: No. HRAs are subject to IRS rules that do not allow employees to contribute their own pre-tax money to this account; however, you can set up a FSA with your own contributions that work alongside your HRA funds.

Q: What happens if I have both an HRA and a FSA?

A: When you have both, money to pay for qualified expenses is taken out of your FSA funds first since those go away at the end of the year. Once you use up your FSA funds, then the money starts coming out of your HRA. The debit card you receive will work with both accounts.

Reminder: In order to get the non-tobacco incentive, you must complete, sign and return the Non-Tobacco Use Discount Affidavit when you sign up for medical coverage.