

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009	
A	This return/report is for: <div><div>☐ a multiemployer plan;</div><div>☒ a single-employer plan;</div><div>☐ a multiple-employer plan; or</div><div>☐ a DFE (specify) ____</div></div>
B	This return/report is: <div><div>☐ the first return/report;</div><div>☐ the final return/report;</div><div>☐ an amended return/report;</div><div>☐ a short plan year return/report (less than 12 months).</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☒
D	Check box if filing under: <div><div>☒ Form 5558;</div><div>☐ automatic extension;</div><div>☐ the DFVC program;</div><div>☐ special extension (enter description)</div></div>

Part II	Basic Plan Information—enter all requested information
1a	Name of plan ALCOA RETIREMENT PLAN II
1b	Three-digit plan number (PN) ▶ 002
1c	Effective date of plan 01/01/1944
2a	Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) ALCOA INC. 201 ISABELLA STREET PITTSBURGH, PA 15212-5858
2b	Employer Identification Number (EIN) 25-0317820
2c	Sponsor's telephone number 412-553-4545
2d	Business code (see instructions) 331310

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2010	JOHN KENNA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") ALCOA INC. 201 ISABELLA STREET PITTSBURGH, PA 15212-5858	3b Administrator's EIN 25-0317820 3c Administrator's telephone number 412-553-4545
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	60343
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	11064
b Retired or separated participants receiving benefits.....	6b	26970
c Other retired or separated participants entitled to future benefits.....	6c	12632
d Subtotal. Add lines 6a , 6b , and 6c	6d	50666
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	8816
f Total. Add lines 6d and 6e	6f	59482
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	1362

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
1G 1B 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
(2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
(3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
(2) ☐ **I** (Financial Information – Small Plan)
(3) ☐ **A** (Insurance Information)
(4) ☐ **C** (Service Provider Information)
(5) ☒ **D** (DFE/Participating Plan Information)
(6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>ALCOA RETIREMENT PLAN II</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>ALCOA INC.</u>	D Employer Identification Number (EIN) <u>25-0317820</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1	Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>
2	Assets:
a	Market value 2a <u>2915266887</u>
b	Actuarial value 2b <u>3206793574</u>
3	Funding target/participant count breakdown
	(1) Number of participants (2) Funding Target
a	For retired participants and beneficiaries receiving payment 3a <u>34650</u> <u>2619978239</u>
b	For terminated vested participants 3b <u>13817</u> <u>283087659</u>
c	For active participants:
(1)	Non-vested benefits 3c(1) <u>43535594</u>
(2)	Vested benefits 3c(2) <u>534855826</u>
(3)	Total active 3c(3) <u>12247</u> <u>578391420</u>
d	Total 3d <u>60714</u> <u>3481457318</u>
4	If the plan is at-risk, check the box and complete items (a) and (b) ☐
a	Funding target disregarding prescribed at-risk assumptions 4a
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor 4b
5	Effective interest rate 5 <u>8.23</u> %
6	Target normal cost 6 <u>26605441</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>10/07/2010</u>
Signature of actuary	Date
<u>DAVID R. JARRETT</u>	<u>08-04821</u>
Type or print name of actuary	Most recent enrollment number
<u>BUCK CONSULTANTS, LLC</u>	<u>412-281-2506</u>
Firm name	Telephone number (including area code)
<u>500 GRANT STREET, SUITE 2900</u> <u>PITTSBURGH, PA 15219-2513</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	467709051	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	143599293	0
9	Amount remaining (Item 7 minus item 8).....	324109758	0
10	Interest on item 9 using prior year's actual return of <u>-20.79</u> %	-67388502	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		0
b	Interest on (a) using prior year's effective rate of <u>6.07</u> %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		0
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	256721256	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	84.29 %
15	Adjusted funding target attainment percentage.....	15	84.29 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.12 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/26/2010	267000000				
			Totals ►	18(b)	267000000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a	Contributions allocated toward unpaid minimum required contribution from prior years.....	19a 0
b	Contributions made to avoid restrictions adjusted to valuation date	19b 0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 245364102
20 Quarterly contributions and liquidity shortfalls:		
a	Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b	If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b
22 Weighted average retirement age				22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	26605441
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	546885035	109225014
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	135830455
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	135830455	0
36 Additional cash requirement (item 34 minus item 35).....	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	245364102
38 Interest-adjusted excess contributions for current year (see instructions).....	38	245364102
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan ALCOA RETIREMENT PLAN II	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 ALCOA INC.	D Employer Identification Number (EIN) 25-0317820	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		267000000
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	2920598754	2973468316
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	2920598754	3240468316

Liabilities

g Benefit claims payable	1g	4999824	
h Operating payables	1h	332045	358359
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	5331869	358359

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	2915266885	3240109957
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)	267000000	
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		267000000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		389993352
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		656993352

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	322124784	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		322124784
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)	10025496	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		10025496
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		332150280

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		324843072
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: PRICEWATERHOUSECOOPERS

(2) EIN: 13-4008324

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)

5b(2) EIN(s)

5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>ALCOA RETIREMENT PLAN II</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>ALCOA INC.</u>	D Employer Identification Number (EIN) <u>25-0317820</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>25-1919275</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>746</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☒ Yes	☐ No	☐ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☒ Both	☐ No
--	-----------------------------------	-----------------------------------	--	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: 38% Investment-Grade Debt: 46% High-Yield Debt: 0.0% Real Estate: 7% Other: 9%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☒ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☒ Other (specify): OPTION ADJUSTED DURATION

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

Financial Statements

December 31, 2009 and 2008

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

Index

	Page(s)
Report of Independent Auditors	1
Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies	
Employees' Retirement Plan of Alcoa Inc. Plan I (Alcoa Salary Plan)	
Employees' Retirement Plan of Alcoa Inc. Plan II (Alcoa Hourly Plan)	
Alcoa Closures Systems International, Inc. Employees' Pension Plan (Alcoa CSI Plan)	
Alcoa Fujikura Ltd. Retirement Plan for Salaried Employees (Alcoa Fujikura Ltd. Plan)	
Alcoa Subsidiaries Merged Inactive Pension Plan	
Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan I (Suriname Plan I)	
Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan II (Suriname Plan II)	
Alumax Merged Non Union Hourly Retirement Plan (Alumax Inc. Merged Hourly Plan)	
Financial Statements	
Statements of Individual Plan Net Assets Available for Benefits December 31, 2009	2
Statements of Individual Plan Net Assets Available for Benefits December 31, 2008	3
Statements of Changes in Individual Plan Net Assets Available for Benefits Year Ended December 31, 2009	4
Statements of Changes in Individual Plan Net Assets Available for Benefits Year Ended December 31, 2008	5
Notes to Financial Statements December 31, 2009 and 2008	6–25

* Supplemental schedules are not required as the Plans' assets are held within a Master Trust.

Report of Independent Auditors

To the Participants and Administrator of
the Plans included in the Alcoa Inc. Retirement Plans' Master Trust

We were engaged to audit the individual financial statements of Employees' Retirement Plan of Alcoa Inc. Plan I (Alcoa Salary Plan), Employees' Retirement Plan of Alcoa Inc. Plan II (Alcoa Hourly Plan), Alcoa Closures Systems International, Inc. Employees' Pension Plan (Alcoa CSI Plan), Alcoa Fujikura Ltd. Retirement Plan for Salaried Employees (Alcoa Fujikura Ltd. Plan), Alcoa Subsidiaries Merged Inactive Pension Plan (Alcoa Subsidiaries Merged Inactive Plan), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan I (Suriname Plan I), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan II (Suriname Plan II), and the Alumax Merged Non Union Hourly Retirement Plan (Alumax Inc. Merged Hourly Plan) (collectively the "Plans"), which participate in the Alcoa Inc. Retirement Plans' Master Trust at December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying index. These individual financial statements are the responsibility of the Plans' management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 8, which was certified by The Bank of New York Mellon, the trustee of the Plans, except for comparing such information with the related information included in the individual financial statements. We have been informed by the plan administrator that the trustee holds the Plans' investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of December 31, 2009 and 2008 and for the years then ended, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying individual financial statements taken as a whole. The form and content of the information included in the individual financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

As described in Note 11, effective December 31, 2009, the Alcoa Fujikura Ltd. Plan and the Reynolds Hourly Plan merged into the Alcoa Subsidiaries Merged Inactive Plan.

PricewaterhouseCoopers LLP

Pittsburgh, Pennsylvania
October 1, 2010

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies **Statements of Individual Plan Net Assets Available for Benefits** **December 31, 2009**

	Alcoa Salary Plan	Alcoa Hourly Plan	Alcoa CSI Plan	Alcoa Fujikura Ltd. Plan	Alcoa Subsidiaries Inactive Plan	Suriname Plan I	Suriname Plan II	Alumax Inc. Merged Hourly Plan
Assets								
Plans' Interest in Alcoa Inc. Retirement Plans' Master Trust (Notes 2 and 3)	\$ 2,939,737,633	\$ 2,973,468,316	\$ -	\$ -	\$ 261,466,655	\$ 134,002,054	\$ 94,833,886	\$ -
Net assets held in 401(h) account (Notes 2 and 3)	110,911,456	267,000,000	-	-	23,500,000	-	-	-
Employer contributions receivable	280,000,000	-	-	-	-	-	-	-
Total assets	3,330,649,089	3,240,468,316	-	-	284,966,655	134,002,054	94,833,886	-
Liabilities								
Due to plan sponsor	-	-	-	-	-	-	-	-
Administrative expenses payable	243,910	358,359	-	-	68,056	29,887	20,229	-
Amounts related to obligation of 401(h) account	110,911,456	-	-	-	-	-	-	-
Total liabilities	111,155,366	358,359	-	-	68,056	29,887	20,229	-
Net assets available for benefits	\$ 3,219,493,723	\$ 3,240,109,957	\$ -	\$ -	\$ 284,898,599	\$ 133,972,167	\$ 94,813,657	\$ -

The accompanying notes are an integral part of these financial statements.

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies **Statements of Individual Plan Net Assets Available for Benefits** **December 31, 2008**

	Alcoa Salary Plan	Alcoa Hourly Plan	Alcoa CSI Plan	Alcoa Fujikura Ltd. Plan	Alcoa Subsidiaries Inactive Plan	Suriname Plan I	Suriname Plan II	Alumax Inc. Merged Hourly Plan
Assets								
Plans' interest in Alcoa Inc. Retirement Plans'								
Master Trust (Notes 2 and 3)	\$ 2,884,120,797	\$ 2,920,598,754	\$ -	\$ 64,719,311	\$ 173,943,333	\$ 125,667,519	\$ 90,982,835	\$ -
Net assets held in 401(h) account (Notes 2 and 3)	160,198,253	-	-	-	-	-	-	-
Employer contributions receivable	-	-	-	-	-	-	-	-
Total assets	3,044,319,050	2,920,598,754	-	64,719,311	173,943,333	125,667,519	90,982,835	-
Liabilities								
Due to plan sponsor	4,878,996	4,999,824	-	47,345	565,150	138,773	118,292	-
Administrative expenses payable	300,679	332,045	-	2,192	90,412	41,949	33,317	-
Amounts related to obligation of 401(h) account	160,198,253	-	-	-	-	-	-	-
Total liabilities	165,377,928	5,331,869	-	49,537	655,562	180,722	151,609	-
Net assets available for benefits	\$ 2,878,941,122	\$ 2,915,266,885	\$ -	\$ 64,669,774	\$ 173,287,771	\$ 125,486,797	\$ 90,831,226	\$ -

The accompanying notes are an integral part of these financial statements.

