

Retirement and Insurance Handbook



July 2005

Delta MEC Retirement & Insurance Handbook 2005

Dear Fellow Pilot:

The Delta MEC Retirement & Insurance Committee has compiled this brochure for your use. The field of benefits has become increasingly complex as a result of changing laws, tax codes and contractual provisions. This document is an abbreviated guide for general retirement and insurance issues.

Many pilots will be retired for as many years as they spent flying the line. Unfortunately, some pilots do not pay serious attention to the variety of decisions concerning retirement until it is too late to effect significant change. Retirement planning is important for all pilots, junior and senior alike. You and your spouse are encouraged to attend one of the seminars the MEC Retirement & Insurance Committee periodically conducts for a more detailed discussion of your benefits.

As with any summary, the controlling documents govern the conditions and provisions of pilot benefits. **This handout is meant to provide general information only and does not constitute legal, tax, investment or other advice to any individual. Reference to the Pilots' Working Agreement, applicable plan document or tax code must be made for specific concerns. Consultation with your lawyer, financial planner or accountant is recommended.**

We hope this handout will address many common questions as well as provide motivation to better understand your benefits. Your comments are encouraged and will help us improve future communications concerning retirement and insurance issues. Please keep this document with your other important personal papers.

Fraternally,

Delta MEC Retirement & Insurance Committee

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QUICK REFERENCE GUIDE

ALPA SPONSORED BENEFITS

Reference Documents: Information is available by visiting www.ALPA.org and logging into the Crewroom Page. Brochures on each benefit are available from ALPA, Herndon Office or under the Members Benefits tab. Click on Insurance Programs for details.

Point of Contact: Duane Hyland, Membership Services
888-FLY ALPA (888-359-2572)

AIR LINE PILOTS MUTUAL AID

Point of Contact: 800-689-4240

DELTA CREDIT UNION

404-715-4725 or 800-544-3328

DISABILITY

Reference Documents: Delta Pilots' Disability & Survivorship Plan

Points of Contact: Delta: 404-715-3483
ALPA Aeromedical: 303-341-4435

DPMA

Reference Document: DPMA Plan (from DPMA Chairman or representative)
Point of Contact: 1-888-DAL-DPMA or 404-559-9421

FAMILY CARE SAVINGS PLAN (FCSP)

Reference Document: Delta Family Care Savings Plan
Pilots' Benefit Summary Book, Tab 7

Points of Contact: Delta: 1-800-MY DELTA
Fidelity: 1-800-554-0262

FLEXIBLE SPENDING ACCOUNTS (FSAs)

Reference Document: Delta Pilots' Cafeteria Plan

Point of Contact: Delta Health Services: 404-715-3201
United Health Care (see your ID card)

LIFE INSURANCE

Reference Documents: Benefits Package provided each fall

Point of contact: Aetna: 888-844-1819 (Optional/Dependent Life)
Hartford/CNA 800-850-9146 (Group/AD&D)

MEDICAL/DENTAL PLANS

Reference Documents: Delta Pilots' Medical Plan (or Flex Plan)
Points of Contact: Delta: 1-800 MY DELTA
United Health Care: 877-683-8555 or www.myuhc.com
Employee Service Center: 800-MYDELTA
UHC Behavioral Care: 800-MYDELTA
RxPRIME Prescriptions: 800-MYDELTA
MetLife Dental: 877-683-8555 or www.metlife.com
Cigna Dental: 800-367-1037 or www.cigna.com

VISION PLAN

Davis Vision
800-947-9955
www.davisvision.com

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Delta: 1-800-553-6939 or 404-715-6477

MEDICARE

Reference Document: Delta Pilots' Medical Plan (or Flex Plan)
Points of Contact: Employee Service Center: 800-MYDELTA
Social Security: 800-772-1213

PASS BENEFITS

Reference Document: Delta Pass Policy Overview, 04/30/2003
Points of Contact: DAL Pass Bureau: 1-800-MY DELTA

RETIREMENT

Reference Documents: Delta Pilots' Retirement Plan
Delta Pilots' Defined Contribution Plan
Delta Pilots' Money Purchase Pension Plan
Delta Pilots' Bridge Plan
Delta Pilots' Supplemental Annuity Plan
Point of Contact: DAL Retirement & Personnel Benefits Dept.
1-800-MY DELTA

SOCIAL SECURITY

Reference Document: Pilots' Benefit Summary Book, Tab 8
Points of Contact: Delta: 1-800-MY DELTA
Social Security Administration: 800-772-1213

SURVIVORS

Reference Document: Delta Pilots' Disability and Survivorship Plan
Point of Contact: Delta: 1-800-MY DELTA

GLOSSARY

Annuity – A series of periodic payments. Payments could be from a trust fund, insurance company, IRA, etc.

Deferred Retirement – Retirement after age 60.

Defined Benefit Plan – Both ERISA and the Internal Revenue Code define a defined benefit plan as any plan that is not an individual account plan. Under a defined benefit plan, there is a definite formula by which the employee's benefit will be measured. This formula may provide that the benefits be a particular percentage of the employee's average compensation of his or her entire service or over a particular number of years; it may provide for a flat monthly payment; or it may provide a definite amount for each year of service, expressed either as a percentage of his or her compensation for each year of service or as a flat dollar amount for each year of service. In plans of this type, the employer's contributions are determined actuarially. No individual accounts are maintained as in done in the defined contribution plans. (Defined benefit plans are subject to regulation by the PBGC and are "pension plans" under the Internal Revenue Code. That is, they are designed primarily for retirement.)

Defined Contribution Plan – A defined contribution plan or individual account plan is defined by the Internal Revenue Code and ERISA as a plan that provides for an individual account for each participant and for benefits based solely on (1) the amount contributed to the participant's account plus (2) any income, expenses, gains and losses, and forfeitures of accounts of other participants that may be allocated to the participant's account.

Early Retirement – Retirement before age 60.

Eligible Family Member – Your legal spouse and dependent children. Dependent children are under age 19 (or age 23 if full time students), never have married, are not permanently employed full time, and are financially supported more than 50% by the pilot. If you acquire a family member while on leave, disability, suspension, or retirement, you have the ONE TIME 30-DAY WINDOW of opportunity to cover that dependent. If you miss the window, coverage for that family member does not begin until you return to active employment with Delta.

FCSP – Family Care Savings Plan. Qualifies as a section 401(k) defined contribution plan under IRS regulations.

Final Average Earnings (Retirement Plan) – Average of the highest consecutive 36 months of pay out of the last 120 months preceding retirement including Profit Sharing, Full Service Bank and Bow Wave. Subject to earnings limit under the Retirement Plan, but not under contractual Formula Benefit. The following pay is not included in FAE, nor was it eligible for MPP Plan contributions prior to the freeze:

- Unused vacation pay received by supplemental check after retirement.
- Reimbursed expenses.

Formula benefit – Funded 100% by Delta. Greater of 60% of FAE or Minimum Benefit (Delta hire before 2/72), with 25 or more years of service at December 31, 2004 and retirement on or after age 60. The value of the Money Purchase Pension Plan is included in the Formula Benefit. Social Security offset applies under 60% FAE benefit but not Minimum Benefit.

Based on total unlimited earnings (see FAE definition above).

- **60% FAE Benefit** reduces if:
 1. You retire before age 60; .25% for each month or 3% a year.
 2. You retire with less than 25 years of DAL service. Your actual years of service are used as the numerator in a fraction and 25 years is used as the denominator to arrive at a reduction. For example, 17 years of service would be calculated as 17/25ths or .68..
- **Minimum Benefit** is reduced if you retire before age 60 based on actuarial factors.

Highly Compensated – For the July 1, 2005 – June 30, 2006 plan year, a pilot who has earnings above \$95,000 during July 1, 2004 – June 30, 2005 is considered highly compensated for IRS purposes.

Limits – The limits are set by the Internal Revenue Service, indexed annually and apply to qualified plans only:

- **Compensation limit** – only earnings up to a specified limit may be considered for funding of, and payments from, qualified plans. Based on the company's fiscal year (July 1 – June 30). Limit for July 1, 2005 – June 30, 2006 is \$210,000. For the FCSP plan year January 1, 2005 – December 31, 2005, the compensation limit is \$210,000
- **Benefit Limit** – states how much of an accrued benefit may be paid from the Retirement Plan based on your retirement age. Limit for July 1, 2005 – June 30, 2006 = \$170,000, for a pilot retiring at 60.
- **Contribution Limit** – Controls how much may be contributed to the FCSP **and** the Delta Pilots' Defined Contribution Plan. (Contributions to the MPP prior to the freeze were also included). Pre-tax limit on employee contributions = \$14,000 (indexed). Maximum contribution from all sources (employee and company) is limited to the lesser of 100% of earnings or \$42,000.

Limits – cont.,

401(a)17 – Compensation 2005	\$210,000
415(b) – Defined Benefit 2005	\$170,000
415 (c) – Defined Contribution 2005	\$42,000
402(g) – Pre-tax 2005	\$14,000
2005 Catch up Contribution age 50	\$4,000
Notes: DPRP Plan Year begins 07/01 FCSP Plan Year begins 01/01 DPDC Plan Year begins 01/01	

Minimum Benefit – Applies to pilots on the Delta payroll on February 1, 1972. These pilots receive the greater of the 60% FAE benefit or the benefit they would have received under the retirement plans that existed on February 1, 1972. These prior plans consisted of a Basic Benefit of 2% of earnings for each year of plan participation, and a Variable Benefit. The Variable Benefit was determined by multiplying 1.26% of earnings for each year of plan participation and dividing this amount by the previous year's Unit Value, which changed each year based on the performance of the S&P 500. Effective July 1, 1996, a pilot's Minimum Benefit increases by a total of 1% annual earnings, and the Unit Value was frozen at \$240.31.

