

Kaiser Aluminum Salaried Retirees Association



Carlos Xavier
KASRA President

A MESSAGE FROM KASRA PRESIDENT

Carlos Xavier

A number of KASRA members have asked the question "Why Not Dissolve the VEBA and Distribute Assets Now?" KASRA put this question to Dave Perry, one of the VEBA Trustees. Here is

Dave's response:

"Approximately 3,975 retiree families are currently entitled to participate in the VEBA Plan and the families of approximately 200 currently active employees either will or may become eligible to participate upon their retirement. The average age of retired participants is approximately 76 years. The average age of active employees who are expected to be future participants is approximately 52 years. Given the ages of both current and expected future participants, the Plan's actuary projects continued participation in the Plan beyond the middle of this century, assuming the Plan remains in effect in its current form.

From time to time, KASRA and the VEBA Trustees are asked why the VEBA funds are not simply divided up among eligible retirees and surviving spouses. There are a number of reasons for this.

1. The VEBA funds were intended to provide lifetime medical benefits for eligible salaried retirees, spouses and dependent children.

It became clear during Kaiser Aluminum's reorganization proceedings that Kaiser would be unable to continue to provide the same lifetime retiree medical benefits as they had in the past. The United Steelworkers of America, representing the hourly retirees, and the Official Committee of Salaried Retirees,

representing the salaried retirees, both sought to provide for a continuation of at least some lifetime retiree medical benefits, even though at a reduced level. This was consistent with the objectives of the existing hourly and salaried retiree medical programs maintained by Kaiser and was also consistent with the rights to lifetime retiree medical benefits which retirees had expected and earned during their employment. The voluntary employees' beneficiary association (VEBA) for hourly retirees and the VEBA for salaried retirees were formed in order to provide such lifetime retiree medical benefits as they might be able to afford and to receive in trust all of the funding to be provided by the Company under the settlements approved by the Bankruptcy Court.

2. The VEBA for salaried retirees is entitled to future contributions from Kaiser.

Under the terms of the settlements approved by the Bankruptcy Court, Kaiser was required to fund each VEBA with an initial cash contribution, shares of common stock in the reorganized company, a portion of its future profits under a profit sharing plan, and an annual reimbursement of a portion of each VEBA's operating expenses. Each VEBA has received the full amount of Kaiser's initial cash contribution and the shares of Kaiser's common stock. Kaiser remains obligated to fund the salaried VEBA with up to \$2.9 million annually to the extent earned under the profit sharing plan and to reimburse one-half of its operating expenses up to \$36,250 annually. This obligation continues indefinitely, and for that reason, the salaried VEBA does not yet have all of the funds to which it and its participants are or will be entitled.

Visit website at
www.e-kasra.com

WHAT'S GOING ON



Surviving spouse **Margaret Zaffran** of Homedale, ID, won a Blue Ribbon at the County Fair for her blazeberry jelly. Pictured here, Margaret also enjoyed a summer ride on a circus elephant named "Pongo." **Carolyn Wilson** (Point Pleasant, WV) enjoys reading about fellow Ravenswood retirees.

KASRA Board member **Chris Laszcz-Davis** (Orinda, CA) has been appointed to the board of the Orinda Community Association and will be working with the City Council to strengthen that community's volunteer emergency services. Sherman, TX retiree and resident **Judy Kirby** is a customer service manager for the local co-op telephone company. WWII veteran **Bob Hansen** (Baton Rouge, LA) boarded the 14th Louisiana Honor Air Flight to visit the WWII memorial in Washington DC and was honored by cheers, music and flag waving for his service to the country. **Nancy Dembny-Hendrix** of Portland, OR, has adopted a local fire station by baking and delivering goodies to the firefighters every day for the past two years. Bet her home is the best-watched place on the block! Nancy says hi to former boss, **KASRA** President **Carlos Xavier**.

