

# FYI: Health Reimbursement Arrangement (HRA)



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**Now may be just the time to change your health plan!!**

**Pay for Your Health Insurance through a Health Reimbursement Arrangement (HRA)**

**Paying for your HSA-qualified health insurance plan through an HRA can save you thousands!**

A health reimbursement arrangement, or HRA, enables self-employed individuals to reimburse medical expenses, including health insurance premiums, from the business as a tax-free fringe benefit. Instead of taking a deduction for health insurance on your IRS form 1040, you can now count it as a business expense on your schedule C!

HRAs are available to C-corps, S-corps, and Schedule C sole proprietors whose spouses could work for the business.

Small business owners with employees can also benefit by establishing an HRA. Through an HRA you can reimburse your employees for *individual* health insurance premiums, which typically costs less than half of what group coverage does.

Section 105 is the part of the IRS code that establishes the rules for HRAs. While larger companies have used HRAs for years as a way to manage their healthcare expenses, smaller companies and self-employed individuals have often been intimidated by the rules and paperwork involved in setting this up. **Now is the time to learn how these plans can benefit you!**

For information on how to set-up an HRA please reach out to my office.

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