Money Purchase Pension (MPP) Plan – An individually named, defined contribution plan in which the company contributed an amount of money equal to 5% of earnings for up to 25 years. This account was designed to provide an additional form of **funding** for the formula benefit. It is *not* designed to be in addition to the formula benefit. Contributions to this plan ceased on December 31, 2004 with the freeze of the pension plans and LOA #46.

Non-Highly Compensated – For the July 1, 2005 – June 30, 2006 plan year: earnings *below* \$95,000 during July 1, 2004 – June 30, 2005.

Non-Qualified Plan – A plan which does not receive special tax treatment, and which is normally not pre-funded. A non-qualified plan is used to pay retirement benefits in excess of limits imposed by the Internal Revenue Code. Continued payments from a Non-qualified Plan are dependent upon a corporation's financial health. The Bridge Plan and Supplemental Annuity Plan are non-qualified plans.

Normal Retirement – Retirement on the first day of the month coinciding with or next following the attainment of age 60.

Qualified Plan – A Plan that receives special tax treatment. Benefits are pre-funded. (Retirement Plan, MPP Plan, FCSP and Pilot's Defined Contribution Plan)

Qualified Domestic Relations Order (QDRO) – Pertains to a divorce settlement or other domestic order. A QDRO permits a retirement plan to pay benefits to an ex-spouse or child.

Plan Year – The reporting year for financial details of the plans. The DB Plan is on a July 1 to June 30th plan year. The DC plan and the FCSP are on a calendar year of January 1 to December 31.

Social Security Offset – Applies at the earlier of the date your Social Security benefits begin or age 65. If you were on the DAL, WAL, or Pan Am seniority lists before February 9, 1982, your monthly offset is \$94 at age 62 or \$117 at age 65. Otherwise, your offset equals \$259 monthly (at age 62) prorated for service less than 25 years. If you receive the Minimum Benefit, no offset applies.

RETIREMENT AT A GLANCE

LOA #46 made significant changes affecting Delta pilots' retirement plans. Under the Defined Benefit (DB) plan, a pilot's years of service were frozen on December 31, 2004. A pilot's FAE for DB calculations will be the higher of that at the time of the freeze, or the FAE which he has established in the 10 year look-back from his retirement date. All other aspects of the plan, including the lump sum option and early retirement benefit reductions, remain unchanged.

In addition to any accrued benefit under the DB plan, a pilot who had accrued less than 49% FAE as of the freeze date may be entitled to benefits under the new Defined Contribution plan. The DB and DC plans are described more fully within the following pages.

DELTA PILOTS' DEFINED BENEFIT PLAN

Your retirement benefit from Delta is calculated according to a formula. In most cases the formula is predicated on a percentage of your earnings, your credited service with Delta, and your age. The phrase "60% of FAE" is commonly used to describe normal retirement at age 60 with at least 25 years of service with Delta. Retirement prior to age 60 or with credited service less than 25 years will result in a reduction to the maximum formula benefit.

The **amount** of money you will receive at retirement is defined by the PWA and, by reference, the Delta Pilots' Retirement Plan. How this benefit is *funded* prior to retirement and the *sources* from which the benefit is paid at retirement are controlled largely by IRS rules and limitations. *Keep in mind that the actual dollar amount of your benefit under the PWA is not constrained by IRS limits or any other government restrictions.* The security of your retirement benefit depends on the retirement plans' funding status and a corporation that remains financially viable for the duration of your retirement payments.

Benefits paid to survivors from the Disability and Survivors Plan are separate from, and in addition to, benefits paid from the Retirement Plan. Family Care Savings Plan account balances are not considered in the formula benefit calculations and provide a benefit in addition to payments made from the Retirement and/or Disability Plans.

How much will I receive from the DB plan when I retire?

If you work until age 60, you will receive 2.4% for each year (calculated from .2%/month) worked until December 31, 2004, (the date of the plan freeze) up to 25 years ($25 \times 2.4\% = 60\%$). There is a 3% per year (.25% per month) reduction for each year if you elect to retire prior to age 60. Upon your retirement, if you have not accrued 25 years of service through December 31, 2004, or have not yet reached age 60, a reduction will apply to your Formula Benefit. If you are eligible for the Minimum Benefit (hired by Delta prior to 1972), your Formula Benefit will be the greater of the Minimum Benefit or 60% FAE.

Example:

The following is a condensed and abbreviated example of what might be considered a normal retirement picture. **All dollar amounts are estimates and are only for illustrative purposes.**

Dan is a 767ER Captain hired in 1979 at age 35. He has 25 years of Delta Credited Service as of the date of the plan freeze. He is 60 years old and is retiring. He is married and has no dependents. He waived the pre-retirement survivors benefit.

Date of birth:	7/01/45
Age :	60
Date of Hire:	1980
Credited Service:	25 years
Marital Status:	Married, wife's age: 54
Dependent Children:	0
FAE:	\$200,000
Early Retirement Reduction:	0
Formula Benefit:	60% FAE (calculated: 2.4% x 25 years of service x \$200,000 FAE)

Annual Retirement Income: \$120,000 (does not include FCSP or DC plan account balances)

- May be received in monthly payments with one half of the benefit eligible for variable increases from positive retirement plan investment performance, OR
- May receive one half of the benefit (\$60,000 annually) based on life expectancy and expressed as "lump sum", in addition to fixed monthly payments for the other half of the benefit.

Note: This calculation does not reflect the offset for the MPPP taken as a lump sum, nor does it reflect the Social Security offset.

(Actuarial tables for life expectancy and interest rates designated for retirement plan disbursements determine the amount distributed as a lump sum.)

DB PLAN BENEFIT OPTIONS

A 50% monthly benefit and a 50% lump sum, or a 100% monthly benefit is available. You may take the monthly benefit for your life only or a reduced amount for your life with 50% continuing to your spouse or a contingent annuitant upon your death. If you take the 100% monthly benefit, one half is eligible for increase/decrease each April 1, based on trust fund investment performance.

Lump Sum vs. No Lump Sum

Retirement Plan

Benefit Options

Benefit Amounts

(for \$120,000 from example on previous page)

	<i>Per Year</i>	<i>Per Month</i>	<i>Lump Sum</i>
<u>No Lump Sum</u>			
Single Life Annuity	\$120,000	\$10,000	N/A
Annuity w/50% survivor option	\$104,760	\$ 8,730	N/A
<u>Lump Sum Option</u>			
Single Life Annuity	\$ 60,000	\$ 5,000	\$647,880
Annuity w/50% survivor option	\$52,380	\$ 4,365	\$647,880

Should I elect the DB plan joint and 50% survivor annuity?

As noted in the example above, selection of the joint and 50% survivor (J&S) Annuity results in a reduction of the pilot's annuity. Before you make this decision, you should evaluate the assets/funds available to your family upon your death (including the monthly benefit from the D&S Plan). If the funds are insufficient, you should consider additional life insurance or the J&S Annuity. Also, remember that your spouse must give notarized consent before you can waive this option.

Is there survivor protection other than the J&S Annuity?

Yes. The Disability and Survivor Benefit (D&S Plan) is paid to a pilot's spouse independent of any other benefit. If you visit the Delta Pilots' website under your personal home page, you can do a calculation which will include the calculation of the Survivor benefit.

Why does the lump sum factor decrease I get older?

The factor decreases as you age because it is a present value calculation. That is, it reflects what lump sum amount is needed to provide a monthly annuity for the rest of a retiree's expected life. The older you are, the shorter your life expectancy, and therefore, the less lump sum amount required.

DELTA PILOTS' DEFINED CONTRIBUTION PLAN

The Delta Pilots' Defined Contribution Plan (DC Plan) is in addition to benefits a pilot has accrued under the DB Plan for a pilot who had not yet accrued 49% FAE as of December 31, 2004. A pilot who had attained the 49% FAE level as of that date will not receive DC contributions nor participate in the DC Plan.

Delta will make a monthly contribution to a pilot's DC account using the percentage shown in the DC Plan grid in the Appendix. The percentages shown on the grid are produced by a combination of a pilot's age and whole years of credited service under the DB Plan as of January 1, 2005. Contributions for a month will be made no later than the 15th of the following month and, along with investment earnings, are immediately 100% vested. This is a plan in which the money is in the pilot's name from the beginning.

Beneficiary: The law requires that a pilot who is married at time of death will automatically have his spouse considered as beneficiary. A pilot not married at time of death will have the same beneficiary as shown for the company provided basic life insurance. If there is no beneficiary on file with Aetna for the basic life insurance, the beneficiary will be the pilot's estate.

Excess Payments: Federal law limits, in two different ways, the amount that may be contributed each year via an employer's retirement plans:

Compensation Limit: Section 401(a)(17) limits the compensation that may be considered in calculating contributions to the DC Plan. For 2005, the limit is \$210,000. Once a pilot has reached this level of compensation in a calendar year, he may receive no further contributions to his DC plan, and any remaining payments due under the DC Plan will be in the form of taxable pay in the pilot's paycheck. These are known as 'excess payments' and will not be considered earnings for the purposes of additional plan contributions.

Contribution Limit: Section 415(c) sets the maximum amount that may be contributed in a calendar year, by the company or by the pilot, to all of Delta's defined contribution plans. For 2005, the limit is \$42,000. For purposes of this limit, the term "defined contribution plans" includes the DC Plan and the Delta Family Care Savings Plan, both company and pilot contributions. If this limit prevents a pilot from receiving his full contribution for a calendar year, then the contribution that would have been made to the DC Plan will instead be made to the pilot as taxable pay within 75 days after the year ends.

What about the delay in Delta beginning contributions?

Due to the time necessary for plan implementation, contributions for January and February of 2005, were not made until early in April. At the same time, the company added 7% (annual interest rate) to these initial payments for the period that each payment was later than its actual due date.

What about LOA and furlough?

