

New Application
 Changes
 Renewal

Retiree HRA Group Agreement

Effective Date: _____

Section 1: Group Information

Legal Name of Company:

Trading as:

Is this a current account with Amwins? YES NO

IF YES enter the Amwins Account Number:

Physical Address:

City:

State:

ZIP:

Mailing Address (if different):

City:

State:

ZIP:



Type of Business:

Corporation
 Partnership
 C-Corp
 S-Corp
 Sole Proprietorship
 LLC
 Other

SIC:

Tax ID:

Section 2: Contacts

Company Official:

Title:

Phone:

Email:

Administrative Contact:

Title:

Phone:

Email:

Agency Name:

Broker:

Phone:

Email:

Section 3: Plan Year Information

Health Plan Year Effective Date: _____

Health Plan Year End Date: _____

HRA Plan Year Effective Date: _____

HRA Plan Year End Date: _____

Number of Employees that will be participating in the HRA Plan: _____

Section 4: Eligible Expenses

Retiree HRA Eligible Expenses (check all that apply)

Please see NOTE: below.

Medical
 Rx
 Over The Counter Drugs
 Dental
 Vision
 Premium

NOTE: A Debit Card can ONLY be used for Eligible Medical Expenses. If the Employer is only offering a Retiree HRA only Debit Cards will NOT be issued.

Section 5: Debit Cards (Can only be used for Eligible Medical Expenses)

Are the Employees to receive Debit Cards?

YES NO

Are Eligible Spouses to receive Debit Cards?

YES NO

Section 6: HRA Funding

Employers should monitor their account fund balance and replenish the funds as needed to ensure that monies are in the account to cover ongoing HRA expenses. In addition, the bank account must provide over-draft protection in the event there are insufficient funds in the HRA account at the time of claim payment.

Note: If the Employer is reimbursing Premium that varies by employee please provide an excel spreadsheet with the employee name and the monthly reimbursement amount to this HRA Group application.

HRA Monthly Funding	*Amounts		# of EE		Totals
Individual	*\$	X		=	\$
Parent & Child	*\$	X		=	\$
Parent & Child(ren)	*\$	X		=	\$
Husband & Wife	*\$	X		=	\$
Family	*\$	X		=	\$
*Required Field			Annual Total	=	\$

The Retiree HRA Plan will follow the same eligibility guidelines (i.e. waiting periods, effective dates and termination dates) as the Health Plan. However, certain employees may not be eligible to participate in the tax advantages of an HRA (i.e. self-employed individuals, partners in a partnership, more than 2% shareholders in an S Corporation). Please consult with your tax accountant for specific information.

Section 7: Substantiation

Retiree HRA Substantiation (for Medical Coverage ONLY)

The employee must complete an HRA reimbursement form and provide a copy of the premium statement(s), invoice(s) or policy renewal letter from the insurance carrier(s) showing the plan effective dates and insurance costs.

Debit Card Claim Substantiation (for Eligible Medical Expenses ONLY)

The Internal Revenue Service (IRS) requires Plan Sponsors (Employer) to ensure that HRA Plans are properly substantiated. In other words, purchases made with the Amwins Retiree HRA Debit Card must be proven to be eligible under the Plan. Failure to comply with the IRS substantiation guidelines could result in the plan becoming non-qualified (losing its tax free status) and subject to penalties and/or fines imposed by the IRS.

Amwins Connect Administrators (Amwins) substantiates purchases made with the debit card by reviewing all transactions. Documentation requests are generated and sent to Employees for those transactions that cannot be substantiated through the system. Employees are required to provide the necessary documentation (generally EOB's, itemized statements or bills marked paid by patient) for substantiation.

Level of Substantiation

1. Employees are instructed to keep all receipts and itemized statements for purchases made with the debit card.
2. Amwins may contact providers for necessary information on specific charges
3. Amwins may auto-approve certain claim categories.

The request for itemized statements for purchases audited by Amwins helps to ensure that all charges on the debit card are properly processed and only eligible procedures and products are purchased.

Substantiation Waiver:

We authorize Amwins Connect Administrators to approve all HRA debit card transactions without requiring the members to submit documentation to substantiate the transaction. We acknowledge that turning off the requirement for substantiation of debit card purchases violates IRS regulations. In doing so, we will also hold Amwins Connect Administrators harmless and we take full responsibility for any penalties and or citations that may be issued by the IRS for being non-compliant.

If the Employer wishes to waive Substantiation please check the box and sign and date below.

Employer Signature: _____

Date: _____

Improper Use of Debit Card

If an employee fails to comply with the substantiation process or uses the debit card for unauthorized or ineligible expenses, the debit card will be deactivated and will no longer have the use of the debit card. They will be notified via a letter mailed to their home address.

