

Sample Employer Resolution for the Health Reimbursement Arrangement (HRA)

Action Item

Authorize the Administration to establish a trust based Health Reimbursement Arrangement (HRA) in the name of the Employer. This Plan will save the Employer payroll taxes.

Supporting Information

Master contract agreements with various Employee groups and Employer Policy currently provide payments to Employees and/or retirement incentives. Enhancements to the IRS Tax Code allow the Employer to implement plans that save the Employer the 7.65% FICA taxes (Social Security and Medicare) on these payments. The Employee/Retiree also derives a tax-advantage as a result of implementing this Plan.

Contributions by the Employer into the trust based Health Reimbursement Arrangement are discretionary and can be made in any amount at any time.

The Administration, in cooperation with Employee group representatives and with legal review, has selected the Health Reimbursement Arrangement offered through National Insurance Services and administered by MidAmerica Administrative & Retirement Solutions, Inc. The Plan and Plan Administration best provides for the interests of the Employer and its Employees. It is the intent of the Administration that if this item is approved, the Plan be implemented as soon as practical.



250 South Executive Dr., Suite 300, Brookfield, WI 53005-4273
262.785.9995 / (FAX) 262.785.9269 / 800.627.3660
www.nis-sif.com



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