A pilot on furlough or leave of absence on January 1, 2005, or who begins furlough or leave of absence after January 1, 2005, will receive contributions as described in the plan upon his return to active service. Upon return to active Delta service, a pilot on a military leave of absence covered by USERRA will receive contributions, retroactive to January 1, 2005, plus 7% annual interest.

A pilot who begins a military leave of absence covered by USERRA after January 1, 2005, will receive, upon return to active Delta service, contributions plus 7% annual interest, retroactive to the beginning of the military leave.

How are these funds invested?

Default Setting: If a pilot does not, via NetBenefits or the Fidelity Phone line, make a selection, the default investment option will be the Insurance Contracts / Stable Value Fund.

Pilot Options: Initially, a pilot will have the same options as those in the Family Care Savings Plan, with the exception of funds that deal in Delta stock. Delta has stated that they intend to have the Fidelity BrokerageLink option available soon.

When I retire what payment options are available?

When a pilot leaves Delta for any reason, he may elect to receive his distribution as a 50% joint and survivor annuity, single life annuity, lump sum or rollover to an IRA or another employer-sponsored plan. In order for a married pilot to elect any option other than the 50% joint and survivor annuity, his spouse must provide written, notarized consent.

How do I set up my account?

A pilot who has established a PIN for his Family Care Savings Plan account may use the same PIN to access his DC Plan account. If a PIN has not been established, log into NetBenefits at www.401k.com or call Fidelity at 800-554-0262 and follow the prompts to create a PIN.

SOURCE OF RETIREMENT BENEFIT PAYMENTS

Retirement payments are made from the following sources:

- Delta Pilots' Retirement Plan (DB Plan)
- Money Purchase Pension Plan (MPPP)
- Delta's General Treasury (for non-qualified funds)
- Delta Pilots' Defined Contribution Plan (DC Plan)
- Delta Family Care Savings Plan

What is the Money Purchase Pension Plan (MPPP) and how does it affect my benefit?

Until December 31, 2004 Delta contributed an amount of money equal to 5% of your monthly earnings into your MPPP account, which is invested in the same manner as the Retirement Plan Trust funds. The MPPP account is an individually named defined contribution plan. These funds will continue to accrue investment returns and losses until paid at retirement. At retirement, you may take your MPPP balance in a lump sum, or in the form of an annuity. The MPPP is not an additional benefit. Its purpose is to give pilots the option of receiving more of their retirement funds in a lump sum and to enhance retirement funding security. If you take your MPPP balance in a lump sum, it will reduce your monthly annuity payment.

What happens to my MPPP benefit if Delta goes out of business?

The MPPP account is, and will remain in your name. At US Airways, the equivalent of our MPPP was deposited into each pilot's new DC Plan account at the time of DB Plan termination. In any event, the amount of your MPPP will be treated as it always was intended; it will be under your control, an equivalent annuity value will be calculated, which will reduce your formula benefit as presently structured.

(For a more in depth answer to the next five questions, see MEC Update 05-08 in the Appendix of this Handbook)

What happens to my DB benefit if Delta declares bankruptcy?

Qualified – Benefits will continue to be paid absent a DB plan termination. Bankruptcy does not automatically equate to a plan termination.

Non-qualified - Non-qualified benefits under the DB plan are generated from Delta's Treasury. Bankruptcy itself does not automatically stop these payments, but they are at risk if the company enters Chapter 11 reorganization.

What happens to my DB benefit if the plan is terminated?

Qualified - If the DB Plan is terminated, there is a standard order of distribution. The funds would first be allocated to pilots who were retired or could have retired three years before the plan was terminated; then remaining funds would be allocated to other plan participants in accordance with PBGC regulations. If needed, funds would be made available by the Pension Benefit Guaranty Corporation, up to their maximum guarantee amounts based on an individual's age on the later of benefit commencement date or age on plan termination date.

Non-qualified – It is likely, although not certain, that non-qualified payments would cease if the qualified DB plan were terminated in a distress fashion. This topic would most likely be an item of discussion concerning the fate of the qualified DB Plan.

Is the retirement fund adequately funded?

As of this writing, the Retirement Plan is under funded according to government standards and a Deficit Reduction Contribution is now due. For the plan year ending June 30, 2004, the plan was 75.2% funded. The plan freeze as of December 31, 2004 is designed to alleviate future accruals and additional funding requirements. For the plan year ending on June 30, 2005, the financial information will not be available until after December 7, 2005 per section 26H1 of the PWA.

In the event of a termination, may funds from the Delta Pilots' Defined Benefit trust be paid to other Delta employees in an attempt to "share the wealth"?

No. Upon the date of termination, the guaranteed benefit for each pilot will be calculated in a manner described in *MEC Update 05-08* so as to eventually distribute the entire balance of the pilot trust to pilot participants only.

What happens to my DC plan benefit if Delta declares bankruptcy?

The DC plan benefit is in an individual account in each in pilot's name. The existing balance belongs to the pilot regardless of Delta's financial state.

What happens to my DC plan benefit if the DB plan is terminated?

There is no effect on the DC plan if the DB plan is terminated.

FAMILY CARE SAVINGS PLAN (FCSP)

What are the payout options under the FCSP?

You may take a lump sum, leave the money in the plan, take monthly payments over a stated period, or take monthly payments for your life expectancy or for you and your spouse's life expectancy.

Can I rollover all or part of FCSP balance?

Any pre-tax amount may be rolled over into an IRA or other company's retirement plan, if you take a lump sum or if your monthly payments are set up to last for less than 10 years. Pre-tax amounts include your 401(k) contributions, the company match, the company contribution and all investment earnings. After-tax contributions are now permitted to roll over into another qualified plan or IRA provided those vehicles account separately for pre-tax and post-tax monies.

Can I leave my funds in the FCSP, and for how long?

Yes, until April 1 following the calendar year in which you reach age 70 ½. See IRS Publications 590 and 575.

What are the limits under the FCSP?

The 2005 percentage will be 25% for a pilot who reached \$210,000 compensation in 2005.

Maximum earnings considered for all contributions are limited by the IRS. The January 1, 2005 – December 31, 2005 plan year compensation limit is \$210,000.

What is the company contribution?

The company contribution to your account as of November 11, 2004 (the signing of LOA #46) is 2% up to \$210,000 compensation (in 2005.) Your participation in the FCSP IS NOT REQUIRED for you to receive the company contribution.

DISABILITY BENEFITS

What should I do if I become ill?

If you become ill or injured, you should advise Crew Scheduling. Refer to the DBMS to determine your accrued sick leave balance.

What are my sick leave benefits?

Sick leave is paid at 100% of pay, according to your on-call reserve days or trips missed. The length of your sick leave is based on years of service, and is described in Section 14 of the Pilots' Working Agreement.

When is my sick leave reinstated?

Your full sick leave is reinstated when you pass your employment anniversary, and are actively working. If you are on sick leave on your anniversary date, you must return to work for your sick leave benefits to be renewed.

When do Temporary Disability (TD) benefits start and how long do they last?

Your Temporary Disability period starts on your date of illness or injury and lasts for 26 weeks. TD benefit payments begin at the later of your 8th day of illness or when full pay protection (sick leave, accident leave, vacation, etc.) ends.

How much are disability benefits?

TD benefits are 50% of the average of your highest consecutive 12 months of pay out of the last 36 months of Active Payroll Status (including sick leave). Long Term Disability (LTD) benefits are calculated differently for event dates prior to November 11, 2004 (the signing of LOA #46) and for event dates on or after November 11, 2004. For event dates prior to the November 11, 2004, LTD benefit is calculated the same as for TD. For event dates after November 11, 2004, LTD is calculated as *the lesser of* 1) 50% x (80 hours x composite hourly pay rate in effect on the later of January 1, 2005 or the pilot's Event Date) or 2) 1/12 of 50% of FAE, 12 of last 36. TD benefits are reduced by payments from Workers' Compensation or other disability benefit laws, and both TD and LTD benefits are reduced by payments from the retirement plans.

Are any disabilities excluded?

Yes, disabilities resulting from military service unless actively employed by Delta or on a leave for not more than 60 days, self-inflicted injuries, crop dusting, spraying or seeding, or the illegal use of drugs are excluded.

Are they taxable?

Yes, disability benefits paid from the Disability and Survivorship Plan are funded 100% by Delta. Therefore, payments are subject to ordinary income tax.

What are the requirements for TD?

To receive TD, you must be unable to work due to illness, disease, or pregnancy and you must have been seen and treated personally for the disabling condition by your Qualified Health Professional. You must also be in compliance with your QHP's recommended treatment, except when invasive or experimental. Your QHP must provide documentation requested by the company. Payments are made twice per month.

When do Long Term Disability (LTD) benefits start?

LTD benefits begin at the end of your 26-week TD period.

What are the requirements for LTD and how long does LTD last?

To qualify for LTD benefits, the Plan must determine that you meet both of the following requirements:

- You have met the requirements to be eligible to receive Temporary Disability Benefits, and
- You are not eligible to exercise the privileges of your First Class Medical

You will continue to receive LTD benefits for as long as you qualify under plan or until you are determined to be eligible to exercise the privileges of your First Class Medical Certificate.

When you elect to retire, you will receive your accrued vested retirement benefit from the Delta Pilots' Retirement Plan, the Delta Pilots' Money Purchase Pension Plan and the Delta Pilots' Bridge Plan (if applicable), the Delta Pilots' Supplemental Annuity Plan (if applicable), and the Western Pilots' Defined Benefit Plan (if applicable). Retirement benefits from these plans reduce your LTD benefits dollar-for-dollar. You will also receive your benefits from the Defined Contribution Plan, however, they will not offset any of your disability benefit.

Do I continue to accrue credited service while disabled?

Since the retirement plans were frozen as of December 31, 2004, there is no service accrual beyond that date.

Can I work in another job and still receive disability?

Yes, you may perform other work and still receive disability benefits.

