Date: [Insert Date]

To: [Employee Name]

From: [Company Name]

Subject: Notice of Qualified Small Employer Health Reimbursement Arrangement (QSEHRA)

Dear [Employee Name],

This letter is to inform you that [Company Name] is providing a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) to assist you with the cost of health insurance premiums and other qualified medical expenses.

1. Your Benefit Amount
Your maximum annual reimbursement amount for the year [Insert Year] is $[Insert Amount]. This amount is available to you starting on [Insert Start Date].

2. Minimum Essential Coverage Requirement
To receive reimbursements, you must be enrolled in health insurance that qualifies as "Minimum Essential Coverage" (MEC). If you do not have MEC during any month, your reimbursement for that month may be taxable, and you may be subject to an individual mandate penalty.

3. Impact on Premium Tax Credits
If you apply for health insurance through the Health Insurance Marketplace, you must inform the Marketplace of the amount of this QSEHRA benefit. This benefit may reduce or eliminate any premium tax credit for which you may otherwise be eligible.

4. How to Request Reimbursement
To receive reimbursement, you must provide proof of your health insurance coverage and submit receipts for qualified medical expenses to [Insert Department/Name] using the official reimbursement form.

If you have any questions regarding this benefit, please contact [Insert Contact Name] at [Insert Phone/Email].

Sincerely,

[Authorized Signature]
[Name and Title]
[Company Name]