UnitedHealthcare HRA with Retiree Savings
A Health Care Savings Solution for Active Employees and Retirees
As an employer, you have felt the effects of the rapid rise in health care spending. The trend is expected to continue. In fact, health care spending in the United States is projected to reach an estimated $4.2 trillion by 2016.¹

You need to manage your employee and retiree health care obligations along with escalating costs. Your employees need a savings strategy that will take them through retirement.

UnitedHealthcare’s HRA with Retiree Savings is one consumer-driven solution that can meet both needs.

**What is HRA with Retiree Savings?**

HRA with Retiree Savings elevates the role of the health reimbursement account (HRA) from a spending account to a valued savings account. It pairs an HRA with a retiree reimbursement account (RRA) to offset both active and retiree health care expenses.

This innovative approach provides a HRA and a RRA to fund retirement expenses in the future. The concept is to encourage actively managing HRA funds each year to allow maximum RRA balance growth for the future.

**How does it work?**

1. Each year, you, as the employer, make contributions to the active employee’s HRA.
2. At the end of the plan year, all unused HRA balances are automatically allocated to the employee’s RRA.
3. The RRA balance grows.
4. The employee meets the employer-defined RRA eligibility requirements.
5. Upon meeting RRA eligibility requirements, the HRA account is closed.
6. HRA balance is then allocated to the now-active RRA.

---

**Participant submits claim for deductible expense**

- Participant pays 50%
- HRA reimburses 50%
- **RRA, when active, pays 100% of any expense type submitted**
Understanding the RRA

An RRA is designed to give you the ability to manage long-term retiree health care risks for retirees while helping reduce employer costs and administration time.

The RRA provides flexibility in the level and frequency of financial support. With HRA with Retiree Savings, annual remaining HRA balances are allocated to the RRA. As that balance grows, you can also choose to fund through monthly or annual fixed dollar contributions or a single one-time lump sum credit at retirement.

A way for employers to fund a retiree health care strategy

• Offers notional employer contributions to the HRA and RRA that are accounted for as credits. Funds are not deposited or held in the account until qualified expenses are cashed.
• Features automatic premium reimbursement that eliminates claims forms and receipts
• Provides recordkeeping and administrative services for you and your retirees
• Helps retirees manage their out-of-pocket Medicare expenses
• Allows for integration with UnitedHealthcare Medicare products
• Includes Web capabilities for your retirees that are designed to be easy-to-use

The RRA can be used to pay for eligible expenses, including premium reimbursement for Medicare supplement, Medicare Advantage and Medicare Part D Prescription Drug plans.

Plan Design Features

HRA with Retiree Savings is offered with a medical plan that features:
• A minimum $1,000 deductible
• Less than 100% coinsurance with office copayments
• Manual claims submission by the participant to the HRA or RRA
  – HRA pays 50% of each claim up to plan deductible (called Shared HRA)
  – RRA, when active, pays 100% of each claim
• A combination to create an optimal consumer design, focusing on increased employee engagement, now and for the future
Benefits for Employers
• Elevates the HRA from a spending account to a savings vehicle with long-term value for employees.
• Offers employers an effective way to manage health care costs and provide a way to fund a retirement strategy.
• Increases effectiveness of incentives programs by allowing those dollars to fund the HRA or RRA.
• Opportunity to elect vesting of RRA balances to incent long-term employment.
• Fully compatible with a Flexible Spending Account.
• Financial Accounting Standards Board (FASB) and/or Governmental Accounting Standards Board (GASB) rules are applicable when implementing HRA with Retiree Savings.

Benefits for Employees
• Encourages employees to carefully manage their HRA funds so they can save for future retiree expenses.
• Provides immediate protection with the HRA for unexpected health care needs and 100 percent coverage for network preventive care.
• Employees can choose when or if their HRA funds are used by controlling when claims are submitted.
• Allows for tax-free HRA and RRA reimbursement when used for qualified health care expenses.
• Provides survivor protection if the participant dies after meeting the retiree account eligibility requirement.
• Includes access to tools and resources found on myuhc.com® to help plan for current and future health care needs.

Support Services
UnitedHealthcare supports you with a range of tools and services. Access these resources to streamline and enhance your HRA with Retiree Savings offering.

Communication Resource Center
A toolkit to support your HRA strategy
• HRA User Guide
• Employee Welcome Kit
• Webinars
• Self-paced tutorials
• “People like me” profiles showing how HRAs support consumer-driven health plans
• Newsletters
• Web messaging
• Suite of customizable employee education materials

Employer eServices®
An online real-time management system
• Manage transactions, eligibility information and more
• Access benefit costs to help you make more-informed decisions
• Receive electronic invoices
• Establish automated online payments
• Track and view payment history

Ready to learn more?
Contact your UnitedHealthcare representative. Visit www.uhc.com/retiree to learn about UnitedHealthcare retiree health care options and how the RRA can be used to fund them.

Reference

Not for distribution to retirees or beneficiaries.
Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Administrative services provided by United HealthCare Services, Inc. or their affiliates.
The UnitedHealthcare plan with Health Reimbursement Account (HRA) combines the flexibility of a medical benefit plan with an employer-funded reimbursement account.

©2013 United HealthCare Services, Inc.
UHCEW639730-000

5/13