

Individual Coverage Health Reimbursement Arrangement (ICHRA)

Combined Plan Document & Summary Plan Description
Free template provided by Gabriel Care · gabrielcare.co/ichra

How to use this template: Replace every yellow blank with your own information, then sign and date it at the bottom. Keep the signed copy in your records and give the separate **Employee Notice** (the free CMS template at gabrielcare.co/ichra) to each employee at least 90 days before the plan year starts. This one document serves as both your written plan instrument (required by law) and your plain-English summary for employees. **Have a CPA or benefits attorney glance at it before you rely on it.**

1. PLAN IDENTIFICATION

This document is the written plan instrument and summary plan description for the [PLAN NAME, e.g. "Smith LLC Individual Coverage HRA"] (the "Plan"), an Individual Coverage Health Reimbursement Arrangement established by [EMPLOYER LEGAL NAME] (the "Employer" and "Plan Sponsor") under ERISA §402 and Internal Revenue Code §§105 and 106. It is intended to meet the integration rules of 26 CFR §54.9802-4.

- Plan Sponsor / Employer EIN: [EIN]
- Plan Number: [501 if this is your first welfare plan]
- Original Effective Date: [DATE]
- Plan Year: [START DATE] through [END DATE] (12 months)
- Type of Plan: Self-funded group health welfare plan (an HRA)

2. KEY DEFINITIONS

- **Eligible Employee** — an employee in a covered class (Section 3) who is enrolled in qualifying individual coverage.
- **Individual Health Insurance Coverage** — an individual ACA/Marketplace or qualifying off-exchange plan, or Medicare Part A&B or Part C. *(Short-term plans and dental/vision-only plans do NOT count.)*
- **Medical Care Expense** — an expense for medical care as defined in IRC §213(d), including individual insurance premiums.
- **Allowance** — the maximum monthly dollar amount the Plan will reimburse a participant.

3. WHO IS ELIGIBLE (CLASSES & COVERAGE REQUIREMENT)

An employee is eligible if they are in a covered class below **and** are enrolled — along with each covered dependent — in qualifying individual health insurance coverage for each month of HRA coverage. The Plan will not reimburse expenses for any month that coverage is not in force.

- Covered class(es): [e.g. "All full-time employees"]. *(Classes must come from the IRS's permitted list, such as full-time, part-time, seasonal, salaried, hourly, or rating-area. You may not invent your own classes.)*
- Waiting period for new hires: [0 to 90 days]
- Are spouses and dependents covered? [Yes / No]

Plain English: Everyone in the same class must be offered the Plan on the same terms. The big rule: a person only gets reimbursed for months they actually have their own individual insurance.

4. HOW MUCH IS REIMBURSED (ALLOWANCE)

The Plan provides each participant a maximum monthly Allowance to reimburse eligible Medical Care Expenses. Allowances may vary only by class and, within a class, only by the participant's age and number of covered dependents, consistent with 26 CFR §54.9802-4.

- Monthly Allowance per class: [\$ amount, e.g. "\$600/month"]
- Does the Allowance vary by age? [No / Yes] *(If yes, the oldest participant's allowance may not exceed 3× the youngest's — the "3:1" rule.)*
- Does it vary by number of dependents? [No / Yes]
- Do unused amounts carry over to the next month? [No / Yes]

- New participants joining mid-year: Allowance is prorated [Yes / No]

5. WHAT CAN & CAN'T BE REIMBURSED

Eligible expenses are Medical Care Expenses under IRC §213(d) that are incurred while the participant is covered. This Plan reimburses:

[choose: "individual insurance premiums only" OR "premiums plus other 213(d) medical expenses such as copays, labs, prescriptions, and clinical care

The Plan will **not** reimburse: expenses already paid by another plan; expenses incurred before coverage began or after it ended; and any non-medical or general-wellness portion of a service or membership.

6. PROOF YOU MUST PROVIDE (SUBSTANTIATION)

Before each plan year, and again with each reimbursement request, the participant must:

1. **Attest** that they and each covered dependent are (or will be) enrolled in qualifying individual coverage for the month(s) at issue; and
2. **Substantiate** each expense with a third-party document (such as an invoice, receipt, or Explanation of Benefits) showing the amount, the date incurred, and that it was a medical expense.

The Plan may rely on a participant's attestation unless the Plan Administrator has actual knowledge that it is false.

7. HOW TO SUBMIT A CLAIM (AND APPEAL A DENIAL)

Submit reimbursement requests with substantiation to the Plan Administrator (Section 10). Claims are decided within 30 days. If a claim is denied, the participant receives written notice with the reason and may appeal in writing within 180 days; the appeal will be decided within 60 days.

8. RIGHT TO OPT OUT

A participant may opt out of and waive future reimbursements at least once per plan year (and upon termination of employment). This matters because a participant who accepts an affordable HRA generally cannot also claim a Marketplace premium tax credit — opting out preserves that choice.

9. HOW THE PLAN IS FUNDED

The Plan is unfunded and pays benefits solely from the general assets of the Employer. There is no trust and no employee contributions. Reimbursements are paid only after a claim is approved.

10. WHO RUNS THE PLAN

- Plan Administrator & Named Fiduciary: [EMPLOYER NAME], who has authority to interpret the Plan, decide claims, and administer it.
- Address / phone: [ADDRESS, PHONE]
- Agent for service of legal process: [NAME — usually the Plan Administrator]

11. CHANGING OR ENDING THE PLAN

The Employer reserves the right to amend or terminate the Plan at any time by written action. Participants have no vested right to future Allowances.

12. PRIVACY OF HEALTH INFORMATION (HIPAA)

The Plan will use and disclose protected health information only as permitted by the HIPAA Privacy Rule and only as needed to administer the Plan. Information is shared with the Employer only in summary form or as otherwise allowed by law.

13. YOUR RIGHTS UNDER ERISA

Participants are entitled to certain rights under the Employee Retirement Income Security Act of 1974 (ERISA), including the right to receive Plan information, to a fair review of any denied claim, and to enforce these rights in federal court. Direct questions about this Plan to the Plan Administrator; questions about ERISA rights may also go to the nearest office of the U.S. Department of Labor, Employee Benefits Security Administration.

14. SEVERABILITY

If any provision of this Plan is found to be invalid, illegal, or unenforceable, the remaining provisions will remain in full force and effect to the maximum extent permitted by law.

15. GOVERNING LAW

This Plan is governed by ERISA and other applicable federal law. To the extent not preempted by federal law, the Plan is governed by the laws of [STATE], without regard to conflict-of-law rules.

Adopted by the Plan Sponsor:

Signature

Printed name & title

Date

IMPORTANT — NOT LEGAL, TAX, OR INSURANCE ADVICE. This template is provided by Gabriel Care for general informational and educational purposes only, as of June 23, 2026. It is a starting point, **NOT** legal, tax, accounting, or insurance advice, and using it does not create any advisory or fiduciary relationship. Gabriel Care and Gabriel Labs LLC are not a law firm, CPA, or licensed tax advisor and assume no liability for any action taken in reliance on this material. ERISA, IRS, and HRA rules change and depend on your specific facts and state. Before adopting, relying on, or distributing this plan document — and before treating any payment as tax-deductible or as a qualified §213(d) expense — you must have it reviewed by your own qualified ERISA/benefits attorney, CPA, or licensed benefits professional.