



The HPAE Retiree Medical Trust & Your Retirement

Presentation for HPAE Local 5185

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The Basic Problem: Out of Pocket Medical Costs

In the last year, have you had out of pocket medical costs for any of the following? *If so, how much?*

Co-pays for Rx prescriptions

Co-insurance for tests and procedures

Co-pays for doctor visits

Dental work (cleanings, fillings, etc.)

Insurance premiums (Medical, Long-term care, Medicare)

Eye exams and glasses

Podiatric care

Other “medical costs”

Out of Pocket Costs in Retirement



According to the Fidelity Retiree Health Care Cost Estimate, an average retired person age 65 in 2025 may need approximately **\$172,500** saved (after tax) to cover health care expenses in retirement. (up 4% from 2024)



In a recent HPAE Contract survey, 78% of members who responded reported being concerned with the cost of medical expenses in retirement



Expected out of pocket costs for retirees include Medicare premiums, deductibles, copayments, and co-insurance.

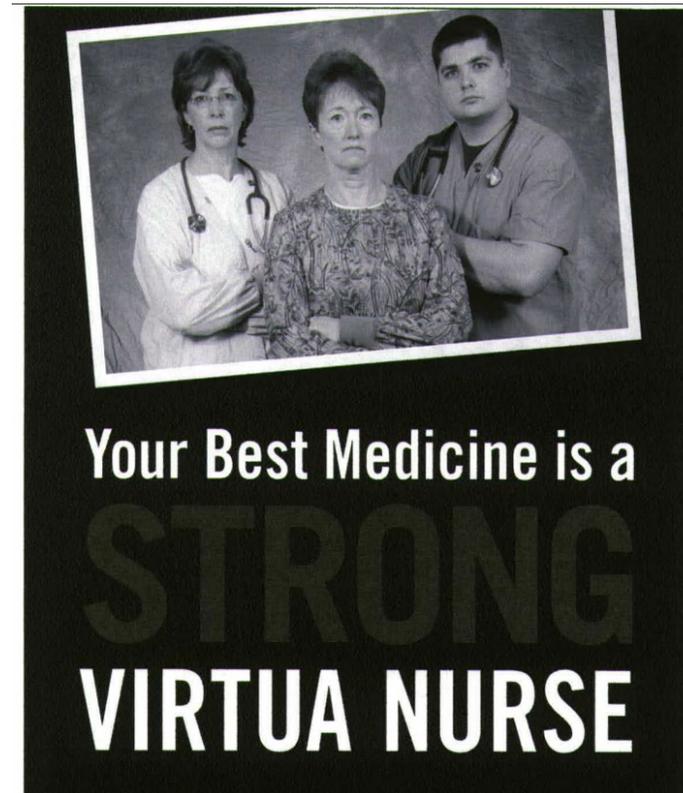


Some overlooked health costs in retirement include vision and hearing exams, supplemental health insurance, prescription costs, and dental care.

Our Solution: The HPAE Retiree Medical Trust



In 2006, as part of our **“One Voice” coordinated contract campaign**, HPAE negotiated the establishment of a retiree medical program with several locals.



Article 17.03 Local 5138 Contract



- Mandatory **contribution of \$0.20 per paid hour** for each full-time, part-time, and limited-time employee.
- Contributions are made **through [pre-tax] payroll deductions** without requiring employee check-off authorization.
- Regular hours, PTO (Paid Time Off), and non-overtime hours up to 80 hours per two-week pay period.
- **Payroll Deductions begin after 90 days of employment;** ceases when an employee transfers to Per Diem, terminates employment, or is transferred to a non-union.
- **Contributions used for retiree health insurance premiums, healthcare-related expenses,** administration costs.

In addition:

The benefit is portable, member contributions from multiple union worksites are pooled into the same trust fund, allowing members to maintain and accumulate benefits even when switching jobs between HPAE-covered employers (e.g., Cooper, Inspira).

HPAE RMT at a Glance:



Established
January 2007



Governed by a **Board of Trustees** (2 Union and 2 Employer)



7,978 active HPAE participants

Cooper
Hudson Regional
Palisades
Englewood
Virtua Mt Holly
Virtua Memorial
Christ
Jersey Shore
Inspira
Bergen New Bridge
Quest
Phoenix Center
Temple
Cornerstone BH
HPAE
Southern Ocean
Bayonne



Provides
reimbursement for
medical costs of
retirees



Collectively bargained
benefit – Sets amount
of contribution and
who contributes
(Employee? Employer?
Employee & Employer)



Contributions go to
the **HPAE Retiree
Medical Trust**



Tax-advantaged in:

- 1) pre-tax
- 2) earnings not taxed, and
- 3) reimbursement benefits not taxed

Financially Strong and Growing



2007 → 2026



of HPAE locals unions

7

17



Trust Assets

\$0

\$49 million



Active Participants

2,552

7,978



Annual Rate of Return on Assets

8.2%

What Medical Costs are Reimbursed by the RMT?



