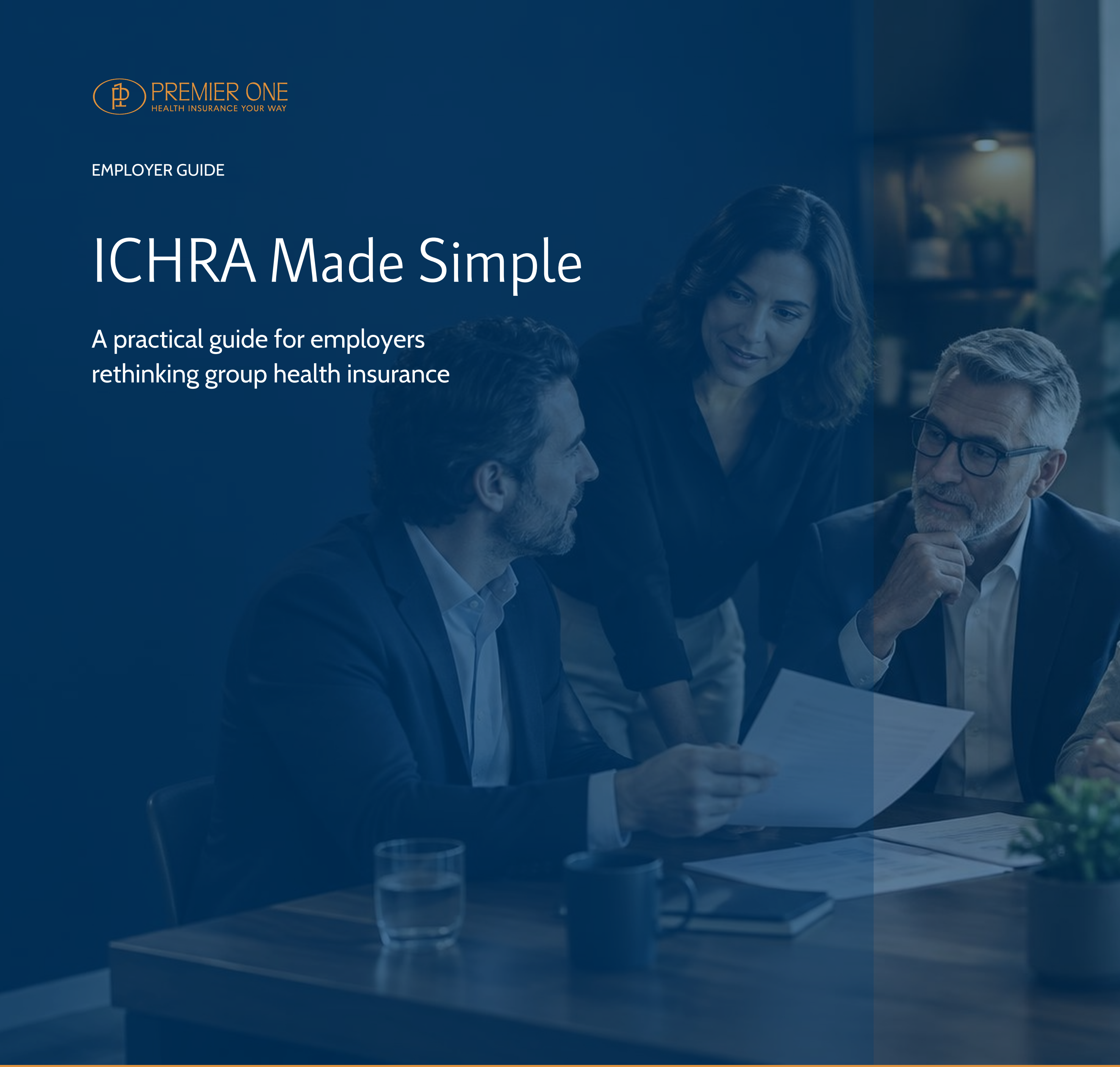
PREMIER ONE
HEALTH INSURANCE YOUR WAY

EMPLOYER GUIDE

ICHRA Made Simple

A practical guide for employers rethinking group health insurance



Understand how ICHRA works, what changes for employees, and how Premier One helps manage the process.

CONTROL THE CONTRIBUTION

Define what the company contributes.

GIVE EMPLOYEES MORE CHOICE

Employees choose qualifying coverage.

GET ADMINISTRATION SUPPORT

Keep notices, enrollment, and billing organized.

ICHRA administration experience since 2016 • Supporting employers across 30 states

WHY EMPLOYERS ARE LOOKING AGAIN

The group health question has changed

THE QUESTION BEHIND ICHRA

Why can't I just help pay for each employee's individual premium?

