

Standalone HRA Benefits Guide

Health Savings Accounts (HSA) are a smart way to save for medical expenses, now and in the future. In order to be eligible to make or receive contributions towards an HSA you must enroll in either the HSA 1500 or HSA 3000 medical plan. If you are also enrolled in Tricare, you will be ineligible for an HSA.

There is also a special rule if you receive medical care at the VA. If you use the VA for preventive care and/or medical treatment for a service connected disability only, you can contribute to an HSA. If you use the VA for any other kind of medical care (non-preventative care unrelated to a service connected disability), you are ineligible to contribute to an HSA for 3 months after each visit. For example, if you visit the VA in February for non-preventative care, you cannot contribute or receive contributions to your HSA until May.

If you enroll in a Cummins medical plan but are not eligible for an HSA, Cummins will establish a Standalone HRA for you instead. You will receive a Welcome Kit within 30 days after your Standalone HRA is established.

Here are some key features of the Standalone HRA:

Cummins puts money in the Standalone HRA for you. This amount is determined by your salary and coverage level. The annual funding will occur in early January and funds are available right away for you to use on any eligible healthcare expense incurred after your Standalone HRA account is established. If you are enrolled mid-year, the Cummins contribution is prorated based on the month you are hired or enroll.

Pre-tax employee contributions. You cannot make employee contributions to a Standalone HRA like you can an HSA.

However, you can use tax free dollars for your out of pocket expenses by contributing towards a Healthcare Flexible Savings Account (FSA). You can use your Healthcare FSA funds for eligible medical, dental, prescription, vision, and over the counter medications (with a doctor's prescription) for yourself and any of your tax eligible dependents.

Use funds to pay for eligible medical, dental, prescription and vision expenses. Funds in the Standalone HRA can be used for current or future health care expenses for yourself and your tax eligible dependents. The funds will reimburse you for such out of pocket expenses as deductibles, coinsurance, copays, and dental and vision expenses.

How to use your funds? If you are enrolled in Cummins medical and dental coverage, you will be automatically reimbursed for medical, dental, and prescription expenses. For all other reimbursements, you must submit a completed and signed Request for Reimbursement Form along with appropriate proof of purchase for each product or service listed on your form. You can access balance information, activity, and claim forms online by going to www.anthem.com and clicking on the "HRA" link on the "Plan Benefits" page.

It has a tax advantage. You are not taxed on the value of your Standalone HRA coverage or reimbursements that you may receive.

No "use it or lose it." Any funds left in the Standalone HRA at the end of the year roll over to the next year. Unlike the Flexible Spending Account (FSA), you don't have a deadline to spend all your Standalone HRA funds or lose them.

Take it with you. The Standalone HRA is yours to keep – even if you leave the Company or retire.

HRA