Health insurance premiums, including for long-term care



Medicare Part B and Medicare supplements



Hospital expenses



Doctors' Fees



Dental



Deductibles and co-pays



Out-of-pocket costs



Prescription Drugs



Vision Care



Hearing aids

Two Types of RMT Benefits:



Regular Beneficiary

Five or more years of active service

55 Years of Age

**Ceases all employment (including PD)
from participating employer**

Monthly reimbursement benefit

Life-time benefit

Unused amounts rollover to next month

Limited Beneficiary

Less than five years of active service

**55 Years of Age; or 40 – 55 and no
contributions for 24 mo.; or on SSDI**

**Ceases all employment (including PD)
from participating employer**

**Employee account with lump sum
equal to your contributions**

Reimbursement until account is \$0

New Option Now Available



If you leave your employer with **5 or more** active service credits but have **less than \$5,000** in total contributions, you can choose between:

A **monthly reimbursement benefit** (current benefit)

- OR -

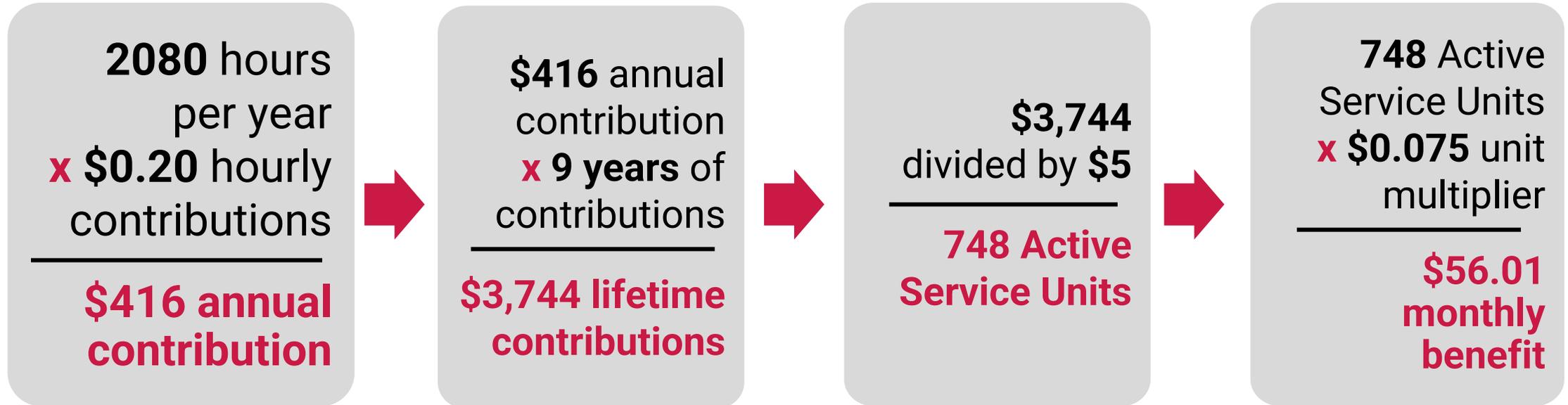
An **employee account with interest** applied to your contributions

Monthly Reimbursement Benefit: How Is It Determined?

The monthly benefit of a participant in the Trust is based on:

- The **number of hours** for which contributions are made
- The **amount(s)** of the contributions (e.g. \$.20/hour) converted into an **Active Service Unit** based on **1 unit for each \$5**
- **Unit multiplier of \$0.075** based on an actuarial analysis

