



DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION

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D&S PLAN FORM 5500

The Employee Retirement and Income and Security Act (ERISA) requires employers, who maintain Employee Benefit Plans, to file a Form 5500 annually with the Internal Revenue Service and the Department of Labor. This News Release will provide a review of the recently filed Form 5500 for the Delta Pilots Disability and Survivorship (D&S) Plan for the Plan Year that ended on June 30, 2023. The Form 5500, which was filed on April 15, 2024, gives Plan Participants a rear view mirror look at the financial status of the Plan.

In viewing the filing, we noticed that information in the Auditor's Financial Statement differs somewhat from the information in the actual Form 5500.

Where there were differences, we used figures from the Auditor's Financial Statement (or reconciled them with the Form 5500) for our analysis. Because the data below required some interpretation, the information is not guaranteed to be accurate. However, we believe that it is fairly represented. Those inclined to see more details can view the Form 5500 (including the Auditor's Financial Statement) on the DDPSA website (link near the top of the NEWS page).

The information below is as of June 30, 2023:

- Number of individuals covered by the D&S Plan:

Active pilots: 14,779

Retired or separated 4,633

Note: While not clearly defined, the retired or separated category appears to include survivors receiving benefits, disabled pilots who no longer are on the seniority list, retired pilots who have spouses potentially eligible for the monthly income survivor benefit (the pilot retired before 2008) and other retired Delta pilots who are eligible for at least \$10,000 of life insurance.

ASSETS

- Total Investments: \$ 24,428,000
- Receivables: \$ 26,170,000
- Total Assets: \$ 50,598,000

LIABILITIES

- Liabilities: - \$ 5,467,000
- Benefits currently payable: - \$ 23,371,000
- Net Assets Available for Benefits: \$ 21,796,000

INCOME

- Employer contributions: \$ 96,412,000
- Investment Loss: \$ - 3,440,000
- Total Additions: \$ 92,972,000

EXPENSES

- Benefit Payments: \$ 242,015,000
- Insurance Premiums: \$ 24,834,000
- Administrative expenses per Form 5500:
 - Claims Processing (Harvey Watt): \$ 1,223,816
 - Trustee (Morgan Chase): 527,053
 - Contract Administration (Conduit): 60,244
 - Actuary (Willis Towers Watson): 59,250
 - Auditor (BDO): 28,248
 - Investment Management: 103,880
 - Total Administrative Expenses (rounded): \$ 2,002,000
 - Total Plan Expenditures: \$ 268,851,000
- Plan Benefit Obligations: \$1,768,241,000
- Assumed discount rate: 5.6%

REASONABLE CONCLUSIONS:

1. The D&S Trust assets declined by over \$175 million in the Plan Year.
2. With D&S Plan benefit payments exceeding \$20 million a month, Delta obviously is making contributions to the Plan on a pay-as-you-go basis.
3. D&S Plan assets experienced poor investment returns during 2023 when financial market performance was strong. This investment performance, combined with the very poor investment performance in 2022, was a major factor in the decline of the variable benefit calculation that was effective on April 1, 2024.

Beneficiaries and potential beneficiaries of the D&S Plan are concerned about the security of their D&S Plan benefits. We believe that, in a non-bankruptcy scenario, it is unlikely that the D&S Plan benefits would be eliminated. However, clearly the D&S benefits, including the variable portion of the benefit, would be more secure if the Plan were more fully funded, as it was prior to the Delta bankruptcy.

DDPSA has communicated our concerns to ALPA and will continue to explore possible options to improve the current situation. In the meantime, please ensure that we have your up to date contact information (www.DDPSA.org). Thank you for your support.