

Healthcare Reimbursement Arrangement (HRA)

_____ Baptist Church desires to provide medical care benefits relating to expenses not covered under a medical insurance policy.

Therefore, the church establishes a Health Reimbursement Arrangement (HRA) effective _____, 20____ for the benefit of all full-time employees (working at least 30 hours or more per week) and their dependents (employee's spouse and minor children) under Section 105(b), (e) of the Internal Revenue Code.

Health reimbursement accounts shall be maintained for each full-time employee from which covered expenses (as defined by Section 213 of the Internal Revenue Code and Revenue Ruling 2003-102) for the employee or their dependents shall be reimbursed. Church-funded reimbursements to an employee shall not exceed \$_____ during one calendar year. Church-funded reimbursements to an employee with dependents shall not exceed \$_____ during one calendar year.

The submission of medical expenses must be submitted on health care reimbursement claim form and in sufficient detail to meet the substantiation requirements. Expenses may be submitted until March 31 for the previous calendar year.

The plan shall be administered in a nondiscriminatory manner (as defined by Section 150(h) of the Internal Revenue Code) and shall remain in effect until modified or terminated a later resolution.

The plan shall reimburse former employees for medical care expenses up to an amount equal to the unused reimbursement amount remaining at retirement or other termination of employment, at the employer's option.