How do I apply for TD and LTD?

You should contact Crew Scheduling, DPMA and Harvey Watt when you become ill. You must complete the application forms for both TD and LTD. Your chief pilot or the Manager of Flight Operations Administration normally has these forms or you may contact DPMA at 800-DAL-ALPA and Harvey Watt at 800-241-6103. You may also want to contact ALPA's Aeromedical Department at (303) 341-4435.

DELTA PILOTS MUTUAL AID (DPMA)

What is DPMA?

DPMA is a voluntary organization of pilots, separate from both Delta and ALPA. It allows pilots to make after-tax contributions to a fund that will pay benefits for a limited period in the event of a disability. You should contact DPMA to obtain the most up to date information on your benefits.

Do I have DPMA?

If you are uncertain, check your payroll stub to see if you have a deduction labeled "DPMA". You may also call Delta payroll or the DPMA office.

When do I enroll in DPMA?

If you do not enroll within the first 45 days of receiving an application upon your date of hire, you forfeit the right to enroll.

How do I apply for DPMA?

Contact your local DPMA representative at 888-DAL-DPMA or 404-559-9421.

When I reach age 60 or retire, will my DPMA membership continue?

Pilots contribute until age 60, retirement or termination. DPMA benefits stop at age 60, retirement or termination, whichever occurs first.

When do DPMA benefits begin and how much are they?

Benefits begin when your sick leave ends. Please contact your local representative or the DPMA website at DPMA.org for the most current benefit scale.

Are DPMA benefits taxable?

No, since they are funded through pilot after-tax premiums.

What are the requirements for DPMA and how long does it last?

You must be unable to work, and provide verification of your disability completed by you and your doctor. Benefits are paid for up to 12 months for any one disability and 24 months per lifetime.

Does DPMA have a death benefit?

Yes, there is a death benefit of \$15,000.

Are there any exclusions for DPMA benefits?

Yes, exclusions include suicide within the first two years of membership and disabilities caused by certain drug use and certain military duty.

SURVIVOR BENEFITS

What are the survivor benefits?

There are TWO types of survivor benefits. The J&S annuity option from the DB Plan, Type 1, is paid for **by you** by receiving a decreased benefit when you retire. You may waive this option if your spouse gives notarized consent. The other type of survivor benefit, Type 2, is automatically paid from the Disability and Survivor (D&S) Plan's trust fund at no cost to you.

- **Type 1** – If the Post-Retirement Survivor Benefit Option under the Retirement Plan is in effect at your death, a benefit equal to approximately one half of your monthly retirement benefit is paid to your surviving spouse.
- **Type 2** – From a combination of the D&S Plan and the retirement plan, the following benefits are paid upon your death:
 - A lump sum benefit of \$50,000 if you are still working or disabled (reduced to \$10,000 in 5 equal decrements upon retirement or upon age 60 if disabled); and
 - A monthly benefit, based on FAE as explained below. Pre-retirement FAE is based on the highest 12 consecutive months of earnings in the last 36 months. Post-retirement FAE is based on the highest 36 consecutive months of earnings in the last 120 months. One half of the monthly benefit is eligible for an increase/decrease each April.

Death before age 50 while actively employed:

One Eligible Family Member (EFM) – 25% FAE

Two EFM's – 30% FAE

Three EFM's – 35% FAE*

Death after age 50 while actively employed:

One EFM – 30% FAE

Two or more EFM's – 35% FAE*

Death after retirement:

One EFM – 30% FAE

Two or more EFM's – 35% FAE*

These amounts are reduced by a fraction equal to years of Delta credited service divided by 25, reduced by 3% per year (.25% per month) for retirement before 60.

Death while disabled, but NOT RETIRED:

The greater of 50% of gross disability benefit you were receiving or 25%, 30%, 35%* FAE based on the above EFM schedules.

Death after retirement from disabled status:

50% of the pre-retirement disability benefit.

*Reduced to 30% FAE when you would have reached age 65.

Are there any offsets to D&S Plan survivor benefits?

No.

How long do D&S Plan monthly survivor benefits last?

They continue for your eligible spouse's life as long as you did not divorce before your death. Benefits for children are never affected by your spouse's marital status.

How do my survivors apply for D&S Plan benefits?

Contact the Retirement and Survivor's Benefits Department at 404-715-2018.

How are the D&S Plan survivor benefits funded?

Through company contributions to the D&S trust fund. The D&S trust fund is for the exclusive benefit of participants.

Are the monthly D&S Plan survivor benefits taxable?

Yes.

What happens if Delta goes out of business?

All funds would be paid to plan participants from the plan's assets.

LIFE INSURANCE

How much life insurance may I purchase?

Through Delta, you may elect to purchase up to \$500,000 of optional life insurance. You may also purchase up to \$750,000 of Accidental Death and Dismemberment Coverage. A limited amount of coverage may be purchased on your dependents. You may also purchase up to \$500,000 of life insurance through ALPA. Prior to choosing either Delta or ALPA group life, it would be wise to investigate the many other sources and types of life insurance available. Contractual changes made in LOA #46 increasing the amount of available life insurance are slated to be in place in 2006.

How much life insurance do I need?

To make this decision, first determine how much your family will need to maintain a desired standard of living. Then list all the benefits and funds available (including the FCSP, survivors' benefits from the Retirement Plan, and the D&S Plan) and your personal savings. If there is a shortfall, you should consider additional life insurance.

Why are Delta's rates for optional life insurance so high for young pilots?

Our contract states that insurance premiums will not exceed .30 per \$1,000 of coverage per month, which is a good rate for pilots over 54 years of age. Since Delta is limited on what they can charge overall, they charge younger pilots more.

A word of caution about your beneficiary election:

The Beneficiary Election form used for your Basic Life Insurance of \$50,000 is used as well for the MPPP and for the new Pilot's Defined Contribution Plan. When you select a beneficiary or split beneficiaries on this form, be aware that it will impact all three items: life insurance, MPPP and DC plan distributions upon your death.

NOTE: The Family Care Savings Plan has a separate beneficiary form which must be executed with Fidelity.

MEDICAL PLAN OPTIONS

What are the medical plan options?

In 2005, your options include the Delta Pilots' Medical Plan (DPMP), the UHC PilotFLEX Plans (consisting of the Standard Plan and the Enhanced Plan), the High Value Option, and HMOs. The DPMP utilizes the Enhanced Medical Option Network Plan and includes Comprehensive Dental Coverage in the premium. They are described below.

Quick Look at Healthcare Benefit Changes:

Delta Pilots' Medical Plan (DPMP) Option

You may select this option for both medical and dental coverage in lieu of the PilotFLEX options discussed within this document. For detailed information regarding this option, review your Delta Benefits Handbook (including your latest Benefits Handbook Updates).

- **DPMP Medical** – This fee-for-service option pays for covered expenses AFTER the services are received, that is, you're reimbursed for covered expenses. You pay certain out-of-pocket costs such as a \$150 annual deductible with a \$450 maximum annual family deductible. The DPMP medical option generally pays 90 percent of reasonable and customary (R&C) charges for in network covered services with a \$2,000 annual individual out-of-pocket in network maximum and a \$4,000 annual family out-of-pocket maximum. This option has a lifetime maximum of \$5,000,000. Out of network deductible is \$350 and coverage is paid at 70%. The Individual out of pocket maximum is \$3,500 and the family total is \$7,000.
- **DPMP Dental** – This option has an annual individual deductible of \$60 with a maximum annual family deductible of \$240. The DPMP dental option generally covers certain preventive services at 100 percent, most minor restorative services at 80 percent, and major restorative at 50 percent with a \$2,500 annual plan maximum per individual, plus orthodontia services at 50 percent with a \$2,500 lifetime maximum per individual. Oral surgery is covered at 70 percent of R&C and doesn't apply toward the annual maximum benefit.

If you select the DPMP Option:

- The DPMP Option includes both medical and dental coverage as a package
- Coverage that an employee may select for a same-sex domestic partner will be provided by the DPMP option. However, the full value of the benefit is reported as additional income to the employee. This value is called imputed income and will be taxed accordingly.
- The dependents you elect to cover will be enrolled in both DPMP medical and dental coverage. You will not be allowed to choose to cover different dependents under your PilotFLEX medical or dental coverage.
- You may voluntarily participate in the Davis Vision option, through pre-tax payroll deductions for yourself and your eligible family members.

Below is a snapshot grid of the PilotFlex Standard and Enhanced Plans

Standard Medical Option Network	Standard Medical Option Non-Network	Enhanced Medical Option Network	Enhanced Medical Option Non-Network
<ul style="list-style-type: none"> Annual deductible for network services (excluding copays) – will be \$350 individual/\$1,000 family Retail prescription drug copay for Tier 3 will increase to \$55 Mail order prescription drug copay for Tier 3 will increase to \$135 Diabetic Kit prescription copay will increase to \$30 	<ul style="list-style-type: none"> Annual deductible for non-network service - \$650 individual/\$1,300 family Non-network services generally covered at 60% of 140% Medicare Reimbursement Rate after the network deductible. Non-network out-of-pocket maximum - \$4,500 individual/\$9,000 family 	<ul style="list-style-type: none"> Network specialist visit copay will be \$25 per visit Annual Deductible for network services (excluding copays) \$150 individual/\$450 family Retail prescription drug copay for Tier 3 will increase to \$25 and Tier 3 will increase to \$40 Mail order prescription drug copay for Tier 2 will increase to \$50 and Tier 3 will increase to \$200 Diabetic Kit prescription copay will increase to \$30 	<ul style="list-style-type: none"> Annual deductible for non-network services - \$350 individual/\$1,000 family Non-network services generally covered at 70% of 140% Medicare Reimbursement Rate after the network deductible Non-network out-of-pocket maximum - \$3,500 individual/\$7,000 family

Note: The prescription drug copay changes as noted in the Standard Medical Network column of the chart also apply to the Out-Of-Area (OOA) medical option. The Comprehensive Dental option for 2005 has no significant plan design changes. See the Benefit Options Brochure for more details information.

