

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

April 29, 2016

**Re: Kaiser Aluminum Salaried Retirees VEBA Plan
2016 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 \$3,800 per Family Unit for 2016 under the Kaiser Aluminum Salaried Retirees VEBA Plan (VEBA Plan). Enclosed are a 2016 Qualified Benefit Reimbursement Request Form and a return envelope to be used for the purpose of claiming your 2016 Qualified Benefit.

Please note that all 2016 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, 2017. If the Request Form is not filed by that date, then all rights to receive a Qualified Benefit for the 2016 VEBA Plan Year (or any portion thereof not already claimed) shall expire and be forfeited.

REMINDER

To be eligible to participate in this Plan as a retiree, you must have begun to accrue credited service with the Company under the Kaiser Retirement Plan (KRP) prior to February 1, 2002 and have retired or will retire in the future, as well as be eligible under the original Kaiser Aluminum Salaried Retirees Medical Plan (i.e. full retirement under KRP). For a full explanation of eligibility rules, see "*Eligibility to Participate in the Plan*" on pages 3 through 5 of your Summary Plan Description.

For your spouse to be eligible for benefits, your marriage must have taken place prior to the first day of the month following your retirement date. In the event of divorce or legal separation, your spouse will no longer be eligible for benefits under the VEBA Plan. In the event you remarry, your new spouse will not be eligible for benefits.

PLAN BENEFITS

The Plan will reimburse you for health care premiums you paid (such as medical, dental, vision, and drug plan premiums) and for Medicare Part B or Part D premiums, or Medicare Supplement Plan premiums. It includes premiums you pay directly to insurance carriers or HMOs (e.g. Blue Cross, Kaiser, etc.) or contributions you make for employer-sponsored health care benefits.

The Plan will not reimburse you for long-term care, disability insurance premiums, prescription drug discount cards, or for hybrid plans such as cancer policies, or hospital indemnity policies. It also will not reimburse you for any co-pays, deductibles or any other out-of-pocket expenses imposed by your health care plan.

For further information, please review the "*Benefits and Limitations*" shown on pages 7 and 8 of your Summary Plan Description.

MEDICARE PART B OR PART D PREMIUMS

If you intend to claim Medicare Part B or Part D premium expenses for 2016, please read the following:

Excess Medicare Part B Premiums. The premiums paid for Medicare Part B coverage during 2016 are not the same for each individual. The standard premium applicable to most individuals will be \$104.90 per month for 2016 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 2014) exceeds these amounts, the standard premium for 2016 will be \$104.90 or higher.

Single individuals who had “modified adjusted gross income” of more than \$85,000 in 2014, and married couples, filing jointly, who had “modified adjusted gross income” of more than \$170,000 in 2014, are required to pay even higher 2016 Medicare Part B premiums. The Social Security Administration determines the amount of any excess Medicare Part B Premiums you may be required to pay for 2016 based upon your income tax return for 2014. If you are required to pay excess Medicare Part B Premiums for 2016, 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 2016 Medicare Part B premium of \$104.90 per month (or if you are required to pay higher 2016 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 2016 Qualified Benefit Reimbursement Request Form.

Reimbursement will be made at the standard 2016 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 2016 amount, you must also attach Proof of Payment of such higher premiums. See the 2016 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 2016 Medicare Part D premium rate that the VEBA Plan could use for reimbursement of 2016 Medicare Part D premiums. Accordingly, if you are claiming reimbursement of 2016 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 2016 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:

Samantha Seger
Kaiser Aluminum
27422 Portola Parkway, Suite 200
Foothill Ranch, CA 92610-2831
Tel.: (949) 614-1747
E-mail: Samantha.Seger@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