

BOARD OF TRUSTEES
KAISER ALUMINUM SALARIED RETIREES VEBA TRUST

c/o Trucker Huss, One Embarcadero Center, 12th Floor, San Francisco, CA 94111

April, 2018

**Re: Kaiser Aluminum Salaried Retirees VEBA Plan
2018 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 an available benefit amount of up to \$4,700 per Family Unit for 2018 under the Kaiser Aluminum Salaried Retirees VEBA Plan (“Plan”). This amount is for 2018 covered expenses only, and does not depend on the number of eligible individuals in your Family Unit. Please note that if both members of a couple each qualify as a retiree under the Plan, each will be considered a separate Family Unit entitled to the full \$4,700 annual benefit for 2018 expenses. If one member of your Family Unit passes away or otherwise becomes ineligible during 2018, the entire \$4,700 amount remains available to the remaining eligible Family Unit members. In no event, however, will a member of a Family Unit become entitled to claim expenses in excess of the full annual benefit. Enclosed are a 2018 Qualified Benefit Reimbursement Request Form and a return envelope to be used for the purpose of claiming your 2018 Qualified Benefits.

Please note that all 2018 Qualified Benefit Reimbursement Request Forms must be filed with the Third Party Administrator, Delta Fund Administrators, LLC (“Delta”), at the address indicated at the top of the Request Form on or before December 31, 2019. If your Request Form is not filed by that date, then your rights to receive a Qualified Benefit for the 2018 Plan Year (or any portion thereof not already claimed) shall expire and be forfeited.

NOTABLE PLAN PROVISIONS

Below is a brief discussion of certain Plan provisions. Please make sure you are familiar with these items, as they may affect your reimbursement. For more information, see the summary plan description. If you need another copy of the summary plan description, call Delta at the number provided in the section of this letter titled “Contacting the Third Party Administrator.”

After-Tax Premiums. The Plan only reimburses health care premiums and premiums for qualified long term care insurance that were paid on an after-tax basis and not claimed as a deduction on your personal income tax return. If you pay premiums under an employer-sponsored health plan through pre-tax payroll deduction or claim a deduction for the premiums on your personal income tax return, those expenses are not eligible for reimbursement under the Plan.

Long Term Care. The Plan reimburses premiums paid for a “qualified long-term care insurance contract.” A qualified long-term care insurance contract is defined by Internal Revenue Code Section 7702B(b) as any insurance policy where (A) the policy only covers qualified long term care services, (B) the policy does not cover expenses covered by Medicare as a primary payor, (C) the policy is guaranteed renewable, (D) the policy does not provide for a cash surrender value or other money that can be paid, assigned, or pledged as collateral for a loan, or

borrowed, except in limited circumstances, (E) all premium refunds and policyholder dividends are, with limited exceptions, applied as a reduction in future premiums or to increase future benefits, and (F) the policy satisfies the consumer protection provisions in Internal Revenue Code Section 7702B(g). Please contact your long term care insurance carrier or broker to determine if your policy qualifies as a “qualified long-term care insurance contract.” Only qualified long term care insurance contact premiums paid for 2018 coverage that you do not deduct on your federal personal income tax return and that do not exceed the Plan’s 2018 annual limits set forth in Appendix A to the 2018 claim form are reimbursable by the Plan.

Only a portion of the premiums you pay for a qualified long term care insurance contract is reimbursable by the Plan. You are not entitled to a benefit in excess of the annual maximum benefit under the Plan to reimburse your long term care insurance premiums; reimbursements of long term care insurance premiums reduce the amount of your annual Plan benefit available for other coverage. Please keep this in mind when deciding whether to purchase long term care insurance.

A REMINDER ON ELIGIBILITY

To be eligible to participate in the Plan as a retiree, you must have begun to accrue credited service 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 the 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 Plan. In the event you remarry, your new spouse will not be eligible for benefits. A surviving spouse who remarries will lose eligibility under the Plan.

You may not receive a reimbursement for anyone who has not been listed on an Enrollment Form. You do not have to re-enroll every year.

If you are rehired by Kaiser Aluminum or any of its affiliates or subsidiaries, you and your Family Unit members will immediately cease to be eligible for this Plan, regardless of whether you are eligible or enrolled for employee health benefits from Kaiser Aluminum while a rehired employee. You may not submit any expenses incurred by any member of your Family Unit during your period of re-employment to the Plan for reimbursement. Upon a subsequent termination of employment, you will once again become covered under the Plan without the need to re-enroll.

If you or a member of your Family Unit is age 65 or older, that person must enroll in Medicare Part A as of their first date of eligibility (generally, the first day of the month in which you reach age 65 or, if born on the first day of a month, the first day of the month before the month in which you reach age 65) or contact Delta to request a waiver of this requirement before reaching age 65.

PLAN BENEFITS

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

you make on an after-tax basis for employer-sponsored health care benefits. The Plan will also reimburse you and your eligible dependents for a portion of the premiums that you pay for qualified long term care insurance.

The Plan will not reimburse you for disability insurance premiums, prescription drug discount cards, or for specific disease 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 or provider.

MEDICARE PART B OR PART D PREMIUMS

If you intend to claim Medicare Part B or Part D premium expenses for 2018, please read the following:

Medicare Part B Premiums. Premiums paid for Medicare Part B coverage during 2018 are not the same for every enrollee. Medicare Part B premiums are payable directly or through deductions to Social Security benefits, and some individuals must pay an income-related monthly adjustment amount in addition to the standard Part B premium. For this reason, there is no standard 2018 Medicare Part B premium rate that the Plan can use for reimbursement of 2018 Medicare Part B premiums. You will have to attach both proof of coverage under Medicare Part B and proof of the amount of and payment of the applicable premiums.

Medicare Part D Prescription Drug Premiums. Prescription drug coverage 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. Medicare Part D premiums are payable directly or through deductions to Social Security benefits, and some individuals must pay an income-related monthly adjustment amount in addition to the standard Part D premium. For these reasons, there is no standard 2018 Medicare Part D premium rate that the Plan can use for reimbursement of 2018 Medicare Part D premiums. Accordingly, if you are claiming reimbursement of 2018 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 the amount of and payment of the applicable premiums.

CONTACTING THE THIRD PARTY ADMINISTRATOR

If you have questions concerning the Plan or require additional benefit forms and materials, please contact the 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](mailto: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](mailto:Samantha.Seger@kaiseral.com)

Delta 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 Delta of your change of address. If we are unable to contact you, you may miss out on important information concerning the Plan, including benefit amounts, Plan design changes and claim filing deadlines and forms.

HEALTH INCAPACITY

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

Sincerely,

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

Douglas G. Allen,
Chair of Trustees

John E. Daniel,
Trustee

Richard Byrne,
Trustee