

March 29, 2018

HPAE Retiree Medical Trust – An Update for the SEC

Participation of HPAE Locals in the Retiree Medical Trust

Over 5,100 HPAE members in twelve locals and the HPAE staff are currently active participants in the Trust and several thousand more HPAE retirees are eligible for reimbursement benefits.

Here is the list of participating HPAE locals:

1. Christ Hospital (RNs)
2. Cooper University Hospital and Medical Center (RNs)
3. Cornerstone Behavioral Health Hospital (RNs)
4. Englewood Hospital and Medical Center (RNs)
5. HPAE Staff (administrative support and professional staff)
6. Inspira @ Vineland, Elmer, Bridgeton (RNs)
7. Inspira Woodbury (RNs)
8. Jersey Shore Medical Center/Meridian (RNs)
9. Meadowlands Hospital and Medical Center (RNs and Techs)
10. New Bridge Medical Center (RNs and non-nursing professionals)
11. Palisades Medical Center (RNs and non-nursing professionals)
12. Southern Ocean Medical Center/Meridian (RNs)
13. Virtua/Memorial Hospital and CNS (RNs)

Financial Status of the Trust (as of February 28, 2018)

The Trust's assets have grown considerably this year, from \$15.8 million in September 2017 to **\$17 million as of February 28, 2018**. In addition to employee/employer contributions (over \$150,000 each month), we have gotten strong returns on our investments.

Since Payden & Rygel, the Trust's investment manager, began to manage the Trust's assets in February 2008 the return on investments has been **8.4% on an annual basis (net of all fees)**.

The most recent investment report from Payden & Rygel is also attached.

Two New Developments for the RMT

At the Board of Trustees meeting yesterday, the trustees agreed to move forward on two new initiatives that will improve the plan:

March 29, 2018

- 1) Providing a debit card for plan participants to use when they are eligible for reimbursement benefits. The card could be used at pharmacies and doctors' offices.
- 2) Giving regular beneficiaries (those who are eligible for a monthly reimbursement benefit for life) and whose monthly benefit is \$50/month or less the option to convert their benefit to a lump sum Employee Account. This would allow these plan participants, if they choose, to gain access to a greater amount of money for reimbursement benefits much more quickly. However, they would forego the monthly reimbursement benefit for life.

As noted in the last update, in May 2017, Trust participants gained online access to their work history, contributions, and annual participant statements. To access this information, go to <https://www.benserconj.com/HPAE.html> and click on the "Participant Login" button. You will need to register with a user name and password to access your personal data. I encourage every plan participant to set up their own account on the Zenith-American website to have access to this information.

In addition, HPAE members who participate in the Retiree Medical Trust can calculate their estimated monthly medical reimbursement benefits when they plan to retire and the total amount of medical reimbursements that they will receive after retirement by using an *Online Estimated Benefit Calculator*. Go the HPAE website at <http://www.hpae.org/2017/06/rmt-benefits-calculator/> to calculate an estimate of your retiree medical reimbursement benefits.

Mike Slott