

## HRA Funding Sources

The **Gallagher HealthInvest HRA Plan** can provide lasting value and be a smart addition to any employee benefits package. In many cases, employers contribute funds that would otherwise be paid to employees as taxable income. The resulting payroll tax savings are a win-win.

HRA eligibility and funding sources are often the result of a group vote. Implementation is usually subject to employer policy or collective bargaining. IRS rules don't permit individual elections. All eligible employees must participate.

### Start with the basics.

Here are several of the most common HRA funding sources. This is where most groups get started.

- Sick leave, vacation, PTO cash outs (annually or upon separation or retirement)
- Mandatory employee contributions (group salary reduction)
- COLAs or pay raises
- Direct employer contributions (to offset higher medical deductibles, copays, etc.)
- Excess or leftover benefit dollars

### Then, get creative.

As healthcare costs go up, many groups are looking for ways to funnel more dollars into their HRAs. For example, HRA contributions triggered by voluntary employee actions, like those listed below, provide added benefit and can help drive positive outcomes. Contributions can be made monthly, annually, or as one-time incentives.

- Enroll in lower-cost medical plan
- Opt out of employer-sponsored medical plan
- Participate in wellness plan activities
- Retire

You may have a few creative ideas of your own. Give your local Gallagher representative a call. He or she will be happy to chat about getting the most out of your HealthInvest HRA Plan benefit.

### Want to learn more?

Connect with a Gallagher consultant today.

1-800-888-8322

(509) 838-5571

[HealthInvestHRA.com](https://www.gallagher.com/HealthInvestHRA.com)