

HRAs May Cause Retirees to be Ineligible for Exchange Subsidies

September 26, 2013

The IRS has clarified that a retiree covered by a standalone health reimbursement arrangement (HRA) will not be eligible for a premium tax credit under the Affordable Care Act to purchase coverage through an exchange. The HRA would constitute minimum essential coverage for any month in which there is an available amount in the HRA, even after the employer has stopped contributing to the HRA. IRS Notice 2013-54 can be found [here](#).