



Individual Coverage HRA Employer Responsibilities

MAINTAINING ACCOUNT TAX FAVORABILITY

I. Annual Substantiation of Individual Health Insurance Coverage

For you, as the Employer and Plan Sponsor, to maintain the tax advantage benefits afforded by your Individual Coverage HRA, participants in your plan are required to substantiate that they have individual health insurance coverage on an annual basis. **This substantiation of coverage must be provided to you no later than the first day of the plan year.**

Under the regulations, there are two ways to substantiate enrollment in a qualified individual health insurance plan:

(A) A document from a third party (for example, the issuer or an Exchange) showing that the participant and any dependents covered by the HRA are, or will be, enrolled in individual health insurance coverage; or

(B) An attestation by the participant stating that the participant and dependent(s) covered by the HRA are, or will be, enrolled in individual health insurance coverage, the date coverage began or will begin, and the name of the provider of the coverage. *(For your use in this regard, the Model Attestation Notice can be accessed here: <https://www.tasconline.com/uploads/KB/ICHRA/DP-6331-090519%20Individual%20Coverage%20HRA%20Model%20Attestations.docx>)*

II. Ongoing Substantiation of Individual Health Insurance Coverage

If your plan allows for the reimbursement of medical care expenses in addition to individual health insurance coverage premiums, then ongoing coverage substantiation is necessary. This substantiation must indicate that the participant and their dependents if applicable were covered by a qualified individual health insurance coverage during the month in which the medical care expenses were incurred.

To ensure that your participants are not reimbursed for expenses during a month they are not covered, you will be required to ensure that each participant (and their dependents if applicable) continues to be covered by qualified individual insurance coverage on a monthly basis. **Any time that a participant drops their individual health insurance coverage, you must notify TASC immediately so that the participant's ICHRA coverage can be terminated on the TASC system.**

Please note this substantiation does not negate the need for the employee to submit receipts, statements, etc. to verify the actual expense submitted.