



DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION

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INFORMATION ON SURVIVOR BENEFITS

There are three topics covered in this News Release.

1. A lack of awareness of the significant D&S Plan Survivorship benefit continues to exist:

DDPSA continues to encounter retired Delta pilots and survivors of retired Delta pilots who are unaware of, or simply have forgotten about, a significant survivorship benefit. This benefit is paid from the Delta Pilots Disability and Survivorship Plan (Pilot D&S Plan) and is distinct from any benefits paid by the PBGC. The vast majority of pilots elected a single life annuity from the Delta Pilots Retirement Plan thereby eliminating any benefits payable to their survivors from the PBGC. However, the monthly income survivor benefit from the Pilot D&S Plan still is available.

Eligibility: For clarification, for the surviving spouse of a retired Delta pilot to be entitled to the Pilot D&S Plan Monthly Income Survivor Benefit, **all** of the following are required:

- A. The pilot must have retired from Delta before January 1, 2008.
- B. The spouse must have been married to the pilot at least 12 consecutive months prior to the pilot's event date (retirement or disability, which ever occurred first), unless the pilot was in a good state of health at some time between the date of the marriage and the event date. (Basically, the pilot had to be actively flying and not on disability when the marriage occurred or have returned to active flying after the marriage occurred).
- C. The spouse must have been married to the pilot continuously from the event date (retirement or disability, which ever occurred first) until the date of the pilot's death.

Please continue to help us "spread the word" to your fellow retired Delta pilots about this significant benefit and the information available on the DDPSA website (www.ddpsa.org).

2. **Concerns about the financial status of the D&S Plan Trust Fund:**

Important questions about the financial status of the D&S Trust remain unanswered.

- A. First, it appears that the D&S Trust now contains minimal assets. Over the past several years, Delta has made limited contributions to the D&S Trust while paying benefits and administrative expenses. Because Delta repeatedly has stated its intention to maintain the Pilot D&S Plan indefinitely, it is apparent that contributions to the D&S Trust will be made on a "pay-as-you-go" basis. Therefore, at this point in time, it is reasonable to assume that Pilot D&S Plan benefits will continue to be paid.
- B. Second, of course, there is a significant difference between benefits being paid from a well-funded Trust Fund versus those paid on a "pay-as-you-go" basis. Benefits coming from a well-funded Trust arguably would be more secure should Delta ever file for bankruptcy in the future.
- C. Third, the Pilot D&S Plan contains an important provision for variable increases on one half of the original benefit. (Benefits under the Plan are "half fixed; half variable")¹. This structure is of vital importance to beneficiaries to counter the impact of inflation over time. Annual adjustments to the variable portion are directly based on the investment performance of the D&S Trust Fund assets. Thus, if the D&S Trust does not actually have invested assets, future variable increases could be in jeopardy of being reduced or eliminated and existing variable benefit payments potentially could decline. The most recent change to the variable benefit was a decrease of approximately 6.9% on April 1, 2023 (which most likely was impacted by investment market declines in calendar year 2022). The upcoming adjustment on April 1, 2024 (which should reflect the strong market recovery in 2023) will provide an indication of the future direction of the variable portion of Pilot D&S Plan benefits. Additionally, we should have a better indication of the status of the D&S Trust when the required annual IRS Form 5500 is filed (usually by mid-April).

¹ The calculation of the variable benefit is explained in an article on the DDPSA website.

3. **Problems encountered by Survivors in receiving benefits:**

- A. In some cases, Survivors of retired Delta pilots have experienced problems or delays in receiving the Pilot D&S Plan Monthly Income Survivor Benefit. The following information should help preclude such delays.
- (1) When a pilot passes away, the surviving spouse must contact the Employee Service Center (ESC) by calling 1-800-MY-DELTA. At this initial contact, be sure to tell the ESC representative that the deceased was a Delta PILOT and that you as the surviving spouse are eligible for survivorship benefits (provided that you meet the “Eligibility” requirements stated on page 1 on this News Release).
 - (2) Be aware that the vast majority of cases the ESC deals with are ground personnel, who do not have the significant survivorship benefit available under the Pilot D&S Plan.
 - (3) The ESC is required to mail you an application for benefits within 5 days of the report of the death.
 - (4) Complete and return the application and required documentation which includes the pilot’s death certificate, pilot’s birth certificate, spouse’s birth certificate and marriage certificate. If Delta receives the application and required documentation by the 5th day of the month, benefits will be paid at the end of that month. If not, benefit payments will start at the end of the following month. All benefits in arrears will be paid.
 - (5) In rare cases, ESC representatives have asked spouses for Social Security and/or PBGC award letters. Be aware that NEITHER of these items is relevant to survivorship benefits under the Pilot D&S Plan for pilots who died after retiring from Delta. These items are not required and should not be sent.
 - (6) For any problems or delays, ask the ESC for a case number.
- B. Occasionally, some eligible surviving spouses of retired Delta pilots who also later worked as Simulator Instructors at Delta Ground Services (DGS) have encountered difficulty in obtaining their Pilot D&S Plan survivorship benefits. Such pilots were assigned a new employee number at DGS. Problems arose when the ESC processed the case as if the employee was only a DGS employee, and not a retired Delta pilot. To

avoid this problem, it is important that the ESC be notified that any such deceased pilot was a pilot who retired from Delta before January 1, 2008 as well as a pilot who worked for Delta Ground Services. The pilot employee number should be used for the processing of Pilot D&S Plan benefits.

Please notify DDPSA if you encounter problems in receiving survivor benefits from the Delta Pilots D&S Plan. We are willing and able to assist you.

The DDPSA website at www.ddpsa.org has a significant amount of information about the D&S Plan as well as a Worksheet that can be used to estimate the Survivor Benefit and a Flight Plan for the Final Flight West that should be helpful to the executors of your estate.

The DDPSA Board of Directors thanks you for your support.