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies
Statements of Changes in Individual Plan Net Assets Available for Benefits
Year Ended December 31, 2009

	Alcoa Salary Plan	Alcoa Hourly Plan	Alcoa CSI Plan	Alcoa Fujikura Ltd. Plan	Alcoa Subsidiaries Merged Inactive Plan	Suriname Plan I	Suriname Plan II	Alumax Inc. Merged Hourly Plan
Additions								
Employer contributions	\$ 280,000,000	\$ 267,000,000	\$ -	\$ -	\$ 23,500,000	\$ -	\$ -	\$ -
Plans' interest in Alcoa Inc. Retirement Plans'								
Master Trust investment (loss) income	386,643,730	389,993,352	-	9,065,576	23,943,323	17,412,178	12,366,762	-
Assets transferred from other plans	-	-	-	-	77,962,419	-	-	-
Deductions								
Benefit payments	317,969,070	322,124,784	-	3,508,761	12,955,456	8,748,906	8,237,713	-
Administrative expenses	8,122,059	10,025,496	-	226,275	839,458	177,902	146,618	-
Assets transferred to other plans (Note 11)	-	-	-	70,000,314	-	-	-	-
Net (decrease) increase	340,552,601	324,843,072	-	(64,669,774)	111,610,828	8,485,370	3,982,431	-
Net assets available for benefits								
Beginning of the year	2,878,941,122	2,915,266,885	-	64,669,774	173,287,771	125,486,797	90,831,226	-
End of year	\$ 3,219,493,723	\$ 3,240,109,957	\$ -	\$ -	\$ 284,898,599	\$ 133,972,167	\$ 94,813,657	\$ -

The accompanying notes are an integral part of these financial statements.

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies
Statements of Changes in Individual Plan Net Assets Available for Benefits
Year Ended December 31, 2008

	Alcoa Salary Plan	Alcoa Hourly Plan	Alcoa CSI Plan	Alcoa Fujikura Ltd. Plan	Alcoa Subsidiaries Merged Inactive Plan	Suriname Plan I	Suriname Plan II	Alumax Inc. Merged Hourly Plan
Additions								
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plans' interest in Alcoa Inc. Retirement Plans'								
Master Trust investment (loss) income	(809,170,448)	(782,862,210)	(9,350,267)	(17,932,578)	(31,692,178)	(35,131,862)	(25,487,270)	(24,453,923)
Assets transferred from other plans	-	87,378,668	-	-	59,517,615	-	-	-
Deductions								
Benefit payments	302,425,421	302,963,233	2,768,215	2,938,637	6,356,107	8,596,517	7,332,349	7,106,960
Administrative expenses	4,134,471	5,998,083	126,929	154,843	380,244	169,526	140,100	362,470
Assets transferred to other plans (Note 11)	-	-	33,267,230	-	-	-	-	87,378,668
Net (decrease) increase	(1,115,730,340)	(1,004,444,856)	(45,512,641)	(21,026,058)	21,089,086	(43,897,905)	(32,969,719)	(119,302,021)
Net assets available for benefits								
Beginning of the year	3,994,671,462	3,919,711,743	45,512,641	85,695,832	152,198,685	169,384,702	123,800,945	119,302,021
End of year	\$ 2,878,941,122	\$ 2,915,266,885	\$ -	\$ 64,669,774	\$ 173,287,771	\$ 125,486,797	\$ 90,831,226	\$ -

The accompanying notes are an integral part of these financial statements.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

1. Description of Plans

The following description of each Plan's provisions provides only general information. Participants should refer to each Plan document for a more complete description of each Plan's provisions.

General

The Alcoa Inc. and Subsidiary Companies ("Alcoa" or the "Company") Employees' Retirement Plan of Alcoa Inc. Plan I (Alcoa Salary Plan), Employees' Retirement Plan of Alcoa Inc. Plan II (Alcoa Hourly Plan), Alcoa Closures Systems International, Inc. Employees' Pension Plan (Alcoa CSI Plan), Alcoa Fujikura Ltd. Retirement Plan for Salaried Employees (Alcoa Fujikura Ltd. Plan), Alcoa Subsidiaries Merged Inactive Pension Plan (Alcoa Subsidiaries Merged Inactive Plan), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan I (Suriname Plan I), Employees' Retirement Plan of Suriname Aluminum Company LLC – Plan II (Suriname Plan II), Alumax Merged Non Union Hourly Retirement Plan (Alumax Inc. Merged Hourly Plan), (collectively the "Plans") are non contributory defined benefit plans that cover United States employees and certain employees in foreign countries and participate in the Alcoa Inc. Retirement Plans' Master Trust ("Alcoa Master Trust" or "Master Trust") at December 31, 2009 and 2008.

The investments of the Plans are maintained under one trust pursuant to a "Master Trust Agreement" with the trustee, The Bank of New York Mellon ("trustee"). In July 2007, Mellon Financial Corp. was acquired by The Bank of New York to form The Bank of New York Mellon Corp. On July 1, 2008, Mellon Bank N.A. was renamed The Bank of New York Mellon. There has been no substantive effect to the Plans or the Alcoa Master Trust as a result of the merger.

The Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"). The Employees' Retirement Plans of Reynolds Metals Company and Subsidiary Companies ("RMC") and the Employees' Retirement Plans of Huck International, Inc. and Howmet Corporation ("Huck/Howmet") also participate in the Alcoa Master Trust. The financial statements of the RMC and Huck/Howmet retirement plans are included in separate reports.

The Plans provide, in general, for monthly pensions upon retirement at or after age 65, or earlier upon disability, incapacity, special circumstances or with certain minimum age and service requirements. Pension benefits generally depend upon length of service, job grade or remuneration, and certain social security and other benefits.

Eligibility and Vesting

Employees hired before March 1, 2006 are eligible to participate in the Alcoa Salary Plan, the Alcoa Hourly Plan and the Alcoa CSI Plan after they have attained age 21 with one year of service. Effective March 1, 2006, certain new hires are not eligible to participate in the Alcoa Salary Plan, the Alcoa Hourly Plan and the Alcoa CSI Plan.

Employees are eligible to participate in Suriname Plan I and Suriname Plan II after they have attained age 21 with one year of service.

Employees hired before March 1, 2006 are eligible for the Alcoa Fujikura Ltd. Plan after they have attained age 19 with one year of service. Effective March 1, 2006, certain new hires are not eligible to participate in the Alcoa Fujikura Ltd. Plan.

Employees hired before March 1, 2006 are eligible to participate in the Alumax Inc. Merged Hourly Plan immediately. Effective March 1, 2006, certain new hires are not eligible to participate in the Alumax Inc. Merged Hourly Plan.

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies

Notes to Financial Statements

December 31, 2009 and 2008

There are no longer any active participants accruing benefits in the Alcoa Subsidiaries Merged Inactive Plan. Benefits are being provided to retired participants and will be provided to deferred vested participants in accordance with Plan provisions applicable at the time of their termination.

All eligible participants in the Plans fully vest after a five-year period.

Benefit Provisions

The benefit provisions for the Alcoa Salary Plan, the Alcoa Fujikura Ltd. Plan, the Suriname Plan I and the Alcoa CSI Plan determine the retirement benefit on a compensation-based formula.

The Alcoa Hourly Plan, the Suriname Plan II, and the Alumax Inc. Merged Hourly Plan determine the retirement benefits on a factor times years of service.

Benefit provisions for certain participants of the Alcoa Subsidiaries Merged Inactive Plan determine the retirement benefit on a compensation-based formula while the remaining are based on hypothetical account balances.

Normal retirement for the Alcoa Salary Plan, the Alcoa Hourly Plan, the Alcoa Subsidiaries Merged Inactive Plan, the Alcoa Fujikura Ltd. Plan, and the Alcoa CSI Plan is age 65 with five years of service.

Normal retirement for the Suriname Plan I is age 60 with 18 months of service or age 55 with 30 years of service.

Normal retirement for the Suriname Plan II is the earlier of the date of (i) age 60, or (ii) the later of the date of age 65 or 18 months of service.

Normal retirement for the Alumax Inc. Merged Hourly Plan is age 65 if participant was born before January 1, 1938, age 66 if participant was born after December 31, 1937, and before January 1, 1955, or age 67 if the participant was born after December 31, 1954.

Risks and Uncertainties

The Plans invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of individual plan net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the individual Plans' financial statements.

Termination of Plans

Benefits under the Plans are insured by the Pension Benefit Guaranty Corporation ("PBGC"). Should the Plans terminate at some future time, the net assets of the Plans generally will not be available on a pro rata basis to provide participants' benefits. Whether a particular participant's accumulated plan benefits will be paid depends on both the priority of those benefits and the level of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty, while other benefits may not be provided for at all.

A full description of each Plan's termination priorities is available in each Plan document.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

2. Summary of Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 4 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Plans' interest in Alcoa Inc. Retirement Plans' Master Trust Investment (loss) income includes the Plans' unrealized and realized gains and losses on investments along with dividends, interest income and investment management/trustee fees.

The fair value of the Plans' interest in the Master Trust is based on the beginning-of-year value of the Plans' interest in the Master Trust plus actual contributions and allocated investment income less actual distributions, allocated investment loss and administrative expenses.

The individual Plans participate in the operations of the Master Trust through the purchase and sale of units. Cash inflows and outflows between the Plans and the Master Trust are accounted for at the beginning-of-the-month unit value. Units are revalued monthly to reflect changes in the investment values. Net investment income and losses are allocated to the Plans that participate in the Master Trust based on each Plan's units held.

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Due to Plan Sponsor

Due to plan sponsor represents the allocated amount to be reimbursed for benefit payments which have been paid by Alcoa to plan participants on behalf of the Master Trust.

Administrative Expenses

Trustee, audit, legal, actuarial, investment management and other administrative expenses are paid by the Plans. Investment management fees are included in Plans' interest in Alcoa Inc. Retirement Plans' Master Trust Investment (loss) income.

Employer Contributions Receivable

Employer contributions receivable represent the remaining funding amounts Alcoa is required to contribute to meet the minimum contribution levels established by law or as a result of a formal commitment by Alcoa to make a contribution into the respective Plans.

Funding Policy

The Plans are defined benefit pension plans. No employee contributions to the Plans are required or permitted. Alcoa contributes such amounts as are necessary on an actuarial basis to provide the individual Plans with assets sufficient to meet the benefits to be paid to current and future

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

retirees or their beneficiaries. The minimum contributions required, if any, to the Alcoa Fujikura Ltd. Plan, Alcoa Subsidiaries Merged Inactive Plan, Alcoa CSI Plan, Suriname Plan I, Suriname Plan II and the Alumax Inc. Merged Hourly Plan are designed to fund any opening deficiencies, the normal costs, amortization of the outstanding balances of the existing charge and credit bases over the balance of their remaining periods, amortization of any new bases established during the year, any additional funding charge and any other requirement of the ERISA required funding standard account in excess of accumulated prior contributions made in excess of required minimums. The minimum contributions required, if any, to the Alcoa Salary Plan and Alcoa Hourly Plan are designed to fund any opening deficiencies, normal cost, any additional funding charge and any other requirement of the ERISA required funding standard account in excess of accumulated prior contributions made in excess of required minimums. Alcoa may also voluntarily contribute amounts in excess of those minimum required amounts to meet company objectives.

The actuarially determined pension contribution is calculated using the Level Percentage of Compensation Aggregate Cost Method of Funding for the Alcoa Salary Plan.

The actuarially determined pension contribution is calculated using the Level Dollar Aggregate Cost Method of Funding for the Alcoa Hourly Plan.

The actuarially determined pension contribution is calculated using the Projected Unit Credit Method of Funding for the Alcoa CSI Plan, Alcoa Fujikura Ltd. Plan, Alcoa Subsidiaries Merged Inactive Plan, Suriname Plan I, Suriname Plan II and Alumax Inc. Merged Hourly Plan.

The Plans have met the minimum funding requirements under the provisions of ERISA in 2009 and 2008.

Investment Policy and Strategy

The Alcoa Master Trust's investment policy and weighted average asset allocations at December 31, 2009 and 2008, by asset category, are as follows:

Asset Category	Policy Range
Equity securities	30-60%
Debt securities	30-55%
Real estate	5-15%
Other	0-10%

The principal objectives underlying the investments of the Alcoa Master Trust's assets are to ensure that Alcoa can properly fund benefit obligations as they become due under a broad range of potential economic and financial scenarios, maximize the long-term investment return with an acceptable level of risk based on such obligations, and to broadly diversify investments across and within the capital markets to protect asset value against adverse market movements in any one market. Alcoa's strategy balances the requirement to maximize returns using potentially higher return generating assets, such as equity securities, with the need to control the risk versus the benefit obligations with less volatile assets, such as fixed-income securities.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

Investment practices must comply with the requirements of the Employee Retirement Income Security Act of 1974 ("ERISA") and any other applicable laws and regulations. The use of derivative instruments is permitted where appropriate and necessary for achieving overall investment policy objectives. Derivatives are used primarily to manage interest rate risk with the portfolio. Currently, the use of derivative instruments is not significant when compared to the overall investment portfolio.

