



Introducing a 401(k)-style health benefit that's both simple and smart.



It's called an ICHRA. Simply put, it's a group health benefit based on a pre-determined contribution that gives individuals choice and employers flexibility. Now employers can build a health benefit package around a set dollar amount. It also gives employees the ability to choose the best-fitting individual health coverage from all plans available in their area. **Think of it like a 401(k).**

401(k)

An employer contributes pre-tax funds towards the employee's investment account, providing a vehicle to easily save for the future.

Employees can add their own pre-tax money, choose the investment plan options based on personal goals and have an incentive to save for retirement.

ICHRA

An employer sets a contribution amount and provides pre-tax funds the employees can use to help purchase individual health insurance.

Employees choose their individual health plan adding their own pre-tax money (if necessary) and have an incentive to engage in their health.

How is this made possible?

Individual Coverage Health Reimbursement Arrangements (ICHRA) are made possible by a federal regulation that expands the usability of Health Reimbursement Arrangements (HRAs).

Now employers can use pre-tax dollars to create a group health plan that pays for part or all of an employee's individual health plan premium.

With a defined contribution approach, you are building your health benefits package around a set dollar amount, not around a set of coverages – and Nexben's ICHRA marketplace makes it simple.

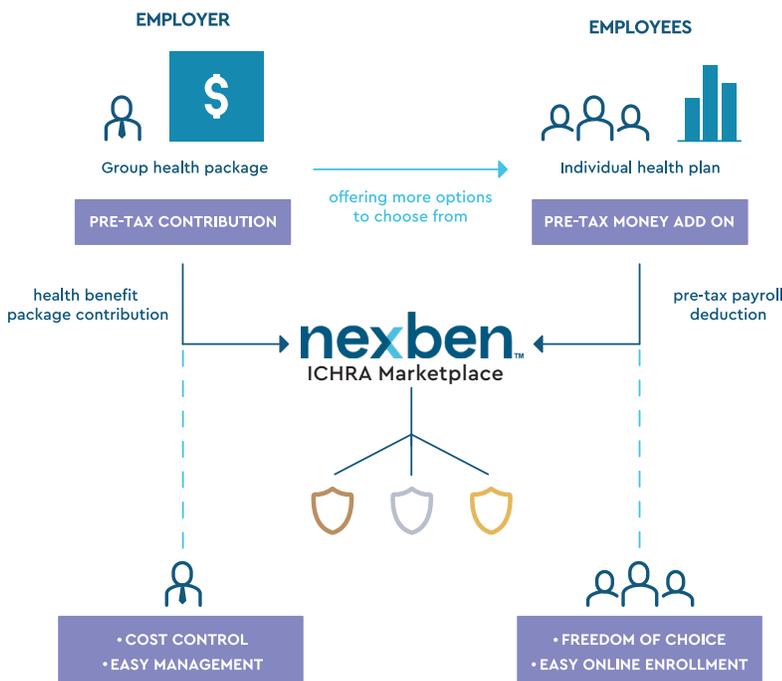
ICHRA: an alternative to consider

When the defined contribution 401(k) appeared on the retirement scene in the early 1980s, employers embraced it as a way to replace or supplement traditional defined benefit pensions (characterized by their often higher costs, unpredictable expenses, and limited employee choice). With an ICHRA, you can embrace the defined contribution approach with another employee benefit: health insurance.

Defined contribution health benefits offer an alternative to the traditional defined benefit group health benefits and open the doors to the individual health insurance marketplace. This eliminates the guessing game around which plans will meet the needs of all your employees. Like 401(k) plans which offer a variety of investment options, an ICHRA provides employees with a vast array of carriers and plan design options to consider.

ICHRAs shift the choice and responsibility from the employer to the employee – it is the employee who determines where and how to spend the employer’s pre-determined contributions. Because of this, the decision-making is in the hands of the employee, which encourages them to be more informed health care consumers.

ICHRA, a 401(k)-style health benefit. How it works:



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COSTS Costs are predictable for you, as you have complete control over the pre-tax contribution amount.
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OPTIONS More options for your employees to select from, providing them freedom to shop the individual marketplace for coverage that better suits their needs.
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FREEDOM Employees can take the individual health insurance with them if they leave the company.
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BONUS If an employee doesn't buy insurance or doesn't use all the money, you get to keep it; there are also no plan participation minimums to worry about.

