



AK Steel Corporation
Long Term Disability Plan

IAM Local 1943
Hourly Employees

Summary Plan Description

Effective March 15, 2007

Table of Contents

Introduction	1
Eligibility	1
Benefit Amount	2
Continuous Service	3
Duration of LTD Benefits	3
LTD Benefits Recalculated at Age 62	3
You Have at Least Five, But Less Than 15 Years of Service	4
Benefit Reductions	4
Administration of the Plan	5
Discontinuance and Amendment	5
Your Rights Under ERISA.....	5
Claims Appeal Procedure	6
Plan Administrative Facts and References	7
Plan Administration Process	8
Agent for Legal Process.....	8
Important Plan Information	8

INTRODUCTION

This summary is designed to give you information about your AK Steel Corporation Long Term Disability benefits. It covers these benefits as they apply to eligible regular employees of AK Steel Corporation. It does not apply to certain employees at locations which have not been expressly designated by the Benefit Plans Administrative Committee, who are properly covered by a separate long term disability plan or whose collective bargaining agreements do not provide for participation under this Plan or who are treated as temporary or part-time employees in accordance with the Company's ordinary personnel practices.

If you have any questions about your eligibility to participate in this Plan, contact your local benefits administrator or the Benefit Plans Administrative Committee at 9227 Centre Pointe Drive, West Chester, Ohio 45069.

If you would like more details than are provided in this booklet, contact your local benefit administrator or the Benefits Plans Administrative Committee. Your Long Term Disability (LTD) benefits are closely integrated with the AK Steel Corporation Noncontributory Pension Plan.

ELIGIBILITY

If you are a participant in the Noncontributory Pension Plan, you are eligible to participate in this plan if:

- You have completed two years of continuous service before becoming disabled,
- You are actively working at the time you became disabled,
- You are totally and permanently disabled as determined by the company physician,
- You are totally and permanently disabled as determined by Social Security,
- You are under age 62, and
- You have been off work for at least six months due to disability.

If you have two or more years of continuous service and you are actively working at the time you become disabled, and you are eligible for Social Security disability and the company physician has determined that you are totally and permanently disabled, the Long Term Disability Plan (LTD) will provide another source of disability income.

The Plan "picks up" after your sickness and accident benefits have provided disability income during your first few months of disability. Once you have been absent for at least five months, if you have more than 15 years of continuous service and meet all other eligibility requirements of the pension plan, you may apply for disability pension

benefits under the Noncontributory Pension Plan. However, if you do so, and do not become eligible for Social Security Disability benefits within the first month following your disability retirement, you will not be eligible for Long Term Disability benefits. You must apply for and be eligible for Long Term Disability benefits prior to your last day of continuous service.

You will receive benefits if, in the opinion of the company physician, you are totally and permanently disabled. Also, you must be eligible for Social Security disability benefit payments within the first month following the end of your continuous service. Once LTD benefits begin, you must continue to be eligible for Social Security disability without any interruption.

The LTD Plan works with both Social Security and the Noncontributory Pension Plan to make sure your income is protected until age 62. At that point, the Pension Plan will take over to provide income for many employees. However, if you are not eligible to receive payments under the provisions of the Noncontributory Pension Plan you will continue to receive a reduced payment under the Long Term Disability Plan.

BENEFIT AMOUNT

The LTD Plan is closely tied to the AK Steel Corporation Noncontributory Pension Plan. The monthly income from the LTD Plan is determined by calculating the enhanced benefit you could receive under the AK Steel Corporation Noncontributory Pension Plan, as if you had continued to work until age 62 and then retired.

To determine your benefit, we use the pension formula from the Noncontributory Pension Plan (this benefit formula was frozen effective May 26, 2007). The basic formula for Long Term Disability Benefits commencing on or after March 15, 2007 is as follows:

\$56.25 for each year (and fraction thereof calculated to the nearest month) of Continuous Service in excess of two, but not more than 30 years; **plus**

\$75.00 for each year (and fraction thereof calculated to the nearest month) of Continuous Service in excess of 30 years.

Your calculation is explained in detail in the AK Steel Corporation Noncontributory Pension Plan. This formula will be used to provide continuing monthly income until you recover or reach age 62. All benefits are subject to the Plan maximum.

When you reach age 62, if you are still disabled, the LTD benefit is recalculated to equal the highest of 50% of the total LTD benefit or your actual pension.

CONTINUOUS SERVICE

The main component used in the calculation of your LTD benefit is continuous service. Your actual service as recognized under the Noncontributory Pension Plan is used to determine your service for LTD purposes. Additionally, your service is projected as if you continued actively working to age 62, for the purpose of calculating the benefit amount for LTD.