New Accounting Pronouncements

On September 30, 2009, the Plans adopted changes issued by the Financial Accounting Standards Board (FASB) to the authoritative hierarchy of Generally Accepted Accounting Principles ("GAAP"). These changes establish the FASB Accounting Standards CodificationTM (Codification) as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. Rules and interpretive releases of the Securities and Exchange Commission (SEC) under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The FASB will no longer issue new standards in the form of Statements, FASB Staff Positions, or Emerging Issues Task Force Abstracts; instead the FASB will issue Accounting Standards Updates ("ASU's"). Accounting Standards Updates will not be authoritative in their own right as they will only serve to update the Codification. These changes and the Codification itself do not change GAAP. Other than the manner in which new accounting guidance is referenced, the adoption of these changes had no impact on the Plans' financial statements.

In April 2009, the Financial Accounting Standards Board ("FASB") issued FASB Staff Position ("FSP") No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions that are Not Orderly*, ("FSP FAS 157-4"). FSP FAS 157-4 provides additional guidance for estimating fair value in accordance with Accounting Standards Codification ("ASC") No. 820, *Fair Value Measurements and Disclosures*, when the volume and level of activity for the asset or liability have significantly decreased and includes guidance for identifying circumstances that indicate a transaction is not orderly. This guidance is necessary to maintain the overall objective of fair value measurements, which is that fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. FSP FAS 157-4 is effective for fiscal years ending after June 15, 2009. The adoption of this new guidance did not have a material impact on the Plans' financial statements.

In September 2009, the FASB issued ASU 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. ASU 2009-12 provides amendments to Subtopic 820-10, *Fair Value Measurements and Disclosures —Overall*, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The adoption of this new guidance did not have a material impact on the Plans' financial statements.

For the year ending December 31, 2009, the Plan adopted ASC No. 855, *Subsequent Events*, an update to general standards on accounting for disclosures of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. The adoption of this guidance did not have a material impact on the Plans' financial statements. See Note 13, Subsequent Events, for further discussion of subsequent events.

In January 2010, the FASB issued ASU 2010-06, *Improving Disclosure about Fair Value Measurements*. ASU 2010-06 requires additional disclosures regarding fair value measurements, amends disclosures about post-retirement benefit plan assets and provides clarification regarding

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

the level of disaggregation of fair value disclosures by investment class. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for certain Level 3 activity disclosure requirements that will be effective for reporting periods beginning after December 15, 2010. The Plans are currently evaluating the impact of the adoption of ASU 2010-06.

Reclassifications

Certain reclassifications were made to the prior year financial statements to conform to current year presentation.

3. Plans' Interest in Alcoa Inc. Retirement Plans' Master Trust

The Plans' investments are held in the Alcoa Master Trust. In addition, the investments of the RMC and Huck/Howmet retirement plans are in the Alcoa Master Trust. The financial statements of the RMC and Huck/Howmet retirement plans are included in separate reports. At December 31, Master Trust net assets were comprised of the following:

	2009	2008
Assets		
Investments		
Cash and cash equivalents (includes \$540,988,611 and \$696,142,451 of securities lending collateral at December 31, 2009 and 2008, respectively)	\$ 643,975,747	\$ 893,116,048
Fixed income securities	3,548,456,868	3,144,402,449
Equity securities - common stocks	1,072,218,254	1,502,925,944
Equity securities - commingled trust funds		
Mellon Capital S&P 500 Fund *	290,266,959	353,739,420
Mellon Large Capital Value Stock *	337,272,504	353,545,917
Other commingled trust funds	459,303,271	438,950,558
Futures contracts	332,016	14,735,724
Gold trust-exchange traded fund	131,681,950	-
Alternative investments ^(a)	712,101,873	675,038,901
Total Investments	<u>7,195,609,442</u>	<u>7,376,454,961</u>
Receivable for sales pending settlement (net of payable for investments purchased)	39,233,575	-
Total Assets	<u>7,234,843,017</u>	<u>7,376,454,961</u>
Liabilities		
Payable for return of securities lending collateral	(540,988,611)	(696,142,451)
Payable for purchases pending settlement (net of receivable for investments sold and interest)	-	(59,826,387)
Master Trust net assets	<u>\$ 6,693,854,406</u>	<u>\$ 6,620,486,123</u>

* Represents 5 percent or more of Master Trust net assets at either December 31, 2009 or 2008.

^(a) Alternative investments of \$17,704,657 as of December 31, 2008 were classified as equity securities - common stocks in the prior year financial statements. These prior year amounts have been reclassified to alternative investments to conform to the current year's presentation.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

In the normal course of managing the Alcoa Master Trust investments, the trustee loans securities owned by the Alcoa Master Trust to brokers/dealers in exchange for a fee. The securities are then returned to the Alcoa Master Trust in accordance with the Broker Agreement. The loaned securities are included in the investment information disclosed above. At December 31, the amount of securities loaned to brokers/dealers was as follows:

	2009	2008
Investments		
U.S. government or government agency obligations	\$ 443,998,363	\$ 617,916,034
Corporate debt instruments	93,834,535	76,404,223
	<u>\$ 537,832,898</u>	<u>\$ 694,320,257</u>

Of the total securities loaned to brokers/dealers, approximately \$392,000,000 and \$551,000,000 is concentrated with five brokers/dealers at December 31, 2009 and 2008, respectively.

In support of these transactions, the brokers/dealers provide collateral of cash, treasury obligations or letters of credit which exceed the value of the securities loaned. The brokers/dealers provide collateral to secure each loan in an amount equal to 102% and 105% of the market value of securities loaned of United States issuers and of non United States issuers, respectively. The Master Trust bears the risk of loss with respect to the unfavorable change in fair value of the invested cash collateral. However, the brokers/dealers bear the risk of loss related to the decrease in fair value of the noncash collateral. At December 31, the amount of collateral provided by the brokers/dealers was as follows:

	2009	2008
Cash	\$ 540,988,611	\$ 696,142,451
Letters of credit	-	9,432,415
U.S. government or government agency obligations	8,478,016	7,562
	<u>\$ 549,466,627</u>	<u>\$ 705,582,428</u>

A portion of the income generated upon investment of cash collateral is remitted to the brokers/dealers, and the remainder is allocated between the Master Trust and the trustee in its capacity as a security lending agent. The Master Trust investment (loss) income disclosed below includes income from investment of cash collateral of \$1,705,037 and \$5,561,981 at December 31, 2009 and 2008, respectively.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

For the years ended December 31, Master Trust investment (loss) income was comprised of the following:

	2009	2008
Investment (loss) income		
Interest	\$ 182,919,651	\$ 159,355,207
Dividends	21,995,469	38,091,723
Net increase (decrease) in fair value of investments		
Fixed income securities	201,689,185	(108,721,449)
Equity securities - common stocks	259,880,626	(1,096,311,311)
Equity securities - commingled trust funds	228,134,127	(621,618,993)
Alternative investments	15,190,365	(122,601,763)
Registered investment companies	-	(110,251,611)
Gold trust - exchange traded fund	6,763,554	-
Futures contracts	(21,760,749)	34,744,395
Investment management/trustee fees	(14,815,726)	(16,956,472)
	<u>\$ 879,996,502</u>	<u>\$ (1,844,270,274)</u>

The following table lists the ownership percentage of the Plans in the Alcoa Master Trust net assets as of December 31:

	2009	2008
Alcoa Salary Plan	45.57%	45.99%
Alcoa Hourly Plan	44.42	44.12
Alcoa Fujikura Ltd. Plan	-	.98
Alcoa Subsidiaries Merged Inactive Plan	3.91	2.63
Suriname Plan I	2.00	1.90
Suriname Plan II	1.42	1.37
	<u>97.32%</u>	<u>96.99%</u>

4. Fair Value Measurements

FASB ASC No. 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data correlation or other means.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at December 31, 2009 and 2008:

Cash and Cash Equivalents – Includes investments in U.S. government securities with maturities less than one year and commingled funds. The commingled funds are valued at cost which approximates fair value. Investments in U.S. government securities are valued at fair value, as determined by the trustee through independent sources, which approximates the last reported closing price on the last business day of the year.

Fixed Income Securities – Investments in publicly traded domestic and foreign fixed interest obligations (principally corporate bonds and debentures along with U.S. government securities with maturities of one year or greater). Valued by a pricing service which determines valuations of normal institutionalized trading units of such securities using methods based on market transactions for comparable securities and various relationships between securities which are generally recognized by individual traders, or at fair value as determined in good faith by the Trustee of the Trust.

Equity Securities – Common Stocks and Futures Contracts – Valued at the closing price reported on the active market on which the individual securities are traded.

Equity Securities – Commingled Trust Funds – Valued at the net asset value ("NAV") of shares held by the Master Trust at year end.

Alternative Investments – Estimated at fair market value which considers, but is not limited to fair values reported by the investment advisor, audited financial statements, and independently appraised values. In the event that audited financial statements for these investments are not available in time to prepare the financial statements or management believes the value reported by the investment advisor does not accurately reflect fair value due to an event in the market place, management will adjust the reported value to fair value based upon information provided by the investment manager and independent valuation experts.

Gold Trust – Exchange Traded Fund - Valued at the NAV of shares held by the Plans at year end.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

The following table sets forth by level, within the fair value hierarchy, the Master Trust's assets at fair value.

	Assets at Fair Value as of December 31, 2009			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 1,851,420	\$ 101,135,716	\$ -	\$ 102,987,136
Equity securities - common stocks				
Technology	241,359,190	-	-	241,359,190
Health Care	146,797,521	-	-	146,797,521
Consumer Services	145,384,744	-	-	145,384,744
Consumer Non-Durables	71,782,027	-	-	71,782,027
Financial Services	100,017,056	-	-	100,017,056
Energy	79,814,506	-	-	79,814,506
Capital Goods	71,006,817	-	-	71,006,817
Real estate investment trusts	67,341,667	-	-	67,341,667
Other	148,714,726	-	-	148,714,726
Equity securities - commingled trust funds	-	1,086,842,734	-	1,086,842,734
Fixed income securities				
US Government Debt	647,401,895	-	-	647,401,895
Corporate Debt - Banking and Finance	702,798,265	-	-	702,798,265
Corporate Debt - Industrial	412,083,147	-	-	412,083,147
Corporate Debt - Other	1,220,996,083	565,177,478	-	1,786,173,561
Futures contracts	332,016	-	-	332,016
Gold Trust - exchange traded fund	131,681,950	-	-	131,681,950
Private real estate - direct	-	-	193,581,120	193,581,120
Timber - direct	-	-	60,619,382	60,619,382
Venture capital - direct	-	-	65,093,320	65,093,320
Private equity - direct	-	-	301,396,070	301,396,070
Private debt - direct	-	-	13,265,378	13,265,378
Private equity/venture capital - fund of funds	-	-	78,146,603	78,146,603
Security lending collateral				
Cash and cash equivalents	540,988,611	-	-	540,988,611
Total assets at fair value	\$ 4,730,351,641	\$ 1,753,155,928	\$ 712,101,873	\$ 7,195,609,442

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

	Assets at Fair Value as of December 31, 2008			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 2,420,540	\$ 194,553,057	\$ -	\$ 196,973,597
Equity securities - common stocks				
Technology	279,410,471	-	-	279,410,471
Health Care	269,930,203	-	-	269,930,203
Consumer Services	187,567,770	-	-	187,567,770
Consumer Non-Durables	100,253,104	-	-	100,253,104
Financial Services	166,830,681	-	-	166,830,681
Energy	111,024,452	-	-	111,024,452
Capital Goods	89,797,084	-	-	89,797,084
Real estate investment trusts	89,089,932	-	-	89,089,932
Other	209,022,247	-	-	209,022,247
Equity securities - commingled trust funds	-	1,146,235,895	-	1,146,235,895
Fixed income securities				
US Government Debt	833,299,931	-	-	833,299,931
Corporate Debt - Banking and Finance	473,703,542	-	-	473,703,542
Corporate Debt - Industrial	278,056,003	-	-	278,056,003
Corporate Debt - Other	942,708,945	616,634,028	-	1,559,342,973
Futures contracts	14,735,724	-	-	14,735,724
Gold trust - exchange traded fund	-	-	-	-
Private real estate - direct ^(a)	-	-	258,497,002	258,497,002
Timber - direct	-	-	65,765,552	65,765,552
Venture capital - direct	-	-	45,920,660	45,920,660
Private equity - direct	-	-	232,380,856	232,380,856
Private debt - direct	-	-	6,697,383	6,697,383
Private equity/venture capital - fund of funds	-	-	65,777,448	65,777,448
Security lending collateral				
Cash and cash equivalents	696,142,451	-	-	696,142,451
Total assets at fair value	\$ 4,743,993,080	\$ 1,957,422,980	\$ 675,038,901	\$ 7,376,454,961

- (a) Private real estate – direct of \$17,704,657 as of December 31, 2008 were classified as equity securities – common stocks (Level 1) in the prior year financial statements. These prior year amounts have been reclassified to private real estate – direct (Level 3) to conform to the current year's presentation.

