

These are the emails we have received since the last posting along with our answers to them. When we update the emails, the old ones are transferred to "Archives" which is under the "Archives" button at the top of the home page.

Contact Question –

Many questions continue to pop up as we work our way through this mess. My own question is this: why am I, having served 35 years with Delta, be taking a \$6,200 per month cut in pension when a lot of my friends served only 28 years are taking no pay cuts at all? They started after me and retired before me, but I'm penalized severely! Is there any avenue of rebuttal?

DP3 Answer:

The amount of the monthly non-qualified benefit varies greatly from retiree to retiree. The amount is determined by your age at retirement; the amount of your FAE at retirement; and the amount of your lump sum at retirement.

The lump sum amounts also vary with the interest rates in effect at your retirement. The lump sum is taken from the qualified retirement plan, so if the lump sum was large enough the total retirement amount could exceed the amount the IRS allows to be paid from qualified retirement plan. Thus the remainder is paid from the non-qualified plans which are not back by an annuity. They are paid from the operating income of the company.

Delta contends these are pre-petition claims that can be eliminated with the bankruptcy. Of course we disagree. There are retirees with no non-qualified income and for some it was 100 percent of their monthly paycheck.

Delta appears to be the only airline that has ever attempted to stop these payments on the very first day in bankruptcy court. Fortunately DP3 was present and filed a Motion to Compel payment of the non-qualified benefit and payments due to the qualified retirement plan. That motion was denied by Judge Beatty and has been appealed.

Contact Question –

Keep up the good work. One quick question: since delta has quit funding the pension plans, doesn't that make it extremely likely that the pbgc will involuntarily terminate the plans to get what equity is still there?

DP3 Answer:

We are as confused as you are concerning some of the conflicting statements.

Delta still says that the proposed pension funding legislation might allow them to retain the pension plans, but we too are wondering how this will be possible if they do not intend to continue the funding.

The legislation if enacted would reduce the funding level over the next three years to about \$150 million per year. So far, the PBGC has not made any public statements to indicate they intend to take the plans. I think everyone might be sitting back and waiting to see the outcome of the proposed legislation.

Contact Question –

I have read all the court transcripts. The discussion on Medical Insurance on the 27th concerns me. Although they have made medical coverage more expensive if they terminated it, it would be a HUGE FINANCIAL HARDSHIP with my wife on hemodialysis and being 57 years old - we would probably go

into bankruptcy and loose everything. Renal failure patients are basically uninsurable and even states with high risk pools, don't offer enough total insurance to cover dialysis patient's costs. Regardless of age, renal failure patients are covered under Medicare (good you say - not so fast). Dialysis runs about \$17,000 a month with labs, the 30% Medicare doesn't pay is \$5,100 a month and "ESRD (end stage renal disease) Medicare patients under 65 years of age can't purchase Medigap", so Delta insurance, which pays the 30% after the max out of pocket, is worth it to me at almost ANY COST, because she is uninsurable and couldn't get any other insurance or ever qualify for medigap.

DP3 Answer:

By now you should have received your enrollment package from Delta. There are a few changes such as the enhanced medical option but for the most part it remains the same for now.

We have heard from many pilots with situations such as yours. The judge's comments do not help your peace of mind.

Be assured that when it comes to section 1114-medical, she will be made aware of the plight of many of our retired pilots and their families.

You do not need this with all you are going thru .

Thank you for your support and best wishes for your family.

Contact Question

Did I miss the outcome on the issue of the body of Delta pilot retirees being recognized by the bankruptcy Court as official "creditors" which allows our lawyers to petition in favor of creditors instead of a non-creditors?

As I recall, it seemed to be a big deal early on in the proceedings.

DP3 Answer

We did petition the court to recognize DP3 to represent retired pilots in Section 1114 matters. The judge ruled that our petition was premature since Delta has not made any changes to our medical plans.

Delta is trying to do an end run around Section 1114 and has asked the judge to rule that the changes they contemplate are not sufficient to require a Section 1114 proceedings.

We of course disagree.

Contact Question –

At a recent party I attended most of the retired pilots I talked to lost very little in the bankruptcy. Most retired about the same time as I with about the same amount of pay only theirs was all or most coming from the defined account. After almost 9 years of retirement 5/8 of my pay was from the undefined accounts, was this normal? Is there someone I can call about this?

DP3 Answer:

A review of the FAQ section of our website will explain the difference between qualified and non-qualified pension payments. There is a significant difference in where your monthly pension is paid due to the age at retirement; the FAE at retirement; and the amount of the lump sum at retirement. The lump sums varied due to the interest rates on the date of retirement.

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