

Murphy & Associates HRA Plan Introduction and FAQ

Murphy & Associates offers a Health Reimbursement Arrangement (HRA) plan to all eligible W2 employees. We have partnered with Array Health (www.arrayhealth.com) to provide an easy portal for you to evaluate individual health insurance plans and get reimbursed for eligible health care expenses.

An HRA is not a substitute for a health insurance policy. It is an account that can be used to reimburse eligible health care expenses. The basic operation of the plan is as follows:

As a W2 employee you state that you would like to participate in the HRA plan. Based on your benefit class, an amount of money is contributed by Murphy & Associates each month for you to use for reimbursements of health care expenses. This money can be used to pay premiums on an existing individual health insurance policy or a new policy. The Array platform gives you tools to evaluate individual policies and apply for them online.

The money can also be used for reimbursement of a variety of eligible health care expenses including co-pays, prescriptions, dental expenses etc. You apply for the reimbursement through Array. The money is reimbursed to you on your next paycheck.

As a W2 employee you are not obligated to participate. You can opt out of the HRA plan. The advantage of the plan is that you can use the funds to pay for something you are currently using post-tax money to pay for.

Please explore Array's site and read the FAQ for a more detailed explanation on the operation and rules of the HRA plan.

Frequently Asked Questions:

1) Do I have to switch my current individual policy to one offered through Array?

No. If you have a current individual policy you can remain on that plan. Murphy & Associates will reimburse you for your current policy once you begin submitting your premium bills to Array.

- 2) What insurance plans are available through Array and what are the premiums?

The Array platform gives you access to all the major individual policies offered by WA state insurance providers. The premium (or monthly rate) will vary depending on your own personal circumstances. You can evaluate the different plans through the Array platform once you are enrolled. All the rates are the same as what you would get on your own directly from the insurance providers.

- 3) What are the benefit classes?

For purposes of the benefit classes a spouse will be called a dependent. The classes are:

Full Time (21 or more hours per week average)

FT Individual (\$200/month benefit)

FT Individual + 1 Dependent (\$400/month benefit)

FT Individual + 2 or more Dependent(s) (\$600/month benefit)

Part Time (20 or less hours per week average)

PT Individual (\$100/month benefit)

PT Individual + 1 Dependent (\$200/month benefit)

PT Individual + 2 or more Dependent (s) (\$300/month benefit)

- 4) How is full time versus part time determined?

We are going to take a 3 month average of your weekly hours worked to determine if you are working more or less than 20 hours per week, putting you in the full time or part time class.

- 5) I pay \$250/month for an individual plan, how will that work?

If you are in the FT Individual benefit class, you will be able to use the \$200/month in the HRA account to pay for \$200 of your premium. The other \$50/month would be deducted post-tax from your paycheck.

- 6) Can I use my HRA contribution for COBRA premiums from a previous employer?

Yes, you just need to submit your COBRA bill to Array for reimbursement. The money will be reimbursed to you in your paycheck.

7) What are the medical expenses available for reimbursement?

The HRA reimburses for many medical expenses beyond individual health insurance premiums, such as co-payments, prescriptions or dental expenses. A list of HRA eligible medical expenses can be emailed to you upon request.

8) How do the medical expense reimbursements work?

You will submit an HRA claim form to Array. Array notifies Murphy & Associates that a reimbursement claim has been filed and how much should be reimbursed from your HRA account. Murphy & Associates will include that reimbursement in your next paycheck.

9) Do I need to wait until I have funds available in my account before I can submit claims?

No, you can submit claims even when you do not have funds available. Array will hold your reimbursement until funds become available in your account to cover the expense.

10) Is there any cutoff date to submit claims from a prior year?

Yes, there is a cutoff date. Claims must be submitted by March 31st following the close of the Plan Year in which the Health Care expense arose.

11) What else does Array do?

In addition to being the place you go to for medical expense reimbursements, the Array portal gives you visibility to your HRA account balances and history. It also has an online individual health insurance policy evaluation tool that will help you determine the best plan for you and your family, and then walks you through the application process. Finally, Array facilitates medical expense reimbursements and insurance premium aggregation so that Murphy & Associates can coordinate these payments through payroll.

12) What is in it for Array?

Murphy & Associates pays a monthly fee of \$8 to \$17/month per participant for your access to the Array site and the administration Array performs on the HRA accounts. This fee is paid solely by Murphy & Associates.

13) What happens to any left over money at the end of the calendar year?

If you have any money at the end of the calendar year, that money stays in your account. The end of a calendar year or plan year does not clear out your HRA account balance.

14) What happens if my assignment ends?

If your assignment ends you will be eligible for COBRA coverage under the HRA plan. By electing COBRA you will be given access to any money left over in your HRA account and Murphy & Associate will continue to make contributions on your behalf. However, you will be required to pay a monthly COBRA premium. This money is due to Murphy & Associates, but must be paid with post-tax dollars. This option makes sense if you have a large HRA account balance and some medical expenses to spend it on. If you chose not to elect COBRA then any remaining HRA money goes back to Murphy & Associates. Unfortunately this is an HRA requirement, and not something we can do differently.

15) Will I still be able to keep my individual plan if my assignment ends?

Yes. The individual policy is yours regardless of whether you remain with Murphy & Associates. When you leave Murphy & Associates you will be asked to change the billing address on your individual health insurance policy from Array to your home address if your individual policy was obtained through Array. You do not need to elect COBRA to keep your individual policy.

16) How do I opt out?

You will complete an HRA Waiver form upon employment.

17) If I opt out now can I come back in later?

You will be eligible for the plan in the next enrollment period. The enrollment period takes place in December.

18) If I participate now, can I drop the HRA plan later?

Once you choose to participate in the HRA plan, you will remain a participant for the duration of the plan year (same as calendar year) unless your assignment ends and you are no longer an employee of Murphy & Associates.