2025 DEDUCTIBLE REIMBURSEMENT GUIDE

A guide to Homes for Good's deductible reimbursement benefit

DEDUCTIBLE REIMBURSEMENT

Your deductible is the amount you pay for covered health care services before your insurance plan starts to pay. Using our Regence High Deductible Health Plan as an example, with a $1,700 deductible, an individual will pay the first $1,700 of covered services before the plan starts to pay.

In an effort to offer our employees quality and comprehensive health coverage, Homes for Good reimburses employees for 100% of their annual deductible each year (prorated for months on the plan).

If you chose to enroll in our High Deductible Health Plan (HDHP) through Regence Blue Cross Blue Shield of Oregon, this guide will help you to determine which method of deductible reimbursement best suits your needs.

Please note that if you chose the Kaiser HMO Copay plan during Open Enrollment, you do not qualify for deductible reimbursement as the plan does not have a deductible. However, you are eligible to participate in our FSA to maximize your take-home income.

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Option 1 - Health Savings Account (HSA)

A health savings account is a financial product that allows you to set aside money on a pre-tax basis to pay for qualified medical expenses. By using untaxed dollars in an HSA to pay for deductibles, copayments, coinsurance and other expenses, employees can lower their overall health care costs.

Homes for Good funds an HSA for eligible employees who elect the Regence BCBS plan for 100% of the plan's deductible ($1,700 for an individual, $3,400 for a family). Funding is prorated based on months on the plan and is paid monthly on the first of each month via a Mastercard administered by Optum Bank.

You can also defer money pre-tax in addition to the Agency contribution, up to the annual limit set by the IRS.

2025 IRS limits are $4,300 for an individual and $8,550 for a family. Individuals 55 or older can contribute an extra $1,000 annually as catch-up contributions.

HSAs can be used to pay for qualifying medical expenses. These are also set by the IRS. See IRS Publication 502 for more information about qualifying medical expenses.

Not everyone is eligible to participate in an HSA. HSAs are designed to supplement HDHP. If you are covered under a plan that is not a HDHP, you will not be eligible to participate in the HSA. For example, if your spouse's employer's plan is not a HDHP, and you are covered under that plan, you are not eligible to participate in the HSA. Employees who are covered by an entitlement heath plan like Medicare, Medicaid or Tricare are not eligible to participate in the HSA.

HSAs are one of the best tax savings investment tools available. They are often referred to a "triple-tax advantage." Your contributions are tax deductible, the money grows tax free, and qualified withdrawals are not taxed, provided they are used for qualifying medical expenses.

Option 2 - Health Reimbursement Arrangement (HRA)

Health Reimbursement Arrangements (HRAs) are employer-funded group health plans from which employees are reimbursed tax-free for qualified medical expenses up to a fixed dollar amount per year. Homes for Good will fund an HRA for employees who are not eligible to participate in the HSA. The difference between an HSA and HRA is that HSAs have a cash value and HRAs do not.

Most employer offered HRAs do not have a portability mechanism, meaning that when employees leave employment, the balance of the HRA is owned by the employer. Homes for Good HRA plan allows spend down after termination of employment. This means that although terminated employees won't continue to receive funding to their HRA, they can spend down the balance without forfeiting funds to the Agency.

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HRAs are entirely employer funded, which means that you won’t be able to defer your own wages to the HRA. An HRA is not an account. Employees cannot withdraw funds in advance and then use them to pay for medical expenses. Instead, they must incur the expense first, then have it reimbursed. Our HRA offers a debit card, which allows access to funds and reimbursement at the time of service.

The HRA is a great option for employees who don’t qualify for the HSA but still want to reap the benefit of paying for qualified medical expenses on a tax-free basis. In past years, Homes for Good has only allowed individuals covered under an entitlement health plan like Medicare, Medicaid or Tricare to participate in the HRA. Recently, we've opened up this benefit to allow a larger group of employees to enjoy the tax-free deductible reimbursement.

Our HRA is administered by PacificSource Administrators and can be used in conjunction with a Flexible Spending Account (FSA).

Option 3 - Taxable Wages

If you do not qualify for the HSA, you have the option to receive your deductible reimbursement via taxable wages. If you choose this method of deductible reimbursement, you will receive a separate paycheck each month for your monthly deductible reimbursement contribution, less mandatory withholdings (FICA, federal and state taxes).

This deposit will be made an or around the 10th of each month and a separate paystub will be provided to you.

By choosing to receive your deductible reimbursement in the form of taxable wages, you do not reap the benefit of participating in a tax advantage program when paying for medical expenses.

This option is only available to employees who do not qualify for the HSA.

What's Next?

If you signed up for the Regence HDHP, you will receive a form in BambooHR that will allow you to indicate the appropriate deductible reimbursement program.

If you elect the HRA, some additional enrollment paperwork will be required (HRA Enrollment Application). This form and the HRA application (if applicable) must be completed and turned in to HR by no later than November 30, 2024.

Please feel free to contact HR with any questions.

HSA vs HRA

	HRA	HSA
CONTROL	Owned by the employer	Owned by the employee
FUNDING	100% employer funded	Employer and/or employee funded
CONTRIBUTION LIMITS	Your annual deductible	For 2025, $4,300 for individual $8,550 for family
HEALTH PLAN ELIGIBILITY	Regence HDHP	Regence HDHP
CAN PARTICIPANTS INVEST FUNDS?	No	Yes

HELPFUL LINKS

More information about your options

IRS Publication 502 - Medical & Dental Expenses

IRS Publication 969 - HSAs and other Tax-favored Health Plans

Investopedia Article about Health Savings Accounts (HSA)

Investopedia Article about Health Reimbursement Arrangements (HRA)

Account Management

PacificSource Administrators

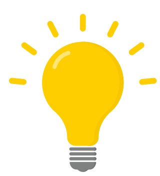
PacificSource HRA FAQs

Optum Bank

BambooHR Files

2024 HRA Plan Document

HRA Enrollment Application



See the next page for a visual that can help you determine which deductible reimbursement program is best for you!

WHICH METHOD IS RIGHT FOR YOU?

HOMES FOR GOOD
HOUSING AGENCY
75 YEARS