2021 QSEHRA Annual Report

Learn how small employers used the QSEHRA in 2020.

Average monthly allowance ▲41% since 2018.

Average monthly allowance by family status

While married allowances were more volatile since 2018, single allowances have steadily increased each year.

2020 allowance cap for single employees $438/mo

2020 allowance cap for employees with families $883/mo

Average allowance by company size

The smallest organizations offer employees 33% more in allowances than the largest organizations.

Average allowance by state compared with most and least expensive states for individual health insurance.

3 highest average QSEHRA allowances
(n = 200 customers)

CT: $870
MI: $752
KY: $482

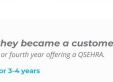
3 highest benchmark individual health insurance premiums*

WY: $881
IA: $742
AK: $724

3 lowest average QSEHRA allowances
(n = 200 customers)

ID: $217
NH: $232
LA: $236

3 lowest benchmark individual health insurance premiums**



MN: $309
IA: $332
MA: $343

Average allowance by product type

Premium-only $397.75/mo
28% of our customers

Premium Plus $396.88/mo
69.5% of our customers

Percentage of customers by year they became a customer

In 2020, 40% of our customers were in their third or fourth year offering a QSEHRA.

40% of customers have offered a QSEHRA for 3-4 years
(2017 was the first QSEHRA benefit year)

60% of customers have offered a QSEHRA for 1-2 years

Average monthly allowance by customer tenure

Longer-tenured customers offered employees more in allowances than more recent customers. In 2020, our customers who have been with us since 2017 offered an average of 14% more in allowances than customers who became customers in 2020.

Waiting Periods

More than 2 out of 3 employers chose not to impose a waiting period for new employees to join the benefit.

Employer-Sponsored Premium Reimbursement (ESPR)

More than 1 out of 10 employers extended QSEHRA benefits to employees covered by a spouse's or parent's group health insurance plan.

Health benefits offering prior to QSEHRA

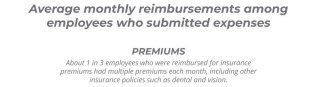
QSEHRA is the first health benefit for nearly 9 out of 10 QSEHRA customers.

7.4%
The percentage of employees who used an HSA with their QSEHRA to get even more tax-free assistance with their healthcare costs.

69%
The percentage of an employee's total offered allowance that was reimbursed in 2020, on average.

Most common reimbursed expenses

PREMIUMS



NON-PREMIUM EXPENSES

Average reimbursement amounts by expense type

Average monthly reimbursements among employees who submitted expenses

PREMIUMS

About 1 in 3 employees who were reimbursed for insurance premiums had multiple premiums each month, including other insurance policies such as dental and vision.

NON-PREMIUM EXPENSES

Employees received the most reimbursements at the end of the year, likely due to submitting additional expenses to take advantage of any remaining allowance before allowances reset in January.

For more details, see the PeopleKeep report 2021 QSEHRA Annual Report.

The qualified small employer health reimbursement arrangement (QSEHRA) is an employer-sponsored health benefit that allows small organizations to reimburse employees tax-free for health care.

PeopleKeep gathered data from more than 2,500 employers that offered plans in 2020, including more than 19,000 employees.

*https://www.cdc.gov/nchs/data/nhis/earlyrelease/insurance202106.pdf#page=4 https://www.healthcare.gov/glossary/monthly-premium/#:~:text=Monthly%20premium,-The%20monthly%20premium,-The%20monthly%20premium%20is%20the%20amount%20you%20pay%20for%20health%20coverage.&text=The%20monthly%20premium%20is%20the%20amount%20you%20pay%20for%20health%20coverage.

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