

Health Reimbursement Arrangement (HRA) Plan Comparison

	HRA Traditional/Integrated HRA	QSEHRA Qualified Small Employer HRA	ICHRA Individual Coverage HRA	EBHRA Excepted Benefit HRA	Retiree HRA
What is it?	Extra help to pay costs under your main health plan (deductibles, copays, prescriptions, etc.).	For small employers (<50) that don't offer group insurance but want to give employees tax-free money for health costs.	Lets employers of any size give employees money to buy individual health insurance (instead of a group plan).	A side account for limited "excepted" benefits (like dental, vision, COBRA, short-term coverage).	Employer-funded accounts to help retirees with health costs.
Employer Group Health Plan Requirement	Must be paired with a group health plan.	Employer cannot offer a group health plan.	Replaces the group health plan for that employee class.	Employer must offer a group plan, but employees don't have to enroll in it. Employer does not have to offer the same excepted benefit (e.g., dental) being reimbursed.	Not tied to an active employee group plan.
Employer Size	Any Size	Less than 50 Employees	Any Size	Any Size	Any Size
Annual Limited Apply	No IRS limit	\$6,450 (self-only) / \$13,100 (family) Per Plan Year. (2026) <i>Must be prorated for partial-year eligibility.</i>	No IRS limit	\$2,200 per year (2026)	No IRS limit
Reimbursable Expenses	213(d) Expenses: Such as deductibles, copays, coinsurance, prescriptions, and dental/vision (if employer allows).	Individual health insurance premiums: <ul style="list-style-type: none"> Marketplace (on-exchange) Off-exchange private plans Medicare (Parts A, B, C, D) Other §213(d) medical expenses: Allowed if the employer includes them in the plan design.	Individual health insurance premiums: <ul style="list-style-type: none"> Marketplace (on-exchange) Off-exchange private plans Medicare (Parts A, B, C, D) Other §213(d) medical expenses: Allowed if the employer includes them in the plan design.	Premiums for: <ul style="list-style-type: none"> Stand-alone dental/vision (if not already paid pre-tax elsewhere) COBRA Short-term coverage, Accident-only or Indemnity coverage. Other Expenses: Out-of-pocket costs under dental/vision (glasses, contacts, fillings, etc.) or accident coverage.	Premiums for: <ul style="list-style-type: none"> Medicare Parts A, B, C, D Medigap premiums Supplemental insurance Other §213(d) medical expenses: Such as deductibles, copays, coinsurance, prescriptions, and dental/vision (if employer allows).
Eligibility/Participation	Employer decides eligible groups (full-time, part-time, etc.), but must be in the group health plan.	Must be offered to all eligible employees on the same terms (except permitted exclusions): <ul style="list-style-type: none"> Less 90 days service under age 25 part-time seasonal union employees nonresident aliens 	Employer can define classes (full-time, part-time, geographic, etc.). Within a class, all employees must be offered the same benefit (except adjustments allowed for age [3:1] and family size).	Can be offered to all employees, whether or not they enroll in the group health plan. Employer can apply standard eligibility rules (full-time, etc.).	Limited to retirees only (eligibility defined by employer, e.g., age or years of service).
Employee Coverage Requirement	Must be enrolled in employer's group health plan.	Must be offered to all employees, but employee must have Minimum Essential Coverage (MEC) to receive reimbursements tax-free. If they don't, they still are considered as a "participant" but receive \$0.	Must be enrolled in individual health insurance (on- or off-exchange, or Medicare).	Do not have to enroll in the employer's group plan or employer's excepted benefit. Must be enrolled in the excepted benefit (dental, vision, COBRA, short-term, etc.) individually or through a spouse.	Must have retiree coverage or Medicare (depending on plan design).
COBRA Eligible Benefit	Yes	No	Yes	Yes	No
Non-Discrimination Testing Requirement	Eligibility Test + Benefits Test Must not disproportionately favor highly compensated individuals (HCIs) in who can participate (Eligibility) or in what reimbursements are available (Benefits)	Exempt	Eligibility Test + Benefits Test (per class) Must be offered on a uniform class basis (e.g., FT vs. PT, salaried vs. hourly). NDT applies within each class to prevent favoring HCIs.	Eligibility Test + Benefits Test Both eligibility and benefits must be nondiscriminatory.	Eligibility Test + Benefits Test Retiree-only HRAs are still §105 plans. Employers should confirm retirees are offered benefits on the same basis regardless of compensation level.

