

# Down to Earth Individual Coverage HRA Model Notice

January 22, 2025

You are getting this notice because your employer will be offering you an individual coverage health reimbursement arrangement (HRA) through SureCo's Enrollment Platform.

SureCo's Enrollment Platform provides employees with the ability to select and enroll in individually owned health insurance. Similar to a traditional group health plan, the cost of your individual health insurance is supplemented by your employer through monthly premium reimbursement facilitated through payroll. You will receive more details on the Platform and how to enroll in your health benefits prior to our open enrollment period beginning January 27, 2025.

Please read this notice before you decide whether to accept the HRA. In some circumstances, your decision could affect your eligibility for the premium tax credit. Accepting the individual coverage HRA and improperly claiming the premium tax credit could result in tax liability.

If you decline the HRA and purchase insurance through the Exchange (known in many states as the "Health Insurance Marketplace"), this notice also has important information that the Exchange will need to determine if you are eligible for advance payments of the premium tax credit. An Exchange operates in each state to help individuals and families shop for and enroll in individual health insurance coverage.

You may also need this notice to verify that you are eligible for a special enrollment period to enroll in individual health insurance coverage outside of the annual open enrollment period in the individual market.

## I. The Basics

### What should I do with this notice?

**Read this notice** to help you decide if you want to accept the HRA.

Also, **keep this notice** for your records. You'll need to refer to it if you decide to accept the HRA and enroll in individual health insurance coverage, or if you turn down the HRA and claim the premium tax credit on your federal income tax return.

### What's an individual coverage HRA?

An individual coverage HRA is an arrangement under which your employer reimburses you for your medical care expenses (and sometimes your family members' medical care expenses), up to a certain dollar amount for the plan year.

If you enroll in an individual coverage HRA, **you must also be enrolled in** individual health insurance coverage or Medicare Part A (Hospital Insurance) and B (Medical Insurance) or Medicare Part C (Medicare Advantage) (collectively referred to in this notice as Medicare) for each month you are covered by the HRA. If your family members are covered by the HRA, **they must also be enrolled in** individual health insurance coverage or Medicare for each month they are covered by the HRA.

You will be receiving an invitation to SureCo's Enrollment Platform for enrollment in your individual health insurance coverage. Along with this invitation, you will also be receiving information on which medical care expenses are reimbursed by the HRA.

The individual coverage HRA you are being offered is employer-sponsored health coverage. This is important to know if you apply for health insurance coverage on the Exchange.

**Note:** There are different kinds of HRAs. The HRA that's being referred to throughout this notice, and that your employer is offering you, is an **individual coverage HRA**. It is not a qualified small employer health reimbursement arrangement (QSEHRA) or any other type of HRA.

### **What are the basic terms of the individual coverage HRA that my employer is offering?**

With the implementation of the HRA, your employer will be offering reimbursement of a portion of your monthly premium.

The maximum dollar amounts available for individual health insurance monthly premium cost for each participant in the HRA is as follows:

See Exhibit A

Note that the self-only HRA amount available for the plan year is found under the employer monthly contribution column in the above table. The total amount for the year is the monthly employer contribution multiplied by 12 months.

If you decline the HRA and apply for individual health insurance coverage through the Exchange, this is the amount the Exchange will use to figure out if your HRA is considered affordable.

All legal spouse/domestic partners and legal dependents are not eligible for the HRA.

In general, your HRA coverage will start March 1, 2025. If you become eligible during the plan year, your HRA coverage will start after 30 days of employment and at the first day of the following month.

The HRA plan year begins on March 1, 2025 and ends on December 31, 2025.

Note: You will need this information if you decline and apply for health insurance coverage through the Exchange.

### **Can I opt out of the individual coverage HRA?**

Yes. You can opt out of the HRA for yourself (and your family members, if applicable). You will be provided the option to opt out through SureCo's Enrollment Platform during open enrollment.

Upon termination of employment you may opt out of the HRA or you may continue the HRA without the company's reimbursement of monthly contributions.

