



DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION

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September 7, 2018

TO: DDPSA MEMBERS

SUBJECT: TAX STATUS OF MONTHLY INCOME SURVIVOR BENEFITS FROM THE DELTA PILOTS D&S PLAN

For a number of years there has been a question as to whether or not the monthly income survivor benefit paid by the Delta Pilots Disability and Survivorship (D&S) Plan is taxable income. In our attempt to find a definitive answer to this question, DDPSA discovered or confirmed the following:

- Delta currently reports this D&S Plan survivor benefit income to the Internal Revenue Service (IRS) on Form 1099 with the indication that the taxable amount of the income is not determined.
- Delta does not provide tax withholding from this survivor benefit.
- Delta advises survivors to consult with their tax advisers to determine income tax ramifications of the benefit.
- Because of the complexity of this issue, several tax attorneys were reluctant to provide an opinion about whether or not the benefit is taxable income.

Although DDPSA contemplated filing for a private ruling letter in order to obtain an IRS determination, DDPSA has decided against pursuing such a course of action.

DDPSA is not qualified to give tax advice and is not providing tax advice. We recommend that our members consult with their tax advisors about this or other tax matters.