

Contributions and Dues Notice

March 20, 2007

At the February 2007 Board of Directors Meeting, it was decided to reduce annual dues from \$15 to \$10 per year and to stop accepting contributions from members.

The purpose of dues and contributions was to create a reserve of cash that could be used to pursue legal action against the corporation should retiree benefits be in jeopardy. As you all know, we lost those benefits and pursued Kaiser Aluminum to recoup them. Through the hard work and excellent negotiations of the 1114 Committee, Kaiser Aluminum retirees were able to obtain a settlement from Kaiser Aluminum and provide for the formation of the VEBA. Again, the 1114 Committee was able to get Kaiser to pay for Kaiser Aluminum retiree legal costs in pursuing the settlement. This is quite fortunate, as we would not have had sufficient reserves to pay these legal costs out of KASRA funds.

As a result of these successes, KASRA now has a very strong cash reserve position. We don't expect major legal or consultancy costs in the future, but will maintain a prudent contingency amount in the event of the unforeseen. As a result of the decision to reduce dues and discontinue contributions, KASRA expects to operate on a negative annual budget and gradually reduce cash reserves, but will review the annual dues question should circumstances warrant.

All contributions made in 2007 to date, and any subsequent contributions will be considered dues payments and will be credited to the contributor's account. Prepaid dues for future years will be credited to future years dues at the new rate. This means that you will not receive a dues reminder should you have sufficient funds in your account to cover the next dues period. The Board would like to thank all who made contributions to the fund.

The Board believes that these actions will provide KASRA with the necessary funds to continue to keep its membership informed on issues and developments, especially those relating to the VEBA trust from which limited medical reimbursements have been made, COBRA coverage, Kaiser retirees' activities, senior issues and Kaiser's performance. KASRA does this through email, selected mailings, a newsletter, *KASRA Retiree News*, and a (future) KASRA website. It also publishes the *KASRA Email Directory* for use by retirees in contacting old friends. KASRA is also the linkage to a network of Kaiser retiree luncheon/social groups located around the country.

On behalf of your Board of Directors



Dick Kauffman
President

Please share this information with retirees who do not use email.