That question gets to the heart of ICHRA. Instead of choosing one group policy for everyone, an employer can set a defined allowance and eligible employees can use it toward qualifying individual coverage, as long as the ICHRA rules are followed.

01

DEFINED CONTRIBUTION

Employer sets the amount.

02

INDIVIDUAL CHOICE

Employees choose qualifying individual coverage.

03

STRUCTURED ADMINISTRATION

Notices, enrollment, and billing follow a defined process.

Many employers still want to offer meaningful health benefits. The challenge is finding an approach that gives the business more control while giving employees choices that fit different households and locations.

ICHRA is not automatically the right answer for every business. It is another way to structure health benefits, and it is worth understanding before your next renewal decision.

ICHRA IN PLAIN ENGLISH

What is an ICHRA?

ICHRA stands for Individual Coverage Health Reimbursement Arrangement. The employer sets an allowance, and eligible employees can be reimbursed for qualifying individual health insurance premiums and, if the plan allows, other qualified medical expenses.

EMPLOYER SPONSORS THE ICHRA

Establishes and funds the arrangement

EMPLOYER SETS THE ALLOWANCE

Defines amount and plan rules

EMPLOYEE CHOOSES COVERAGE

Selects qualifying individual coverage

COVERAGE IS VERIFIED

Eligibility and coverage are documented

ELIGIBLE EXPENSES ARE REIMBURSED

Under the terms of the plan

THREE THINGS TO REMEMBER

- ICHRA is a formal employer-sponsored group health plan, not simply extra cash.
- An ICHRA offer can change an employee's eligibility for Marketplace premium tax credits.
- Written plan terms, required notices, eligibility, and coverage substantiation must be handled correctly.
- Affordability matters for Marketplace premium tax credits. For applicable large employers, it also matters for compliance with the ACA employer mandate.

THE PRACTICAL DIFFERENCE

Group plan vs. ICHRA

The biggest shift is who makes which decision. With traditional group health, the employer generally chooses the group plan or plan menu. With ICHRA, the employer sets the contribution strategy while employees choose qualifying individual coverage available where they live.

	TRADITIONAL GROUP PLAN	ICHRA
COVERAGE CHOICE	Employer selects plan or menu	Employee selects qualifying individual coverage
EMPLOYER BUDGET	Often tied to plan and renewal pricing	Employer sets a defined allowance
EMPLOYEE FIT	Choice is limited to group options	Employee compares plans for household needs
GEOGRAPHY	Depends on carrier service area	Employee shops where they live
ADMINISTRATION	Group enrollment, billing, and renewals	Notices, substantiation, enrollment, and billing

> The employer controls the contribution.
> The employee controls the plan choice.

FIT MATTERS

Is ICHRA right for every employer?

No. ICHRA is a strategy, not a universal answer. The right decision depends on your workforce, individual plan availability where employees live, budget goals, the impact on Marketplace premium tax credits, and how the arrangement will be administered.

ICHRA MAY BE WORTH EXPLORING WHEN

- You want more control over the employer contribution
- Your employees have very different coverage needs
- You have a remote or multi-state workforce
- You want employees to have individual plan choice
- You are rethinking a difficult group renewal
- You want hands-on enrollment and administration support

QUESTIONS TO ANSWER FIRST

- How do the ICHRA affordability rules apply?
- How could the offer affect Marketplace premium tax credits?
- Which employee classes are permitted, and do minimum class-size rules apply?
- What individual plans are available where employees live?
- What employee notices are required, and when?
- How will annual and ongoing coverage substantiation be handled?

2026 AFFORDABILITY NOTE

For applicable large employers, the federal affordability percentage for 2026 is 9.96%. This percentage is adjusted annually.

Employers of any size may generally offer an ICHRA if they meet the federal rules. Start with the business problem: current costs, renewal changes, employee locations, Marketplace premium tax credit considerations, contribution goals, and the level of employee support needed.

How employers can structure an ICHRA

ICHRA gives employers flexibility to structure benefits around different parts of their workforce. Employers can offer an ICHRA to certain permitted employee classes while offering a different health benefits approach to other classes, as long as the applicable federal rules are followed.

PERMITTED EMPLOYEE CLASSES

Federal rules allow employers to distinguish between employees using defined classes such as:

- Full-time employees
- Part-time employees
- Salaried employees
- Non-salaried employees, such as hourly employees
- Employees in the same geographic rating area
- Seasonal employees
- Employees covered by a collective bargaining agreement
- Employees who have not satisfied a waiting period
- Nonresident aliens with no U.S.-based income
- Temporary employees of staffing firms
- Certain combinations of permitted classes

CONTRIBUTIONS CAN VARY, TOO

Within an employee class, employers generally must offer the ICHRA on the same terms. However, the amount available may vary based on an employee's age or number of dependents, subject to the applicable ICHRA rules.

