

**BOARD OF TRUSTEES  
KAISER ALUMINUM SALARIED RETIREES VEBA TRUST**

April, 2009

Re: Kaiser Aluminum Salaried Retirees VEBA Plan  
2009 Qualified Benefit Reimbursement Program

Dear Fellow Retiree or Surviving Spouse and Family:

**We are pleased to advise you that the Board of Trustees has decided to declare a Qualified Benefit of up to \$1,750 per Family Unit for 2009 under the Kaiser Aluminum Salaried Retirees VEBA Plan (VEBA Plan).** Enclosed are a 2009 Qualified Benefit Reimbursement Request Form and a return envelope to be used for the purpose of claiming your 2009 Qualified Benefit.

**Please note that all 2009 Qualified Benefit Reimbursement Request Forms must be filed with the Third Party Administrator at the address indicated at the top of the Form on or before December 31, 2010. If the Form is not filed by that date, then all rights to receive a Qualified Benefit for the 2009 VEBA Plan Year (or any portion thereof not already claimed) shall expire and be forfeit.**

**Medicare Part B or Part D Premiums**

If you intend to claim Medicare Part B or Part D premium expenses for 2009, please read the following:

**Excess Medicare Part B Premiums**

The premiums paid for Medicare Part B coverage during 2009 are not the same for each individual. The standard premium applicable to most individuals is \$96.40 per month for 2009. However, single individuals who had “modified adjusted gross income” of more than \$85,000 in 2007, and married couples, filing jointly, who had “modified adjusted gross income” of more than \$170,000 in 2007, are required to pay increased 2009 Medicare Part B premiums, depending upon their income level. The Social Security Administration determines the amount of any excess Medicare Part B Premiums you may be required to pay for 2009 based upon your income tax return for 2007. If you are required to pay excess Medicare Part B Premiums for 2009, you should already have received a notice of that fact 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 2009 Medicare Part B premium of \$96.40 per month (or if you are required to pay higher 2009 Medicare Part B premiums but do not wish to claim reimbursement of more than \$96.40 per month), you need only attach

a copy of your Medicare Card to your 2009 Qualified Benefit Reimbursement Request Form. Reimbursement will be made at the standard 2009 Medicare Part B premium rate of \$96.40 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 2009 Medicare Part B premiums, you must also attach Proof of Payment of such higher premiums. See the 2009 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 2009 Medicare Part D premium rate that the VEBA Plan could use for reimbursement of 2009 Medicare Part D premiums. Accordingly, if you are claiming reimbursement of 2009 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 2009 Qualified Benefit Reimbursement Request Form – *Medicare Part D Premiums* – for further information.

### Frequently Asked Questions

The Third Party Administrator receives and answers a number of similar questions concerning the VEBA Plan during the year. For that reason, we thought it would be a good idea to again list some of the frequently asked questions and provide answers to them.

#### **1. Question: What is the VEBA Plan?**

**Answer:** The VEBA Plan is sponsored and administered by the Board of Trustees of the Kaiser Aluminum Salaried Retirees VEBA Trust (VEBA Trust). The VEBA Trust is a separate entity that is entirely independent of Kaiser Aluminum. Kaiser Aluminum is required to make contributions to the VEBA Trust from time to time under the terms of a Settlement Agreement reached during Kaiser Aluminum's bankruptcy proceedings, but has no other connection with either the VEBA Trust or the VEBA Plan. The VEBA Trust uses its trust funds to pay benefits under the VEBA Plan to eligible Kaiser Aluminum salaried retirees, spouses and dependents by way of reimbursement of health care plan premiums paid by them or on their behalf. Health care plans include those that provide medical, prescription drug, dental and/or vision care benefits. These health care plans may be provided by any insurance company or health maintenance organization, Medicare, and any qualified Medicare supplemental policy or plan. Kaiser Aluminum continues to provide COBRA or Bankruptcy COBRA medical benefits to some

retirees and family members under Kaiser Aluminum's own health care plans. These Kaiser Aluminum plans are entirely separate from and should not be confused with the VEBA Plan.

**2. Question: Who needs to enroll?**

**Answer:** Everyone who is eligible to enroll in the VEBA Plan must enroll one time in order to receive benefits under the VEBA Plan. **Once an eligible retiree, spouse or dependent is enrolled in the VEBA Plan, they do not need to enroll again.**

**3. Question: When do I need to send in my reimbursement request form?**

**Answer:** Qualified Benefit Reimbursement Request Forms can be sent in to the Third Party Administrator at any time prior to the deadline set for the submission of such Forms. Individuals enrolled in the VEBA Plan on or before December 31, 2009, for example, may claim their 2009 benefit at any time on or before December 31, 2010. Most individuals wait to submit their claims until they have paid enough in health care premiums in order for them to claim the full amount of their benefit for the year. However, you can file for a portion of your benefit currently and file for the remainder later on, so long as all of the Forms are filed prior to the deadline. If you intend to file more than one claim, please make an extra copy of the Qualified Benefit Reimbursement Request Form for that purpose.

**4. Question: Are my spouse and I each entitled to claim a full benefit?**

**Answer:** Generally, each retiree and members of the retiree's family are limited to a single benefit claim for reimbursement of health care premiums paid by or on behalf of them for coverage under a health care plan. The exception to this general rule is that if a retiree and the retiree's spouse both worked for Kaiser Aluminum and each of them were individually entitled to retiree medical benefits upon their retirement, each spouse may independently claim a full benefit. They cannot, however, claim reimbursement of the same health care premium expenses.

**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 Health Systems<sup>1</sup>  
P.O. Box 4026  
Concord, CA 94520  
Telephone: Toll Free (888) 344-8322  
E-Mail: [vebaplan@proadministrators.com](mailto:vebaplan@proadministrators.com)

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<sup>1</sup> In July, 2008, Professional Administrators, Inc. was acquired by Delta Health Systems of Stockton, California and became the Third Party Administrator for the VEBA Plan. The VEBA Plan is being administered by the same personnel as before and the mailing address, telephone number and e-mail address remain the same.

**If you are receiving COBRA or Bankruptcy COBRA benefits from Kaiser Aluminum and have questions concerning those benefit plans, please contact Charles R. Romeo, Director, Compensation & Benefits at the following mailing address and telephone number:**

Kaiser Aluminum Corporation  
27422 Portola Parkway, Suite 350  
Foothill Ranch, CA 92610  
Tel.: (949) 614-1766

**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.**

Sincerely,

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

Douglas G. Allen,  
Trustee

Arthur S. Donaldson,  
Trustee

David L. Perry,  
Trustee