The following table sets forth a summary of changes in the fair value of the Master Trust's Level 3 assets for the year ended December 31, 2009 and 2008.

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Level 3 Investment Rollforward						Total
	Private Real Estate - Direct	Timber - Direct	Venture Capital - Direct	Private Equity - Direct	Private Debt - Direct	Private Equity/Venture	
Ending balance, December 31, 2007	\$ 308,082,682 ^(a)	\$ 62,277,311	\$ 47,924,200	\$ 246,715,924	\$ -	\$ 66,302,014	\$ 731,302,131 ^(a)
Realized gains (losses)	688,080	3,089,418	3,991,881	5,231,963	-	5,896,714	18,898,056
Unrealized (losses) gains	(70,734,288)	7,384,630	(5,351,393)	(56,012,930)	(1,230,259)	(15,555,579)	(141,499,819)
Transfers in	-	-	-	-	-	-	-
Purchases, sales and settlements, net	20,460,529	(6,985,808)	(644,029)	36,445,899	7,927,642	9,134,300	66,338,533
Ending balance, December 31, 2008	\$ 258,497,003 ^(a)	\$ 65,765,551	\$ 45,920,659	\$ 232,380,856	\$ 6,697,383	\$ 65,777,448	\$ 675,038,901 ^(a)
Realized gains (losses)	(981,094)	216,914	6,396,955	(13,295,120)	-	966,538	(6,695,807)
Unrealized (losses) gains	(64,539,293)	(2,381,883)	8,502,690	71,461,554	3,274,595	5,548,509	21,886,172
Transfers in	-	-	-	-	-	-	-
Purchases, sales and settlements, net	604,504	(2,981,200)	4,273,016	10,828,780	3,293,400	5,854,107	21,872,607
Ending balance, December 31, 2009	\$ 193,581,120	\$ 60,619,382	\$ 65,093,320	\$ 301,396,070	\$ 13,265,378	\$ 78,146,603	\$ 712,101,873

- (a) Private real estate – direct of \$20,265,125 and \$17,704,657 as of December 31, 2007 and 2008, respectively, were classified as equity securities – common stocks (Level 1) in the prior year financial statements. These prior year amounts have been reclassified to private real estate – direct (Level 3) to conform to the current year's presentation.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

The Master Trust uses the NAV to determine the fair value of all of the underlying investments which (a) do not have a readily determinable fair value and (b) either have the attributes of an investment company or prepare their financial statements consistent with the measurement principals of an investment company.

Category of Investment	Investment Strategy	December 31, 2009 Fair Value	Unfunded Commitments	Remaining Life	Redemption Restrictions and Terms
Equity Securities - Commingled Trust Funds	US Equity markets	\$ 1,086,842,734	Not applicable	Not applicable	Immediate Liquidity- less than one week
Private Real Estate - Direct	Global Private Real Estate strategy	193,581,120	53,175,779	Up to 8 years	(A)
Timber - Direct	Global Timber strategy	60,619,382	0	Up to 3 years	(A)
Venture Capital - Direct	Global Venture Capital strategy	65,093,320	67,216,565	Up to 11 years	(A)
Private Equity - Direct	Global Private Equity strategy	301,396,070	112,681,692	Up to 15 years	(A)
Private Debt - Direct	Distressed Debt	13,265,378	16,764,432	Up to 14 years	(A)
Private Equity/Venture Capital - Fund of Funds	Global Private Equity/Venture Capital strategy	78,146,603	74,745,072	Up to 13 years	(A)

(A) Redemption not permitted during the life of funds. Sale or transfer subject to approval of the general partner.

5. 401(h) Account

The Alcoa Salary Plan includes a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the Internal Revenue Code ("IRC"). A separate account has been established and maintained in the Alcoa Salary Plan for the net assets related to the medical-benefit component (401(h) account). In accordance with IRC Section 401(h), the Alcoa Salary Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. Any assets transferred to the 401(h) account from the defined benefit pension plan in a qualified transfer of excess pension plan assets (and any income allocable thereto) that are not used during the plan year must be transferred out of the account to the pension plan. The related obligations for health benefits are not included in the Alcoa Salary Plan's obligations in the accumulated plan benefits but are reflected as obligations in the financial statements of the plan sponsor. The Alcoa Salary Plan's participants do not contribute to the 401(h) account. Employer contributions or qualified transfers to the 401(h) account are determined annually and are at the discretion of Alcoa. Certain of the Alcoa Salary Plan's interest in the Master Trust are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h). Alcoa pays medical benefits to retirees through the Alcoa Retiree Healthcare Plan, which is not included in the Alcoa Salary Plan. This plan represents a portion of Alcoa's other postretirement employee benefits. During 2009, 401(h) assets were used to pay \$64,148,013 of retiree health benefits.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

6. Accumulated Plan Benefits

Accumulated plan benefits are those future benefit payments that are attributable, under each Plan's provisions, to employees' service rendered to the benefit information date. Accumulated plan benefits comprise benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The Plans' actuary made this determination.

Based upon actuarial estimates at January 1, 2008, the present value of accumulated plan benefits for the Plans included in the Master Trust is as follows:

Actuarial Present Value of Accumulated Plan Benefits at January 1, 2009				
	Vested Benefits of Participants Currently Receiving Benefits	Other Vested Benefits	Non-Vested Benefits	Total Present Value of Accumulated Plan Benefits
Alcoa Salary Plan	\$ 2,804,699,310	\$ 1,183,590,636	\$ 58,917,040	\$ 4,047,206,986
Alcoa Hourly Plan	2,842,310,265	1,033,699,163	14,104,744	3,890,114,172
Alcoa CSI Plan	-	-	-	-
Alcoa Fujikura Ltd. Plan	32,629,194	53,130,907	2,542,406	88,302,507
Alcoa Subsidiaries Merged Inactive Plan	91,692,086	136,658,707	-	228,350,793
Suriname Plan I	86,707,370	21,740,248	1,905,499	110,353,117
Suriname Plan II	70,733,198	21,906,354	1,830,139	94,469,691
Alumax Inc. Merged Hourly Plan	-	-	-	-

Employees' Retirement Plans of Alcoa Inc. and Subsidiary Companies **Notes to Financial Statements** **December 31, 2009 and 2008**

The change in the actuarial present value of accumulated plan benefits resulted from the following:

	Actuarial Present Value of Accumulated Plan Benefits January 1, 2008	Plan Merger	Plan Amendments/ Early Retirement	Change in Actuarial Assumptions	Interest	Benefits Paid	Benefits Accumulated and Other Experience (A)	Actuarial Present Value of Accumulated Plan Benefits January 1, 2009
Alcoa Salary Plan	\$ 4,134,727,460	\$ -	\$ -	\$ (79,596,145)	\$ 246,993,970	\$ (302,425,421)	\$ 47,507,122	\$ 4,047,206,986
Alcoa Hourly Plan	3,833,582,831	117,596,373	690,761	(46,453,980)	228,290,275	(302,963,233)	59,371,145	3,890,114,172
Alcoa CSI Plan	47,510,891	(39,794,440)	-	(1,183,968)	2,859,861	(2,768,215)	(6,624,129)	-
Alcoa Fujikura Ltd. Plan	86,255,179	-	-	(2,435,156)	5,256,723	(2,938,637)	2,164,398	88,302,507
Alcoa Subsidiaries Merged Inactive Plan	151,847,969	87,565,572	-	(4,348,290)	9,217,534	(6,356,107)	(9,575,885)	228,350,793
Suriname Plan I	112,672,927	-	-	(2,059,490)	6,719,229	(8,596,517)	1,616,968	110,353,117
Suriname Plan II	97,557,966	-	-	(2,998,120)	5,821,291	(7,332,349)	1,420,903	94,469,691
Alumax Inc. Merged Hourly Plan	110,441,818	(117,596,373)	-	4,183,823	6,627,077	(7,106,960)	3,450,615	-

(A) Consists of expected increase in benefits and other experience.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

The significant assumptions underlying the actuarial computations for the Plans at January 1, 2009 and 2008 are as follows:

Interest Rate

The interest rate used for the Plans is 6.40% and 6.20% as of January 1, 2009 and 2008, respectively.

Life Expectancy of Participants

The following tables list the mortality tables used for the calculation of the Accumulated Plan Benefits and lump-sum distributions for each of the plans for the years ended 2009 and 2008.

Plan	2008/2009 Valuation
Alcoa Salary Plan (non-Trinidad participants) Alcoa CSI Plan (2008 only) Alcoa Fujikura Ltd. Plan Alcoa Subsidiaries Merged Inactive Plan (salaried employees)	For deaths after service retirement and deaths after disability retirement, RP-2000 Combined Healthy Male Table projected to 2005, setback 1 year for males and the RP-2000 Combined Healthy Female table projected to 2005 for females.
Alumax Merged Hourly Plan (2008 only) Alcoa Hourly Plan Alcoa Subsidiaries Merged Inactive Plan (hourly employees)	For deaths after service retirement, RP-2000 Combined Healthy Male Table with Blue Collar Adjustment for males and RP-2000 Combined Healthy Male table with Blue Collar Adjustment setback 3 years for females. For deaths after disability retirement, RP-2000 Combined Health Male Table with Blue Collar Adjustment set forward 5 years for males and RP-2000 Combined Healthy Male table with Blue Collar Adjustment set-forward 1 year for females.
Suriname Plan I Alcoa Salary Plan (Trinidad participants)	For deaths after service retirement, 1983 Group Annuity Mortality Table deaths after disability retirement, based upon a special mortality table.
Suriname Plan II	For deaths after service retirement, 1983 Group Annuity Mortality Table set forward 1 year, deaths after disability retirement based upon a special mortality table.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

Plan	2008 Lump Sum Disbursements	2009 Lump Sum Disbursements
Alcoa Salary Plan	For the 2008 plan year, lump sum distributions are based on the greater of: the Modified 1994 Group Annuity Reserving Tables as presented by Revenue Ruling 2001-62, and the "PPA benefit" calculated using modified segment rates and the "Applicable Mortality Table" as provided in Section 417(e)(3) of the Code.	For the 2009 plan year, lump sum distributions are based on the greater of: the Modified 1994 Group Annuity Reserving Tables as presented by Revenue Ruling 2001-62, and the "PPA benefit" calculated using modified segment rates and the "Applicable Mortality Table" as provided in Section 417(e)(3) of the Code.
Alcoa Hourly Plan	N/A	For the 2009 plan year, lump sum distributions are based on the greater of: the Modified 1994 Group Annuity Reserving Tables as presented by Revenue Ruling 2001-62, and the "PPA benefit" calculated using modified segment rates and the "Applicable Mortality Table" as provided in Section 417(e)(3) of the Code.
Alcoa Subsidiaries Merged Inactive Plan	N/A	For the 2009 plan year, lump sum distributions are based on the "PPA benefit" calculated using modified segment rates and the "Applicable Mortality Table" as provided in Section 417(e)(3) of the Code.
Alumax Merged Hourly Plan	For the 2008 plan year, lump sum distributions are based on the greater of: the Modified 1994 Group Annuity Reserving Tables as presented by Revenue Ruling 2001-62, and the "PPA benefit" calculated using modified segment rates and the "Applicable Mortality Table" as provided in Section 417(e)(3) of the Code.	N/A

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

Retirement

The assumed weighted average retirement age is:

Alcoa Salary Plan	63
Alcoa Hourly Plan	63
Alcoa Fujikura Ltd. Plan	63
Suriname Plan I	58
Suriname Plan II	58

7. Tax Status

The Internal Revenue Service has determined and informed the Company that the Plans and related trust are designed in accordance with applicable sections of the IRC. The Plans have been amended since receiving the determination letters. However, the Plans' administrator and tax counsel believe that the Plans are designed and are currently being operated in compliance with the applicable requirements of the IRC.

