



## **DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION**

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### **CHAIRMAN'S YEAR END UPDATE**

As the end of year 2016 draws near, it is time for an update on several issues.

#### **1. THE ONGOING AUDIT OF LONG TERM DISABILITY ACCOUNTS.**

The audit has been completed on most of the LTD accounts of pilots who were removed from the seniority list on or before June 1, 2006. Fewer than 100 pilot accounts remain to be audited. The majority of the completed audits resulted in pilots receiving payment for past discrepancies and increases in their future benefit payments. In a minority of cases, the audit revealed the overpayment of benefits from the D&S Plan. The overpayments generally were a result of the incorrect offset to LTD benefits for retirement benefits paid by the PBGC.

#### **2. REMEDIES FOR PILOTS WHO DISAGREE WITH THE RESULTS OF THE AUDIT.**

Pilots who disagree with the audit results can file an individual appeal with the Administrative Committee. The appeal must be in writing and addressed to: Administrative Committee of Delta Air Lines, Inc. 1030 Delta Boulevard, Department 844, Atlanta, GA 30354. The request for an appeal should include all written comments, documents, records and any other information that is pertinent to the claim. If the Administrative Committee denies the appeal, the pilot can request review by the Benefits Review Board (BRB). The BRB is convened with 4 members, 2 from ALPA and 2 from Delta. If the BRB deadlocks on the appeal, a 5 member BRB can be convened with the fifth member being a neutral member chosen by mutual agreement of both Delta and ALPA.

The appeal process is lengthy. For reference, the appeal on the social security offset issue extended from September 2011, when the initial appeal was filed, to September 2013, when the BRB rendered its decision. The decision eventually rendered by the 4 member BRB was favorable.

#### **3. CORRECTIONS TO THE LTD ACCOUNTS OF DECEASED PILOTS.**

DDPSA is aware of some cases where the audit of the accounts of deceased pilots resulted in payment being made to the pilot's estate. There also are cases where Delta has requested payment from the estate of a deceased pilot. DDPSA is not qualified to render an opinion about the legal aspects of this issue. We have requested, but not yet received, clarification on how ALPA views this issue.

**4. ERROR IN THE CALCULATION OF A SURVIVOR'S BENEFIT.**

Several months ago, DDPSA discovered an error in Delta's determination of the amount of D&S Plan survivor's benefit to which a surviving spouse was entitled. With the help of ALPA, the error was rectified. However, the existence of such an error in calculating the amount of the survivor's benefit makes us want to emphasize the importance of having a recent estimate of that benefit available for the executor of your estate when you make that final flight west. You can request an estimate from Delta by contacting the Employee Service Center (1-800-MY-DELTA) or calculate an estimate by completing the Survivor Benefit Worksheet that is available on the DDPSA website ([www.ddpsa.org](http://www.ddpsa.org)).

**5. ARE D&S PLAN MONTHLY INCOME SURVIVORS BENEFITS TAXABLE INCOME ?**

Is it possible that the Monthly Income Survivor Benefit can be treated as the proceeds of life insurance and therefore not be taxable income? In discussing this issue, it must be emphasized that DDPSA is not providing tax advice. DDPSA has retained an attorney to research this issue. Our attorney has advised us to await the outcome of a couple of relevant IRS audits that currently are being conducted. Depending upon that outcome of these IRS audits, our attorney may draft documentation that can be given to your individual tax advisors.

**DDPSA will continue to monitor issues that impact the D&S Plan. We appreciate your support.**

**In closing, we wish you a joyous holiday season.**

**Ev Gost  
DDPSA Chairman**