

Questions and Answers for Pre-Merger Delta Retirees participating in Delta's Final bankruptcy Distribution

How was my Final distribution calculated?

The Final distribution to Retiree creditors holding allowed general unsecured claims in the Delta bankruptcy case was approximately 39 shares per \$10,000 allowed claim amount. To roughly calculate your gross distribution, divide the claim amount by \$10,000 and then multiply the result by 39.

When combined with the Initial distribution of 224.9 shares per \$10,000 allowed claim amount, the total distributed for allowed general unsecured claims was approximately 263.9 shares per \$10,000 allowed claim amount. *(Please note that these figures are for gross shares, prior to any applicable withholding for taxes, for claims below \$1M that received an initial distribution prior to February 2009.)*

Why the difference in my allowed claim amount vs. the total of distributions I received?

As in virtually every bankruptcy, unsecured claims do not receive dollar for dollar treatment when distributions are calculated. The claim amount is used in the calculations to determine how many shares to distribute on account of the claim. Therefore your distributions will not add up to your allowed claim amount.

Taxes had to be withheld from your distribution.

- FICA tax was withheld from all 1114 medical claims (codes on your pay stub(s) may include CL5Qual or EQQUAL.)
- FICA tax was not withheld from non-qualified claim settlements for pilots that retired prior to September 1, 2005 (codes on your pay stub(s) may include CL5NQual or EQNQUAL.)
- Federal and applicable state and local income taxes have been withheld.
- Consistent with previous practice, income taxes were not withheld from survivor or estate disbursements. If the retiree passed away in 2011, only FICA taxes have been withheld. A 1099 form will be issued to survivors and estates at the beginning of 2012.

For those who received Delta stock, the ultimate value you realize on account of your claim is based on the market price of Delta stock at the time of any sale.

Why am I taxed in a different state than the one in which I reside?

Distributions were treated for tax purposes as having been made in the resident state that is listed on your address for retirement checks.

I chose to pay my income tax withholding in cash, rather than have Delta withhold shares for me. How will that appear on my W-2?

The amount you sent to Delta for tax withholding will appear as taxes withheld on your check stub(s) and your W-2.

I am retired and I believe that no amounts should be withheld for me for tax purposes. Why were amounts withheld?

Various factors (including classification of your claim and your status as an active/retiree/survivor) may determine whether or not Delta was required to withhold a portion of your distribution for tax purposes. *Tax withholding in the Final distribution was made consistent with withholding in the Initial distribution except for updated state of residence per current payroll records and retirees that have passed away since the Initial distribution.*

What is the SSA-131?

The Social Security Administration (SSA) form SSA-131 is the Employer Report of Special Wage payments. Shortly, Delta will file forms on behalf of retirees who receive a final distribution in Delta's bankruptcy case to report the special payments so they do not impact the annual earnings test for Social Security purposes. A copy of the filed form will be provided to you in the April mailing.

IRS Form 8935 and Roth Rollovers

What is the IRS Form 8935? How am I impacted by the Workers, Retiree, and Employer Recovery Act of 2008 and Section 125 of that Act – Rollover of Amounts Received in Airline Carrier Bankruptcy to Roth IRAs?

IRS Form 8935 is used to report payments of any money or other property made by a commercial passenger airline carrier to a qualified airline employee.

The Workers, Retiree, and Employer Recovery Act of 2008 allows certain active and former airline employees to make contributions to a Roth IRA equal to the value of certain bankruptcy related payments.

Who is eligible to take advantage of this legislation?

Airline employees and retirees must both have been 1) a participant of a defined benefit retirement plan that was terminated or frozen pursuant to the special airline funding rules of the Pension Protection Act, and 2) received a payment resulting from a bankruptcy claim, note or other fixed obligation approved by the bankruptcy court (an "Eligible Payment"). The Delta defined benefit plans that qualify include the Delta Retirement Plan, Delta Pilots Retirement Plan, and Western Air Lines, Inc. Pilots Defined Benefit Plan.

What bankruptcy payments qualify as Eligible Payments?

While several types of bankruptcy payments made at or near the time of emergence qualified as Eligible Payments for a period of 180 days (e.g. lump sum emergence payments, stock or restricted stock issued directly in connection with emergence, or the proceeds of a note provided during bankruptcy) at this time, the bankruptcy claim payments being made directly to you are the Eligible Payments to which the Form 8935 will relate. The amount that may be contributed to a Roth IRA is limited to the taxable portion of an eligible payment. In other words, no payments made as contributions to a qualified plan count in the amount that is eligible for contribution to a Roth IRA.

How can I determine my "eligible payment"?

Delta will determine for each individual the amount it believes constitutes an eligible payment. This amount will be reported to you on Form 8935 and be included in the April mailing.

When should I receive my report?

Under the Act, Delta's responsibility is to report to you and the IRS the amount of such eligible payments within 90 days of the payment.

Is there a deadline for making contributions to the Roth IRA?

The Act provides that you must make any contributions to the Roth IRA within 180 days from the receipt of payment.