AGE

Contribution amounts may increase with age within permitted limits.

FAMILY SIZE

Contribution amounts may increase based on the number of dependents.

CLASS-SIZE NOTE

Minimum class-size rules may apply when an employer offers a traditional group health plan to some employees and an ICHRA to others.

More flexibility. More control.

The ability to use permitted employee classes and contribution variations gives employers more ways to structure benefits around their workforce and budget.

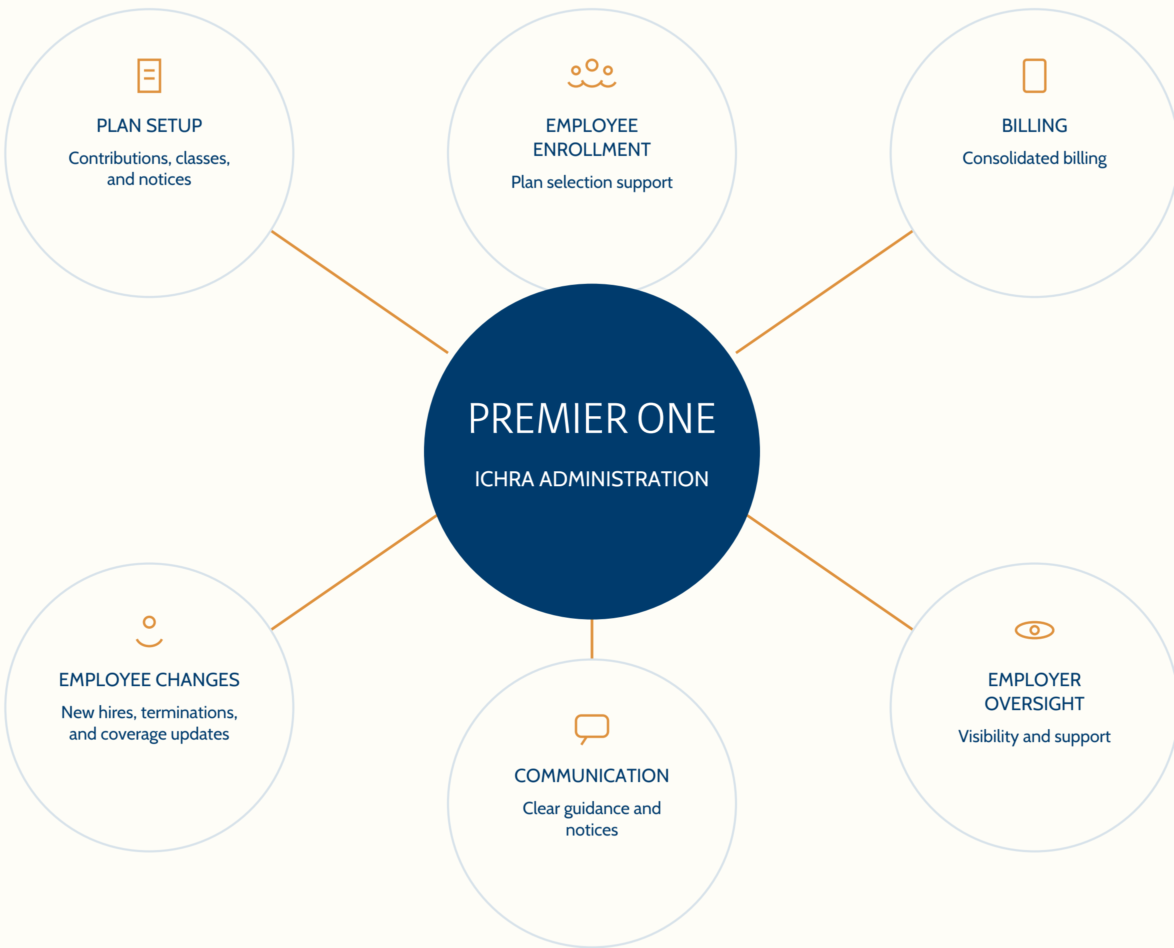
WHERE ADMINISTRATION MATTERS

The Premier One advantage

Moving from a group plan to individual coverage does not remove the work. It changes the work. Premier One helps employers keep the process organized while supporting employees through enrollment and beyond.

Premier One has supported ICHRA administration since 2016, helping employers across 30 states navigate plan setup, employee enrollment, billing, and ongoing administration.

Coordinates the moving parts



One administrative partner. One coordinated experience.

Premier One connects plan setup, enrollment, billing, changes, and ongoing support.

