

BOARD OF TRUSTEES
KAISER ALUMINUM SALARIED RETIREES VEBA TRUST
60 Westwood Drive, Kentfield, CA 94904

April 16, 2014

**Re: Kaiser Aluminum Salaried Retirees VEBA Plan
2014 Qualified Benefit Reimbursement Program**

Dear Fellow Retiree or Surviving Spouse and Family:

We are pleased to advise you that the Board of Trustees has declared a Qualified Benefit amount of up to \$2,800 per Family Unit for 2014 under the Kaiser Aluminum Salaried Retirees VEBA Plan (VEBA Plan). Enclosed are a 2014 Qualified Benefit Reimbursement Request Form and a return envelope to be used for the purpose of claiming your 2014 Qualified Benefit.

Please note that all 2014 Qualified Benefit Reimbursement Request Forms must be filed with the Third Party Administrator at the address indicated at the top of the Request Form on or before December 31, 2015. If the Request Form is not filed by that date, then all rights to receive a Qualified Benefit for the 2014 VEBA Plan Year (or any portion thereof not already claimed) shall expire and be forfeited.

MEDICARE PART B OR PART D PREMIUMS

If you intend to claim Medicare Part B or Part D premium expenses for 2014, please read the following:

Excess Medicare Part B Premiums. The premiums paid for Medicare Part B coverage during 2014 are not the same for each individual. The standard premium applicable to most individuals will be \$104.90 per month for 2014 provided (a) that the Social Security Administration withholds the amount of your Medicare Part B premium from your Social Security benefit payments, and (b) you have income of \$85,000 or less (as a single individual) or \$170,000 or less (as a married couple, filing jointly). If your Medicare Part B premiums are not withheld, or your income (as reported for 2012) exceeds these amounts, the standard premium for 2014 will be \$104.90 or higher.

Single individuals who had “modified adjusted gross income” of more than \$85,000 in 2012, and married couples, filing jointly, who had “modified adjusted gross income” of more than \$170,000 in 2012, are required to pay even higher 2014 Medicare Part B premiums (\$104.90 plus an additional amount based on the income-related monthly adjustment amount). The Social Security Administration determines the amount of any excess Medicare Part B Premiums you may be required to pay for 2014 based upon your income tax return for 2012. If you are required to pay excess Medicare Part B Premiums for 2014, you should already have received a notice from the Social Security Administration indicating the amount to be deducted from your Social Security benefit payments.

If you are not required to pay more than the standard 2014 Medicare Part B premium of \$104.90 per month (or if you are required to pay higher 2014 Medicare Part B premiums but do not wish to claim

reimbursement of more than \$104.90 per month), you need only attach a copy of your Medicare Card to your 2014 Qualified Benefit Reimbursement Request Form.

Reimbursement will be made at the standard 2014 Medicare Part B premium rate per month based upon the total number of whole months that have elapsed prior to the receipt of your Qualified Benefit Reimbursement Request Form by the Third Party Administrator. However, if you are required to pay and wish to claim reimbursement of Medicare Part B premiums in excess of the standard 2014 amount, you must also attach Proof of Payment of such higher premiums. See the 2014 Qualified Benefit Reimbursement Request Form – *Excess Medicare Part B Premiums* – for further information.

Medicare Part D Prescription Drug Premiums. Participation in the Medicare Part D prescription drug program is voluntary or may be included in a Medicare HMO program such as the Kaiser Permanente Senior Advantage program where participation is a mandatory feature of the program. Individuals wishing to obtain prescription drugs outside of a mandatory Medicare Part D program have a wide variety of policies, plans and programs from which to choose. Medicare Part D premiums are payable directly or through deductions to Social Security benefits. For these reasons there is no standard 2014 Medicare Part D premium rate that the VEBA Plan could use for reimbursement of 2014 Medicare Part D premiums. Accordingly, if you are claiming reimbursement of 2014 Medicare Part D premiums, you will have to attach both Proof of Coverage under the Medicare Part D policy, plan or program in which you participate and Proof of Payment of the Medicare Part D premiums you have paid. See the 2014 Qualified Benefit Reimbursement Request Form – *Medicare Part D Premiums* – for further information.

CONTACTING THE THIRD PARTY ADMINISTRATOR

Some retirees are uncertain who to call with questions they have concerning benefits. **If you have questions concerning the VEBA Plan or require additional benefit forms and materials, please contact the VEBA Plan’s Third Party Administrator at the following mailing address, telephone number, or e-mail address.**

**Delta Fund Administrators, LLC
P.O. Box 2308
Stockton, CA 95201-2308
Tel.: Toll-Free (888) 344-8322
Email: VEBA@Deltafund.com**

For Federal Express Delivery:
**Delta Fund Administrators, LLC
1234 West Oak Street
Stockton, CA 95203**

If you are receiving COBRA or Bankruptcy COBRA benefits from Kaiser Aluminum and have questions concerning those benefit plans, please contact:

Mark Krouse, Vice President, Human Resources
Kaiser Aluminum Corporation
27422 Portola Parkway, Suite 350
Foothill Ranch, CA 92610
Tel.: (949) 614-1773
Email: markkrouse@kaiseral.com

The VEBA Plan's Third Party Administrator is not able to answer any questions concerning COBRA or Bankruptcy COBRA benefits from Kaiser Aluminum or any questions concerning Kaiser Aluminum's benefit plans.

IF YOU MOVE

When you move, please remember to notify the Third Party Administrator of your change of address. At present, we are unable to locate retirees and surviving spouses who have moved and have left no forwarding address. When this happens, our mail is returned by the Post Office as "undeliverable." If we are unable to contact you, you may miss out on important information concerning the VEBA Plan, including benefit amounts, and benefit claim-filing deadlines.

HEALTH INCAPACITY

To assure continued participation in the VEBA Plan in the event you become incapacitated, it is important that you make another family member aware of the VEBA Plan and how it works. We also suggest that you maintain a VEBA Plan file for these benefit announcements and forms.

Sincerely,

The Board of Trustees of the Kaiser Aluminum Salaried Retirees VEBA Trust

Douglas G. Allen,
Trustee

Arthur S. Donaldson,
Trustee

John E. Daniel,
Trustee