They will still be eligible to submit claims via a claim form to Amwins at the address located on the form. Their HRA claims will then be reviewed by Amwins for eligibility and if eligible, a check/explanation of benefits will be mailed to them.

Section 8: Amwins Administrative Services

Amwins Administration Fees

To implement and administer, Amwins will charge the following fees:

Implementation Fee:	\$250.00 (waived at renewal)
Monthly Administration Fee:	\$6.00 PEPM or \$250 Monthly Minimum Administration Fee

The implementation fee is due by the effective date of the HRA Plan. The monthly administration fee (PEPM) will appear on your monthly Amwins premium invoice along with your group health insurance premiums.

HRA Plan Run-Out Services

Amwins will offer HRA Plan Run-Out Services as follows:

1. If the Employer renews the Amwins HRA Plan, Amwins will provide Run-Out Services for the previous HRA Plan Year for a standard 90-day Claims Run-Out Period
2. If the Employer terminates the Retiree HRA Plan but continues to have Amwins administer their group health plan, Amwins will provide Run-Out Services for the previous HRA Plan Year for a standard 90-day Claims Run-Out Period. The Employer understands that they are responsible for funding the HRA account for reimbursements to the Employees for covered expenses incurred prior to the termination date of the HRA Plan but before the end of the 90-day claim run-out period.
3. If the Employer terminates the Retiree HRA Plan and the Group Health Plan with Amwins, then this Retiree HRA agreement shall terminate and Amwins will not perform Run-Out Services for the HRA Plan. The Employer understands that they are responsible for reimbursements to the Employees for covered expenses incurred prior to the termination date of the HRA Plan. Any claims received at Amwins after the termination of this Agreement will be returned to the Employer.

The responsibilities of Amwins are limited to enrolling eligible Employees in the HRA plan, invoicing the HRA administrative fees, processing HRA claims for payment, issuing Debit Cards to Employees, preparing Summary Plan Descriptions, and providing an Employer website to manage your Retiree HRA Plan. The HRA website will provide Employers access to reports such as the Bank Transaction Reconciliation Report and the Manual Claim Reimbursements Report.

Employers will have access to the website to view the HRA plan activity. The website address for employers is: www.wealthcareadmin.com .

Employees have access to the website to view their FSA claims activity. The website address for employees is <https://amwinsconnect.wealthcareportal.com>.

Section 9: Patient Centered Outcomes Research Institute (PCORI) Fees

The Employer will be required to pay a PCORI Fee for each employee enrolled in the Individual Coverage HRA plan each year. The fee is based on when the plan year ends. Amwins will assist in providing the information required for the employer to report to the IRS by July 31st of each year.

Click on the link below to see more information and the appropriate fees to be paid to the IRS. Fees and information are subject to change.

<https://www.irs.gov/newsroom/patient-centered-outcomes-research-institute-fee>

Section 10: Non-Discrimination Requirements

Non-Discrimination Requirements

This Plan will comply with all Federal tax law requirements necessary to obtain tax benefits available under the Internal Revenue Code, including the requirement that the plan does not discriminate in favor of certain “key Employees” or “highly compensated Employees.” A plan discriminates as to eligibility unless it benefits:

- 70% or more of all Employees, or
- 80% or more of all Employees eligible to benefit under the plan, if 70% or more of all Employees are eligible to benefit under the plan, or
- A group of employees described in IRS Section 410(b)(2)(A)(i) that is found to be a nondiscriminatory classification in accordance with Prop. Treas. Reg. 1.410(b)-For these purposes, there may be excluded from consideration any Employees who have not completed three years of service, part-time Employees whose customary weekly employment is less than 20 hours and nonresident aliens.

A Health Reimbursement Arrangement Plan will not discriminate as to benefits if the type and amount of benefits available to highly compensated participants are also available on the same basis for all other participants. This test is applied by looking at available benefits rather than actual benefit payments under the plan.

Note: If the Plan is discriminatory, then all or part of the medical benefits paid for the benefit of a highly compensated Employee will be taxable to that Employee.

Non-Discrimination and Health Benefits

The following information is from the IRC (Internal Revenue Code) - Section 105(h)

IRC Sec. 105 and Sec. 106 permit employers to offer certain health benefits on a tax-free basis. However, these rules can be different for highly compensated employees (HCEs) if the health plan is self-insured. An HCE is defined as:

- One of the five highest-paid officers
- A shareholder owning (actually or constructively) more than 10% of the company's stock
- Among the highest paid 25% of all employees

There are two (2) tests under this Section of the IRC that employers need to be aware of while planning the funded benefits.

