



HPAE Retiree Medical Trust Frequently Asked Questions



What is the HPAE Retiree Medical Trust (RMT)?

The HPAE Retiree Medical Trust is a jointly managed Taft-Hartley benefit fund created through collective bargaining between HPAE and participating employers. It provides **tax-free reimbursements for healthcare expenses after retirement**, including premiums, copays, and other qualified costs that Medicare or insurance may not cover. The Trust is regulated under federal ERISA law, ensuring that all contributions are held in a protected fund that exists solely for the benefit of members and their families.

Why does this benefit matter?

Healthcare costs after retirement are unpredictable, but the HPAE Retiree Medical Trust provides peace of mind and protection. It's a **tax-free, portable benefit** that moves with you between HPAE employers and is guaranteed for the purpose it was created, to help pay medical costs after retirement. Because the Trust pools contributions across thousands of members and is professionally managed, it delivers **greater long-term value and stability than any individual savings or 401(k)**, without market risk or taxes on withdrawals. Most importantly, it reflects who we are as a union: healthcare workers helping healthcare workers build security that lasts beyond our working years.

Which HPAE employers currently participate?

The following HPAE-represented hospitals and employers are part of the Trust:

Bergen New Bridge Medical Center
Christ Hospital
Bayonne Medical Center
Cooper University Hospital
Englewood Hospital and Medical Center
Hudson Regional Hospital
Jersey Shore University Medical Center
Southern Ocean Medical Center

Phoenix House
Visiting Nurses Association of Englewood
VNA Health Group of NJ
Palisades Medical Center
Inspira Mullica Hill, Woodbury
Inspira Elmer, Vineland, Bridgeton
Virtua Memorial Hospital
Temple Episcopal Campus

How is the Trust funded and by whom?

Each HPAE local negotiates participation in the Trust through its contract. Funding may come from: (1) Employee pre-tax payroll deductions (such as \$0.20 per hour worked), and/or (2) Employer pre-tax contributions. Once contributions are made, they go directly into the Trust and can never revert to the employer. They are held exclusively for the benefit of members. Future contracts can also bargain for higher employer contributions, allowing the benefit to grow even stronger over time.

Do I have to do anything to enroll?

No. Once your bargaining unit votes to join the HPAE Retiree Medical Trust, all eligible full-time and part-time employees are automatically enrolled. There's no application or sign-up required, contributions are handled through payroll deduction and begin once the contract takes effect. For new hires, contributions begin after 90 days of employment.

How are my benefits calculated?

Benefit levels are set and periodically reviewed by the HPAE Retiree Medical Trust Board of Trustees to ensure the plan remains fair and financially secure for all members. Your benefit is based on the total contributions made on your behalf over your career.

- For every \$5 contributed, you earn one Active Service Unit (ASU).
- The Trust uses a formula that multiplies your ASUs by a Unit Multiplier (currently \$0.075) to determine your monthly lifetime benefit when you retire.

Example: If you work 2,080 hours per year at \$0.20/hour = \$416 contributed = 83 ASUs earned per year. Over 25 years, that equals about \$156/month in lifetime, tax-free reimbursement benefits. Any unused balance rolls over each month, there's no "use it or lose it." This is in addition to any health insurance or pension benefits you may have, it's to help cover out-of-pocket costs later in life.

What kinds of expenses can I be reimbursed for?

You can receive tax-free reimbursement for a wide range of medical costs, including:

- Premiums for health, dental, or vision insurance
- Medicare Part B and D premiums or Medicare supplement plans
- Prescription drugs, copays, dental, and vision care
- Qualified long-term care (LTC) insurance premiums
- Other medical expenses allowed under IRS Code Section 213(d)

Are my benefits from the Trust taxable?

No. This is a triple tax-free benefit: Contributions are made pre-tax; The Trust's investment earnings grow tax-free; and reimbursements you receive are not taxable income.

Can an individual "opt out" of the Trust?

No. Federal tax law requires that all eligible employees in the bargaining unit participate equally to maintain the Trust's tax-free status. That's why the decision is made collectively, all in or all out.

What types of benefits does the Trust provide?

