



HealthInvest
HRA

Gallagher HealthInvest HRA is a great way to save up for out-of-pocket medical expenses, including retiree insurance premiums. It's easy to use, and it helps you pay less in taxes.



Health Reimbursement Arrangement

A health reimbursement arrangement (HRA) is a **tax-free savings account** for health care. This valuable employee benefit is funded with contributions from your employer. It's easy to use, and it's a smart way to save up for future out-of-pocket **medical, dental, and vision bills**, including **retiree insurance premiums**.

Most HRAs allow you to submit claims and begin using your funds after you separate from service or retire (vesting may apply). These are “**post-separation**” HRAs. HRAs that allow you to submit claims while you're still working are “**in-service**” HRAs. In-service HRAs are much less common.

Once claims eligible, your HRA covers you, your spouse, and dependents, including your young adult children through the end of the calendar year in which they turn age 26.

How It Helps

The HealthInvest HRA Plan helps put you in control of your healthcare expenses. Many participants use their HRAs during retirement to reimburse **retiree insurance premiums** and the cost of medical items and services they might not be able to afford otherwise. This includes things like **power chairs, hearing aids, expensive vision and dental care, and emergency medical bills**.

If you have an “in-service” HRA, you can save it up for retirement or use it now to help cover the cost of current expenses, such as **doctor visits, prescriptions, new glasses or contacts, and braces for your kids**.

Gallagher is one of the nation's leading developers of health reimbursement arrangement (HRA) platforms. It all started 40 years ago when a retired school administrator expressed concern over the growing cost of his retiree medical insurance. This led to our development of the nation's first multiple-employer HRA program for public employees. Today, we serve 250,000 HRA participants from 1,300 employers.

More Information

1-844-342-5505
[HealthInvestHRA.com](https://www.healthinvesthra.com)

How It Works

1. Your employer **sends tax-free money** to your HRA¹. Often, these funds would have otherwise been paid to you as taxable income. In other words, you're exchanging taxable income for tax-free money in your HRA—a *much better deal!* Your employer might also contribute funds in place of some other tax-free employee benefit.
2. You choose how you want to **invest your HRA funds** using the available fund lineup.
3. You can **use your HRA funds** after you separate from service or retire². As mentioned earlier, some HRAs can also be used during employment, but this is rare.

HRA eligibility and funding are usually subject to collective bargaining or employer policy. Check with your employer or employee group leadership if you need to know more about your group's participation.

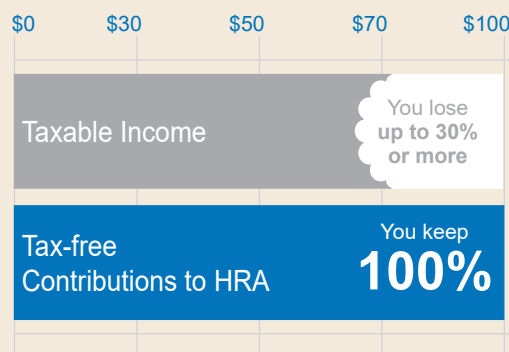
Best Tax Advantage

With an HRA, you get “triple” tax savings.

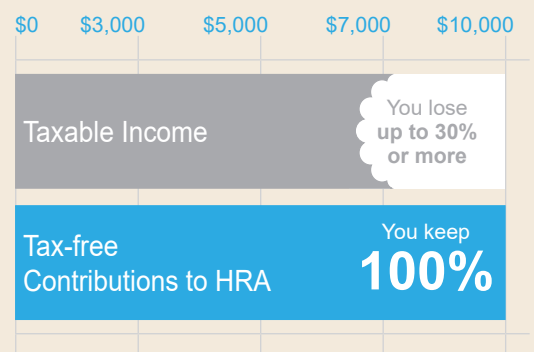
- No taxes on **employer contributions**;
- No taxes on **investment earnings** (if any); and
- No taxes on **withdrawals** (claims).

Tax free is the best possible tax advantage—even *better than tax deferred 457, 403(b), and 401(k) plans with taxable withdrawals*. You might save up to 30% or more, depending on your individual tax situation. With no tax bite, you get to keep a lot more for yourself! Tax savings includes state income tax, federal income tax, and FICA taxes (Social Security and Medicare).