### **If I accept the individual coverage HRA do I need to be enrolled in other health coverage too?**

Yes. You (and your family members, if applicable) must be enrolled in individual health insurance coverage or Medicare for each month you (or your family members) are covered by the HRA. You may not enroll in short-term, limited-duration insurance or only in excepted benefits coverage (such as insurance that only provides benefits for dental and vision care) to meet this requirement.

## **II. Getting Individual Health Insurance Coverage**

### **How can I get individual health insurance coverage?**

If you already have individual health insurance coverage, you may change that coverage but do not need to in order to meet the HRA's health coverage requirement.

If you do not already have individual health insurance coverage, you may enroll for coverage through SureCo's Enrollment Platform.

If you are enrolled in Medicare Part A and B or Medicare Part C, your enrollment in Medicare will meet the HRA's health coverage requirement. For information on how to enroll in Medicare, visit [www.medicare.gov/sign-up-change-plans](http://www.medicare.gov/sign-up-change-plans).

### **When can I enroll in individual health insurance coverage?**

You will have the opportunity to enroll in your individual health insurance coverage through SureCo's Enrollment Platform during this year's open enrollment period beginning January 27, 2025 and ending February 4, 2025.

Generally, anyone can enroll in or change their individual health insurance coverage during the individual market's annual open enrollment period from November 1 through December 15. (Some state Exchanges may provide additional time to enroll.) If your individual coverage HRA starts on January 1, you (and your family members, if applicable), generally should enroll in individual health insurance coverage during open enrollment.

In certain circumstances, such as when your individual coverage HRA starts on a date other than January 1 or if you are newly hired during the HRA plan year, you (and your family members, if applicable) can enroll in individual health insurance coverage outside of open enrollment using a special enrollment period.

If you qualify for a special enrollment period, make sure you enroll on time:

- If you are newly eligible for HRA coverage that would start at the beginning of the HRA plan year, you generally need to enroll in individual health insurance coverage within the 60 days before the first day of the HRA plan year.
- If you are newly eligible for HRA coverage that would start mid-plan year (for example, because you are a new employee), you may enroll in individual health insurance coverage up to 60 days before the first day that your HRA can start or up to 60 days after this date. **Enroll in individual health insurance coverage as soon as possible** to get the most out of your individual coverage HRA.

**Note:** If you enroll in individual health insurance coverage through this special enrollment period, you may need to submit a copy of this notice to the Exchange or the insurance company to prove that you qualify to enroll outside of the open enrollment period. For more information on special enrollment periods, visit HealthCare.gov or the website for the Exchange in your state.

### **Do I need to get new individual health insurance coverage each year if I want to enroll in my individual coverage HRA each year?**

Yes. Individual health insurance coverage is typically sold for a 12-month period that is the same as the calendar year and ends on December 31. If your HRA starts on January 1, you will either need to get new individual health insurance coverage or re-enroll in your individual health insurance coverage. If your HRA has a plan year that starts on a day other than January 1, because your individual health insurance coverage will stay in effect until December 31, you do not need to get new individual health insurance coverage or re-enroll until the next open enrollment period.

If you are enrolled in Medicare, your Medicare coverage generally will remain in place year to year.

### **Do I need to substantiate my (and my family member's) enrollment in individual health insurance coverage or Medicare to the individual coverage HRA?**

Yes. You are required to substantiate that you (and your family members, if applicable) will be enrolled in individual health insurance coverage or Medicare for the period you will be covered by the HRA. Enrolling through SureCo's Enrollment Platform will automatically satisfy this substantiation process

while you are enrolled and actively employed by Down to Earth. If you are keeping current individual health insurance or do not enroll through SureCo's Enrollment Platform you will need to contact Human Resources and provide a letter of enrollment from your current individual health provider.

**What happens if I am (or one of my family members is) no longer enrolled in individual health insurance coverage or Medicare?**

If you (or a family member, if applicable) are no longer enrolled in individual health insurance coverage or Medicare, your employer will no longer provide the monthly employer contribution HRA.

Note: You must report to the HRA if your (or your family member's) individual health insurance coverage or Medicare has been terminated retroactively and the effective date of the termination.