For example, an employee is disabled in July of 2007. The employee's actual continuous service, determined by the Noncontributory Pension Plan, is 35 years and the employee is age 57. The employee *might* have worked another five years to age 62. So we add that five years for a total of 40 years of continuous service under the Plan.

LTD does not change continuous service accrued for pension purposes under the Noncontributory Pension Plan. The Noncontributory Pension Plan was frozen effective May 26, 2007, but continuous service for eligibility purposes continues. If you are eligible for an immediate pension, your continuous service for pension purposes will break immediately upon your disability retirement. If you are not eligible for an immediate pension, your service will break after two years of service for pension eligibility purposes as provided in the Noncontributory Pension Plan. This break in service under the pension plan may allow you to become eligible for a deferred vested or regular disability pension.

DURATION OF LTD BENEFITS

LTD Benefits cease immediately upon termination of Social Security disability benefits if benefits cease prior to age 62. LTD Benefits also cease immediately upon your death. If Social Security disability benefits cease prior to age 62 and are reinstated prior to age 62, you may once again be eligible for LTD, but only if Social Security disability benefits are reinstated to the date benefits ceased.

LTD Benefits Recalculated at Age 62

When you reach age 62, you would normally be eligible for your pension benefit from the Noncontributory Pension Plan. Your LTD Plan benefit will be calculated in two ways assuming you are still receiving it at age 62. The calculation that provides the highest benefit is the one you will receive.

1. 50% of your LTD Plan benefit, or
2. Your actual benefit from the Noncontributory Pension Plan as it was determined at the time you became disabled.

For example, assume an employee was receiving an LTD benefit of \$1,400.00 a month. At age 62, the benefit is reduced by 50% and compared to the \$900.00 actual pension

earned at disability. Since the \$900.00 pension benefit is higher than 50% of the LTD benefit of \$700.00, the employee receives \$900.00 for life. He will receive Social Security in addition to this pension plan benefit.

You Have at Least Five, But Less Than 15 Years of Service

If you have at least five years of continuous service when your service breaks, you are eligible for a deferred vested pension under the Noncontributory Pension Plan. In this case, you have the option to start receiving your deferred vested pension early. You can elect to start drawing your pension benefit anytime between age 55 and 65. All AK Steel employees are eligible to receive an “actuarially reduced” pension benefit as early as age 55. This actuarial reduction is necessary to account for the fact the benefit will be paid over a longer period of time.

At age 55, the reduction to your pension benefit is approximately 42%. The LTD Plan, however, permits you to wait to receive your pension until the pension reduction does *not* apply, so that you can maximize your pension. You can wait until age 65 and receive an unreduced pension.

Even if you have at least five years of continuous service, the LTD Plan provides that you do not have to accept an actuarially reduced pension unless it provides a larger benefit and is in your best interest.

For example, assume an employee was receiving an LTD benefit of \$700.00 a month. His frozen pension is \$400.00, payable at age 65. At age 62, the LTD benefit is reduced by 50%, resulting in an LTD benefit of \$350.00. This is compared to the \$400.00 actual pension earned at disability, but reduced for early payment. The reduced frozen pension amount is \$301.12. Since the LTD benefit of \$350.00 is higher than the frozen pension reduced for early payment, the employee receives \$350.00 until age 65. At age 65, the frozen pension of \$400.00 replaces the LTD benefit, and the employee receives this benefit for life. He will receive Social Security in addition to this pension plan benefit.

BENEFIT REDUCTIONS

LTD benefits are reduced by other company-sponsored benefits you might receive, such as disability payments from any government agency, program or coverage required or provided by law, including Worker’s Compensation.

LTD benefits are not reduced by Social Security disability benefits. That means that you can receive your full LTD amount *and* full Social Security disability payment.

ADMINISTRATION OF THE PLAN

Discontinuance and Amendment

AK Steel Corporation has every intention of continuing the Long Term Disability Plan, but reserves the right to terminate, modify or amend it, retroactively if AK Steel Corporation deems it to be necessary or appropriate. The Company also reserves these rights if required in order to obtain a determination that the Long Term Disability Plan meets the application requirements of the Internal Revenue Code or future ERISA regulations.

Your Rights Under ERISA

As a participant in an AK Steel Corporation benefit plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Benefit Plans Administrative Committee Office and at other specified locations, all Plan documents, including insurance contracts and collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions.
- Obtain copies of all Plan documents and other Plan information upon written request to the AK Steel Corporation Benefit Plans Administrative Committee (BPAC). BPAC may make a reasonable charge for the copies. Copies of such documents can be obtained by contacting BPAC at 9227 Centre Pointe Drive, West Chester, Ohio 45069.
- Receive a summary of the Plan's annual financial report. BPAC is required by law to furnish each participant with a copy of this summary annual report. The Plan's "Summary Annual Reports" are issued following the annual filing with the federal government.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way solely to prevent you from obtaining a benefit or exercising your rights under ERISA. If your claim for a pension benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact your local benefits administrator or BPAC. If you have any questions about the information on these pages or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.

