

ERISA Lawsuit Update

NOTE: This issue affects you only if you were hired prior to February 1, 1972

Many retirees have recently received an election form from The Garden City Group to specify whether they want to continue to receive an annuity or to receive a lump sum payout from funds awarded as a result of a September 2005 court approved settlement. Many other retirees have not received this option and they are wondering why.

Some background information first. Several lawsuits existed prior to 2005 claiming Delta violated ERISA standards in Delta's computation of benefits from the various pilot retirement vehicles. A Notice of Class Action Settlement of these lawsuits was sent out in the summer of 2005 to two classes of retirees:

- The "Lump Sum Subclass" of all Delta pilots who retired on or before January 1, 2005 and who elected a lump sum settlement
- The "Minimum Benefit Subclass" of those Delta pilots who were employed by Delta on February 1, 1972 and who retired on or after January 1, 1990. Alternate beneficiaries and payees were also included in both groups.

Only pilots in the Minimum Benefit Subclass were awarded a monetary settlement, AND, in order to receive this money, they had to file a claim prior to August 4, 2005. Forms for making a claim were included in the mail out. All others in either class (the Lump Sum Subclass and those Minimum Benefit pilots who failed to file a timely claim) were awarded warrants to buy Delta stock. We believe the warrants are now worthless since the re-issuance of new Delta stock cancelled all old Delta stock.

The annuity payments began after court approval of the settlement, and it was initially anticipated that retirees would also be able to receive a lump sum in lieu of the annuity. Because of the liquidity shortfall of the pilot pension plan, the court determined in December of 2005 to continue with the annuity payment from a settlement fund paid by Delta but to delay any lump sum payout. Following that, Delta terminated the pilot pension plan and the PBGC took it over. The PBGC has now cleared the way for lump sum payouts from funds they held as trustee from the 2005 settlement - not from the Pilot Pension Plan funds. The settlement payments will not affect guaranteed benefits we receive from the PBGC.

So, why did many pilots not receive the recent election form from the Garden City Group? There could be several reasons. Is the retiree a member of the Minimum Benefit subclass? Did the retiree respond to the 2005 Notice of Class Action Settlement? If the answer is "no" to either of these questions, then you have not been receiving a settlement annuity, and you are not eligible for a payout. Or perhaps, your election form got lost in the Christmas mail. Check your earning statements from 2006 to see if you received a small (usually under \$100) additional amount on your qualified retirement check. Check your January 2007 "Delta Pilots Retirement Plan Statement of Estimated Monthly Benefit after Plan Termination." Look at line 42. Is there a settlement amount there? If not, then you are not eligible for a lump sum payout.

If you do qualify, and you have not received your election form, we suggest you call the Garden City Group at 1-800-294-1319 or write to them at:

Delta Airlines, Inc. ERISA Litigation
C/o The Garden City Group, Inc.
P.O. Box 9217
Dublin, OH 43017-4617

We also suggest that you log into www.deltapilotspensionbenefitssettlement.com and read their information.

Please note: This notice is provided to our members for information purposes only. DP3 was not involved in this lawsuit. Please direct any and all questions to Delta or the Garden City Group.