Travels galore...**Marceline Kieou** (Alameda, CA) spent five weeks in Beijing, China, visiting and learning Mandarin. **Gerald (Jerry) Bennett** (Walnut Creek, CA) traveled from San Francisco to Las Vegas, Albuquerque, Denver, Salt Lake City and Reno. **Fred Peightal** of Bermuda Dunes, CA, attended his 50th high school reunion in Huntington, PA and played in the Taylor Made Golf Invitational in Puerto Vallarta, Mexico. **Will Roussel** (Baton Rouge, LA) cruised the Panama Canal and took a rail trip through the Rocky Mountains. **Tom Franklin** and his wife, Catherine, take a long drive twice a year, from their home in Slidell, LA to Spokane, WA, never going the same route twice. **William M. Vaglianti** and his wife, Julie, of Hilton Head, SC, took a trip to the Greek Islands and Turkey, and also visited Istanbul. **Harry Darnell** (Homosassa, FL) cruised the Caribbean. Gramercy retiree and resident

Kenneth Hymel Sr. visited Disney World and the Kennedy Space Center in Florida. **Bess Miotke** (Puyallup, WA) visited a new granddaughter in Homer, Alaska. **Earnest L. Johnson** (Ripley, WV) visits his children on the Eastern Seaboard. Chalmette retiree **John D'Antonio** and his wife Joann (Talisheek, LA) took a cruise to Alaska. **Joan Y. Thompson** of Wilmington, NC, visits family twice a year in Liverpool, England and La Manga, Spain. **Rebecca Keever-Taylor** (Evans, WV) and her husband, Dale, spend six months of the year in Cape Haze, FL, fishing, boating and feeding the blue herons. Chalmette retiree and resident **Shelby B. Delhomme** cruised the Volga River from Moscow to St. Petersburg. **Richard Desso** of Colbert, GA, went to Vermont to celebrate his 68th high school reunion and reconnected with four of his classmates. **Ursula Seifert** of Castro Valley, CA, went to the Ukraine with friends and the Univ. of Alberta alumni group. **Richard E. Nowell** of Veradale, WA, took trips to Mexico, New England, Mt. Hood, OR, Bellingham, WA and Deer Lake, WA. **Ron Rigge** and his wife, Lisa (Pleasanton, CA) enjoyed a cruise around the Galapagos Islands. **Bob Weggenmann** and his wife, Mary Lou, (Oakland, CA) traveled to the Holy Land, Greece, Italy and Egypt.

Happy Birthday...Surviving spouse **Elsie Lang** celebrated her 90th birthday by having a cocktail party. **Mary Serpa** enjoyed her 92nd birthday with her daughter, son and their families in Carson City, NV.

Happy Anniversary...Celebrating their 50th Anniversaries: Bernard and **Joanne Gutierrez** (Pleasant Hill, CA); Pat and **Arthur E. Brewster** of Metairie, LA, who took a cruise to Hawaii; **Patsy L. Schroder** (Anchorage, AK) and her husband.

Where Are They Now?

Steve Ping lives and works in Athens, Greece for Viohalco Group, heading its R&D company, Elkeme and is the technical director of Viohalco's aluminum company, Elval. Steve's wife, **Wendy**, also a CFT retiree, 'commutes' between Athens and Pleasanton, CA. Mead retiree **Jon Sederstrom** (Spokane, WA) is national sales manager for C-KOE Metals, L.P. Call him at (509) 999-0759 if you need 99.99% pure aluminum shot. Ag Chem retiree **Stanley R. King** of Littleton, NC,

UPDATE!



manages King House Hay Farm, which produces orchard grass hay for horses and cattle. **Richard L. Spees** (Oakland, CA) has a public affairs consulting practice. Harshaw Filtrol retiree and motivational speaker **A. Vincent Cerny** (Satellite Beach, FL) is the host of a radio and television show, "Cerny Success Show", that airs on local cable stations.

KACC retiree **Dick Evans** of Montreal, Quebec, Canada, who has been the CEO of Rio Tinto Alcan, is taking on a new challenge, as chairman of pulp and paper producer AbitibiBowater Inc. **Virginia Marr** (Castro Valley, CA) is a human resources and benefits consultant for Permanente Medical Group.