PilotFLEX Options

The 2005 PilotFLEX medical options consist of the UnitedHealthcare Standard Medical, Enhanced Medical, and Out-of-Area medical options, various HMO options, and No Coverage. The 2005 PilotFLEX dental options consist of the MetLife Preventive and Comprehensive Dental options, the CIGNA Dental Care option, and No Coverage.

- **The Standard and Enhanced Medical Options** – These network options offer two levels of benefits: network and non-network. If you choose to coordinate your care through a UHC Choice Plus network physician and receive care from UHC specialists or facilities, you will receive the network level of benefits for covered services which generally saves you money.
- **Health Maintenance organizations (HMO) Options** – Most HMOs require you to select and coordinate all of your care through a Primary Care Physician (PCP). There is no benefit, except for emergencies, for medical care received from a provider who does not participate in your HMO network. For more information regarding HMOs, see the 2005 Benefit Options Brochure online.
- **The Out-of-Area (OOA) Medical Option** – this fee-for-service option pays for covered expenses AFTER the services are received (that is, you are reimbursed for covered expenses). You pay certain out-of-pocket costs such as an annual deductible and generally 20 percent of R&C charges for covered services. This option is offered only to employees whose benefit ZIP code is outside of the UnitedHealthcare Standard and Enhanced Options network service area.
- **No coverage Option** – An employee who has health coverage from another source that better meets his/her needs may prefer this option.

<i>Standard and Enhanced Medical Options (bold denotes changes in 2005)</i>		
	2005 Standard Medical Option	2005 Enhanced Medical Option
Network Copays Office Visits – Specialists – Urgent Care – ER -	\$20 \$25 \$50 \$100	\$20 \$25 \$50 \$100
Annual Deductible – (Individual/Family)	Network* \$350/\$1,000 Non-network* \$650/\$1,300	Network* \$150/\$450 Non-network* \$350/\$1,000
Coverage Level	Network* : 80% Non-network** 60% of 140% Medicare Reimbursement Rate***	Network* : 90% Non-network** 70% of 140% Medicare Reimbursement Rate***
Annual Out-of-Pocket Maximum (Individual/Family)****	Network*: \$2,500/\$5,000 Non-network*: \$4,500/\$9,000	Network*: \$2,500/\$5,000 Non-network*: \$3,500/\$7,000

*Network services are services you receive from UnitedHealthcare's contracted doctors and facilities within the Choice Plus network. Non-network services are services received from doctors or facilities not contracted with UnitedHealthcare.

**R & C refers to Reasonable and Customary charges allowed for your geographic area.

***140% Medicare Reimbursement Rate – reimbursement method for the non-network Standard and Enhanced options will change from Reasonable & Customary to 140% of the Medicare Reimbursement Rate (MNRP). The reimbursement method will be based on the fee Medicare sets as reasonable for a covered medical service. This is the amount a doctor or supplier is paid by Medicare. As is the case today, it may be less than the actual amount charged by the doctor or supplier. The reimbursement for non-network charges will be at 140% of the Medicare Reimbursement rate for covered services. The participant is required to pay for any cost above what is determined to be 140% of the MNRP. It is still the participant's choice to utilize non-network services, however, participants should consider that 140% of the MNRP may increase their out of pocket costs.

****In meeting the family Out-of-Pocket (OOP) maximum, no single family member must meet the individual OP maximum: the OOP maximum expenses of covered family members are aggregated.

Out-of-Area (OOA) Medical Option	
Annual Deductible (Individual/Family)	\$200/\$600*
Coverage Level	80% of R&C charges after deductible is met up to the annual out-of-pocket maximum
Annual Out-of-Pocket Maximum (Individual/Family)	\$2,500/\$5,000** (excludes deductibles and some medical expenses)

*Some benefit coverages may only require a copay (see Prescription Drug).

**In meeting the family Out-of-Pocket (OOP) maximum, no single family member must meet the individual OOP maximum, the OOP maximum expenses of covered family members are aggregated.

PILOTFLEX DENTAL OPTIONS

PilotFLEX offers a choice of dental options, depending upon your Benefit ZIP code on file with Delta's Employee Service Center (ESC). For detailed information regarding these options, see your most recent Delta Benefits Handbook and Updates, www.web-mdhealth.com/delta, and the online 2005 Benefit Options Brochure.

- **The Preventive Dental Option** – This option provides 100 percent of R & C Charges for certain preventive procedures with an annual plan maximum of \$200 per individual. Restorative services, oral surgery, and orthodontia are not covered. For verification of coverage, contact MetLife Member Services.
- **The Comprehensive Dental Option** – This option requires an annual deductible and covers certain preventive, basic and major restorative, and orthodontia services with a \$2,500 annual plan maximum per individual.
- **The CIGNA Dental Care (CDC) Option** – This option is a dental HMO and is available only to those employees whose residential or Benefit ZIP code to be within a CDC service area. To participate in this option, you must select or be assigned a dentist from CDC's list of participating dentists and all of your dental care must be provided by this dentist. Covered services generally require a fixed patient charge. You should receive an information package from CDC that explains the benefits available and includes a charge schedule if you live in a CDC network. You will receive dental I.D. cards for each enrolled family member. As with other health care elections, once you enroll in the CDC option you cannot change your election until the next annual open enrollment without a qualifying event.
- **No Coverage Option** – An employee who has dental coverage from another source that better meets his/her needs may prefer this option.

Dental Options		
	Met Life Comprehensive	Preventive Dental
Deductible (Individual/Family)	\$60/\$240	
Coverage Level (Percentage of R&C** charges Plan pays):		100% R&C for covered preventive service. \$200 annual max per person
Preventive-	100% (cleanings)	100%
Basic Restorative –	70% (e.g. fillings)	Not covered
Major Restorative –	50% (e.g. crowns)	Not covered

No Coverage - If you select the No Coverage option and become disabled or inactive while this option is in effect, you will not have medical/dental/vision coverage while you're disabled or inactive, even if you receive disability benefits from the Delta Pilots' Disability and Survivorship Plan. However, you may enroll in Delta medical and dental coverage if you experience a HIPAA-qualifying event (such as the loss of other health coverage) and notify the Employee Service Center (ESC) through a HIPAA letter within 30 days of the event (see the Life Events section of your most recent Benefit Handbook Update available online at www.webmd-health.com/delta).

PRESCRIPTION DRUG COVERAGE

What is the prescription drug coverage?

The prescription drug coverage for Standard and Out-of-Area plans is as follows:

	Retail Network Pharmacy Co-payment	Home Delivery Co-payment
Tier I (Generic Drug)	\$10 for up to 34-day supply	\$25 for up to 90-day supply
Tier II (Preferred Brand)	\$30 for up to 34-day supply	\$75 for up to 90-day supply
Tier III (Non-Preferred Brand)	\$55 for up to 34-day supply	\$135 for up to 90-day supply
Diabetic Kit	\$30/single	

The prescription drug coverage for the Enhanced and DPMP Plan is as follows:

	Retail Network Pharmacy Co-payment	Home Delivery Co-payment
Tier I (Generic Drug)	\$10 for up to 34-day supply	\$25 for up to 90-day supply
Tier II (Preferred Brand)	\$25 for up to 34-day supply	\$60 for up to 90-day supply
Tier III (Non-Preferred Brand)	\$40 for up to 34-day supply	\$100 for up to 90-day supply
Diabetic Kit	\$30/single	

Prescription drug coverage under the High Value Option is 70% of R & C after deductible. Each HMO has its own rules for co-payments on prescription drugs.

FLIGHT PHYSICALS

What about Flight Physicals?

For 2005, the reimbursement protocol is:

DPMP	\$15 co-payment 70% of billed charges (R&C N/A) 80% of billed charges (R&C N/A)
Standard UHC Network Non-network Out of Area	\$20 co-payment 60% of billed charges (R&C N/A) 80% of billed charges (R&C N/A)
Enhanced UHC Network Non-network Out of Area	\$15 co-payment 70% of billed charges (R&C N/A) 80% of billed charges (R&C N/A)
HMO	No coverage
You must participate in a plan to be reimbursed!	

MEDICAL PREMIUMS

What premiums will I pay for medical coverage while active?

DPMP coverage automatically includes 2005 comprehensive dental coverage and is the same as the Enhanced Plan. Premiums are as below. 2006 blanks are provided so that you may fill in those numbers when they become available.

	DPMP In-Area 2005	2006	DPMP Out-of-Area	2006
Employee Only	\$134		\$ 79	
Employee & Spouse	\$287		\$166	
Employee & Child(ren)	\$230		\$135	
Employee & Family	\$382		\$221	

	Standard Option 2005	2006
Employee Only	\$ 45	
Employee & Spouse	\$138	
Employee & Child(ren)	\$109	
Employee & Family	\$183	

	Enhanced Option	2006	Comprehensive Dental	2006	Total Cost	2006
Employee Only	\$126		\$8		\$134	
Employee & Spouse	\$274		\$13		\$287	
Employee & Child(ren)	\$216		\$14		\$230	
Employee & Family	\$364		\$18		\$382	

RETIREE MEDICAL

What premiums will I pay for medical/dental coverage while retired?

BASE MEDICAL MONTHLY PREMIUMS

Retiree < age 65 Medical Plans BASE Premiums	HVO	Standard	Enhanced	DPMP*	OOA DPMP*
Pilot	\$171	\$ 414	\$ 570	\$ 604	\$ 498
Pilot & Spouse	\$342	\$ 827	\$1,139	\$1,208	\$ 996
Pilot & Child(ren)	\$263	\$ 618	\$ 840	\$ 918	\$ 768
Pilot & Family	\$434	\$1,031	\$1,410	\$1,522	\$1,266

* DPMP includes comprehensive dental.