**III. Information About the Premium Tax Credit**

**What is the premium tax credit?**

The premium tax credit is a tax credit that helps eligible individuals and their families pay their premiums for health insurance coverage purchased through the Exchange. The premium tax credit is not available for health insurance coverage purchased outside of the Exchange. Factors that affect premium tax credit eligibility include enrollment in Exchange coverage, eligibility for other types of coverage, and household income.

When you enroll in health insurance coverage through the Exchange, the Exchange will ask you about any coverage offered to you by your employer, including through an HRA. Your ability to claim the premium tax credit may be limited if your employer offers you coverage, including an HRA.

The Exchange also will determine whether you are eligible for advance payments of the premium tax credit, which are amounts paid directly to your insurance company to lower the cost of your premiums. For more information about the premium tax credit, including advance payments of the premium tax credit and premium tax credit eligibility requirements, see [irs.gov/aca](https://irs.gov/aca).

**If I accept the individual coverage HRA, can I claim the premium tax credit for my Exchange coverage?**

**No.** You may not claim the premium tax credit for your Exchange coverage for any month you are covered by the HRA. Also, you may not claim the premium tax credit for the Exchange coverage of any family members for any month they are covered by the HRA.

**If I opt out of the individual coverage HRA, can I claim the premium tax credit for my Exchange coverage?**

It depends.

- If you opt out of the HRA and the HRA is considered **unaffordable** you **may claim** the premium tax credit for yourself and any family members enrolled in Exchange coverage if you are otherwise eligible.
- If you opt out of the HRA and the HRA is considered **affordable**, you **may not claim** the premium tax credit for yourself or any family members.

If you are a former employee, the offer of an HRA will not prevent you from claiming the premium tax credit (if you are otherwise eligible for it), regardless of whether the HRA is considered affordable and as long as you don't accept the HRA.

**How do I know if the individual coverage HRA I've been offered is considered affordable?**

The Exchange website will provide information on how to determine affordability for your individual coverage HRA. To find your state's Exchange, visit: <https://www.healthcare.gov/marketplace-in-your-state/>.

**Do I need to provide any of the information in this notice to the Exchange?**

Yes. Be sure to have this notice with you when you apply for coverage on the Exchange. If you're applying for advance payments of the premium tax credit, you'll need to provide information from the answer to "What are the basic terms of the individual coverage HRA my employer is offering?" on page 2. You will also need to tell the Exchange whether you are a current employee or former employee.

**If I'm enrolled in Medicare, am I eligible for the premium tax credit?**

No. If you have Medicare, you aren't eligible for the premium tax credit for any Exchange coverage you may have.

**IV. Other Information You Should Know**

**Who can I contact if I have questions about the individual coverage HRA?**

Contact: The Benefits Department at [benefits@down2earthinc.com](mailto:benefits@down2earthinc.com) / 323-263-2700 or the SureCo team at [employee.experience@sureco.com](mailto:employee.experience@sureco.com) or 949-989-4906.

**Is the individual health insurance coverage I pay for with my individual coverage HRA subject to ERISA?**

The individual health insurance coverage that is paid for with amounts from your individual coverage HRA, if any, is not subject to the rules and consumer protections of the Employee Retirement Income Security Act (ERISA). You should contact your state insurance department for more information regarding your rights and responsibilities if you purchase individual health insurance coverage.