Determination letters received were dated as follows:

Alcoa Salary Plan	January 9, 2003
Alcoa Hourly Plan	January 9, 2003
Alcoa CSI Plan	August 6, 2002
Alcoa Fujikura Ltd. Plan	August 6, 2002
Alcoa Subsidiaries Merged Inactive Plan	August 6, 2002
Suriname Plan I	July 1, 2002
Suriname Plan II	July 1, 2002
Alumax Inc. Merged Hourly Plan	January 9, 2003

8. Information Certified by the Plans' Trustee

The information included in the Plans' financial statements and Note 3 was prepared by Bank of New York Mellon, the Trustee of the Plans, as of and for the years ended December 31, 2009 and 2008 and furnished to the plan administrator. The plan administrator has obtained a certification from the Trustee that such information is complete and accurate in accordance with Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA:

- Statements of Individual Plan Net Assets Available for Benefits – investments at fair value except for the alternative investments of \$712,101,873 and \$675,038,901 identified in Note 3 as of December 31, 2009 and 2008, respectively.
- Statements of Changes in Individual Plan Net Assets Available for Benefits – interest, dividends and net depreciation or appreciation in fair value of investments except for the net appreciation or depreciation in fair value of alternative investments of \$15,190,365 and (\$122,601,763) identified in Note 3 for years ended December 31, 2009 and 2008, respectively.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

9. Related Party Transactions

At December 31, 2009 and 2008, the Plans are invested in funds managed by the trustee; therefore, these transactions qualify as party-in-interest transactions. The Master Trust also participates in a securities lending program with the trustee as described in Note 3, which qualifies as party-in-interest transactions.

10. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for pension benefits and of the Alcoa Salary Plan's interest in Alcoa Inc. Retirement Plans' Master Trust investment income per the financial statements to the Form 5500 at December 31:

	Alcoa Salary Plan	
	2009	2008
Net assets available for benefits per the financial statements	\$ 3,219,493,723	\$ 2,878,941,122
Net assets held in 401(h) account included as assets in Form 5500	<u>110,911,456</u>	<u>160,198,253</u>
Net assets available for benefits per the Form 5500	<u>\$ 3,330,405,179</u>	<u>\$ 3,039,139,375</u>
	Alcoa Salary Plan	
	2009	2008
Alcoa Salary Plan's interest in Alcoa Inc. Retirement Plans' Master Trust investment income (loss) per the financial statements	\$ 386,643,730	\$ (809,170,448)
Net gain (loss) in 401(h) account included as investment income (loss) from Master Trust in Form 5500	<u>14,861,217</u>	<u>(43,553,059)</u>
Alcoa Salary Plan's interest in Alcoa Inc. Retirement Plans' Master Trust investment income (loss) per the Form 5500	<u>\$ 401,504,947</u>	<u>\$ (852,723,507)</u>
Alcoa Salary Plan's benefit payments per the financial statements	\$ 317,969,070	\$ 302,425,421
Benefit payments made from the 401(h) account	<u>64,148,014</u>	<u>-</u>
Alcoa Salary Plan's benefit payments per the Form 5500	<u>\$ 382,117,084</u>	<u>\$ 302,425,421</u>

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits. The net assets of the 401(h) account can be used only to pay retiree health benefits.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

11. Plan Specific Activities

Alcoa Salary Plan

In 2009, a plan amendment recognized the change in the definition of actuarial equivalence which increased the actuarial present value of accumulated plan benefits by approximately \$14,241,000.

Alcoa Hourly Plan

In 2008, plan amendments recognized the effect of participants receiving pension factor increases for employees at certain locations. These amendments increased the actuarial present value of accumulated plan benefits by approximately \$691,000 in 2008.

Effective December 31, 2008, the Alumax Inc. Merged Hourly Plan merged into the Alcoa Hourly Plan. The Alcoa Hourly Plan was the surviving plan. Assets of \$87,378,668 and accumulated benefits of \$117,596,373 were transferred into the Alcoa Hourly Plan.

Alumax Inc. Merged Hourly Plan

Effective December 31, 2008, the Alumax Inc. Merged Hourly Plan merged into the Alcoa Hourly Plan. The Alcoa Hourly Plan was the surviving plan. Assets of \$87,378,668 and accumulated benefits of \$117,596,373 were transferred into the Alcoa Hourly Plan.

Alcoa Subsidiaries Merged Inactive Plan (formerly Alcoa Home Exteriors, Inc. Plan)

Effective December 31, 2008, the Alcoa CSI Plan, Reynolds Metals Company Merged Hourly Pension Plan, Southern Graphic Systems, Inc. Pension Plan and the Presto Products Company Employees' Retirement Balance Plan merged into the Alcoa Home Exteriors, Inc. Pension Plan. The Alcoa Home Exteriors, Inc. Plan was the surviving plan and on January 1, 2009 was renamed the Alcoa Subsidiaries Merged Inactive Plan. Assets and accumulated benefits were transferred to the Alcoa Subsidiaries Merged Inactive Plan as follows:

	Assets	Accumulated Benefits
Alcoa CSI Plan	\$ 33,267,230	\$ 39,794,440
Reynolds Merged Plan	7,115,292	9,237,425
Southern Graphics Plan	12,459,324	16,764,602
Presto Products Plan	6,675,769	21,769,105
	<u>\$ 59,517,615</u>	<u>\$ 87,565,572</u>

Effective December 31, 2009 the Alcoa Fujikura Ltd. Plan and the Reynolds Hourly Plan merged into the Alcoa Subsidiaries Merged Inactive Plan with the Alcoa Subsidiaries Merged Inactive Plan remaining as the surviving plan. Alcoa Fujikura Ltd. Plan assets of \$70,012,643 and accumulated benefits of \$88,813,081 were transferred to the Alcoa Subsidiaries Merged Inactive Plan. Reynolds Hourly Plan assets of \$7,962,105 and accumulated benefits of \$10,565,061 were transferred to the Alcoa Subsidiaries Merged Inactive Plan.

In 2009, a plan amendment recognized the change in the definition of actuarial equivalence which increased the actuarial present value of accumulated plan benefits by approximately \$3,359,000.

**Employees' Retirement Plans of Alcoa Inc.
and Subsidiary Companies**
Notes to Financial Statements
December 31, 2009 and 2008

Alcoa CSI Plan

Effective February 29, 2008, Alcoa Inc. completed the sale of its Packaging and Consumer business to the Rank Group. On the date of sale, all employees became ineligible to participate in the Alcoa CSI Plan. Only deferred vested and retirees remained in the Alcoa CSI Plan. Alcoa Inc. became the sponsor of the Alcoa CSI Plan, which remained in the Alcoa Master Trust until its merger into the Alcoa Home Exteriors, Inc. Plan. Assets of \$33,267,230 and accumulated benefits of \$39,794,440 were transferred into the Alcoa Home Exteriors, Inc. Plan.

Alcoa Fujikura Ltd. Plan

Effective June 12, 2009, Alcoa Inc. completed the sale of its electrical and electronic solutions business to Platinum Equity. On the date of the sale, all employees became ineligible to participate in the Alcoa Fujikura Ltd. Plan. Only deferred vested and retirees remain in the Alcoa Fujikura Ltd. Plan. Alcoa became the sponsor of the Alcoa Fujikura Ltd. Plan, which will remain in the Alcoa Master Trust.

Effective December 31, 2009, the Alcoa Fujikura Ltd. Plan merged with Alcoa Subsidiaries Merged Inactive Plan. Assets of \$70,012,643 and accumulated benefits of \$94,436,908 were transferred to the Alcoa Subsidiaries Merged Inactive Plan.

12. Commitments and Contingencies

The Alcoa Master Trust has capital commitments of \$324,600,000 and \$375,500,000 at December 31, 2009 and 2008, respectively, in relation to additional funding for Limited Partnerships in which it invests.

13. Subsequent Events

Management has evaluated the events and transactions that have occurred through October 1, 2010, the date the financial statements were available to be issued, and noted no items requiring adjustment of the financial statements or additional disclosures, other than that which is noted below.

On January 26, 2010, Alcoa Inc. made a contribution of 44,313,146 shares of its common stock, par value \$1.00 per share to the Alcoa Master Trust in consideration for a credit against Alcoa's future funding obligations to the Master Trust. The Shares were valued for purposes of the contribution at \$585 million in the aggregate. The Shares were newly issued shares and were contributed to the Master Trust in a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"). In the plan financial statements, this is considered a 2009 contribution. The Alcoa Salary Plan and Alcoa Hourly Plan established receivables at December 31, 2009 of \$280,000,000 and \$267,000,000, respectively, for this contribution.

The required attachment is included with the signed Schedule SB pdf. file included with this 5500 filing.

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**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ File as an attachment to Form 5500 or 5500-SF.

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ Round off amounts to nearest dollar.

▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Alcoa Retirement Plan II	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Alcoa Inc.	D Employer Identification Number (EIN) 25-0317820
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>		
2 Assets:		
a Market value.....	2a	2,915,266,887
b Actuarial value.....	2b	3,206,793,574
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 34,650	2,619,978,239
b For terminated vested participants.....	3b 13,817	283,087,659
c For active participants:		
(1) Non-vested benefits.....	3c(1)	43,535,594
(2) Vested benefits.....	3c(2)	534,855,826
(3) Total active.....	3c(3) 12,247	578,391,420
d Total.....	3d 60,714	3,481,457,318
4 If the plan is at-risk, check the box and complete items (a) and (b)..... ☐		
a Funding target disregarding prescribed at-risk assumptions.....	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5 Effective interest rate.....	5	8.23 %
6 Target normal cost.....	6	26,605,441

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		10/7/2010
Signature of actuary		Date
DAVID R. JARRETT		08-04821
Type or print name of actuary		Most recent enrollment number
BUCK CONSULTANTS, LLC		(412) 281-2506
Firm name		Telephone number (including area code)
500 GRANT STREET, SUITE 2900		
Address of the firm		
PITTSBURGH PA 15219-2513		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	467,709,051	0
8 Portion used to offset prior year's funding requirement (Item 35 from prior year)	143,599,293	0
9 Amount remaining (Item 7 minus item 8).....	324,109,758	0
10 Interest on item 9 using prior year's actual return of <u>(20.79)%</u>	(67,388,502)	
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (Item 38 from prior year)		0
b Interest on (a) using prior year's effective rate of <u>6.07 %</u>		0
c Total available at beginning of current plan year to add to prefunding balance		0
d Portion of (c) to be added to prefunding balance.....		0
12 Reduction in balances due to elections or deemed elections.....	0	0
13 Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	272,221,291	0

Part III Funding percentages

14 Funding target attainment percentage.....	14	84.29 %
15 Adjusted funding target attainment percentage.....	15	84.29 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	95.12 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
01/26/2010	267,000,000				
Totals ▶			18(b)	267,000,000	18(c) 0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	245,364,102

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If 20a is "Yes," see instructions and complete the following table as applicable:	

Liquidity shortfall as of end of Quarter of this plan year

(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:			
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %
			☒ N/A, full yield curve used
b Applicable month (enter code)			21b
22 Weighted average retirement age			22 63
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	26,605,441
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	546,885,035	109,225,014
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	135,830,455
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	135,830,455	0
36 Additional cash requirement (item 34 minus item 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c)	37	245,364,102
38 Interest-adjusted excess contributions for current year (see instructions)	38	245,364,102
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

ALCOA RETIREMENT PLAN II

EIN: 25-0317820

PN: 002

ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500

Schedule SB – Statement by Enrolled Actuary

In preparing this Schedule SB, the actuary relied on other parties for – and applied reasonability tests to – information on assets, contributions, plan provisions, and data on people covered by the plan.

Effective December 31, 2008, the Alumax Merged Hourly Retirement Plan (EIN: 25-1813098\PN:006) merged into the Plan.

ALCOA RETIREMENT PLAN II**EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500****Schedule SB, Line 13 – Carryover Balance at Beginning of Current Year**

The following table shows the development of the 1/1/2009 carryover balance reflecting the merger of the Alumax Merged Hourly Retirement Plan into the Alcoa Retirement Plan II.