BASE DENTAL MONTHLY PREMIUMS

Retiree < age 65 Dental Plans BASE Premiums	Comprehensive	Preventive	Cigna HMO
Pilot	\$34	\$11	\$18
Pilot & Spouse	\$70	\$22	\$36
Pilot & Child(ren)	\$77	\$31	\$46
Pilot & Family	\$113	\$42	\$54

Normal or Deferred Retirement:

Age 60 with 10 or more years of service:

- Same as what non-pilot pays. Currently 22% of applicable BASE premium per person.

Age 60 with less than 10 years of DAL service:

- Service related premium based on years of continuous service to 25 PLUS 22% of applicable BASE Premium.

Early Retirement:

Age 50 – 59 with 25 or more years of credited DAL/WAL Service

- Full base premium until age 60. After age 60, 22% of applicable BASE premium.

Age 50 – 59 with LESS than 25 years of credited DAL/WAL Service

- Full BASE premium until age 60. After age 60, a service related premium based on years of continuous service to 25 plus 22% of applicable base premium.

Survivor Premiums (retired from any status):

The same percentage of the applicable BASE premium (currently 22%) non-pilot normal retirees with more than 10 years of service is required to pay.*

- These premiums are in addition to any post-retirement service related premiums or 100% premiums the pilot would have been required to pay, while living.
- Retirees and survivors who were eligible on the event date may elect to opt-out of current coverage and back in any medical plan option offered, during subsequent open enrollment periods.

FLEXIBLE SPENDING ACCOUNTS

What is a Flexible Spending Account?

A Flexible Spending Account is a voluntary account that allows you to contribute pre-tax dollars by payroll deduction to pay for certain health, vision, and dependent day care expenses. You do not pay federal, Social Security, and in most cases, state or local taxes on dollars you contribute to an FSA. **Delta offers two separate FSA's. One account is for eligible Health or Vision Care expenses and the second account is for eligible Dependent Day Care expenses.**

What expenses are eligible for reimbursement under the health/vision FSA?

Eligible health care expenses are those which would be deductible on your federal taxes and that have not been paid by any medical/dental plan. Expenses of your spouse, dependent children, and adult relatives if considered qualified dependents by the IRS, and dependent upon you for more than 50% of their financial support, are also eligible.

Medical and Dental Expenses eligible for FSA reimbursement include:

- FAA Medical Exam
- Expenses over Reasonable and customary amounts
- Expenses exceeding medical or dental plan limits
- Co-Payments and deductibles
- Eye exams, prescription glasses and contact lenses
- Hearing aids and batteries
- Acupuncture

Contact the IRS at 1-800-TAXFORM for publication 502. This brochure gives an explanation of those medical expenses that are tax deductible and therefore eligible for reimbursement from an FSA.

What expenses are eligible for reimbursement under the dependent care FSA?

Eligible expenses are those incurred for the care of dependents so that you and your spouse may work, or so that your spouse can attend school full time. They include:

- A child care or adult day care center
- Child care in or out of your home
- After-school program or summer day camp for children under 13
- A housekeeper or nanny whose primary duties include dependent care
- Pre-school, nursery school, kindergarten, and private school for children under six
- Night care if you and your spouse work at night.

You may not claim the same expenses under the federal tax credit and under the FSA. Expenses reimbursed from an FSA will offset the amount of your available tax credit. Contact the IRS at 1-800-TAXFORM for publication 503. This brochure gives IRS guidelines concerning the deductibility of dependent day care expenses.

Eligible dependents for the Day Care FSA are:

- Dependent children under age 13, who live in your home
- Legal spouse or a dependent of any age that is incapable of caring for himself.

How much money should I contribute?

In deciding how much to contribute, consider your eligible expenses during the previous year and any additional predictable expenses you plan to incur for the upcoming year. *Be conservative in your estimates – money remaining in your FSA at year-end will be forfeited. Open Enrollment 2006 will have new increased limits in place for the amount you can contribute to your Flexible Spending Account.*

For a Health/Vision Care FSA, you may contribute from \$120 to \$4,992 each calendar year, deducted equally over 24 paychecks. The upper limit of \$4,992 is subject to specific IRS rules:

- If you or your spouse earn less than \$4,992 a year, the most you can contribute is the lower of your two incomes.
- If your spouse has no income but is a full time student or disabled, the most you can deposit is \$2,400 if you have one dependent or \$4,800 if you have two dependents.
- If you and your spouse are both employed, file a joint tax return, and both participate in a Day Care FSA, your total contributions combined must not exceed \$5,000.

How do I file for reimbursement?

For claims information, claim forms, account balances and eligible expenses contact the FSA Claims Administrator, UnitedHealthcare at FSA Unit, PO Box 925, Albany, NY 12202-0825. Phone (877)683-8555, fax (518) 454-4040, website www.myuhc.com.

Why do I forfeit the funds if I don't use them during the calendar year?

Legally, unused funds must be either forfeited or refunded proportionately to all participants based on what they contributed. Delta has chosen to use forfeited funds toward the plan's administrative expenses. Remember, claims for the calendar year must be received by the FSA Claims Administrator **no later than March 31st** of the following year (3 months after close of the year) and claims must have been incurred in that prior calendar year in order to qualify. There is new legislation which might result in an extension of that filing deadline by 2 ½ months, however, this would be done on a voluntary basis and Delta has not yet chosen to implement such extension.

ALPA SPONSORED BENEFITS

What benefits does ALPA sponsor?

ALPA offers several types of group insurance, including:

- Term Life Insurance
- Accidental Death and Dismemberment Insurance
- ALPA Mutual Aid
- ALPA Loss of License
- ALPA Extended Disability Coverage
- IFALPA Loss of License
- Long Term Care Insurance

Are ALPA's life insurance rates competitive?

For ages under 55, ALPA's rates are very competitive, and lower than Delta's.

MEDICARE

What happens to my Delta Medical Coverage when I reach age 65?

If you are retired by age 65, Medicare will become (or will be deemed) your primary insurer, even if you do not enroll! Therefore, it is imperative that you enroll for Medicare when you become eligible. If you are Social Security ("SS") disabled, you become covered under Medicare after approximately two years of receiving SS disability payments. Also, if you are enrolled in the United Healthcare Plan or an HMO, when you become eligible for Medicare, you will transition to the Out-Of-Area coverage. It is imperative that you elect to enroll in Medicare Part B when it is available to you, as Delta's plan benefits will be paid as if you have Medicare whether or not you enroll.

How are the plans coordinated with Medicare?

Your claims are first filed with Medicare. Remaining eligible expenses may be submitted to the Delta plan. However, Delta's plan will pay only the amount it would have paid as the primary plan **less** the amount Medicare pays.

What are the monthly premiums?

Medicare premiums change annually. For 2005, per person premiums are:

- Part A (Basic Hospital Insurance): No charge if receiving Social Security
- Part B (Supplementary Insurance): \$78.20 per month
- Part D (Prescription Drugs) effective 2006: premium to be determined.

SOCIAL SECURITY

Are my Social Security benefits taxable?

Approximately 85% of your Social Security benefits will be taxable.

Are my Social Security benefits reduced by any earnings I might have in retirement?

The annual earnings limits are:

- Individuals under age 65 - \$12,000, then \$1 is withheld for every \$2 earned above the limit.
- The year the individual reaches age 65 – \$31,800, then \$1 withheld for every \$3 earned above the limit. The limit only applies to months prior to actual age 65.
- Individuals over age 65, there is no limit.

Will my retirement benefit be offset by the Social Security Benefit?

An offset to your Delta Retirement benefit applies at the earlier of the date your Social Security benefits begin or age 65. If you were on the DAL, NE, WAL, or Pan Am seniority lists before February 9, 1982, your monthly offset is \$94 at age 62 or \$117 at age 65. Otherwise, your offset equals \$259 monthly (at age 62) prorated for service less than 25 years. If you were hired prior to February 1972 and receive the minimum benefit, no offset applies.

How do I apply for Social Security?

You may apply for Social Security at any local Social Security office. You'll be asked to provide proof of your identity, age, and most recent earnings.

What is my Social Security normal retirement age?

<u>Date of Birth</u>	<u>Normal Retirement Age</u>
Before 1938	65
1938 – 1942	65 – 66 (2 month annual increments)
1943 – 1954	66
1955 – 1959	66 – 67 (2 month annual increments)
1960 and later	67

INFORMATION TO KNOW IN THE EVENT OF A DEATH

Benefits which may be payable upon a pilot's **death before retirement** are summarized below. We recommend that *survivors always notify the appropriate contact* to begin receiving benefits.

Company-Sponsored Benefits

(Contact the Delta number listed in Quick Reference Guide under "Survivors").

1. **Basic life Insurance.** Company Paid.
The Basic Life Insurance Benefit is \$50,000
2. **Disability and Survivorship Plan Survivor Benefits.** Company Paid.
These benefits are paid from the Disability and Survivorship Plan ("D&S Plan"), and range from 25 % to 35% of a pilot's final average earnings, based on the number of Eligible Survivors (spouse and dependent children). Benefits continue for the surviving spouse until the spouse's death. Eligible children continue to receive benefits until age 19 or age 23 if a full-time student.
3. **Supplemental Pre-Retirement Income Plan Survivor Benefits.** (Contact Delta number listed in Reference Guide under "Retirement and Personnel Benefits"). Pilot paid.

Supplemental Survivor benefits from the Retirement Income Plan are optional once a pilot has attained age 35, completed 5 years of service, and has been married one year. The amount of the survivor benefit is equal to one half of the pilot's earned benefit at time of death, reduced for age, years of service, and the J&S annuity. This benefit does not become payable until the date the pilot would have reached at least age 50.