The Trust provides two types of benefits:

1. Regular Monthly Benefit

- For members with five or more years of participation (“active service credits”), age 55 or older, and no longer working for a participating employer.
- Regular Beneficiaries receive monthly, tax-free reimbursements for covered expenses up to their benefit level.
- Under current rules, this benefit is designed to continue for life after you qualify.

2. Employee Account (Limited) Benefit

A Limited Beneficiary is a participant who does not yet qualify for the Regular Monthly Benefit.

- You are a Limited Beneficiary if you have fewer than five years of active service, or if you leave covered employment before meeting the requirements for the Regular Monthly Benefit.
- Limited Beneficiaries have an Employee Account, which holds the contributions made on their behalf and can be used for eligible medical expenses up to the account balance.
- You can access your account once you separate from employment and either reach age 55, are between ages 40 and 55 with no contributions for 24 months, or become disabled (as determined by the Social Security Administration).

If you have **five or more years of service but less than \$5,000 in total contributions**, you may choose between:

- Becoming a Regular Beneficiary with monthly lifetime reimbursements, or
- Remaining a Limited Beneficiary and using your Employee Account balance at your own pace for eligible expenses

What happens if I leave before five years?

You do not lose your money. Your contributions are held in your Employee Account, and you’ll qualify for a Limited Benefit when you meet the age or waiting-period requirements.

What happens if I leave after five years but am no longer an HPAE member?

You’ll still be eligible for the monthly reimbursement benefit once you reach retirement age, even if you’ve left HPAE employment or the healthcare field.

What happens if I transfer to another HPAE hospital?

Your service credits and contributions move with you. As long as your new facility participates in the Trust, your benefit continues to build, no reset or loss of time.

Can my spouse or dependents use my benefit while I’m alive?

No. The benefit is designed for your expenses after retirement. However, if you pass away, your eligible spouse or dependents can continue using your benefit as described below.

What happens when I die?

If you're receiving monthly benefits as a Regular Beneficiary, your spouse, domestic partner, or dependent children can continue to receive survivor benefits.

- Surviving spouse/partner: 50% of your benefit
- If no spouse/partner, surviving children: 50% total (shared equally) until they lose dependent status. (A dependent child is defined under IRS rules and typically means a child under age 26 or a disabled child who qualifies as your dependent for tax purposes).

If you're a Limited Beneficiary (Employee Account), your spouse, partner, or children can use the remaining balance of your account for qualified expenses.

When and how do I start using my benefit after retirement?

When you retire and stop working for all participating employers, you can begin using your HPAE Retiree Medical Trust benefit.

- Contact Zenith-American Solutions (844-237-9618 or hpaе.zenith-american.com) to let them know your retirement date and confirm your eligibility.
- Wait for your final payroll report. Your employer must send your last hours and contributions before the Trust can activate your account. This process can take several weeks.
- Once confirmed, you can use your benefits debit card or submit receipts for reimbursement of eligible health, dental, vision, or insurance premium expenses.

What if I work after I retire?

If you return to work, even per diem or temporary, your payments are paused during that period. Your balance and eligibility remain intact and resume automatically once you stop working again.

Who oversees the Trust?

The HPAE Retiree Medical Trust is a Taft-Hartley multi-employer fund, jointly managed by equal numbers of union and employer trustees. This structure ensures decisions about benefits, finances, and plan operations are made collectively and transparently. The Trustees:

- Oversee the Trust's investments and annual audits
- Approve administrative budgets and benefit levels
- Ensure compliance with ERISA fiduciary standards

Day-to-day administration of the Trust is handled by Zenith-American Solutions, an experienced third-party administrator that manages benefit plans for unions and multi-employer trusts nationwide. The Trust is independently audited every year, and its financial reports (Form 5500) are filed publicly with the U.S. Department of Labor.

How can I check my account or get more information?

- Visit the Zenith American Solutions participant portal: <https://hpaе.zenith-american.com>
- Call the Trust Office: 844-237-9618; Hours: 8:30 am – 4:00 pm.
- Review the Summary Plan Description (SPD) and other important documents