

Questions and Answers about the 2006 Medicare Part B Premium Reimbursement Benefit

What is the new Benefit?

Most older Americans who are eligible for Medicare have enrolled for Part B, the portion of Medicare that covers physician and medical services. Enrollment is voluntary, and the monthly premium is deducted from your Social Security check. For most Americans, this premium is \$88.50 per month during 2006.

The Mittal Steel USA VEBA (formerly the ISG VEBA) intends to reimburse eligible VEBA Beneficiaries and spouses for a portion of their Medicare Part B premiums paid during the first six months of 2006. During this period your monthly premiums likely totaled \$531 if you were enrolled for all six months. If you have a spouse who is also enrolled in Part B, your combined premium cost could be as much as \$1,062. The new VEBA benefit will reimburse eligible members for a portion of this premium expense.

How much can I expect to receive?

The VEBA will earmark a specific portion of the Trust Fund assets for this additional payment. The amount has not yet been determined, and will depend upon the VEBA's revenue and expenses during 2006.

The amount of payment to each individual will be at least \$40 per month, or \$240 if you were enrolled in Medicare Part B for all six months. The actual amounts could be higher, depending upon the total number of eligible VEBA Beneficiaries and spouses who apply for the benefit.

How do I apply for the new benefit?

Simply complete and sign the enclosed Benefit Application Form, and return it, using the enclosed envelope, to the VEBA Administration Office. The envelope must be postmarked before **Thursday, August 31, 2006**. This deadline will not be extended, so you must respond on a timely basis.

Note that you must also attach a copy of your Medicare Health Insurance Identification Card.

This information is necessary solely to verify your eligibility for the benefit. The information will not be used for any other purpose, or given to any other individual or organization.

When can I expect to receive my payment?

The VEBA expects to mail benefit checks to all eligible individuals by **December 1, 2006**. If you and your spouse are both eligible for the benefit, each of you will receive a separate check. The benefit cannot be combined into one payment, since the benefit is based on each individual's eligibility and amount of Medicare Part B premium expense.

What happens if I, or my spouse, die prior to receipt of the benefit in December?

First, it is very important that the death of any eligible retiree or spouse be promptly reported to the VEBA Administration Office. It is essential that the VEBA have up-to-date records so that we can keep Beneficiaries informed about the operation of the VEBA and their entitlement to VEBA benefits.

The Plan rules require an eligible individual to (1) pay a Part B premium for one or more of the first six months of 2006, and (2) submit a completed Benefit Application Form by August 31, 2006.

If these two conditions are satisfied, and the individual dies prior to December 1, 2006, the VEBA will pay the benefit to the deceased individual's estate.

Is the benefit taxable?

Based on our understanding of current federal tax laws, the payment is not subject to federal income tax, since it is paid from an IRS-qualified benefit plan. You may need to consult with your tax advisor to determine if the benefit is subject to state or local taxes.

Will I receive this benefit for years beyond 2006?

At this time our commitment is only to make a payment in 2006. The payment of any benefits beyond 2006 will depend upon the availability of VEBA Trust Fund assets. The only source of assets is contributions from Mittal Steel USA, which fluctuate each quarter, depending upon operating profits and steel tonnage. Therefore, we cannot guarantee the continuation of payments beyond 2006.

How can I obtain additional information regarding my eligibility for this benefit?

If you have any questions, you should call the VEBA Administration Office at the following toll-free number: **1 (877) 474-8322**