4. **Money Purchase Pension Plan** – (Contact Delta number listed in Reference Guide under "Retirement and Personnel Benefits"). Company paid, contributions ceased on December 31, 2004 with the plan freeze.
5. **Family-Care Savings Plan.** (Contact Fidelity number listed in Reference Guide under "FCSP". Company paid and pilot paid.

The Savings Plan account balance (if any) is paid to the pilot's surviving spouse, or if previously elected by both the pilot and spouse, an alternate beneficiary.

6. **Medical & Dental Coverage.** (Contact Delta number listed in Reference Guide under "Medical/Dental Plans"). Company paid and survivor paid.

Medical/dental coverage may be continued by an Eligible Survivor provided the required premium is paid. When monthly benefits stop due to loss of Eligible Survivor status, eligibility for continued medical/dental coverage also ends.

7. **Optional Life Insurance** – (Contact Delta number listed in Reference Guide under “Survivors”). Pilot paid.

Optional Life Insurance – Benefit from \$10,000 to \$500,000

Accidental Death & Dismemberment – Benefit from \$16,500 to \$750,000

Private Pilot – Benefit from \$15,000 to \$300,000

8. **Flight Passes** (Contact Delta number listed in Reference Guide under “Pass Benefits”).

Passes are available to spouse and dependent children.

9. **Credit Union** (Contact Delta number listed in Reference Guide under “Credit Union”).

Pilot may have an account with the Credit Union.

ALPA-Sponsored Pilot-Elected Benefits

(Contact ALPA as listed in Quick Reference Guide under “ALPA Sponsored Benefits”).

Mutual Aid (Pilot paid)

Delta Pilots’ Mutual Aid Life Insurance – (Contact DPMA as listed in Quick Reference Guide). Death Benefit of \$1,000 if a member.

Miscellaneous

Social Security – (Contact number listed in Quick Reference Guide under “Social Security.”)

Military Benefits – If pilot served in the military, additional military-sponsored benefits, including survivor annuities, may be payable.

In summary, in the event of a pilot’s death, it is very important that all the survivors are aware of all potential benefits, including those outside of Delta and ALPA. A “Survivor’s Checklist” should be completed by the pilot, discussed with family members and kept in a safe place.

APPENDIX A

**PBGC BENEFIT GUARANTEE MAXIMUMS FOR QUALIFIED
DEFINED BENEFIT PLANS TERMINATING IN 2005**

PILOT'S AGE ON LATER OF BENEFIT COMMENCEMENT DATE OR PLAN TERMINATION DATE	PBGC MAXIMUM MONTHLY GUARANTEE (Single Life Annuity)	PBGC MAXIMUM ANNUAL GUARANTEE (Single Life Annuity)
70 (1.66 x limit)	\$6,309.89	\$75,718.68
69 (1.49 x limit)	\$5,663.70	\$67,964.40
68 (1.34 x limit)	\$5,093.53	\$61,122.36
67 (1.21 x limit)	\$4,599.38	\$55,192.56
66 (1.10 x limit)	\$4,181.25	\$50,175.00
65 (100% of limit applies at 65)	\$3,801.14	\$45,613.68
64 (.93 x limit)	\$3,535.06	\$42,420.72
63 (.86 x limit)	\$3,268.98	\$39,227.76
62 (.79 x limit)	\$3,002.90	\$36,034.80
61 (.72 x limit)	\$2,736.82	\$32,841.84
60 (.65 x limit)	\$2,470.74	\$29,648.88
59 (.61 x limit)	\$2,318.70	\$27,824.40
58 (.57 x limit)	\$2,166.65	\$25,999.80
57 (.53 x limit)	\$2,014.60	\$24,175.20
56 (.49 x limit)	\$1,862.56	\$22,350.72
55 (.45 x limit)	\$1,710.51	\$20,526.12
54 (.43 x limit)	\$1,634.49	\$19,613.88
53 (.41 x limit)	\$1,558.47	\$18,701.64
52 (.39 x limit)	\$1,482.44	\$17,789.28
51 (.37 x limit)	\$1,406.42	\$16,877.04
50 (.35 x limit)	\$1,330.40	\$15,964.80

Appendix B

**Pilot Defined Contribution Plan Percentages
Percentages for All Ages**

**Company Attachment III
7/20/2005 15:42**

Contribution %	Service*																						
Age*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23+
24	6.3%	6.0%																					
25	6.3%	6.0%	6.0%																				
26	6.3%	6.0%	6.0%	5.8%																			
27	6.3%	6.0%	6.0%	5.8%	5.3%																		
28	6.3%	6.0%	6.0%	5.8%	5.3%	5.0%																	
29	6.7%	6.3%	6.4%	6.1%	5.6%	5.3%	4.9%																
30	7.1%	6.7%	6.8%	6.4%	5.9%	5.6%	5.1%	5.0%															
31	7.5%	7.2%	7.2%	6.9%	6.3%	5.9%	5.6%	5.2%	4.9%														
32	8.0%	7.6%	7.6%	7.3%	6.7%	6.1%	5.7%	5.5%	5.1%	4.8%													
33	8.7%	8.3%	8.1%	7.8%	7.1%	6.4%	6.2%	5.8%	5.4%	5.0%	4.6%												
34	9.5%	9.0%	8.6%	8.2%	7.5%	6.8%	6.5%	6.2%	5.7%	5.3%	4.8%	4.2%											
35	10.3%	9.8%	9.2%	8.8%	8.0%	7.2%	6.9%	6.5%	6.0%	5.5%	5.0%	4.4%	4.2%										
36	11.3%	10.7%	9.9%	9.4%	8.5%	7.7%	7.4%	7.1%	6.3%	5.8%	5.3%	4.5%	4.3%	3.9%									
37	11.8%	11.7%	10.6%	10.0%	9.3%	8.4%	8.0%	7.7%	6.7%	6.1%	5.5%	4.7%	4.4%	4.0%	3.4%								
38	12.4%	12.3%	11.3%	10.7%	10.1%	9.2%	8.8%	8.4%	7.3%	6.6%	6.0%	5.1%	4.7%	4.5%	3.5%	3.1%							
39	13.0%	12.9%	11.7%	11.3%	11.1%	10.2%	9.7%	9.2%	8.0%	7.3%	6.6%	5.6%	5.2%	4.9%	3.8%	3.2%	2.5%						
40	13.6%	13.4%	12.0%	11.8%	12.0%	11.1%	10.6%	10.1%	8.8%	8.0%	7.3%	6.4%	5.9%	5.3%	4.2%	3.5%	2.7%	2.2%					
41	14.2%	14.0%	12.4%	12.0%	12.7%	12.3%	11.7%	11.2%	9.7%	8.9%	8.0%	7.0%	6.6%	6.0%	4.6%	4.2%	3.3%	2.2%	1.4%				
42	14.8%	14.7%	12.5%	12.2%	13.2%	13.0%	12.8%	12.4%	10.7%	9.8%	8.9%	7.8%	7.3%	6.5%	5.1%	4.7%	3.3%	2.2%	2.0%	0.6%			
43	15.5%	15.3%	12.9%	12.5%	13.7%	13.5%	13.5%	13.3%	11.9%	10.9%	9.8%	8.6%	8.0%	7.2%	5.9%	5.2%	3.9%	2.3%	2.1%	0.6%	0.0%		
44	16.2%	16.0%	13.1%	12.8%	14.3%	14.0%	14.0%	14.1%	13.2%	12.1%	11.0%	9.6%	8.8%	7.8%	6.7%	5.6%	4.2%	2.8%	2.5%	0.7%	0.0%	0.0%	0.0%
45	16.9%	16.6%	13.4%	12.9%	15.0%	14.7%	14.6%	14.6%	13.7%	13.5%	12.2%	10.7%	9.8%	8.7%	7.2%	6.1%	5.1%	3.3%	2.6%	0.8%	0.0%	0.0%	0.0%
46	17.6%	17.3%	13.5%	13.0%	15.2%	15.4%	15.1%	14.8%	14.1%	13.9%	13.7%	11.7%	11.0%	9.7%	8.1%	6.8%	5.4%	4.0%	2.9%	0.9%	0.0%	0.0%	0.0%
47	18.3%	18.0%	13.8%	13.1%	15.7%	15.8%	15.8%	15.2%	14.6%	14.3%	14.1%	13.2%	12.5%	11.0%	8.9%	7.7%	6.1%	4.6%	3.2%	1.0%	0.0%	0.0%	0.0%
48	19.0%	18.7%	14.2%	13.3%	16.7%	16.6%	16.0%	16.5%	14.9%	14.7%	14.4%	14.0%	13.9%	12.4%	10.2%	8.8%	6.9%	4.8%	3.8%	1.1%	0.0%	0.0%	0.0%
49	19.7%	19.4%	14.3%	14.1%	17.1%	17.0%	16.7%	16.5%	15.3%	15.0%	14.7%	14.2%	14.4%	13.7%	11.5%	9.9%	8.0%	5.4%	4.2%	1.3%	0.0%	0.0%	0.0%
50	20.5%	20.1%	14.4%	14.4%	18.0%	17.0%	16.8%	17.0%	15.6%	15.2%	14.9%	15.4%	14.4%	14.4%	13.2%	11.4%	9.0%	6.3%	4.8%	1.5%	0.0%	0.0%	0.0%
51	21.2%	20.7%	14.4%	14.5%	18.0%	17.8%	17.3%	17.0%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	13.5%	12.9%	10.4%	7.5%	5.5%	1.7%	0.0%	0.0%	0.0%
52	21.8%	21.2%	14.4%	14.8%	19.1%	17.9%	17.5%	17.0%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	8.4%	6.4%	2.0%	0.0%	0.0%	0.0%
53	22.3%	21.7%	14.7%	15.5%	19.1%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	7.8%	2.4%	0.0%	0.0%	0.0%
54	22.7%	21.9%	14.9%	15.5%	19.2%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	8.7%	2.9%	0.0%	0.0%	0.0%
55	22.9%	21.9%	14.9%	15.5%	19.2%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	8.7%	3.7%	0.0%	0.0%	0.0%
56	22.9%	21.9%	14.9%	15.5%	19.2%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	8.7%	3.7%	0.0%	0.0%	0.0%
57	22.9%	21.9%	14.9%	15.5%	19.2%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	8.7%	3.7%	0.0%	0.0%	0.0%
58	22.9%	21.9%	14.9%	15.5%	19.2%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	8.7%	3.7%	0.0%	0.0%	0.0%
59	22.9%	21.9%	14.9%	15.5%	19.2%	17.9%	17.5%	17.9%	15.7%	15.3%	14.9%	15.4%	14.4%	14.4%	14.0%	13.0%	12.0%	9.3%	8.7%	3.7%	0.0%	0.0%	0.0%

Age: Attained age on January 1, 2005

Service: Completed whole years of service as of January 1, 2005

Flexible Spending Account Section

Retyped from 2002 Pilot Handbook Updates, 9- 10

The Health Care Spending Account

Eligible Dependents

Eligible dependents for the Health Care Account are:

- *Your legal spouse;
- *Your eligible children (as defined by the medical plan);
- Any other relative (other than children or stepchildren) considered as qualified dependents under the Internal Revenue Code, such as a parent or in-law who is generally dependent on you for more than half of his/her financial support.

