

Premium Reimbursement Accounts

What's a PRA?

A Premium Reimbursement Account (PRA) is a Flex Plan offering that allows members to take tax-free reductions from each paycheck for privately-purchased insurance (non-group coverage). Because eligible premiums are payroll deducted before taxes, you will be able to use 100% of your earnings to pay for qualifying insurance premiums!

What Insurance Qualifies for This Pre-Tax benefit?

Participants may use a PRA for:

- Dental
- Vision
- Supplemental Voluntary Insurance
- Medicare Supplement including MediGap

**Please call us to verify that the insurance that you would like to pre-tax is eligible before you sign up.

How does it Work?

Employees decide how much tax-free money to set aside for eligible insurance premiums. The employer then deducts that amount from their paychecks each month.

- Individual insurance plans cannot be part of a group plan. This is not for policies that are billed through your employer or the employer of your spouse or dependents. The policy must be billed to your home address.
- Major Medical, life Insurance, Disability, Accidental Death & Dismemberment, and Long Term Care are not eligible.
- Employees can't change elections during the year unless there is an increase or decrease in insurance premium, or a qualifying status change (birth, death, divorce, marriage).
- Participants are responsible for paying their insurance carrier directly.
- All premiums for individual policies must fall within the plan year. You may need to adjust the amount that you are electing to compensate for the premiums that will fall into another plan year.
- Employees must provide a copy of the insurance policy and current premium notice for reimbursement.

How Do I Get Reimbursed?

When employees receive a bill for eligible individual premiums, they simply file a claim for reimbursement. Along with the claim, employees either provide a copy of the declaration page or insurance company bill. These copies should indicate the premium was billed to employee's home address, include the valid dates of coverage, and show any dollar amounts due. The type of coverage must be clearly stated on the claim.