DEVELOPMENT OF CARRYOVER BALANCE		
	<u>Alcoa Retirement Plan II</u>	<u>Alumax Merged Hourly Retirement Plan</u>
Balances as of January 1, 2008	\$ 467,709,051	\$ 22,759,948
Balances elected to satisfy 2008 minimum	<u>(143,599,293)</u>	<u>(3,099,858)</u>
Remaining balance	\$ 324,109,758	\$ 19,660,090
2008 rate of return on market value	-20.79%	-21.16%
Interest	(67,388,502)	(4,160,055)
Balances as of January 1, 2009	\$ 256,721,256	\$ 15,500,035
Total balance as of January 1, 2009 after merger	\$ 272,221,291	\$ 0

ALCOA RETIREMENT PLAN II

EIN: 25-0317820

PN: 002

ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500

Schedule SB, Line 21b – Applicable Month for Yield Curve

The discount rate is full yield curve with a two month lookback. Line 21b is left blank because EFAST2 generates an error when "2" appears in line 21b and Full Yield Curve is checked in line 21a.

ALCOA RETIREMENT PLAN II**EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500****Schedule SB, Line 22 – Description of Weighted Average Retirement Age**

This age is derived by applying, for an employee with the characteristics of an average new entrant to the plan, the following formula, modified so that the “½” is not used for $t = \text{FRA} - \text{ERA}$.

FRA-ERA

$$\sum_{t=0}^{\text{FRA-ERA}} ({}_t p_{\text{ERA}}) * (q_{\text{ERA}+t}^r) * (\text{ERA} + t + \frac{1}{2})$$

FRA-ERA

$$\sum_{t=0}^{\text{FRA-ERA}} ({}_t p_{\text{ERA}}) * (q_{\text{ERA}+t}^r)$$

where FRA = age everyone is assumed to retire
 ERA = earliest retirement age
 ${}_t p_{\text{ERA}}$ = probability of surviving to age ERA + t
 $q_{\text{ERA}+t}^r$ = probability of retiring at age ERA + t

NORMAL RETIREMENT:

Age	Annual Rate (Except Rule IIQ and IIAA)	Annual Rate (Rule IIQ, IIAA, and ICC* Only)
65	50.0%	100.0%
66	50.0	100.0
67	40.0	100.0
68	30.0	100.0
69	25.0	100.0
70	100.0	100.0

* Normal Retirement is age 63 for South Carolina participants hired prior to 1994

Age	Annual Rates of						
	(All but IIAA) Early Retirement (60/10 or 55/10)	IIAA Early Retirement (55/12)	Early Retirement (30 Year)*	Early Retirement (62/10)	70/80 or 75/80 Retirement	IICC – South Carolina (Reduced, Early, or Normal)	IICC – South Carolina 30 Year Retirement **
50			5.5%		1.0%		5.5%
51			5.5		1.0		5.5
52			6.0		1.0		6.0
53			6.5		1.0		6.5
54			7.0		1.0		7.0
55	3.0%	3.0%	7.0		1.0		7.0
56	4.0	4.0	7.0		1.0		7.0
57	5.0	5.0	8.0		1.0		8.0
58	6.0	6.0	8.5		1.0	6.0%	8.5
59	6.5	6.5	10.0		1.0	6.5	10.0
60	7.0	7.0	12.0		1.0	7.0	12.0
61	8.0	8.0	24.0		1.0	8.0	24.0
62	20.0	20.0		50.0%	1.0	20.0	24.0
63	20.0	100.0		45.0	1.0	100.0	
64	20.0	100.0		40.0	1.0		

* An additional 5% probability applies in the first year of eligibility for 30 year retirement

** Applied only to those participants hired prior to January 1, 2000

60/10 or 55/10 - Applied only to those participants who meet age and service requirements but are not yet eligible for 30 Year, 62/10 or Normal Retirement as applicable for each Rule.

30 Year - Applied to all Rules except Rules IIR, IIX, and IY for only those participants who meet the service requirements but are not yet eligible for 62/10 or Normal Retirement as applicable for each Rule.

62/10 - Applied only to those participants of Rules IID, IIV, IIW, and IIX who meet age and service requirements but are not yet eligible for Normal Retirement.

70/80 or 75/80 - Applied only to those participants of Rules IID, IIV, and IIW who meet age and service requirements but are not yet eligible for 62/10 or Normal Retirement.

ALCOA RETIREMENT PLAN II**EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500****Schedule SB, Part V – Statement of Actuarial Assumptions/Methods****FOR DETERMINATION OF FUNDING REQUIREMENTS**

INTEREST RATE: Full Yield Curve as of October 31 of the prior Plan year.
The effective interest rate is 8.23%.

EXPECTED RATE OF RETURN: The long-term expected return rate is 8.75%, limited to the third segment rate.

SEPARATIONS BEFORE NORMAL RETIREMENT: Representative values of the assumed annual rates of disability, withdrawal, vesting, early retirement, 30 year retirement, and 70/80 or 75/80 retirement are as follows:

Age	Annual Rate of			
	Disability	Withdrawal*		Vesting**
		Male	Female	
20	-	20.9%	17.0%	21.0%
25	.1%	16.0	15.0	16.0
30	.1	12.0	13.0	10.0
35	.1	10.5	11.0	8.0
40	.1	10.0	9.0	6.0
45	.2	9.5	8.0	3.0
50	.4	9.5	7.0	2.0
55	.8	9.5	6.0	2.0
60	1.2	9.5	6.0	2.0
65		9.5	6.0	
69		9.5	6.0	

- Less than .1%.

* Applied only to participants who have not completed service and/or age requirements to be eligible for deferred vested or early retirement.

** Applied only to participants who have completed service requirements to be eligible for deferred vested retirement but have not completed service and/or age requirements to be eligible for early retirement.

Age	Annual Rates of						
	(All but IIAA) Early Retirement (60/10 or 55/10)	IIAA Early Retirement (55/12)	Early Retirement (30 Year)*	Early Retirement (62/10)	70/80 or 75/80 Retirement	IICC – South Carolina (Reduced, Early, or Normal)	IICC – South Carolina 30 Year Retirement **
50			5.5%		1.0%		5.5%
51			5.5		1.0		5.5
52			6.0		1.0		6.0
53			6.5		1.0		6.5
54			7.0		1.0		7.0
55	3.0%	3.0%	7.0		1.0		7.0
56	4.0	4.0	7.0		1.0		7.0
57	5.0	5.0	8.0		1.0		8.0
58	6.0	6.0	8.5		1.0	6.0%	8.5
59	6.5	6.5	10.0		1.0	6.5	10.0
60	7.0	7.0	12.0		1.0	7.0	12.0
61	8.0	8.0	24.0		1.0	8.0	24.0
62	20.0	20.0		50.0%	1.0	20.0	24.0
63	20.0	100.0		45.0	1.0	100.0	
64	20.0	100.0		40.0	1.0		

* An additional 5% probability applies in the first year of eligibility for 30 year retirement

** Applied only to those participants hired prior to January 1, 2000

60/10 or 55/10 - Applied only to those participants who meet age and service requirements but are not yet eligible for 30 Year, 62/10 or Normal Retirement as applicable for each Rule.

30 Year - Applied to all Rules except Rules IIR, IIX, and IYY for only those participants who meet the service requirements but are not yet eligible for 62/10 or Normal Retirement as applicable for each Rule.

62/10 - Applied only to those participants of Rules IID, IIV, IIW, and IIX who meet age and service requirements but are not yet eligible for Normal Retirement.

70/80 or 75/80 - Applied only to those participants of Rules IID, IIV, and IIW who meet age and service requirements but are not yet eligible for 62/10 or Normal Retirement.

SEPARATIONS DUE TO UNPREDICTABLE CONTINGENT EVENT: Certain employees on permanent layoff as a result of partial plant closings are assumed to terminate employment two years after the date of layoff.

SALARY INCREASE: Representative values of the assumed annual rates of future pension earnings increases are as follows.

Age	Annual Rate of Pension Earnings Increase
20	6.3%
25	5.8
30	5.3
35	4.8
40	4.3
45	3.8
50	3.3
55	2.8
60	2.8
65	2.8
69	2.8

DEATHS BEFORE RETIREMENT: The IRS 2009 prescribed non-annuitant mortality tables for males and females.

DEATHS AFTER RETIREMENT: The IRS 2009 prescribed annuitant mortality tables for males and females.

DEATHS AFTER DISABILITY RETIREMENT: The IRS 2009 prescribed annuitant mortality tables for males and females.

NORMAL RETIREMENT:

Age	Annual Rate (Except Rule IIQ and IIAA)	Annual Rate (Rule IIQ, IIAA, and ICC* Only)
65	50.0%	100.0%
66	50.0	100.0
67	40.0	100.0
68	30.0	100.0
69	25.0	100.0
70	100.0	100.0

* Normal Retirement is age 63 for South Carolina participants hired prior to 1994

RETIREMENT FROM DEFERRED VESTED STATUS: Former employees are assumed to retire at the earlier of Normal Retirement Age or the earliest age eligible for unreduced benefits.

FUTURE EXPENSES: Have been included in the normal cost based on prior year experience.

LUMP SUM MORTALITY: 2009 lump sum mortality as prescribed by IRS Code 417(e).

FORM OF PAYMENT: It was assumed that 85% of participants would be married upon commencement of payment and 95% of those married would elect a 50% joint and survivor benefit. The restoration of a benefit in the event that the spouse pre-deceases the participant is being recognized for certain Rules that permit a "pop-up". The husband was assumed to be three years older than his wife. For Rule IICC only, 50% of employees not eligible for lump sums elect a life annuity and 50% elect a Joint and Survivor annuity, while 100% of employees eligible for lump sums elect a lump sum.

ASSET VALUATION METHOD: Two-year average of adjusted market values. This method spreads asset gains/(losses) over a two year period on an annual basis. The gain/(loss) for each period is determined as the actual return during the period less the expected return based on an assumed earnings rate chosen by the actuary but required by PPA to be not greater than the applicable third segment rate. The resulting value is constrained to be within a corridor of 90% to 110% of market value. The discounted value of accrued contributions, if any, is included in the valuation assets.

VALUATION METHOD: The Funding Target is the present value of accrued benefits and based on compensation and service to date. The Target Normal cost is the present value of benefits expected to be accrued during the current plan year, including the effect of expected compensation increases during the year.

MISCELLANEOUS: The valuation was prepared on an ongoing-plan basis. The valuation assumptions provide for plant closings, which are part of the ordinary course of business. No allowance has been made for certain additional liabilities, which may arise following other plant closings. The valuation was based on participants in the Plan as of the valuation date and those employees who would be participants in the Plan except for the provision that the employee be at least 21 with 1 year of service. The valuation did not take other future participants into account. No provision has been made for contingent liabilities with respect to non-vested terminated participants who may be reemployed. The determination of the portion allocable to this Plan of the total assets of the pooled trust fund for various retirement plans of the employer was made by the plan administrator.

OTHER ASSUMPTIONS: It was assumed that 90% of those retiring on account of disability would qualify immediately for Social Security benefits.

ALCOA RETIREMENT PLAN II

EIN: 25-0317820

PN: 002

ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500

Schedule SB, Part V – Summary of Plan Provisions

The following summary outlines the main provisions applicable to future retirements and terminations from active service. Prior terminations/retirements are subject to provisions applicable at the time of termination.

DEFINITIONS

"Service" is based on years, months, and days of continuous regular employment with the Company. Certain locations included do not recognize benefit service for all periods of service with the Company. These limitations are specified in the Plan document.

"Other Pension" is a portion (based upon service covered by the Railroad Retirement Act) of the Tier II benefit determined in accordance with the Railroad Retirement Act, plus the amount of any Supplemental Retirement Benefit provided under the Railroad Retirement Act. In addition, Other Pension is any pension, other than Social Security or Railroad Retirement benefits, that a participant is entitled to from a governmental plan, foreign or domestic, or a benefit from a nongovernmental plan to which Alcoa or a subsidiary has contributed.

PLAN COVERAGE

Every hourly employee of a Company authorized by the Board of Directors to participate who (1) has attained age 21 and completed at least one year of service, (2) is not accruing service countable for pension benefit accrual purposes under another retirement plan of Alcoa or a Subsidiary, (3) is in a collective bargaining unit that has agreed to participate in this plan or a non-bargained employee working at a location authorized to participate in this plan, and (4) is not in receipt of a pension (with certain limited exceptions), commissions, severance pay, retainer or fee under contract is generally covered under the Plan.

PROTECTION OF BENEFITS

For former participants of other Plans who become participants in this Plan as the result of mergers and acquisitions, benefits accrued, eligibilities, and optional forms of payment available under the former Plan are protected as required by law.

CONTRIBUTIONS

All contributions to provide the benefits under the Plan are made by the Company.