* A Domestic Partner and the children of Domestic Partners are **NOT** considered eligible dependents under the Internal Revenue Codes for tax purposes; therefore, the expenses of these individuals are **NOT** eligible for reimbursement under either the Health Care or Day Care FSA.

Eligible Expenses

In general, eligible expenses are your or your eligible dependent's health care expenses that:

- are generally of the type that you can deduct as a medical expense on your federal income tax return;
- are not covered or reimbursed by the medical/dental/vision plans or any other source of coverage (such as your spouse's plan); and
- are not specifically excluded from reimbursement (see *Expenses Not Eligible*).

You can use the Health Care Account to pay for expenses such as:

- Expenses over reasonable and customary amounts
- Co-payments and deductibles for medical, vision, pharmacy and dental plans
- FAA medical exams (if not covered by your medical plan)
- Guide dog for the blind and special telephone for the deaf
- Hearing aids and batteries
- Radial Keratotomy of LASIK surgery
- Drugs Prescribed for nicotine withdrawal
- Expenses in excess of medical or dental plan limits
- Eye exams, prescription glasses, and contact lenses not covered under a vision plan
- Physical exams and well-baby care (if your medical option does not cover these expenses)
- Most other health care expenses that could be deducted on your federal income tax return.**
- Christian Science practitioner's fees
- Smoking cessation programs
- Acupuncture (portions not covered by your medical plan)

** IRS publication 502 describes those medical expenses that can be deducted from your income taxes and is a general resource for purposes of determining the types of expenses deductible from a Health Care FSA. However, there are some expenses, such as insurance premiums, that are not eligible for reimbursement from the Health Care Account (see below), even though they are listed in Publication 502. Also, the timing of reimbursement from the Health Care FSA and the deductibility of a medical expense is different. You are eligible for reimbursement from the Health Care FSA when the eligible expense is incurred while the income tax deduction is based on when payment of the expense occurs. Contact the IRS at (800) TAXFORM (800-829-3676) to request Publication 502-Medical and Dental Expenses. (Or get the information online at www.irs.gov).

Flexible Spending Account Section

Retyped from 2002 Pilot Handbook Updates

Expenses Not Eligible

The following are *examples* of expenses that are not eligible for reimbursement through the Health Care Account:

-
- Insurance/group health plan premiums**
 - Health club memberships/exercise equipment/classes
 - Hair removal or transplant
 - Swimming pools, hot tubs, spas
 - Maternity clothes
 - The portions of your expenses that are reimbursed under your medical plan, dental plan or vision plan, or from medical, dental or vision coverage from any other sources (including an FSA in which your spouse participates)
 - Weight loss programs for the purpose of weight control to maintain good health
 - Over-the-counter drugs/vitamins/minerals available without a prescription
 - cosmetic procedures and surgery
 - Funeral expenses
 - Naturopath/homeopath fees
 - Nutritional supplements, vitamins, herbal supplements, “natural medicines” unless you can only obtain them legally with a physician’s prescription
 - Non-prescription drugs for smoking cessation (such as non-prescription nicotine patches and nicotine gum)
-

**Generally, the types of expenses that are deductible medical expenses under the Tax Code Section 213 and IRS Publication 502, are considered eligible expenses under the Health Care Spending Account. However, although listed in Publication 502, health insurance premiums (including any medical fee listed on a school tuition bill) are not reimbursable under the FSA, according to Federal Law.

Survivors' Checklist

This booklet has been prepared for you by the Air Line Pilots Association as an aid to you and your family in the event of your death.

After completing the information suggested in this booklet, review and update it at least once every three years, or sooner if your family or financial situation changes substantially or if your pilot group negotiates a new contract with your airline.

Place this booklet wherever you keep your other important papers, and make sure your spouse or next-of-kin is aware of its location.

If you have not already done so, be sure to draw up a will. If you have one, determine whether it needs updating due to a change in family status, births, deaths, divorce or remarriage.



PERSONAL HISTORY SHEET

Name: _____ Date of birth: _____

Address: _____ Telephone #: _____

Social Security #: _____ Military #: _____

Driver's license # _____ State: _____

Blood type: _____

Next-of-kin's name, address, & phone #: _____

Physician's name, address, & phone #: _____

Dentist's name, address, & phone #: _____

Attorney's name, address, & phone #: _____

Accountant's name, address, & phone #: _____

Insurance agent's name, address, & phone #: _____

My will is filed with: _____

_____ Dated: _____

I have signed a Uniform Anatomical Gift Act form Yes No

Location of: Car title: _____

Old tax returns _____

Birth certificate(s): _____

Marriage certificate: _____

Military records: _____

Social Security card: _____

Insurance policies: _____

Cemetery lot: _____

Bank Accounts: Checking account #: _____

Savings account #: _____

Other documents: _____

COMPANY-PROVIDED BENEFITS

In the space provided below, briefly describe the negotiated benefits provided by your company. A good source for this information is the Summary Plan Descriptions, which you received from your company, or contact a member of your MEC Retirement & Insurance Committee.

Group life:

Survivor income benefit:

Qualified plan survivor benefit and qualified preretirement survivor annuity (QPSA):

Accidental death and dismemberment:

Company contact (name and phone number):

ALPA-PROVIDED DEATH BENEFITS

Group Term Life Accidental Death and Dismemberment

As an ALPA member, you are eligible to enroll in several ALPA benefit programs, including a member life insurance program through AMEX Life Assurance Company and an accidental death and dismemberment program. If you elect to be covered, you should be sure to include that the type and amount of coverage on your assets and liability form in this booklet. In the event of your death, your beneficiary should contact

Air Line Pilots Association
Membership Services Department
535 Herndon Parkway
Herndon, VA 20170

Mutual Aid

If you are an ALPA member and participate in the mutual aid program, your beneficiary is entitled to a death benefit of \$1,000 from the ALPA Mutual Aid program. Application for the benefit should be made to

Air Line Pilots Association
Mutual Aid
535 Herndon Parkway
Herndon, VA 20170

Government-Provided Death and Survivor Benefits

Social Security Survivor Benefits

Your surviving spouse and dependent children may be entitled to Social Security survivor benefits if you have paid FICA taxes for six or more quarters (1 1/2 years) during the last 13-quarter period. The following requirements must be met:

Surviving Spouse

A widow or widower is entitled to surviving spouse's benefits if he or she

- is age 60 or over (or at least age 50 and disabled);
 - isn't entitled to an individual Social Security benefit equal to or greater than the deceased spouse's benefit;
 - files an applications; and
 - is unmarried at the time of application (unless the remarriage occurs after age 60).
- In addition, one of the following conditions must be met. The surviving spouse
- must have been married to the deceased for at least nine months before death (unless death was the result of an accident);
 - was entitled to spouse's, dependent parent's, parent-of-entitled-child, or childhood disability Social Security benefits (or their Railroad Retirement Act counterparts) in the month before marriage to the deceased (or would have been so entitled upon attaining the requisite age or filing an application); or
 - was the natural or legally adoptive parent of the deceased spouse's child.

The normal unreduced benefit payable to an eligible surviving spouse at age 65 is 100 percent of the amount that you were eligible to receive as an old-age benefit. Reduced survivor spouse's benefits are payable as early as age 60 (50 to a disabled surviving spouse).

A surviving spouse caring for an entitled child of a deceased worker is eligible for a benefit equal to 75 percent of the worker's benefit, regardless of age. This benefit is payable until the child is 16 years old or longer if the child is disabled.

Generally, remarriage before age 60 terminates the right to surviving spouse's benefits.

Dependent Children

Your natural or adopted child may be entitled to a child's insurance benefit. Children's benefits, normally payable only to age 18, may be payable beyond that age to persons disabled before age 22. Generally, children's benefits can continue to age 19 for students still in elementary or high school.

The child's benefit is 50 percent of his or her living parent's old-age or disability benefit, or 75 percent of a deceased parent's benefit.

Social Security Burial Benefits

Social Security pays a lump-sum death benefit of \$255 in addition to monthly survivor benefits.

Veteran's Benefits

Veterans discharged under conditions other than dishonorable are entitled to burial in a national cemetery or to an allowance for a headstone or grave marker. Dependent spouses and survivors may be entitled to additional benefits and should contact the nearest regional office of the Veterans Administration for additional information.

Worker's Compensation

Worker's Compensation death benefits vary from state to state. Contact the Worker's Compensation Board of your state of residence for more information.

Prepared by ALPA's Retirement & Insurance Department



Air Line Pilots Association
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