

# ICHRA vs. QSEHRA

ICHRA and QSEHRA are two variations of health reimbursement arrangements (HRAs) that can serve businesses differently depending on the employer's priorities and employee composition. Use this comparison to generally understand those differences.

	<b>ICHRA</b>	<b>QSEHRA</b>
<b>Business Size limits</b>	No employee size limit. Any business can participate.	The business must have fewer than 50 full-time employees.
<b>Can an employer offer both HRA and traditional health coverages?</b>	Yes; however, the group plan and HRA cannot be offered to the same employee "class." One class can be offered an ICHRA program and another can be offered a traditional group plan.	No; a QSEHRA cannot be offered with a group plan.
<b>Is there a maximum contribution?</b>	There is no contribution maximum for ICHRAs.	Contribution maximums for QSEHRAs can change annually. In 2021, maximum contributions are: <ul style="list-style-type: none"> <li>• Single: \$5,300</li> <li>• Family: \$10,700</li> </ul>
<b>Who is eligible for the HRA?</b>	All employees are eligible based on the employee class determined by the employer and plan design of the ICHRA. Employees must be offered the HRA equally within their class.	Full-time employees are automatically eligible for the HRA; employers may choose if part-time employees are eligible. The HRA must be on the same terms for all eligible employees.
<b>Can employees get different contributions?</b>	All employees are eligible. The HRA amount can be adjusted based on employee class, age, and family size.	Contributions can vary based on family status, age, and family size, but not based on employee class.
<b>Do ACA Marketplace Advanced Premium Tax Credits (APTC) apply for eligible employees?</b>	Employees participating in an ICHRA plan are not eligible for Advanced Premium Tax Credit (APTC).	Employees are eligible to receive the Advanced Premium Tax Credit (APTC) through the marketplace, but the tax credit is reduced by the amount of the HRA contribution.
<b>Do employees need to elect insurance coverage to participate in the HRA?</b>	Yes. Employees must have a qualified individual health plan to participate.	Yes. Employees must have a qualified individual health plan to participate.

Once employers decide which HRA can best serve their business, HRA plan administrators can help with creating employee classes, plan administration, and with legal and tax implications. Common Ground Healthcare Cooperative (CGHC) is an individual healthcare coverage carrier known for outstanding customer experience. We are here to best support employees with choosing the right plan and getting the most out of their benefits.