CHANGE IN PLAN PROVISIONS

This valuation reflects the non de minimis merger of the Alumax Merged Hourly Retirement Plan effective December 31, 2008. These participants are covered by Rule IICC provisions. Pension factor increases at the Auburn location of Rule IYY and Hernando location of Rule IIQ have been recognized in the valuation.

RULE IID***Accrued Benefit***

Consists of sum of service as noted times applicable factor for service period reduced by Other Pension.

Factors as shown in the table below apply to most locations.

Job Grade	Pension Factor		
	First 15 Years of Service	For Service Years 16 to 30	For Service Years Over 30
1 – 4	\$ 38.25	\$ 40.25	\$ 51.00
5 – 8	40.05	42.05	53.00
9 – 12	41.90	43.90	55.00
13 – 16	43.75	45.75	57.50
17 – 20	45.55	47.55	60.00
21 – 24	47.90	49.90	63.00
25 – 27	50.25	52.25	66.00
28 & above	51.25	53.25	68.25

Cleveland locations

- The IAM represented participants receive the following factors:

Classification	Pension Factor		
	First 15 Years of Service	For Service Years 16 to 30	For Service Years Over 30
Bench Hands	\$ 43.75	\$ 45.75	\$ 57.50
Die Sinker, Die Welder	51.25	53.25	68.25

- The UPG represented participants receive the following factors:

Classification	Pension Factor		
	First 15 Years of Service	For Service Years 16 to 30	For Service Years Over 30
Guards	\$ 43.75	\$ 45.75	\$ 57.50
Sergeants	51.25	53.25	68.25

Alcoa Tennessee Brick Masons receive a \$61.25 pension factor.

Normal Retirement

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (62/10)

Eligibility: Age 62 with 10 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (30 Year Rule)

Eligibility: 30 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (60/10)

Eligibility: Age 60 with 10 years of service.

Benefit: Accrued Benefit payable at age 62 or immediate actuarial equivalent of Accrued Benefit reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. Minimum benefit of \$100 per month.

70/80 Retirement

Eligibility: Age 55 and age plus service at least 70 or age plus service at least 80. Payable only if the Company does not offer suitable long-term employment within 2 years after layoff.

Benefit: Accrued Benefit payable immediately with an additional supplement of \$400 payable until age 62. Minimum benefit of \$100 per month.

Rule of 65

Eligibility: 20 years of service at layoff date and age plus service at least 65. Payable only if the Company does not offer suitable long-term employment within 2 years after layoff.

Benefit: Same as 70/80 Retirement.

Disability

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Same as 70/80 Retirement except guaranteed minimum of \$400 per month. Supplement is paid only if denied Social Security disability benefits.

Deferred Vested

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 62 or an actuarial equivalent benefit as early as age 60 reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback.

Preretirement Surviving Spouse Benefit

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death including the Additional Supplemental Pension.

Special Retirement Payment

Eligibility: Any employee retiring under Normal, Early 60/10, Early 62/10, Early 30 Year Rule, 70/80 or Rule of 65.

Benefit: In lieu of 3 months pension, employee receives 10 plus the number of weeks of vacation pay in the year of retirement times weekly rate of vacation pay minus any vacation pay received or receivable.

Additional Supplemental Pension Benefit

Eligibility: Age 55 with 30 years of service.

Benefit: Consists of Benefit Amount (shown below) minus Accrued Benefit minus any Supplemental benefit provided under the plan such as disability or 70/80 supplements. Additional Supplement is payable until age 62.

Job Grade	Benefit Amount
1 – 4	\$ 1,070
5 – 8	1,100
9 – 12	1,130
13 – 16	1,160
17 – 20	1,190
21 – 24	1,220
25 & above	1,250

Postretirement Surviving Spouse Benefit

Monthly Accrued Benefit payable to participant is reduced by 5%. 50% of the reduced Accrued Benefit and the Additional Supplemental Pension Benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 5% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

Forms of Payment

Single Life Annuity and Joint and Survivor Annuity

RULE HQ***Accrued Benefit***

For former Kawneer participants, the monthly benefit is credited service multiplied by the greater of:

- 1% of average monthly earnings over the employee's career **accrued as of December 31, 2002.**
- The minimum benefit level as defined below for active locations.

Location	Benefit Level	
Chicago, Visalia, Billerica, Brite Vue, Carlstadt, Cleveland, Orlando, Springdale, Charlotte, Memphis, Salt Lake City, Bristol, Atlanta and Louisville	1/1/2003	\$ 27.00
Bloomsburg	1/1/2004	\$ 28.00
	1/1/2005	\$ 29.00
	1/1/2006	\$ 30.00
	1/1/2008	\$ 31.00

For former Extrusions participants, the monthly benefit is credited service multiplied by the benefit level defined below:

Location	Benefit Level	
Hernando	10/1/2002	\$ 25.00
	5/1/2004	\$ 28.00
	5/1/2007	\$ 29.00
	5/1/2008	\$ 30.00
Yankton	1/1/2003	\$ 29.00
Plant City	6/9/2003	\$ 25.00
	7/1/2005	\$ 27.00
Catawba	1/1/2000	\$ 31.00

Normal Retirement

Eligibility: Age 65.

Benefit: Accrued Benefit payable immediately.

Early Retirement (55/15)

Eligibility: Age 55 and 15 years of credited service.

Benefit: Accrued Benefit payable at 65 or an actuarially reduced benefit payable immediately. Actuarial reduction is based on UP-84 mortality and 5.5% interest rate.

Deferred Vested

Eligibility: 5 years of credited service.

Benefit: Accrued Benefit payable at 65 or an actuarially reduced benefit payable immediately as early as age 55. Actuarial reduction is based on UP-84 mortality and 5.5% interest rate.

Disability

Eligibility: 15 years of credited service.

Benefit: Accrued Benefit payable at 65 or an actuarially reduced benefit payable immediately. Actuarial reduction is based on UP-84 mortality and 5.5% interest rate.

Death Benefit

Eligibility: 5 years of service.

Benefit: Less than 15 years of credited service and not eligible for early retirement – benefit commences to spouse on participant's Normal Retirement Date based on a 50% joint and survivor annuity assuming termination of employment at date of death and commencement at Normal Retirement Date.

15 years of credited service and not eligible for early retirement – same as above except can commence payment at date participant would have been eligible for early retirement with applicable early retirement reductions.

Eligible for early retirement – same as above except can commence payment immediately with applicable early retirement reductions.

Forms of Payment

Straight life: payments to retiree until death.

50% joint and survivor: actuarially reduced benefit to retiree until death and then 50% of the benefit payable to the spouse.

10 year certain and life: payments to retiree until death or for the balance of 10 years to survivor if death precedes 10 years after retirement.

Joint and $\frac{2}{3}$ contingent survivor: actuarially reduced benefit payable during joint lifetime of participant and spouse, $\frac{2}{3}$ of the benefit payable upon the death of the participant or spouse.

RULES IIR

Accrued Benefit

- IIR - \$10.00 times service prior to 10/1/1986 plus \$30.00 (effective 9/1/2004) times service after 10/1/1986 for the Randolph location reduced by Other Pension.
 - \$26.00 times service after 1/1/1998 for the Northwood location effective 1/1/2005 (previously \$25.00).

Normal Retirement

- Eligibility: Age 65 with 5 years of service.
 Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (55/10)

- Eligibility: Age 55 with 10 years of service.
 Benefit: Accrued Benefit payable at age 65 or immediate Accrued Benefit reduced from age 65 using 6% per year for each year commencement precedes age 65. Minimum benefit of \$100 per month.

Deferred Vested

- Eligibility: 5 years of service.
 Benefit: Accrued Benefit payable at age 65 or Accrued Benefit as early as age 55 reduced from age 65 by 6% per year.

Preretirement Surviving Spouse Benefit

- Eligibility: Death after 5 years of service.
 Benefit: 50% of the benefit accrued as of the date of death. If death in active service occurs before attainment of age 55, the spouse's benefit is payable at the date the deceased employee would have attained age 55.

Postretirement Surviving Spouse Benefit

Monthly benefit payable to participant is reduced by 10% for retirees or the actuarial equivalence factor for deferred vested terminations. 50% of the reduced benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 10% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

Forms of Payment

Single Life Annuity and Joint and Survivor Annuity

RULE IIV AND IIW

Accrued Benefit

Rule IIV

Consists of the applicable pension factor times service reduced by Other Pension.

Job Classification	Pension Factor
Utility Operator	\$ 41.90
Heavy Equipment Operator	51.25
Electrician, Mechanic, Drag Line Operator	51.25

Rule IIW

Consists of the applicable pension factor times service reduced by Other Pension.

Job Classification	Pension Factor
Auxiliary Equipment Operator	\$ 47.90
Power Plant Operator, Electrician, Mechanic	51.25

Normal Retirement

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (62/10)

Eligibility: Age 62 with 10 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (30 Year Rule)

Eligibility: 30 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (60/10)

Eligibility: Age 60 with 10 years of service.

Benefit: Accrued Benefit payable at age 62 or immediate actuarial equivalent of Accrued Benefit reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. Minimum benefit of \$100 per month.

70/80 Retirement

Eligibility: Age 55 and age plus service at least 70 or age plus service at least 80. Payable only if the Company does not offer suitable long-term employment within 2 years after layoff.

Benefit: Accrued Benefit payable immediately with an additional supplement of \$400 payable until age 62. Minimum benefit of \$100 per month.

Disability

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Accrued Benefit payable immediately with a guaranteed minimum of \$400 per month. An additional supplement of \$400 is payable until age 62.

Deferred Vested

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 62 or an actuarial equivalent benefit as early as age 60 reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback.

Preretirement Surviving Spouse Benefit

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death including the Additional Supplemental Pension.

Special Retirement Payment

Eligibility: Any employee retiring under Normal, Early 60/10, Early 30 Year Rule or Early 62/10.

Benefit: In lieu of 3 months pension, employee receives 10 plus the number of weeks of vacation pay in the year of retirement times weekly rate of vacation pay minus any vacation pay received or receivable.

Additional Supplemental Pension Benefit

Eligibility: Age 55 with 30 years of service.

Benefit: Consists of Benefit Amount (shown below) minus Accrued Benefit minus any Supplemental benefit provided under the plan such as disability or 70/80 supplements. Additional Supplement is payable until age 62.

Rule II V

Job Classification	Benefit Amount
Utility Operator	\$ 1,100
Heavy Equipment Operator	1,190
Electrician, Mechanic, Drag Line Operator	1,250

Rule II W

Job Classification	Benefit Amount
Auxiliary Operator	\$ 1,190
Electrician, Mechanic, Operator	1,250

Postretirement Surviving Spouse Benefit

Monthly Accrued Benefit payable to participant is reduced by 5%. 50% of the reduced Accrued Benefit and the Additional Supplemental Pension Benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 5% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

Forms of Payment

Single Life Annuity and Joint and Survivor Annuity

RULE IIX***Accrued Benefit***

Consist of the applicable pension factor times service reduced by Other Pension.

Danville - \$29.00

Newburgh (Alcoa Power Generating) - \$42.25, \$45 effective January 1, 2006 , \$47 effective January 1, 2008

Vidalia - \$26.00 effective May 1, 2003

Leetsdale is based on the following table:

Effective Date	Pension Factor
May 1, 2004	\$ 28.00
May 1, 2005	29.00

Normal Retirement

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 (\$200 for the Vidalia location) per month.

Early Retirement (62/10)

Eligibility: Age 62 with 10 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 (\$200 for the Vidalia location) per month.

Early Retirement (60/10)

Eligibility: Age 60 with 10 years of service.

Benefit: Accrued Benefit payable at age 62 or immediate actuarial equivalent of Accrued Benefit reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback. Minimum benefit of \$100 (\$200 for the Vidalia location) per month.

Disability

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Accrued Benefit payable immediately with a guaranteed minimum of \$100 per month. An additional supplement of \$250 is payable until age 62.

Deferred Vested

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 62 or an actuarial equivalent benefit as early as age 60 reduced from age 62 using 5% interest and the Male Modified Group Mortality with a 3-year setback.

Preretirement Surviving Spouse Benefit

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death.

Special Retirement Payment

Eligibility: Any employee retiring under Normal, Early 60/10, or Early 62/10.

Benefit: In lieu of 3 months pension, employee receives 10 plus the number of weeks of vacation pay in the year of retirement times weekly rate of vacation pay minus any vacation pay received or receivable.