\$100 Monthly Contribution Example



\$10,000 Lump-sum Contribution Example



¹ Your HRA funds may be held in a voluntary employees' beneficiary association (VEBA) trust, IRC Section 115 trust, or a combination of both, depending on your HRA plan design. VEBAs are authorized under IRC Section 501(c)(9). The term “VEBA” is sometimes used when referring to health plans that reimburse out-of-pocket medical care expenses and premiums. These plans are actually HRAs, as defined by the IRS. ² Many HRAs are subject to vesting, post-separation claims eligibility only, or other limitations depending on your employer's plan design or any limited HRA coverage elections you may make.

Comes through in a pinch...

"I didn't I didn't have enough money to purchase my contact lenses and my prescription medication. I was able to use my HRA money. What a relief!"

More Information

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Investment Options

You get to choose from a menu of available investment funds, kind of like your deferred compensation or similar retirement plan. Changes are allowed once per calendar month.

More information about your plan's investment fund lineup is available after logging in online or upon request. You should consult with a financial advisor and carefully read the fund fact sheets and prospectuses before making investment decisions.

HRA Advantages

HRAs have several advantages compared to **health savings accounts (HSAs)** and **flexible spending accounts (FSAs)**.

1. Your HRA **does not require coverage under a high-deductible health plan (HDHP)**. You can enroll in the medical plan of your choice.
2. Your HRA **covers retiree medical premiums before and after age 65**, including Medicare Part B, Part D, and supplement premiums.
3. There are **no annual use-or-lose or carryover limits** to worry about. All unused HRA funds roll over from year to year.
4. There are **no IRS contribution limits**. Contributions are usually determined by collective bargaining or employer policy.

Helps reduce financial stress...

"My HRA is paying my monthly medical premium, so that takes a huge burden off the financial expenses."



More Information

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Makes life better...

“Was able to get hearing aids and have astigmatism in one eye repaired because of my HRA.”



Medical Care Expenses

Qualified “medical care” expenses and premiums are defined in Section 213(d) of the Internal Revenue Code. Several common examples are listed below. There are hundreds more.

Expenses

Copays	Laser eye surgery
Deductibles	Eye glasses
Prescriptions	Contacts
Preventative care	Hearing aids
Chiropractic	Physical therapy
Dental care	CPAP machines
Orthodontia	Insulin
Vision exams	Emergency services

Premiums

Retiree medical, dental, vision
Qualified long-term care
(subject to IRS limits)
Medicare Part B
Medicare Part D
Medicare supplement plans
TRICARE medical and dental

For a more detailed list, log in at HealthInvestHRA.com and click **Resources**.

Survivor Benefit

If you pass away, your surviving spouse and qualified dependents may continue using remaining funds to reimburse their eligible medical care expenses and premiums on a tax-free basis.

In the unlikely event you pass away with no eligible survivors, the executor or other representative of your estate can spend down your account by filing claims for any unreimbursed medical care expenses you may have incurred prior to your death. Remaining fund, if any, after all final claims have been reimbursed would then be forfeited and re-contributed per the terms of the HealthInvest HRA Plan document or otherwise applied as directed by your employer. IRS Revenue Ruling 2006-36 does not permit the payment of benefits to non-dependent heirs.

More Information

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Common HRA Funding Sources

In many cases, your employer will contribute certain funds that would otherwise be paid to you as taxable income. Your employer may also provide contributions in connection with its own creative employee benefits goals and initiatives. Several of the most common types of HRA funding sources are listed below.

- Unused leave cash-outs (annually, at separation, or retirement)
- Mandatory employee contributions (group salary reduction)
- Direct employer contributions (to help offset increased medical costs for employees)
- Excess or leftover benefit dollars
- Financial incentive to:
 - Enroll in lower-cost medical plan
 - Opt out of employer-sponsored medical plan
 - Participate in wellness plan activities
 - Retire early

Eligibility and funding sources are usually defined in writing within collective bargaining agreements, employer policies, etc. Check with your employer, union, or employee group leadership if you have questions about what HRA funding sources may apply to you. Keep in mind that IRS rules do not permit individual elections. All employee group members defined as eligible must participate.