Claims Appeal Procedure

If you apply for benefits under this Plan and you believe that the Plan provisions have not been applied correctly or you have any other claim regarding the Plan, you should submit your written claim to the Employee Benefits Office where you work.

Within 90 days you will receive written notice of the decision on your claim. (In special circumstances this period may be extended for an additional 90 days by written notice.).

If the claim is wholly or partially denied, the written notice will set forth an explanation of the specific findings and conclusions on which the denial is based.

All claims shall be resolved in accordance with the grievance procedure set forth in the collective bargaining agreement in which you are eligible to participate. If no grievance procedure specifically applies to the resolution of claims, the claim shall be resolved under the following procedures:

- You or your Beneficiary should notify AK Steel Corporation Benefits Plans Administrative Committee (BPAC) in writing of a claim for benefits under the Plan. Your request should explain the basis of your claim and should authorize BPAC to conduct an examination necessary to determine the validity of your claim and to take the necessary steps required to facilitate the payment of any benefits to which you may be entitled under the terms of the Plan.

- If your claim is wholly or partially denied by BPAC, written notification of such denial will be sent to you in no later than 90 days, excluding extensions for special circumstances, after the initial claim is received by BPAC. If such an extension is required, you will be sent written notice of the extension prior to the termination of the initial 90-day period. In no case shall such an extension exceed a period of 180 days after the initial claim is received by BPAC. The notification of denial shall provide the following information to you: (i) the specific reason or reasons for the denial, with specific references to the pertinent Plan provisions on which the denial is based, (ii) a request for any additional material or information necessary for you to correct the claim and an explanation of why such material or information is needed, (iii) appropriate information regarding the procedure to be followed if you wish to appeal your claim denial, including: (a) a statement informing you that a failure to perfect your claim within 60 days after you receive notification of denial shall make BPAC's denial decision conclusive; and (b) a statement informing you that you or your personal representative may, upon written request, require BPAC to furnish all pertinent Plan information to you.
- If your appeal request is filed timely, BPAC will review it no later than 60 days after receipt unless special circumstances require an extension of time for processing. If such an extension is required, you will be sent written notice of the extension prior to the termination of the 60-day period. In no case, however, shall BPAC's decision on such appeal request be delivered later than 120 days following the receipt of the appeal request.
- Any claim questioning the amount of a benefit filed more than 90 days following the date of the first payment which would be adjusted if such claim were granted may be rejected as untimely except upon a showing satisfactory to BPAC of extenuating circumstances accounting for the delay in filing the claim; provided, however, that the Plan expressly reserves to BPAC the right and the power to review any claim made at any time, whether within the time for filing such claim or not, or to provide an interpretive opinion relating to any provision of the Plan or Trust or with reference to any factual situation. A claimant who does not submit a written claim or request for review within the time limitations specified above shall be deemed to have waived and abandoned any such claim or right of review except with the express approval of and in the discretion of BPAC.

Plan Administrative Facts and References

The AK Steel Corporation Long Term Disability Plan is administered under a set of procedures designed to safeguard your rights to fair and equitable treatment and preserve the full value of your benefits.

Plan Administration Process

AK Steel Corporation pays all costs for the plan covered in this booklet. Your local Benefit Plan Administrator is your primary source of information regarding this plan. However, if he or she doesn't satisfactorily answer your questions or requests for information within a reasonable time, you may write or contact the plan administrator at this address:

AK Steel Corporation Benefit Plans Administrative Committee
And Benefit Plans Asset Review Committee
AK Steel Corporation
9227 Centre Pointe Drive
West Chester, Ohio 45069

Agent for Legal Process

In the event any legal action is necessary, AK Steel Corporation has appointed a special agent for service of legal process;

Secretary of AK Steel Corporation
9227 Centre Pointe Drive
West Chester, Ohio 45069

Service of legal process can be made upon the AK Steel Corporation Benefit Plans Administrative Committee.

IMPORTANT PLAN INFORMATION

Plan Sponsor	AK Steel Corporation
Plan Administrator	Benefit Plans Administrative Committee
Name of Plan	Long Term Disability Plan
Plan Type	Welfare Benefit Plan
Plan Year	January 1 through December 31
Employer Identification Number	31-1267098
Plan Identification Number	504