

Small Nonprofit Becomes Employer with Benefits

Solution Focus

Benefit: QSEHRA
Industry: Social Sciences
Region/State: Wisconsin, Minnesota & Colorado

Summary of Benefits:

- Affordable coverage for small staff
- Seamless on boarding process
- Dependable education support

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- Leslie

QSEHRA Delivers Flexibility for Multi-State Employees

A small nonprofit involved in economic research for socially forward programs added employees for the first time in 2021. Leaders knew that health care benefits are important, but they were concerned about costs as well as taking on too much in a brand new HR role. To explore options, this nonprofit relied on what it does best: research.

“Our new accounting firm referred us to Benafica,” said Leslie, who has taken on human resources responsibilities for the new team. “We had already decided that going with a QSEHRA was the best route, but we didn’t know a lot about it. It turns out that it’s exactly what Benafica suggested for us.”

A Qualified Small Employer Health Reimbursement Arrangement allows small employers flexibility to provide non-taxed reimbursement of certain health care expenses to their employees, such as health insurance premiums, co-pays and other expenses. QSEHRAs allow an annual maximum employer contribution as set by the IRS.

Employees pay their insurance company and providers for health care costs, and those costs can be reimbursed as a benefit by the employer. The employer contributes to the QSEHRA monthly, and the benefit amount accrues in each employee’s HRA account. Once the benefit becomes available, employees can request reimbursements at any time during the contract period.

Benafica administers the program, making it seamless for both the employer and the employee. The ease of administration was important for Leslie in her new role, she said.

The nonprofit had employees starting on different dates, which affects the start date of benefits and timing for reimbursements. Getting questions answered quickly and using resources such as pre-written, employee-directed emails supported communication for the nonprofit during a busy time. “There was a structure in place for us to follow, so it wasn’t just up to me to explain the benefits to the staff,” Leslie said.

Personal benefit health counselors can help employees select health insurance plans or help them understand how the benefit could apply to their existing health plan.

By defining the benefit available to employees through a QSEHRA, this nonprofit organization is able to budget and scale the benefit for any future employees. Leslie is also thinking about how a QSEHRA could work for a second nonprofit organization that she supports. That organization plans to add staff in 2022.

Questions?

Learn more about Health Reimbursement Arrangements. There is more than one solution to fit your organization. Our team provides superior customer service, education to employers and employees, and ease of administration with our proprietary software. If you would like to learn more about our HRA services, feel free to contact Benafica today.

 info@Benafica.com

 651.287.3253

 [Benafica.com](https://www.Benafica.com)