Enrollment Process

When you become eligible to participate, your employer will usually enroll you automatically. We will send a welcome packet to you after your enrollment is complete and we have received a contribution from your employer. Your welcome packet will contain your account number, claims-eligibility status, investment allocation, and online registration instructions. **Your account balance will be invested in your plan's default investment fund until you make a change.** You can view available fund options and easily change your investment allocation online or from our mobile app, HRAgo®.



Quick and easy claims process...

"I was amazed at the quick processing of my claim. Thank you for keeping it simple."



More Information

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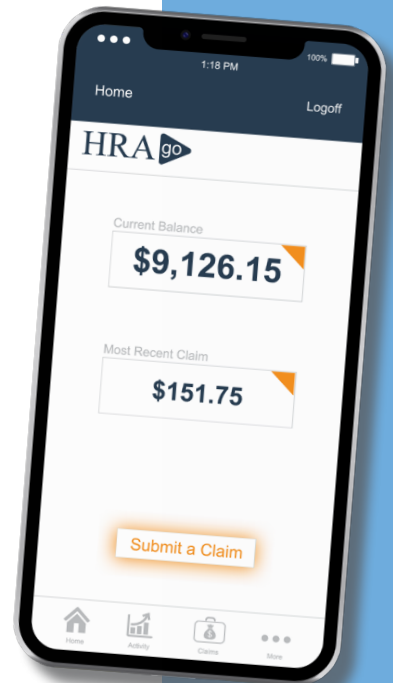
Using Your HRA

Managing and using your HRA is now easier than ever! We provide an effortless online experience and several convenient services.

- Handy mobile app, **HRAgo®**
- Convenient **debit card** (if available under your plan)
- Easy **online and mobile** claims submission
- Fast **direct deposit** for claim reimbursements
- Automatic **premium reimbursements** for retirees
- Secure quarterly **e-statements**

Ready to file a claim? Log in online and click **Claims**, or do it “on the go” with our mobile app, **HRAgo**. With HRAgo, you can quickly snap pics of supporting documentation and submit claims right from your mobile device. We'll process your claim in about five to seven business days.

Are you a retiree? We can automatically reimburse your monthly insurance premiums, including Medicare premiums. Just log in online, click **Claims**, and then click the **Set up an Automatic Premium Reimbursement** button.



Personalized Customer Care

We work hard to provide you with top-notch service. If you get stuck or have a question, our friendly customer care team is ready to help Monday through Friday from 6:00 a.m. to 5:00 p.m. Pacific Time. Just call **1-844-342-5505**. Live representatives answer 98% of all phone calls **within 30 seconds**. We're here to take good care of you and your family!

Fees

Your HRA is a group health plan. Plan administrative fees usually include a flat monthly account fee and/or an asset-based percentage fee. Fee structures vary by employer based on plan design and size. Check with your HealthInvest HRA representative or your employer if you want to confirm account fees. If you are already an enrolled participant, plan administrative fees are listed on your account statements under **Important Notes** or can be found online after logging in at **HealthInvestHRA.com** and clicking **Resources**.

To the extent permitted or required by law, certain fees, assessments, or other amounts payable to the federal government may also be deducted from your account.

Investment fund manager fees and other fund expenses vary by fund. To view these fees, refer to the **Investment Fund Overview** for your employer's plan. You can get the most current Investment Fund Overview upon request or online after logging in at **HealthInvestHRA.com** and clicking **Resources**.



Handy mobile app...

"I like being able to take pictures of documents with my phone and sending them to you when I make a claim."



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Gallagher HealthInvest HRA Customer Care Center

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Download our mobile app, HRAgo®, today!

Plan Adoption and Implementation Support

We are ready to help whether you're looking to adopt and implement or simply expand your current funding sources. Personalized support for decision makers and stakeholders is available. Get started today! Contact your Gallagher representative, call our Spokane office at **1-800-888-8322**, or visit **HealthInvestHRA.com** and click **Plan Adoption & New Funding**.

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