## Exhibit A

Min Age	Max Age	Relationship	Employer Contribution	State	Rating Area	Plan Comparison
16	100	Employee	60%	All Others	All Others	LCS
54	64	Employee	77%	FL	5	LCS
45	48	Employee	67%	FL	9	LCS
49	53	Employee	83%	FL	9	LCS
54	61	Employee	94%	FL	9	LCS
62	62	Employee	103%	FL	9	LCS
63	64	Employee	93%	FL	9	LCS
23	36	Employee	65%	FL	11	LCS
37	38	Employee	64%	FL	11	LCS
39	40	Employee	61%	FL	11	LCS
41	44	Employee	63%	FL	11	LCS
45	45	Employee	66%	FL	11	LCS
46	49	Employee	70%	FL	11	LCS
50	51	Employee	69%	FL	11	LCS
52	52	Employee	88%	FL	11	LCS
53	55	Employee	76%	FL	11	LCS
56	59	Employee	90%	FL	11	LCS
60	64	Employee	87%	FL	11	LCS
56	64	Employee	96%	FL	12	LCS
50	51	Employee	69%	FL	13	LCS
52	53	Employee	72%	FL	13	LCS
54	64	Employee	80%	FL	13	LCS
19	53	Employee	63%	FL	15	LCS
54	54	Employee	70%	FL	15	LCS
55	55	Employee	73%	FL	15	LCS
56	56	Employee	79%	FL	15	LCS
57	57	Employee	84%	FL	15	LCS
58	58	Employee	79%	FL	15	LCS
59	62	Employee	68%	FL	15	LCS
63	64	Employee	82%	FL	15	LCS
34	43	Employee	68%	FL	21	LCS
44	45	Employee	81%	FL	21	LCS
46	64	Employee	77%	FL	21	LCS
32	32	Employee	70%	FL	24	LCS
33	33	Employee	75%	FL	24	LCS
34	44	Employee	81%	FL	24	LCS
45	52	Employee	91%	FL	24	LCS
53	53	Employee	97%	FL	24	LCS
54	54	Employee	98%	FL	24	LCS

55	60	Employee	95%	FL	24	LCS
61	64	Employee	105%	FL	24	LCS
64	64	Employee	78%	FL	25	LCS
52	53	Employee	61%	FL	26	LCS
54	55	Employee	77%	FL	26	LCS
56	60	Employee	93%	FL	26	LCS
61	64	Employee	100%	FL	26	LCS
55	64	Employee	67%	FL	27	LCS
40	41	Employee	74%	FL	28	LCS
42	42	Employee	61%	FL	28	LCS
43	43	Employee	77%	FL	28	LCS
44	44	Employee	63%	FL	28	LCS
45	46	Employee	81%	FL	28	LCS
47	48	Employee	63%	FL	28	LCS
49	50	Employee	76%	FL	28	LCS
51	51	Employee	83%	FL	28	LCS
52	52	Employee	94%	FL	28	LCS
53	53	Employee	95%	FL	28	LCS
54	54	Employee	64%	FL	28	LCS
55	55	Employee	73%	FL	28	LCS
56	57	Employee	88%	FL	28	LCS
58	59	Employee	73%	FL	28	LCS
60	60	Employee	95%	FL	28	LCS
61	62	Employee	93%	FL	28	LCS
63	64	Employee	99%	FL	28	LCS
19	31	Employee	61%	FL	30	LCS
32	48	Employee	62%	FL	30	LCS
49	49	Employee	85%	FL	30	LCS
50	50	Employee	74%	FL	30	LCS
51	51	Employee	71%	FL	30	LCS
52	53	Employee	85%	FL	30	LCS
55	55	Employee	88%	FL	30	LCS
56	56	Employee	95%	FL	30	LCS
57	58	Employee	76%	FL	30	LCS
59	61	Employee	90%	FL	30	LCS
62	64	Employee	91%	FL	30	LCS
19	31	Employee	64%	FL	34	LCS
32	36	Employee	62%	FL	34	LCS
37	42	Employee	61%	FL	34	LCS
43	44	Employee	65%	FL	34	LCS
45	45	Employee	71%	FL	34	LCS
46	47	Employee	69%	FL	34	LCS
48	48	Employee	74%	FL	34	LCS

