

## **Kaiser offers to help retirees \$600 to offset Medicare costs**

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Retirees of Kaiser Aluminum may be eligible for a \$600 lump sum payment this year to offset about half of the out-of-pocket Medicare Part B costs as the company's post-bankruptcy fortunes rise.

There are about 9,000 former Steelworkers, including surviving spouses, retired from the company that once had mining, refining, smelting and production plants strung around the world. About 3,000 live in Eastern Washington and worked at the company's large Spokane plants, including the Trentwood rolling mill and the now-shuttered Mead smelter.

Retirees will be receiving mail in the coming days outlining the offer, said Steelworkers regional spokesman Steve Powers. The payments will be funded from an unusual trust established during the bankruptcy to help offset health care benefits that were stripped as the company reorganized in federal bankruptcy court.

Many older American eligible for Medicare voluntarily enroll in Part B, which covers the cost of physicians and some medical services, Powers said. The premium for Part B was about \$93.50 per month in 2007 and is normally deducted from Social Security checks.

Powers said the \$600 lump sum payment from the trust would at least help cover that cost that used to be reimbursed by Kaiser as part of its collective bargaining agreement with the Steelworkers.

As a condition of emerging from bankruptcy, Kaiser's old stock was rendered worthless. In its place, new stock was offered, of which 57 percent was awarded to what is called the Voluntary Employees' Beneficiary Association trust.

The arrangement was a risk for Steelworkers that worked.

Though retiree benefits are not what they once were, the company's success – based on soaring demand for aluminum products used in airplanes, automobiles and construction – has eased the sting. With about \$350 million in cash and another \$350 million worth of stock, for example, the trust has been able to pay to restore prescription drug coverage for eligible retirees.

As the trust pays for retiree benefits, Kaiser's rolling mill now employs about 650 Steelworkers and a couple hundred managers and support staff, Powers said. Several years ago amid slumping prices and the abandonment of its aluminum can line, Trentwood was down to about 250 Steelworkers.

The company is poised to add even more to the mill, investing about \$140 million in new equipment.