FROM IDEA TO OPERATION

How the Premier One process works

Premier One's quoting and enrollment process gives employers a clear path from the first conversation through employee enrollment and ongoing administration.

1. **CONSULT** — Review workforce, renewal, budget, and goals
2. **INTAKE** — Gather census and coverage information
3. **QUOTE** — Build the contribution strategy and proposal
4. **ENROLL** — Support employees through plan selection
5. **ADMINISTER** — Manage billing, changes, and ongoing support

YOU PROVIDE

- Current renewal
- Employee census
- Employee locations
- Contribution goals

PREMIER ONE HANDLES

- Affordability and cost modeling
- Clear proposal and sample scenarios
- One-on-one employee enrollment
- Billing and ongoing administration

COMMON QUESTIONS

ICHRA questions employers usually ask

A few details matter. These are the questions to clarify early so employers and employees know what to expect.

01 / Is an ICHRA the same as giving employees extra cash?

No. It is a formal employer-funded group health plan with written plan terms, eligibility rules, substantiation requirements, and limits on what can be reimbursed.

02 / Can employees choose any kind of health plan?

No. Employees must be enrolled in qualifying individual health coverage, Medicare Parts A and B, or Medicare Advantage for each month they are covered by the ICHRA.

03 / Can employees still receive Marketplace premium tax credits?

Possibly. If the ICHRA is affordable, an employee generally cannot receive a premium tax credit. If it is unaffordable, the employee may qualify for a premium tax credit if the employee opts out and otherwise qualifies under Marketplace rules.

04 / Can an employer offer an ICHRA to some employees and a group plan to others?

Yes, in some cases. Federal rules allow employers to offer an ICHRA to certain permitted employee classes while offering a group plan to others. The same employee generally cannot be offered a choice between the two, and minimum class-size rules may apply.

05 / Is ICHRA only for small employers?

No. Employers of any size may generally offer an ICHRA. Applicable large employers should pay particular attention to affordability, offer design, and ACA reporting.

06 / Who helps employees choose coverage?

Premier One provides one-on-one enrollment support so employees can compare available plans, premiums, provider networks, and deductibles.

EMPLOYER READINESS CHECKLIST

Should ICHRA be part of your next benefits conversation?

You do not need to know whether ICHRA is the answer before you talk with us. This checklist helps you see whether it is worth comparing against your current approach.

- ☐ Are annual group health renewals making your benefits budget harder to predict?
- ☐ Do employees have very different family situations, provider needs, or locations?
- ☐ Would you rather define what the company contributes than select one plan for everyone?
- ☐ Do you have remote or multi-state employees who need access to local individual plan options?
- ☐ Are you concerned about carrier participation rules or limited group plan choices?
- ☐ Do you want employees to have more control over the plan they select?
- ☐ Would employees benefit from one-on-one enrollment guidance?
- ☐ Do you want a more centralized process for billing and ongoing administration?
- ☐ Are you prepared to review affordability, the impact on Marketplace premium tax credits, employee classes, and required notices?
- ☐ Is your current renewal a good time to compare another benefits model?

If several of these questions sound familiar,
it may be worth comparing an ICHRA approach with your current plan.

You do not need to decide today. You just need the comparison.

NEXT STEP

See what ICHRA could look like for your business

Bring your current renewal, employee census, work locations, and contribution goals. Premier One will help you compare the options and determine whether an ICHRA approach makes sense for your business.

01	02	03	04
CURRENT RENEWAL	EMPLOYEE CENSUS	WORK LOCATIONS	CONTRIBUTION GOALS

SCHEDULE A CONSULTATION

260-755-3585

Use your actual renewal and census to compare your options.

SCAN TO SCHEDULE

premieronetpa.com/schedule-consultation/

ABOUT PREMIER ONE

Premier One is a veteran-owned third-party administrator focused on making individual health coverage easier for employers to offer and manage.

Educational information only. Plan eligibility, affordability, and tax considerations vary by employer and plan year.

REFERENCES

Sources and important notes

Sources

01 Premier One
Employer materials and platform documentation.

02 HealthCare.gov
Individual Coverage Health Reimbursement Arrangements

03 U.S. Department of Labor
Individual Coverage HRA Model Notice

04 Internal Revenue Service
Health Reimbursement Arrangements (HRAs)

05 Internal Revenue Service
Revenue Procedure 2025-25 for the 2026 affordability percentage

Important note

This guide is for general educational purposes and is not legal, tax, accounting, or individualized benefits advice. Rules and annual standards can change. Employers should review plan design with qualified benefits, tax, and legal professionals before implementation.

KEEP THE CONVERSATION PRACTICAL

Use this guide to frame the conversation, then review your actual renewal, census, employee locations, and contribution goals with qualified advisors.