Volunteer and Community Activities

Norman Olesen of Pahoia, HI, is a commissioner with the Dept. of Health's Disability and Communication Access Board. **Jim A. Caldwell** (San Antonio, TX) delivers Meals On Wheels and has attended the Bible Study Fellowship International convention for the past four years. **Joe Wojtecki** of Salem, OR, participates in the veteran visitation program sponsored by local chapters of the Elks Lodge and Disabled American Veterans. Baton Rouge, LA retiree and resident **Robert Jeansonne** serves as treasurer for the Baton Rouge Symphony. **Wesley C. Nordin** (Bullhead City, AZ) plays the piano for senior residents of the Assisted Living Center. Ravenswood, WV retiree and resident **Donald Skeens** is a district zone chairperson for the Lions Club, with five clubs under his wing. Savannah, GA retiree and resident **Pat Hawk** is an elder in the Presbyterian Church, serving on its school board. Pat also ushers at the Lucus Theatre for Performing Arts. **Tom Brennen** of Broken Arrow, OK, is a long time volunteer with the Salvation Army and a docent at Tulsa's Philbrook Museum.

Ravenswood retiree and Point Pleasant, WV resident **Donald Waldie** is President of the Point Pleasant River Museum Foundation. Surviving spouse **Eva N. Torrice** of Paradise, CA, volunteers at the assisted living facility Sun Bridge Rehab Care Center, where her late husband, Robert, had been a patient for two years.

Mead Retirees Volunteer at Free Restaurant

Women's & Children's Free Restaurant believes that no one in its community should go hungry and that promoting dignity, respect and hospitality is as important as providing delicious food. Their mission is "serving nutritious meals in a safe and inviting environment that will build a supportive community for women and children in need".

The restaurant serves dinners to women and children on Tuesdays and Wednesdays, with lunch on Fridays. The restaurant also has a program called Friday Fresh Market that helps families during the weekend when food is scarce and children are home from school. Entrees are prepared and packaged to be distributed along with fresh vegetables, fruit, and dairy items as well as canned and boxed foods. The program is privately funded which allows the women and children to be served without discrimination. The operation has only 3 paid employees – everything else is done by volunteers and completely privately funded. Mead retirees Larry Meyers, Don Nadvornick, Mary Yakawich, Ed Garred and Carolyn Raftis all volunteer. Larry, assisted many times by Ed, is a staple at WCFR doing some of the maintenance chores that would require costly hired help. Ed, Don, Mary, Carolyn, and Larry too, all help out on Fridays to set up the Fresh Market and to help the women pick up their food choices for the weekend. *Pictured below (L-R) Larry Meyers, Mary Yakawich, Carolyn Raftis, Don Nadvornick and Ed Garred*



Send KASRA Your News & Pictures

Write us your news, travels, stories... humorous tales welcome. Send a note to Mark Murray, Editor, KASRA News, 2471 San Miguel Drive, Walnut Creek, CA 94596 or email: mamwmipr@aol.com.

MEMBER PROFILE: RALPH SCHWARZ



Ralph Schwarz

“My grandkids like to throw parties here (at my house) and I’m glad to oblige”

March 2009

In 1956, Ralph Schwarz was an accountant with Haskins & Sells, performing audits for the firm’s clients, including Kaiser Aluminum. The client’s CFO took notice of the hardworking auditor and offered Schwarz the Chief Internal Auditor position with the corporation. Thus began a 24-year career at Kaiser Aluminum for Schwarz, who, after a year in his

initial position, was assigned to the accounting area where he rose steadily from assistant to the controller to becoming controller in 1968. His work involved extensive travel to the corporation’s domestic plants as well as to Europe, Jamaica, Australia, Africa and Canada. He retired in 1980 as a corporate vice president, director of taxes. Born and raised in San Francisco, Schwarz lives in Orinda in the same residence that he’s called home since 1960. He turned 89 in February.