Postretirement Surviving Spouse Benefit

Monthly benefit payable to participant is actuarially reduced. 50% of the reduced benefit is payable to the spouse if the participant dies first. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 (\$200 for the Vidalia location) per month.

Forms of Payment

Single Life Annuity and Joint and Survivor Annuity

RULE IIY***Accrued Benefit***

Consists of applicable pension factor times service reduced by Other Pension.

Pimalco - \$31.00 for service on and after January 1, 1998.

Auburn - \$29.00 for service on or after January 1, 2002
 \$30.00 for service on or after January 1, 2002 effective November 1, 2004.
 \$31.50 for service on or after January 1, 2002 effective November 1, 2006.
 \$34.00 for service on or after January 1, 2002 effective January 1, 2008.

Halethorpe is based on the following table for service on and after May 26, 2000:

Effective Date	Pension Factor		
	Grade 1-5	Grade 6-11	Grade 12-17
May 26, 2002	\$ 24.00	\$ 26.00	\$ 28.00

Hawesville is based on the following table for service on and after January 1, 2000:

Effective Date	Pension Factor		
	Grade 1-5	Grade 6-9	Grade > 9
January 1, 2000	\$ 24.00	\$ 26.00	\$ 28.00

Normal Retirement

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately, not less than \$100 per month.

Early Retirement (55/10)

Eligibility: Age 55 with 10 years of service.

Benefit: Accrued Benefit payable at age 65 or immediate Accrued Benefit reduced from age 65 by 6% per year for each year commencement precedes age 65. Minimum benefit of \$100 per month.

Disability

Eligibility: Permanently incapacitated and 10 or more years of pension service.

Benefit: Accrued Benefit payable immediately with a guaranteed minimum of \$400 per month.

Deferred Vested

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 65 or Accrued Benefit as early as age 55 reduced from age 65 by 6% per year.

Preretirement Surviving Spouse Benefit

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death. If death in active service occurs before attainment of age 55, the spouse's benefit is payable at the date the deceased employee would have attained age 55.

Postretirement Surviving Spouse Benefit

Monthly benefit payable to participant is reduced by 10% for retirees or the actuarial equivalence factor for deferred vested terminations. 50% of the reduced benefit is payable to the spouse if the participant dies first. If the spouse dies first, the 10% reduction is restored. Except for a Deferred Vested Surviving Spouse Pension, the monthly benefit payable to a surviving spouse shall not be less than \$100 per month.

Forms of Payment

Single Life Annuity and Joint and Survivor Annuity

RULE IIAA***Accrued Benefit***

Consists of years of credit service multiplied by the benefit level in effect at the time of termination. Currently, the benefit level is \$41.50 effective 10/1/2000.

Normal Retirement

Eligibility: Age 63.

Benefit: Accrued Benefit payable immediately.

Early Retirement (55/12)

Eligibility: Age 55 and 12 years of service.

Benefit: Accrued Benefit payable at age 63 reduced 3% per year for the first 3 years and 5% per year thereafter that the commencement date precedes Normal Retirement Date.

Deferred Vested

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 63 or reduced benefit described above at any time after age 55 if the participant has 12 or more years of vesting service at termination.

Disability

Eligibility: 10 years of service.

Benefit: Accrued Benefit based on credited service to the date of disablement.

Death Benefit

Eligibility: 5 years of service.

Benefit: Less than 12 years of credited service and not eligible for early retirement – benefit commences to spouse on participant's Normal Retirement Date based on a 50% joint and survivor annuity assuming termination of employment at date of death and commencement at Normal Retirement Date.

15 years of credited service and not eligible for early retirement – same as above except can commence payment at date participant would have been eligible for early retirement with applicable early retirement reductions.

Eligible for early retirement – same as above except can commence payment immediately with applicable early retirement reductions.

If participant dies while still active, the surviving spouse is eligible for a supplementary benefit equal to 40% of the participant's Accrued Benefit. The benefit will commence on the first of the month following the date of death and cease upon the earliest of the spouse's death, attainment of age 62, remarriage, or commencement of the qualified survivor annuity.

Forms of Payment

Straight life: payments to retiree until death.

50% joint and survivor: actuarially reduced benefit to retiree until death and then 50% of the benefit payable to the spouse.

100% joint and survivor: actuarially reduced benefit to retiree until death and then 100% of the benefit payable to the spouse.

Joint and 2/3 contingent survivor: actuarially reduced benefit payable during joint lifetime of participant and spouse, 2/3 of the benefit payable upon the death of the participant or spouse.

RULE IIBB***Accrued Benefit***

Consists of sum of service as noted times applicable factor for service period.

Factors as shown in the table below apply to most locations.

Job Grade	Pension Factor	
	Years of Service up to 20	Years of Service over 20
1 – 4	\$ 33.00	\$ 38.25
5 – 8	34.55	40.05
9 – 12	36.15	41.90
13 – 16	37.50	43.75
17 – 20	39.05	45.55
21 – 24	41.15	47.90
25 – 27	43.25	50.25
28 and above	44.00	51.25

Cleveland locations

- The IAM represented participants receive the following factors:

Classification	Pension Factor	
	Years of Service up to 20	Years of Service over 20
Bench Hands	\$ 37.50	\$ 43.75
Die Sinker, Die Welder	44.00	51.25

- The UPG represented participants receive the following factors:

Classification	Pension Factor	
	Years of Service up to 20	Years of Service up to 20
Guards	\$ 34.05	\$ 39.55
Sergeants	36.75	42.25

Normal Retirement

Eligibility: Age 65 with 5 years of service.

Benefit: Accrued Benefit payable immediately.

Early Retirement (57/35)

Eligibility: 35 years of service with minimum age of 57.

Benefit: Accrued Benefit payable immediately.

Disability Retirement

Eligibility: 10 years of service and permanently incapacitated.

Benefit: Accrued Benefit payable immediately. Additional \$400 supplemental monthly pension paid until the earlier of attainment of age 65 or eligibility for social security disability benefits.

Deferred Vested

Eligibility: 5 years of service.

Benefit: Accrued Benefit payable at age 65.

Preretirement Surviving Spouse Benefit

Eligibility: Death after 5 years of service.

Benefit: 50% of the benefit accrued as of the date of death..

Forms of Payment

Single Life Annuity and Joint and Survivor.

RULE HCC

ELIGIBILITY: Certain hourly-rated employees of Alumax are eligible to participate in the Plan, provided such employees are not covered by a collective bargaining agreement which does not provide for participation in this Plan. In addition, all participants of the individual plans prior to the merger are participants of the merged plan.

PARTICIPATION: Eligible employees are covered by the Plan on the first day of service.

ACCRUED BENEFIT: The monthly benefit is years of benefit service multiplied by the benefit level applicable to the participant at the time of termination as described below.

For South Carolina (Mt. Holly) participants:

Labor Grade	Benefit Level Effective 1/1/2003	Benefit Level Effective 1/1/2007	
		Service Less Than 30 Years	Service Over 30 Years
1-7	\$49.00	\$51.00	\$60.00
8-15	50.00	52.00	65.00
16-26	51.00	53.00	67.00
27-30	51.00	54.00	69.00

For Texarkana participants:

Job Grade	Benefit Level After 1/1/2004	Benefit Level After 1/1/2006	Benefit Level After 1/1/2008	Benefit Level After 1/1/2010
1-6	\$26.00	\$27.00	\$28.00	\$29.00
7-12	28.00	29.00	30.00	31.00
13-17	30.00	31.00	32.00	33.00

For Aluminum Combined - Mill Products (Lancaster) participants:

Participant's Classification	Benefit Level Effective 1/1/2005	Benefit Level Effective 1/1/2006	Benefit Level Effective 1/1/2007	Benefit Level Effective 1/1/2008
1 - 2	\$43.00	\$44.00	\$46.00	\$47.00
3 - 4	42.00	43.00	45.00	46.00
5 - 6	41.00	42.00	43.00	44.00
7 - 8	40.00	41.00	42.00	43.00
9 - 10	39.00	39.00	40.00	41.00

NORMAL RETIREMENT: For participants who were members of any of the individual plans prior to the merger, Normal Retirement Age under the merged plan is the same as Normal Retirement Age under the prior plan. For all other participants, Normal Retirement Age is 65. Monthly benefit is the accrued benefit as defined above.

EARLY RETIREMENT (30-Year Rule): Available to participants at the Mt. Holly location who were hired prior to January 1, 2000. Eligibility is 30 years of service. The monthly benefit is the Accrued Benefit payable immediately.

EARLY RETIREMENT: Each participant who has attained age 55 and has completed five years of eligibility service is eligible for early retirement. Certain closed locations had different early retirement eligibility requirements not defined here. The participant's accrued benefit will be reduced for each month by which the participant's age at early retirement is less than his Normal Retirement Age according to the following table:

Group	Reduction per Month
Aluminum Combined -hired before January 1, 1998 -hired January 1, 1998 or later	.25% 5/12 of 1%
Other Non Closed Locations -receive pension prior to January 1, 1998 -receive pension January 1, 1998 or later	5% 5/12 of 1%

DEFERRED VESTED RETIREMENT: A participant terminating employment with five years of eligibility service will be eligible to receive a benefit at any time after attaining age 55 reduced for early commencement prior to Normal Retirement Age by 5% per year.

DISABILITY RETIREMENT: No disability benefits are currently payable from the Plan except for disabilities that occurred in the past.

PRE-RETIREMENT SPOUSE'S BENEFIT: If an active or terminated participant with five or more years of eligibility service dies prior to receiving retirement benefits, a death benefit is payable under the Plan.

The death benefit is an annuity for the spouse's lifetime equal to the monthly pension which would have been payable to the spouse if the participant had terminated employment just prior to death and elected a qualified joint and survivor annuity commencing on the later of date of death or Early Retirement Age.

POST-RETIREMENT SPOUSE'S BENEFIT: Payable in accordance with the form of benefit payment elected by the participant.

FORMS OF PAYMENT:

- Straight life: payments to retiree until death.
- 50%, 66 2/3%, and 100% joint and survivor: actuarially reduced benefit to retiree until death and then X% of the benefit payable to the spouse.
- 5 or 10 year certain and life: payments to retiree until death or for the balance of X years to survivor if death precedes X years after retirement.
- Joint and 2/3 contingent survivor: actuarially reduced benefit payable during joint lifetime of participant and spouse, 2/3 of the benefit payable upon the death of the participant or spouse.

CONTRIBUTIONS: All contributions to support the Plan are made by the Company.

ALCOA RETIREMENT PLAN II

EIN: 25-0317820

PN: 002

ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500

Schedule SB, Line 24 – Change in Actuarial Assumptions

A load for expenses has been added to the target normal cost for funding as required by PPA.

ALCOA RETIREMENT PLAN II

EIN: 25-0317820

PN: 002

ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500

Schedule SB, Line 25 – Change in Method

The asset valuation method for determination of contributions changed from the market value of assets to a two-year average of adjusted market values.

ALCOA RETIREMENT PLAN II**EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500**

Schedule SB, Line 26 – Schedule of Active Participant Data
Distributed by Age and Service as of January 1, 2009

AGE	SERVICE									
	< 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 +
< 25	120	242	4							
25 - 29	128	574	103	3						
30 - 34	108	520	250	123	6					
35 - 39	104	548	368	350	75	4				
40 - 44	103	386	309	436	239	64	8			
45 - 49	63	314	266	482	294	201	165	30		
50 - 54	47	203	234	342	267	255	446	426	100	
55 - 59	16	102	112	189	185	167	342	379	426	26
60 - 64	10	24	42	87	51	87	115	119	213	123
65 - 69	1	1	11	18	7	13	15	10	14	23
70+			1	3			1		1	3

Note: Although certain supplemental benefits are based on compensation, the primary benefit formula is not based on compensation. Therefore, salary information has not been provided.

ALCOA RETIREMENT PLAN II**EIN: 25-0317820****PN: 002****ATTACHMENT TO SCHEDULE SB OF 2009 FORM 5500****Schedule SB, Line 32 – Schedule of Amortization Bases****Shortfall Amortization**

Date Established	Outstanding Balance	Years Remaining	Amortization Installment
1/1/2008	\$556,569,161	6	\$ 110,943,450
1/1/2009	<u>(9,684,126)</u>	7	<u>(1,718,436)</u>
Total	\$546,885,035		\$109,225,014