



DELTA DISABLED PILOTS AND SURVIVORS ASSOCIATION
P.O. Box 5955, Vacaville, CA 95696

www.ddpsa.org

April 5, 2025

THE VARIABLE BENEFIT DECLINES

Effective April 1, 2025, the variable benefit unit value declined from \$38.14 to \$37.42. The result is a 1.89% decrease in the variable portion of benefits paid by the Delta Pilots Disability and Survivorship (D&S) Plan.

Survivor benefits are paid in advance. Thus, the payment to survivors on the last business day of March reflected the decrease in their benefit amount. Because Long Term Disability (LTD) benefits are paid in arrears, Disabled pilots will see a decrease in the benefit payment at the end of April.

The formula for determining changes in the variable benefit is explained in an article on the DDPSA website at www.ddpsa.org. The article can be accessed on the SURVIVOR page and the DISABILITY page by using "click here" links. The formula uses a 5-Year, time-weighted average of the investment returns of D&S Plan assets minus 6.5%.

While D&S Plan benefit can vary up or down over time, your benefit amount can never be less than the minimum amount specified in your award letter. Your minimum benefit amount is determined by the variable benefit index that existed on the "EVENT DATE" (the date of retirement for retired pilots and the first date of Long Term Disability for disabled pilots). A list of historical variable benefit index values can be viewed on the DDPSA website via "click here" links on the SURVIVOR and DISABILITY pages.

Survivors, potential survivors and disabled pilots whose event date (retirement or disability, whichever came first) occurred when the variable index was low are the most vulnerable for decreases in the variable benefit.

You may wonder why there have been decreases in the variable benefit while investment market returns generally were very positive in 2023 and 2024. We believe there are two likely reasons, (1) as Delta converted to a modified pay-as-you-go method of funding D&S Plan benefits, investment performance may have been negatively impacted, and (2) declines in investment performance from the from the negative investment returns of 2022 still impact the calculation of the variable benefit. The major investment losses from calendar year 2022 will become less significant in the 5-Year weighted average calculation with each passing year and will not be included in the calculation after calendar year 2027.

DDPSA will continue to monitor this situation. In the meantime, please ensure that we have your up to date contact information (www.DDPSA.org). Thank you for your support.