



DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION

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INCREASE IN PBGC BENEFITS

DDPSA has learned that some pilots have received notification of an increase in PBGC benefits as a result of revaluation of the assets of the Delta Pilots Retirement Plan (DPRP). The increases to PBGC monthly benefits in these notifications appear to be minimal, but retro payments extend back to the date that the DPRP was terminated (September 2006). It is anticipated that a number of pilots will receive similar notifications from the PBGC. Any increase in PBGC benefits should necessitate a dollar for dollar decrease to the Delta Long Term Disability (LTD) benefits you are currently receiving from Delta.

A brief review of certain provisions of the Delta Pilots Disability and Survivorship (D&S) Plan will help clarify why adjustments to Delta LTD benefits may be necessary. Pilots who were disabled and removed from the seniority list on or before June 1, 2006, are eligible to receive Delta LTD benefits after reaching the FAA mandatory retirement age. However, the D&S Plan specifies that Delta retirement benefits reduce Delta LTD benefits on a dollar for dollar basis. Essentially most disabled pilots receive the same amount before and after retirement, but it comes from different sources (LTD from the D&S Plan and retirement benefits from Delta pension plans). An increase in benefits paid from Delta pension plans (in this case the PBGC) necessitates a corresponding decrease in Delta LTD benefits.

Some pilots will not be impacted by the revaluation of DPRP assets. If a pilot currently is receiving PBGC benefits that are the same as the qualified benefit to which he or she was entitled prior to the termination of the DPRP, the PBGC benefit should not change.

Apparently the PBGC is providing Delta with information about the latest benefit increases. Consequently, Delta has informed DDPSA that pilots do not need to forward the relevant PBGC notification to Delta. However, ALPA has indicated a willingness to keep a file of pilot notifications to ensure the accuracy of any Delta benefit adjustments. Pilots wishing to send a copy of the PBGC notification to ALPA should mail it to:

ALPA attention Karen Browne Fleck
One Hartsfield Parkway
Suite 800
Atlanta GA, 30354

The bottom line is that Delta still is determining how to address these adjustments that appear to be minimal. DDPSA will continue to monitor this issue and provide an update when more information becomes available.