49	49	Employee	75%	FL	34	LCS
50	50	Employee	76%	FL	34	LCS
51	51	Employee	75%	FL	34	LCS
52	52	Employee	89%	FL	34	LCS
53	54	Employee	84%	FL	34	LCS
55	56	Employee	92%	FL	34	LCS
57	57	Employee	94%	FL	34	LCS
58	58	Employee	97%	FL	34	LCS
59	59	Employee	98%	FL	34	LCS
60	60	Employee	103%	FL	34	LCS
61	61	Employee	97%	FL	34	LCS
62	62	Employee	101%	FL	34	LCS
63	63	Employee	95%	FL	34	LCS
64	64	Employee	98%	FL	34	LCS
20	38	Employee	61%	FL	35	LCS
39	39	Employee	62%	FL	35	LCS
40	42	Employee	72%	FL	35	LCS
43	43	Employee	63%	FL	35	LCS
44	44	Employee	64%	FL	35	LCS
45	47	Employee	63%	FL	35	LCS
48	48	Employee	71%	FL	35	LCS
49	49	Employee	70%	FL	35	LCS
50	50	Employee	77%	FL	35	LCS
51	51	Employee	70%	FL	35	LCS
52	52	Employee	76%	FL	35	LCS
53	57	Employee	88%	FL	35	LCS
58	59	Employee	82%	FL	35	LCS
60	61	Employee	81%	FL	35	LCS
62	62	Employee	86%	FL	35	LCS
63	64	Employee	96%	FL	35	LCS
40	41	Employee	68%	FL	40	LCS
42	43	Employee	73%	FL	40	LCS
44	46	Employee	65%	FL	40	LCS
47	50	Employee	72%	FL	40	LCS
51	52	Employee	74%	FL	40	LCS
53	53	Employee	96%	FL	40	LCS
54	56	Employee	97%	FL	40	LCS
57	58	Employee	101%	FL	40	LCS
59	64	Employee	103%	FL	40	LCS
20	33	Employee	61%	FL	41	LCS
34	42	Employee	62%	FL	41	LCS
43	45	Employee	77%	FL	41	LCS
46	47	Employee	69%	FL	41	LCS



48	49	Employee	76%	FL	41	LCS
50	50	Employee	84%	FL	41	LCS
51	51	Employee	93%	FL	41	LCS
52	52	Employee	85%	FL	41	LCS
53	53	Employee	81%	FL	41	LCS
54	54	Employee	88%	FL	41	LCS
55	55	Employee	89%	FL	41	LCS
56	56	Employee	95%	FL	41	LCS
57	57	Employee	94%	FL	41	LCS
58	58	Employee	100%	FL	41	LCS
59	59	Employee	87%	FL	41	LCS
60	60	Employee	98%	FL	41	LCS
61	61	Employee	71%	FL	41	LCS
62	62	Employee	89%	FL	41	LCS
63	64	Employee	104%	FL	41	LCS
36	38	Employee	64%	FL	47	LCS
39	42	Employee	62%	FL	47	LCS
43	54	Employee	70%	FL	47	LCS
55	60	Employee	95%	FL	47	LCS
61	64	Employee	97%	FL	47	LCS
20	35	Employee	62%	FL	48	LCS
36	40	Employee	70%	FL	48	LCS
41	41	Employee	63%	FL	48	LCS
42	43	Employee	72%	FL	48	LCS
44	44	Employee	64%	FL	48	LCS
45	47	Employee	70%	FL	48	LCS
48	48	Employee	79%	FL	48	LCS
49	49	Employee	87%	FL	48	LCS
50	50	Employee	61%	FL	48	LCS
51	51	Employee	82%	FL	48	LCS
52	54	Employee	80%	FL	48	LCS
55	56	Employee	96%	FL	48	LCS
57	57	Employee	83%	FL	48	LCS
58	58	Employee	102%	FL	48	LCS
59	59	Employee	96%	FL	48	LCS
60	60	Employee	92%	FL	48	LCS
61	61	Employee	100%	FL	48	LCS
62	62	Employee	95%	FL	48	LCS
63	63	Employee	103%	FL	48	LCS
64	64	Employee	84%	FL	48	LCS
39	40	Employee	67%	FL	49	LCS
41	43	Employee	69%	FL	49	LCS
44	45	Employee	66%	FL	49	LCS

