

KAISER ALUMINUM SALARIED RETIREES VEBA PLAN

September 30, 2020

Required Summary Annual Report and “Non-Creditable Coverage Notice” Regarding Prescription Drug Coverage and Medicare

Dear Participant:

You are receiving the enclosed annual required notices because you are a participant in the Kaiser Aluminum Salaried Retirees VEBA Plan (the “VEBA Plan”), and federal law requires that the VEBA Plan provide these notices to participants. Attached are two documents: 1) the 2019 Summary Annual Report for the 2019 Plan Year and 2) the VEBA Plan’s Medicare Part D Non-Creditable Coverage Notice.

The first enclosed document, the 2019 Summary Annual Report, is a narrative summary of the VEBA Plan’s financial status and summarizes the information on the VEBA Plan’s 2019 annual report (2019 Form 5500).

The purpose of the second document, the Medicare Part D Non-Creditable Coverage Notice, is to ensure you understand that if you are not enrolled in Medicare Part D and you do not maintain what is known as “creditable coverage” for prescription drugs, your future cost for Medicare Part D coverage may be higher if you later decide to enroll in a plan that provides such coverage. **If you are currently covered by a Medicare Prescription Drug Plan (also referred to as a “Part D Plan”) or a Medicare Advantage Plan (such as an HMO or a PPO) that includes prescription drug coverage, then you have creditable coverage for prescription drugs, and no action is required by you.**

About the VEBA Plan

The VEBA Plan does not directly provide prescription drug coverage, so the coverage provided by the VEBA Plan is not creditable coverage. Instead, the VEBA Plan reimburses qualifying health coverage premiums, including prescription drug plans that provide creditable coverage such as a Part D Plan or a Medicare Advantage plan.

Sincerely,

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

Douglas Allen
Chair of Trustees

John E. Daniel
Trustee

Richard Byrne
Trustee

Encls.

SUMMARY ANNUAL REPORT

KAISER ALUMINUM SALARIED RETIREES VEBA PLAN

This is a summary of the annual report of the Kaiser Aluminum Salaried Retirees VEBA Plan (the "Plan"), E.I.N. 686244507, Plan No. 501, for the year ended December 31, 2019. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the Plan, was \$52,598,358 as of December 31, 2019, compared to \$48,592,303 as of January 1, 2019. During the Plan year, the Plan experienced an increase in its net assets of \$4,006,055. This increase includes unrealized appreciation and depreciation in the value of plan assets.

The Plan had total additions of \$12,433,942 including contributions of \$2,936,250 and investment gains of \$9,497,692.

Plan expenses were \$8,427,887. These expenses included \$590,556 in administrative expenses and \$7,837,331 in benefits paid to or for participants and beneficiaries.

Your Rights to Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An independent auditors' report;
2. Financial information and information on payments to service providers;
3. Assets held for investment;
4. Transactions in excess of 5% of the plan assets; and
5. Information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the Plan participates.

To obtain a copy of the full annual report, or any part thereof, write or call the office of the Trustees of the Plan, c/o Trucker Huss, APC, 1 Embarcadero Center, 12th Floor, San Francisco, California 94111, (415) 788-3111. The charge to cover copying costs will be 25 cents per page.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the Plan and accompanying notes, or a statement of income and expenses of the Plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan (Trucker Huss, APC, 1 Embarcadero Center, 12th Floor, San Francisco, California 94111) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

About Medicare Prescription Drug Coverage

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th. You may use your VEBA Plan account to help pay the costs of a Medicare drug plan. If you choose not to enroll in a Medicare drug plan when you are first eligible but decide to do so at a later date, you may pay a higher premium (a surcharge) because you will not have had creditable coverage. The VEBA Plan does not directly provide prescription drug coverage, so the coverage provided by the VEBA Plan is not creditable coverage. Instead, the VEBA Plan reimburses qualifying health coverage premiums, including prescription drug plans that provide creditable coverage such as a Part D Plan or a Medicare Advantage plan.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

Depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but did not join, if you go 63 continuous days or longer without prescription drug coverage that is creditable, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

What Happens To Your VEBA Plan Coverage If You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your VEBA Plan coverage will not be affected. You will be eligible for reimbursement of your Medicare Part D premiums from the VEBA Plan. Your VEBA Plan coverage pays for other health premiums in addition to prescription drug coverage premiums.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You will get a copy of the handbook in the mail every year from Medicare. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).