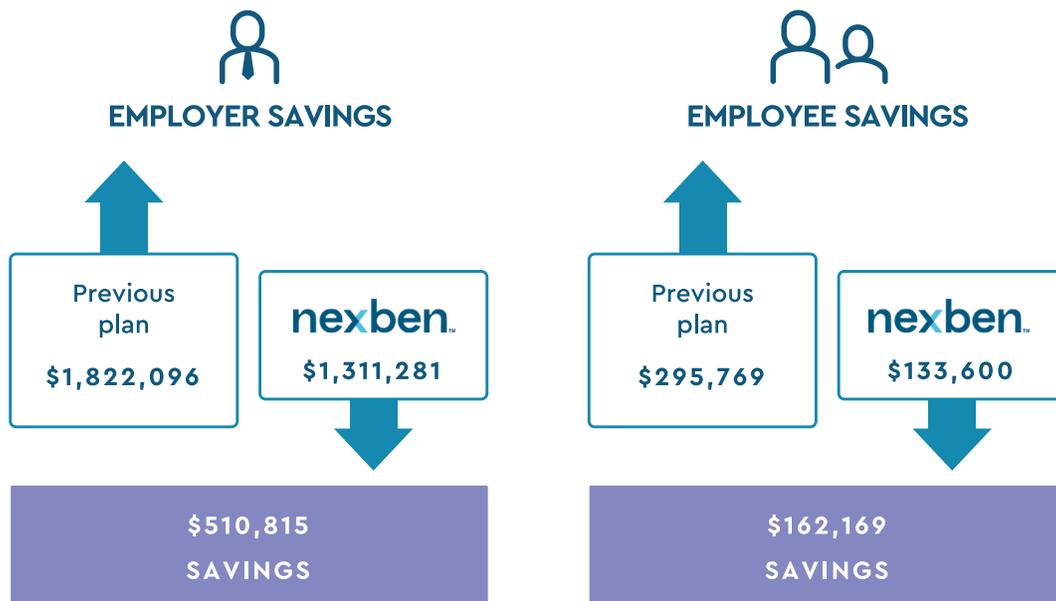
Cost savings for both you and your employees

Offering health care benefits is often seen as a cost of doing business and is critical in a competitive marketplace. It also helps attract and retain skilled talent and improve productivity.

Adopting a defined contribution approach does not necessarily mean greater cost shifting or changing the benefits offered to your employees. Rather, it is an opportunity to show employees exactly how much money the company will be contributing to their monthly health insurance premiums and offer them choice in how best to spend it – driving costs savings for you and your employees.

Nexben case study: ICHRA in action

A national* manufacturer, with nearly 300 eligible employees, offered Nexben’s ICHRA – a defined contribution approach to offering group health benefits. In comparison to the group plan offered last year, the company realized a **cost savings of nearly 30%**. Their employees also realized a cost savings of \$737 each annually, on average, a **45% reduction** from the previous year.



*Locations: AZ, FL, IA, MN, NC, SC, TX, WA
Source: Nexben Inc.

Thanks to Nexben and ICHRAs, offering health benefits is easy



ADOPT

You design the ICHRA, including identifying which employees are eligible and establish the pre-tax contribution amount. Different employee classifications can have different contribution amounts.



ENROLL

Your employees shop, compare, and self-enroll in the individual health plan that best fits their needs; eSignature protocol makes it easy to complete it online.



PAY

With a click of a key you approve and pay the monthly consolidated premium bill for all employee plans. Nexben directs the payments to each carrier directly based on the employee's individual plan selection.

Nexben's payment process – unmatched easiness!

With our ICHRA marketplace, you define the monthly pre-tax contribution allowance that will be available to each employee class. That amount will be applied directly to the monthly insurance premiums of the coverage selected by each individual employee; any remaining premium balance due will be taken care of via employee pre-tax payroll deduction. Nexben takes care of directing the premium payments to each carrier – no receipts to collect or reimbursement forms to approve!

Powered by Nexben – the most powerful benefits platform technology that offers a streamlined marketplace, intelligently designed to vastly improve the entire benefits experience.

Get started today!

Contact your broker or visit nexben.com to learn more.

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