Q. What was it like working for Kaiser Aluminum in the early days?

A. It was a very exciting period of rapid growth for the corporation. Kaiser Aluminum was expanding into multiple business lines, sourcing raw materials internationally and becoming a major corporate presence in Oakland.

Q. Your most challenging experience?

A. There were many, including an extended stay in Paris where we negotiated our way out of an unprofitable New Calendonia nickel project.

Q. What was your most memorable experience?

A. I was part of the executive team meeting with the Prime Minister of Jamaica over negotiations concerning Kaiser Jamaica Bauxite. Finally, after hours of talks, an agreement was reached and while details were being worked out, I accompanied Edgar Kaiser back to the hotel. It was 2 a.m., which Mr. Kaiser commented was typical for these kind of negotiations.

Q. What was your involvement with KASRA?

A. After my retirement, I kept busy with volunteer work, and stayed in touch with colleagues through regular lunch gatherings. The core group grew into a luncheon club, which is now KARLA. At these informal get togethers, many of the recent retirees had questions about their benefits and couldn’t understand the fine print. Out of those discussions we decided to establish a more formal organization whose purpose would be to provide information and preserve and protect the retirement benefits of salaried employees. Dick Harrison spearheaded the effort, becoming its first president and I served as KASRA’s first treasurer and its second president. I am very proud to have been involved with KASRA at the early stage of development. Years later, during Kaiser’s bankruptcy proceedings, KASRA proved its purpose as a formally recognized representative body for retirees.

Q. Tell us about your family.

A. I lost Harriet, my wife of 60 years, to liver cancer in 2002. We have a son and a daughter, five grandchildren and two great grandchildren.

Q. What are your hobbies?

A. I play golf with SIRS. And I keep my house clean for company – my grandkids like to throw parties here and I’m glad to oblige.

Message From The President

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3. Certain salaried employees of Kaiser Aluminum either will or may become eligible to participate in the salaried VEBA upon their retirement.

Kaiser discontinued offering salaried employees hired on or after February 1, 2002 the right to accrue credited and pension service for retiree medical benefits. Under the terms of the salaried VEBA settlement approved by the Bankruptcy Court, salaried employees hired prior to that date are entitled to continue to accrue credited and pension service for retiree medical benefits on the same basis as before. To the extent that they would have been entitled to retiree medical benefits upon their retirement had such benefits not been discontinued by Kaiser, they will be entitled to enroll and receive benefits under the VEBA Plan. Approximately 200 active salaried employees continue to accrue credited and pension service for eligibility in the salaried VEBA Plan.

4. Qualified medical benefit payments by the salaried VEBA are expected to be free of liability for income taxes.

The salaried VEBA Plan is intended to qualify as a medical reimbursement plan within the meaning of Section 105 of the Internal Revenue Code. The only benefits that may be paid under the Plan are qualified benefits. The Plan pays out qualified benefits in the form of reimbursements for amounts paid as health care premiums in a manner intended to comply with the requirements of the Code. Assuming that the Plan qualifies as a medical reimbursement plan and has made qualified benefit payments in compliance with the applicable provisions of the Code, the amount of the qualified benefits received by a participant in the Plan would be exempt from federal income tax. Such amounts are generally also exempt from state income tax. If the

Trustees of the VEBA were to dissolve the VEBA and distribute the funds other than as qualified benefits, the distributions would not be tax exempt and participants would have to pay any applicable income taxes on such distributions.

We believe the above response answers the question. If and as other questions are raised, we will try to be similarly responsive. As I said in my January newsletter message, the main goal of KASRA is communication.



Carlos Xavier
President, KASRA

FREE TAX PREP

Did you know that there are **free** Income Tax preparation services with **free** Electronic Filing that may be available to you? The service is provided by the AARP (American Association of Retired Persons) Foundation Tax-Aide Program in over 7000 locations all over the United States.

