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News From USW: Steelworker Retirees Set to Receive New Health Care Benefit

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2007 OCT 22 - (NewsRx.com) -- News From USW: Nearly 9,000 retirees, spouses and surviving spouses will be eligible to apply for lump sum payments of up to \$600 in 2007 from a novel benefit trust fund established for former United Steelworkers (USW) and other union-represented employees of Kaiser Aluminum (see also Medicare and Medicaid).

The benefit payments will equal \$50 for each month of premiums paid for Medicare Part B medical coverage during calendar year 2007. Part B of Medicare is intended to fill some of the gaps in medical insurance coverage, primarily payment for physicians' services. In addition, services such as home health care, outpatient physical therapy, x-ray and diagnostic tests are covered.

"The Steelworkers and its partner unions refused to abandon Kaiser Aluminum retirees when their pension and healthcare coverage was terminated in 2004 while Kaiser was in bankruptcy," said USW Kaiser Negotiating Committee Chairman Bob Bratulich. "These folks worked their whole career and deferred wage increases for what they thought were guaranteed lifetime benefits."

The trust fund, called a voluntary employees' beneficiary association, or VEBA, was established in June 2004 as part of a new labor agreement intended to assist Kaiser to reorganize and ultimately emerge from bankruptcy in July 2006. VEBA assets were used to restore prescription drug coverage for Medicare eligible retirees. When Kaiser emerged from bankruptcy, the VEBA received 11.4 million shares of newly issued company stock, or approximately 57% of the company's equity, pursuant to the terms of its plan of reorganization. As the stock is converted to cash by the VEBA, the funds will be used to help secure retiree healthcare benefits, as determined by the VEBA trustees, for years to come.

Mr. Bratulich emphasized that the USW is committed to working with the new Kaiser Aluminum to maintain its position as a premier manufacturer of high quality aluminum products. "To the extent Kaiser and the Steelworkers are successful, not only will USW members benefit, but our current and future retirees will share in that success through the VEBA."

Most retirees formerly worked at Kaiser plants in Spokane and Tacoma, WA, Chalmette and Gramercy, LA, Newark, OH, Ravenswood, WV, and Erie, PA. Other union participants include former members of the United Auto Workers (UAW), Machinists (IAM), Food and Commercial Workers (UFCW) and Chemical Workers.

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