

The Retiree HRA: FIVE THINGS FOR CO-OPS TO KNOW

If your co-op subsidizes your retirees' health insurance expenses, your co-op can choose to offer a retiree health reimbursement arrangement (HRA). Here are five things to know about the retiree HRA.

1

The retiree HRA is administered by Cooperative Benefit Administrators (CBA).

Once your co-op establishes its plan, CBA will administer its claims.

2

Your co-op determines how its retiree HRA plan will work.

Many of the plan details will be decided by your co-op: how much your co-op will contribute to a retiree HRA; how often contributions will be made; which kinds of health expenses are eligible for reimbursement (premiums only, or all eligible 213(d) expenses including premiums); whether account balances will be forfeited annually or carried over to the next plan year; and other terms.

3

There are tax advantages for both your co-op and retirees.

Reimbursements your co-op provides are 100% tax-deductible, and contributions that retirees receive are tax-free for them.

4

The premium auto-reimbursement process is available on most OneExchange plans.

When your retirees choose individual medical plans and Medicare Part D plans through OneExchange, they can also choose an auto-reimbursement option, if the carrier and plan chosen offers this feature (set-up is done through OneExchange). That means when the retirees pay their health insurance premiums, they can be automatically reimbursed from their HRA account. This process may take up to 30 or 60 days.

5

We're here to help.

If your co-op decides to offer the Retiree HRA, you're not on your own. Sample documents your co-op needs to adopt the Retiree HRA, along with an adoption checklist, are provided on the Retiree Insurance Solutions page on the Employee Benefits website. Log into Cooperative.com and click My Benefits > Co-op Insurance > Retiree Insurance Solutions. You can also contact your field representative or CBA (1.866.673.2299) with other questions along the way.



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