The Tax-Aide Program is administered by the AARP in cooperation with the Internal Revenue Service and State Tax agencies. It is the nation's largest free, volunteer-run tax preparation and assistance service offered to taxpayers in the low and middle income brackets, with special attention to those age 60 and older. All taxpayers who file basic income tax forms can use the **free**, confidential tax preparation and E-file service. Taxpayers with more complex returns are asked to seek other assistance. Volunteer Tax Counselors are available to help you through **April 15, 2009**. To see if you qualify, to volunteer, and to find the location of a site near you, visit the program's web site at www.aarp.org/taxaide, or call their toll-free number at **1-888-227-7669**.

*Look for our
Community Service
feature in each issue of
KASRA News. This
issue features a group
of retirees from Mead,
on page 3.*

*Please email or write
us a note and send a
picture on what type of
voluntary work you
are doing and for
whom.*

**KAISER
ALUMINUM
SALARIED
RETIREEES
ASSOCIATION**

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LUNCH BUNCH

March 2 Los Angeles
Lunch at noon at The Elephant Bar,
14303 E. Firestone Blvd., La Mirada.
Contact Norm Manger (310) 377-2135
or email normanger@cox.net. L.A.
meeting held the 1st Monday of each
month.

March 5 Baton Rouge
Lunch at noon at Mansur's, 5720
Corporate Blvd. Call Bob Eisenbach
(225) 926-1334 or email
bobeisenbach@cox.net. Baton Rouge
meets 1st Thursday of each month.

March 10 Chalmette
Lunch at 11:30 a.m. at Jasmine French
Restaurant (across from the Slidell Train
Station, on the corner of Teddy Avenue
in Olde Town Slidell), 1768 Front Street
(US Hwy. 11, Blue Star Hwy. RSVP
Sherman Faught (985) 690-4942 or
Chuck Schimmel at (985) 643-0437 or
email schimcol@aol.com.

March 12 Mead
Lunch at 11:30 a.m. at Cathay Inn, on
North Division. Contact Phil
Marksbury at (509) 325-1798 or email
pjmarksb@comcast.net. Mead meets the
2nd Thursday of every month.

April 14 Newark
Lunch at 11:00 a.m. at Stacy's
Hometown Buffet in Heath, Ohio.
We plan to have guest speakers along
the political line, locals running for
office. Contact Bob Abel (740) 323-
2268 or email rpabel@alltel.net. Costs
are paid for by the Newark plant.

April 16 Trentwood
Lunch at 11:00 a.m. at the Valley
Eagles located at 16801 E. Sprague.
Betty and Tom Brattebo will share
their travel experience to China.

Election of Board Members for the
coming year will be held. Call Del
McKinley (509) 924-3077, email at
delmckinl@aol.com, or Jan Gorman (509)
926-5476, email at jandon4@hotmail.com

April 24 Belpre
Breakfast at 9:00 a.m. at Shoney's, Garfield
Ave., Parkersburg, WV. Contact Betty Lou
Blair (304) 489-1337 or email
bettylou13@suddenlink.net

May 1 Baton Rouge – KAOS
Kaiser Aluminum Oldtimers Society
11:30 a.m. at Drusilla's. Contact Bob Eisen-
bach at (225) 926-1334 or email him at
bobeisenbach@cox.net

In Memoriam

Linda Cutshall - Oakland, CA
Joseph J. Durek - Gainesville, VA
Robert E. Gilbert - Spokane, WA
Clemente Gomes - Caracas, Venezuela
Phillip H. Fournet Jr. – Baton Rouge, LA
Robert F. Henderson - Walnut Creek, CA
Milton "Joe" Keller, Jr. - Litcher, LA
Jacob "Jake" Lindemuth - Lafayette, CA
Robert "Bob" Miller - Livermore, CA
Orville F. Newman - Yankee Hill, CA
Ray L. Payne, Jr. - Brentwood, CA
Jon P. Pierce - Mobile, AL
Albert Wilhelm - Gig Harbor, WA

The KASRA Board of Directors expresses
its deepest sympathy to families and loved
ones.