50	50	Employee	65%	FL	49	LCS
51	51	Employee	91%	FL	49	LCS
52	55	Employee	84%	FL	49	LCS
56	56	Employee	83%	FL	49	LCS
57	58	Employee	89%	FL	49	LCS
59	59	Employee	94%	FL	49	LCS
61	64	Employee	97%	FL	49	LCS
48	55	Employee	71%	FL	50	LCS
56	57	Employee	84%	FL	50	LCS
58	64	Employee	78%	FL	50	LCS
24	32	Employee	63%	FL	51	LCS
33	33	Employee	65%	FL	51	LCS
34	49	Employee	79%	FL	51	LCS
50	52	Employee	87%	FL	51	LCS
53	53	Employee	92%	FL	51	LCS
54	54	Employee	94%	FL	51	LCS
55	55	Employee	95%	FL	51	LCS
56	59	Employee	93%	FL	51	LCS
60	60	Employee	89%	FL	51	LCS
61	61	Employee	103%	FL	51	LCS
62	62	Employee	96%	FL	51	LCS
63	63	Employee	82%	FL	51	LCS
64	64	Employee	108%	FL	51	LCS
31	49	Employee	64%	FL	52	LCS
50	56	Employee	84%	FL	52	LCS
57	62	Employee	65%	FL	52	LCS
63	64	Employee	105%	FL	52	LCS
21	31	Employee	63%	FL	53	LCS
32	35	Employee	64%	FL	53	LCS
36	37	Employee	75%	FL	53	LCS
38	44	Employee	64%	FL	53	LCS
45	46	Employee	71%	FL	53	LCS
47	47	Employee	86%	FL	53	LCS
48	50	Employee	79%	FL	53	LCS
51	51	Employee	84%	FL	53	LCS
52	55	Employee	71%	FL	53	LCS
56	58	Employee	96%	FL	53	LCS
59	60	Employee	103%	FL	53	LCS
61	64	Employee	96%	FL	53	LCS
56	56	Employee	78%	FL	56	LCS
57	60	Employee	82%	FL	56	LCS
61	64	Employee	101%	FL	56	LCS
20	41	Employee	67%	FL	57	LCS

42	48	Employee	75%	FL	57	LCS
49	49	Employee	71%	FL	57	LCS
50	50	Employee	78%	FL	57	LCS
51	52	Employee	69%	FL	57	LCS
53	53	Employee	79%	FL	57	LCS
54	54	Employee	65%	FL	57	LCS
55	55	Employee	87%	FL	57	LCS
56	57	Employee	72%	FL	57	LCS
58	58	Employee	93%	FL	57	LCS
59	60	Employee	88%	FL	57	LCS
61	61	Employee	82%	FL	57	LCS
62	64	Employee	92%	FL	57	LCS
19	50	Employee	61%	FL	59	LCS
51	51	Employee	72%	FL	59	LCS
52	53	Employee	71%	FL	59	LCS
54	54	Employee	68%	FL	59	LCS
55	55	Employee	77%	FL	59	LCS
56	56	Employee	71%	FL	59	LCS
57	58	Employee	73%	FL	59	LCS
59	60	Employee	80%	FL	59	LCS
61	61	Employee	78%	FL	59	LCS
62	64	Employee	76%	FL	59	LCS
39	39	Employee	62%	FL	60	LCS
40	47	Employee	71%	FL	60	LCS
48	49	Employee	81%	FL	60	LCS
50	51	Employee	73%	FL	60	LCS
52	52	Employee	78%	FL	60	LCS
53	54	Employee	79%	FL	60	LCS
55	55	Employee	94%	FL	60	LCS
56	57	Employee	86%	FL	60	LCS
59	61	Employee	78%	FL	60	LCS
62	62	Employee	93%	FL	60	LCS
46	57	Employee	69%	FL	64	LCS
58	63	Employee	70%	FL	64	LCS
64	64	Employee	82%	FL	64	LCS
54	54	Employee	62%	OH	11	LCS
55	64	Employee	65%	OH	11	LCS
18	43	Employee	63%	SC	21	LCS
44	45	Employee	71%	SC	21	LCS
46	61	Employee	77%	SC	21	LCS
62	64	Employee	75%	SC	21	LCS

*\*LCS = 2024 Lowest Cost Silver Plan. Monthly premiums for all ICHRA plans are calculated based on the age and rating area of employee. SureCo's Enrollment Platform will identify the 2024 lowest cost silver tier plan available for employee and calculate the corresponding percentage. That amount will be used as the Employer Contribution.*