1. **Eligibility Test** – for a plan to be considered nondiscriminatory with respect to eligibility to participate, it must pass one of the three coverage tests:
 - a. 70% of all employees benefit under the plan
 - b. The plan benefits 80% of eligible participants and 70% of all employees are eligible
 - c. The plan benefits a nondiscriminatory classification of employees (not HCEs)
2. **Benefits Test** – the IRS regulations indicate that the plan must provide the same benefits for both HCEs and non-HCEs. A self-insured health plan discriminates as to benefits unless all benefits provided for participants who are HCEs are also provided to all other participants. All benefits for dependents of HCEs must also be available on the same basis for the dependents of all other employees. The self-insured health plan will also be considered discriminatory as to benefits if it covers HCEs and the type or amount of benefits subject to reimbursement is offered in proportion to compensation.

When applying nondiscrimination test, all employees of a controlled group or affiliated service group, as defined in the IRC Sec. 414, are treated as employed by a single employer.

Benefits Received and Taxable Income under Non-Discrimination Guidelines

If a benefit under the self-insured plan is available to HCEs but not to other employees, the total amount of reimbursement to the HCE with respect to that benefit is an 'excess reimbursement' and must be included in the HCE's income taxes as an imputed income.

Employers and benefit consultants should always discuss these issues with Tax Accountants while designing health plans for employees.

Section 11: Disclaimers

- 1) A dedicated bank account should be established for the Retiree HRA Plan. ACH transfers will be made from this account to fund the Retiree HRA claims.
- 2) The bank account associated with this Plan must have overdraft protection. If overdraft protection is not provided for this account and a transaction is returned for insufficient funds, a \$25.00 fee per attempt will be assessed.
- 3) The implementation process will not begin until the completed ACH Authorization form is returned to Amwins. The ACH Authorization Form is attached to this account.
- 4) The Retiree HRA Plan is subject to Maryland State Extension (MSE)/COBRA & HIPAA regulations which mean the funds are subject to MSE or COBRA extension of benefits. If the terminated Employee *does not pay* their MSE/COBRA premium (including the HRA fund portion), only claims *incurred prior to their termination date* are eligible for reimbursement. If the terminated Employee *pays* their MSE/COBRA premium (including the HRA fund portion), claims incurred *during the entire paid premium period* are eligible for reimbursement.
- 5) Upon termination of a member, the member will have the ability to use the debit card until midnight of the date of the medical plan termination effective date. It is understood that if the company terminates any Employees, it is the company's responsibility to notify Amwins immediately. If the company fails to notify Amwins of an Employee's termination, it is the company's responsibility for any charges incurred and paid after the termination date. If the employer does not want the employee to have use of the debit card immediately upon termination of employment, they will need to send an email to gbs.qbsdebitcard@amwins.com to advise.
- 6) The Retiree HRA Debit Cards will be mailed to the Employee's homes. Each Employee will receive one debit card.
- 7) Debit cards reported lost, stolen or not received will be rendered permanently inactive. The Employer or the Employee will need to contact customer service to request a new Debit Card.
- 8) The Employer may deduct invalid purchases from the Employee's paychecks.
- 9) Federal regulation mandates that most transactions will require receipt verification. Employees must be instructed to save all receipts for services paid with the debit card. Amwins will request receipts via mail or email from Employees to substantiate claims.

- 10) Employees should be instructed to call Amwins' Customer Service Department with any questions. That phone number is 410-832-1333 or 1-800-337-4973. As instructed by the automated call routing message, please press 6 for member services, then 2 for inquiries regarding HRA claims.
- 13) Your Employees by signing the Election Form are authorizing the Health Plan Insurer or Provider of service to release information on their behalf in order to substantiate purchases made with the debit card.
- 14) I authorize Amwins to allow access to information to my Broker via the Retiree HRA website to assist me in managing my Retiree HRA Plan.
- 15) Amwins considers any and all information, materials and systems to be confidential. Amwins complies with HIPAA Privacy and Security regulations, which protects the confidentiality of our Clients' database containing information regarding their Employees, dependents, benefits and claims. Amwins hereby warrants that this information is kept in strict confidence and maintained on the system by secure password protection

Section 12: Authorization

I have read and understood the above details for the administration of the HRA Plan and I am appointing Amwins Connect Administrators, Inc. (Amwins) as our Third Party Administrator (TPA) of our HRA Plan. I understand and agree to the terms and conditions of this Amwins Retiree HRA Group Agreement.

Employer Name (printed): _____

Title: _____

Signature: _____

Date: _____

Broker Name (printed): _____

Agency: _____

Signature: _____

Date: _____