

DRAFT ICHRA/QSEHRA Comparison Chart

	Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)	Individual Coverage Health Reimbursement Arrangement (ICHRA)
Special Enrollment Period (SEP)	Yes – for employees who are newly provided a QSEHRA. Triggering event is the first day on which coverage under the QSEHRA takes effect.	Yes – for employees who newly gain access to an ICHRA. Triggering event is the first day on which coverage under the ICHRA can take effect.
Interaction with Premium Tax Credits	Employees participating in the QSEHRA are still eligible for premium tax credits, but the amount of the credit is reduced dollar-for-dollar by the amount of the HRA allowance.	An employee <u>covered</u> by an ICHRA is ineligible for premium tax credits through the Marketplace. An employee <u>offered</u> an ICHRA would be ineligible for premium tax credits for any month the ICHRA is considered “affordable.” An employee may be eligible for APTC only if they declined the offer of an ICHRA (opt out) and the ICHRA is considered “unaffordable.”
Affordability Benchmark	<u>Second lowest cost</u> silver plan available on the Marketplace.	<u>Lowest cost</u> silver plan available on the Marketplace.
Affordability Calculation	Considered “affordable” if the monthly QSEHRA contribution does not exceed 1/12 th of the product of the individual’s annual household income and the “required contribution percentage.” Required contribution percentage is the excess of (1) the monthly premium for the second lowest cost silver plan for <u>self-only</u> coverage over (2) the monthly <u>self-only</u> QSEHRA amount provided by the employer.	Considered “affordable” if the monthly ICHRA contribution does not exceed 1/12 th of the product of the individual’s annual household income and the “required contribution percentage.” Required contribution percentage is the excess of (1) the monthly premium for the lowest cost silver plan for <u>self-only</u> coverage over (2) the monthly <u>self-only</u> HRA amount provided by the employer.
Employer size restrictions	Available only to employers with fewer than 50 employees.	None – available to employers of all sizes.

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Employer Offering Restrictions	Employer cannot offer group coverage.	<p>Employers can structure their eligibility requirements based on a given set of employee classes (e.g., full-time or part-time employees). Allows the employer flexibility to choose to offer the ICHRA to all their employees, or they can choose to offer it only to one or more classes.</p> <p>Minimum class size requirements apply (e.g., 10 employees for employers with fewer than 100 employees).</p> <p>Employer can offer group coverage to a class of employees but cannot offer a class of employees a choice between group coverage and an ICHRA.</p>
Employer Contribution Caps (2019)	Annual limits of \$5,150 (\$429.17/mo.) per single employee and \$10,450 (\$870.83/mo.) per employee with a family.	None – employer can contribute an unlimited amount into the HRA.
Employer Contribution Restrictions	Employer can offer different amounts based on the employees’ age and family size.	<p>Employer can offer different amounts to different classes of employees, as well as based on employees’ age and family size.</p> <p>Limited to a 3:1 age variation (oldest participant cannot receive more than three times the maximum of the youngest participant).</p>
Employee Opt-Out	No – employees cannot “opt out” of the QSEHRA.	Yes – employees can “opt-out” of the ICHRA. Employees offered an “unaffordable” ICHRA <u>must</u> opt out in order to receive APTC.