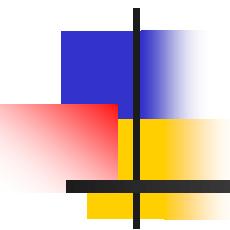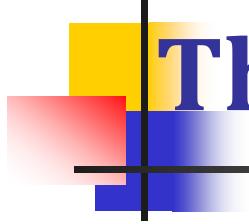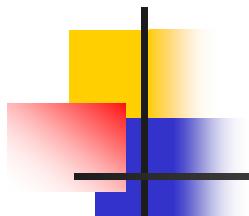# The HPAE Retiree Medical Trust

Presentation for Local 5091 Membership Meetings

July 13, 2016

The HPAE Retiree Medical Trust

- Provides **reimbursement** for medical costs

- **Collectively bargained** benefit

- Contributions go to the *HPAE Retiree Medical Trust*

- **Tax-advantaged**

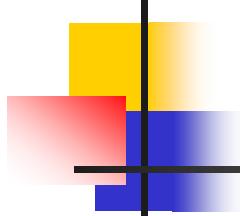# HPAE RMT: Financially Strong and Growing

2007 to 2016

# of HPAE locals: 7→11

Assets: 0→$11.9 million

Participants: 2552→4793

Annual Rate of Return on Assets: **8.15%**

11 HPAE Locals Currently in the HPAE Retiree Medical Trust

- Christ Hospital - $.20/hr by employees
- Cooper Univ. Hospital - $.20/hr by employees
- Englewood - $.20/hr by employees
- Inspira @ Vineland, Elmer, & Bridgeton - $.20/hour by employees
- Inspira Woodbury - $.20/hour by employees
- Jersey Shore Medical Center/Meridian - $.20/hour by employees
- HPAE Staff - $.20/hr by HPAE
- Meadowlands - $.20/hr by employees
- Palisades - $.20/hr by employees
- Runnells - $.15/hr by employer
- Southern Ocean Medical Center/Meridian - $.20/hour by employees
- Virtua - $.20/hr by employees
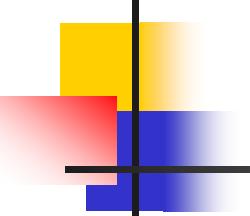
What Medical Costs are Reimbursed?

- Health insurance premiums, including for long-term care
- Deductibles and co-pays
- Out-of-pocket costs

- Hospital expenses
- Doctors' Fees
- Dental
- Prescription Drug
- Vision Care
- Hearing aids
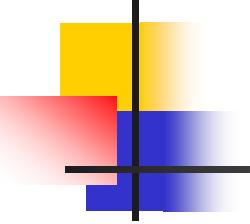
Two Types of Benefits

1. If you leave BRMC with <u>less than 5</u> active service credits, your money will be held in an **Employee Account**.

2. If you leave BRMC with <u>5 or more</u> active service credits, you will be eligible for a **monthly reimbursement benefit** during retirement.

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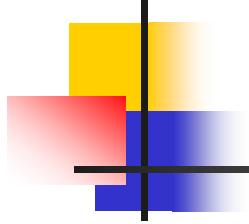
Reimbursements through an Employee Account: An Example

"Sally Rogers"

Sally works for 4 years at BRMC and retires at the age of 58. She contributes $.20/hour to the Trust, for a total of $1500. The money is in her Employee Account. Sally can use that money for reimbursement of medical costs. When she has received reimbursements of **$1500**, her account will have $0 and she will have exhausted her benefit.
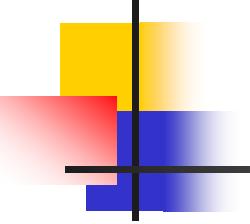
Monthly Reimbursement Benefit: An Example

"Jane Jones" contributes **$.20/hour** to the Retiree Medical Trust and works 36 hours a week for **five years**. Then, her local negotiates an increase to **$.40/hour**, with the employer contributing the additional $.20/hour. She works an additional **seven years** at the higher rate.


Based on her <u>years of participation</u> in the Trust, <u>the contribution rates</u>, and the current <u>unit multiplier selected by the trustees, based on the recommendation of the Trust's actuary</u>, Jane's reimbursement benefit would be **<u>$100/month.</u>**

"Roll Over" of Monthly Reimbursement Benefit

- Monthly reimbursement benefits roll over continuously during a participant's lifetime in retirement.