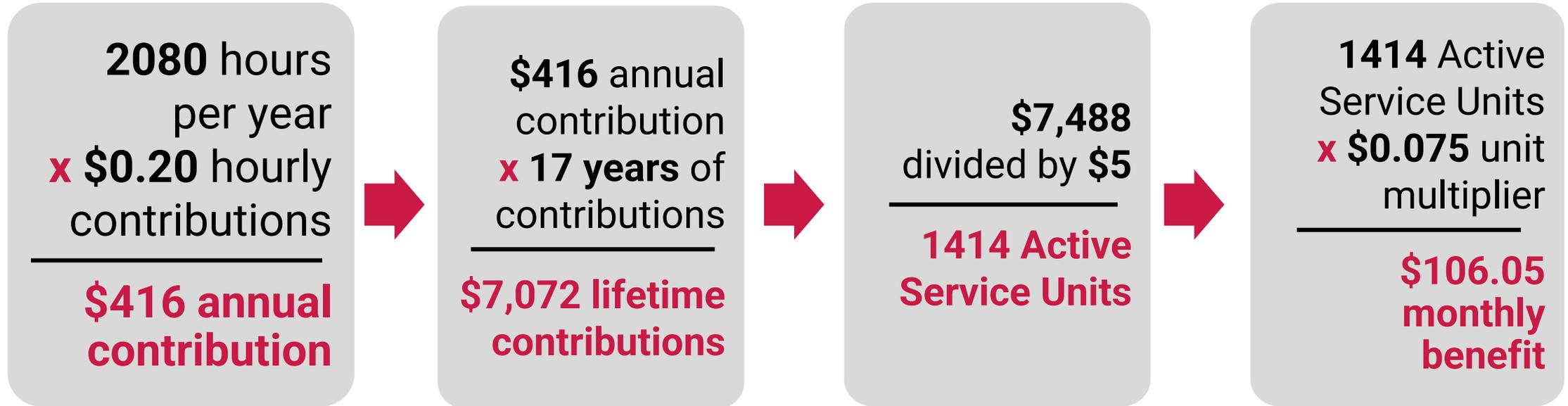
Example 1: Full Time SOMC RN enrolled in plans since inception (2016)



\$56.01 monthly benefit x 12 months = **\$673.20 annual benefit**

\$1,272.60 x 22 years life expectancy* = **\$14,810.40 lifetime benefit**

Example: Full Time Virtua RN enrolled in plans since inception (2007)



$\$106.05 \text{ monthly benefit} \times 12 \text{ months} = \mathbf{\$1,272.60 \text{ annual benefit}}$

$\$1,272.60 \times 22 \text{ years life expectancy} = \mathbf{\$27,997.20 \text{ lifetime benefit}}$

What You Can Do: Active Employees



1. Make sure you have an **online participant account** with Zenith American's Participant Edge website. You get access to:
 - History of your contributions to the Trust
 - Plan documents and participant resources
 - Eligibility information
2. Provide updated contact information to Zenith-American so they have your correct address, name of spouse, etc.
3. **For the next contract negotiations, make sure that contributions to the Trust are partially made by the Employer and/or the amount is increased from \$.20/hour**

Zenith American Participant Edge



Zenith American



HPAE

AFT / AFL-CIO

Register online at hpae.zenith-american.com

MENU

[PARTICIPANT LOGIN](#)

Download the mobile application

Download on the App Store

GET IT ON Google Play

PARTICIPANT LOGIN

LOGIN

We've updated security measures for EDGE portal users. [Review two-factor authentication notices.](#)

Please Enter your Username and Password (or SSN and PIN number) to Login.

Username
CHRISTOPHWHALEN

Password
.....

Login

[Forgot your password?](#)

NOT REGISTERED?

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- [How to Upload a Document](#)
- [Participant Information Card \(](#)
- [Member Preferences](#)

Logout

What You Can Do: Retirees

Make sure you have an **online participant account with Zenith-American's Participant Edge website** and the debit card website sponsored by PBS.

You get access to:

- Claims information
- Claims and document uploads
- Eligibility information

When you retire, contact Zenith-American and inform them of your retirement. Regularly update your contact info.

Sign up for a pre-paid debit card and establish a user account on the PBS website. **Use the card for medical cost reimbursements!**

How to File Reimbursement Benefit Claims



Use the pre-paid debit card at a pharmacy, optometrist, dentist, or doctor's office. (75% of reimbursement benefit claims are currently provided through the debit card.)

Submit a claim by filling out a claim form and:

- Upload it and the appropriate documentation to the website's "Document Upload" section
- Email the claim and the appropriate documentation to HpaermtClaims@zenith-american.com
- Mail the claim and the documentation to the Trust office at:

**HPAE Retiree Medical Trust
140 Sylvan Avenue, Suite 303
Englewood Cliffs, NJ 07632**

Contacts for Info and Assistance



To Contact the Trust:

HPAE Retiree Medical Trust

c/o Zenith-American Solutions

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