



DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION

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LATEST INFORMATION ON THE CORRECTION OF LTD BENEFITS

DDPSA has been updated by ALPA on progress that is being made in correcting errors in LTD benefit payments. Delta, assisted by Xerox and a benefits consulting firm with extensive experience with the Delta retirement and disability plans, has been performing a detailed review of pension plan offsets to LTD benefits. We can anticipate that the process of notifying pilots of corrections to their LTD accounts should begin in the near future. Our understanding is that detailed documentation of individual benefits will be provided to explain any required adjustments.

In September 2013, the Benefits Review Board (BRB) rendered a favorable decision to correct benefit payments for an improper Social Security offset which had been applied to LTD benefits. For clarification, the correction for the Social Security offset should increase the amount of LTD benefit payments. The implementation of the BRB decision has been complicated by the lack of available information about PBGC benefits and by the discovery of additional errors.

One of the additional errors (uncovered by DDPSA) relates to improper variable increases that were applied to the pension benefit offset in cases where pilots elected a lump sum distribution from the Delta Pilots Retirement Plan and retired before April 2000 or between April 2003 and April 2006. This error does not impact the benefits of pilots who retired in the period April 2000-March 2003. For clarification, the correction of this error also should increase LTD benefit payments.

In cases where pilots did not keep Delta informed of increases in their PBGC benefits, there may have been overpayments which will have to be corrected along with the other corrections.

DDPSA reviewed several cases where there appeared to be errors in the initial calculation of LTD benefits. Because Delta did not provide details of the earnings used in the LTD calculation (average of the highest 12 consecutive months of earnings out of the last 36 months), we began to rely on the statement of earnings (120 months) that were provided by Delta as part of the retirement process. However, the earnings used for retirement purposes are not always the same as the earnings used for LTD calculations. Consequently, the suspected errors did not exist in the several cases that we reviewed.

There may be other errors in LTD accounts that should be identified and explained in the notices that Delta will be sending to disabled pilots whose accounts are being corrected.

Ev Gost
Chairman DDPSA