- There is <u>no</u> "use it or lose it" for monthly reimbursement benefits within a particular time period.

- *Example: You have a $100 monthly reimbursement benefit. You don't use the benefit for one year. You will then have "rolled over" $1200 and when the next year starts, you will have $1300 ($1200 + $100) available for reimbursement benefits.*
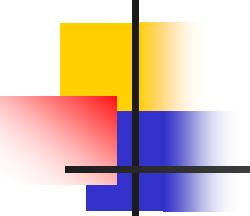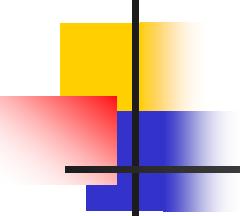
Are There Survivor Benefits?

Yes, for

- Spouse, or
- Domestic Partner (based on IRS rules), or
- Surviving Dependent (within the age limits for dependents)

A surviving spouse or dependent receives **100%** of the deceased retiree's benefit in their Employee Account & **50%** of the deceased retiree's monthly reimbursement benefit.

No, for other relatives (e.g. nephew), friends, etc.

# "Vesting" - What If I leave BRMC Before Retirement?

- You do <u>not</u> lose any of your contributions to the Program.

- Any money you have contributed will be available for either type of benefit :
  - Take reimbursements from your Employee Account, if you have less than 5 years of active service credits and have reached the minimum, eligible age   OR
  - Receive a monthly reimbursement benefit if you have 5 or more years of active service credits and have reached the minimum, eligible age
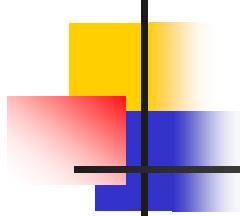
# Local 5091 Members Have An Important Decision to Make...

ARTICLE 35: HPAE RETIREE MEDICAL TRUST

A. Within six (6) months after ratification of the agreement by the Union, the covered members of the bargaining units will participate in a referendum vote to participate in a mandatory employee contribution to the HPAE Retiree Medical Trust. Based upon an affirmative vote by bargaining unit, the Medical Center shall facilitate the payment of a monthly mandatory employee contribution of $.20 per hour for each full time and part time employee covered by this agreement in any bargaining unit in which there was an affirmative vote. ……
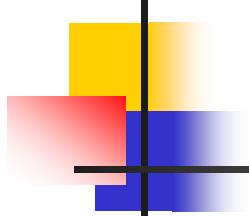
It Will Be an "All or Nothing" Election

- If a majority of those who cast ballots vote in favor of participation in the Program, then <u>all</u> full-time and part-time RNs will have a <u>mandatory</u> employee contribution of $.20/hour.

- If a majority votes No, then <u>no one</u> participates.

- The <u>tax advantages </u>of the Program depend on **all** eligible members of the bargaining unit receiving the benefits.
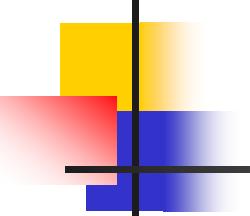
# AAA Election: Voting by Internet or Telephone

OPTION #1: VOTING BY INTERNET

1. Log on to http://www.aaaelections.org
2. In the space provided, enter **this** Organization ID: **____ (To Be Determined by AAA)**
3. Enter your individual Personal Identification Number (PIN). **Your PIN number is printed above your name and address below.**
4. Vote (Follow the instructions given).
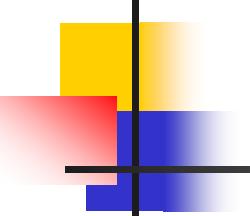
AAA Election: Voting by Internet or Telephone

OPTION #2: VOTING BY TELEPHONE

1. Call (toll-free) 866-628-9068

2. Enter your individual Personal Identification Number (**PIN**) **then press the pound (#) key.** **YOUR PIN NUMBER IS PRINTED ABOVE YOUR NAME AND ADDRESS BELOW.**

3. Vote (Follow instructions given).
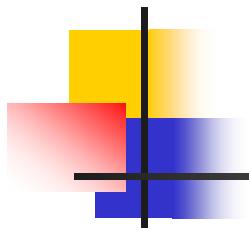
For More Information on the HPAE Retiree Medical Trust

HPAE's Web Site:

http://www.hpae.org/resource/rmt/