

# Delta Pilots Pension Preservation Organization, Inc.

Nov. 6, 2004

## ***“HELP! I am confused by the Retiree Medical Options!”***

We have had countless phone calls and emails asking for a better understanding of the medical benefits plans and premiums retired pilots will choose for the 2005 benefits year if the Tentative Agreement is ratified.

The Employee Service Center at 1-800-MY DELTA (1-800-693-3582) has been deluged with questions but not every call has been returned yet because of the volume. Keep trying—they really do return phone calls.

We have assembled some of the basic information you have asked for. DP3, with the help of Chad Ervin, has put some tables and facts from the Delta MEC; the ESC; the Benefits Enrollment package sent to all retirees; and Letter of Agreement #46 and its synopsis. The full text of the TA and the synopsis can be found on the DP3 web site at [www.DP3.org](http://www.DP3.org).

*In a nutshell, if you either select or default to the DPMP, you will pay the premiums associated with the Enhanced Medical Option and the Comprehensive Dental Option. Other choices may have a lower premium.*

I urge you to thoroughly and carefully read the enrollment package, particularly the 6-page “2005 Benefits Enrollment Guide” which is personalized for each employee or retiree. (It’s the one with name printed at the top.) On Page 3 of the Guide you can find the premiums for each level of coverage available to you and your family. Add the premium for the medical benefits you choose to the premium for the dental benefits you choose and the sum is your monthly premium for 2005.

Details of the various coverages, copays, network and out-of-network costs can be found in the 60-page white Benefits Options Enrollment book.

On a related note, ALPA held a road show in Atlanta on Nov. 3 to present TA. You can open this link to watch a videotape of the presentation <http://www.threesquared.com/dalpa/roadshow/>. Highly recommended.

Jim Gray  
Chairman, DP3

**From the synopsis of the Tentative Agreement:**

**Section 25, Insurance:**

The terms of the new Delta Pilots Medical Plan (DPMP) have been restated to conform to the terms of Delta's 2005 Enhanced Medical Option, including Comprehensive Dental Option coverage.

For 2005, a pilot electing the DPMP will receive the same benefits and coverages as are offered through the Company's UHC Enhanced Medical Option and Comprehensive Dental Option, including applicable premiums. A summary of the premiums can be found on Page 3 of the Quick Look Brochure from Delta's Benefits Enrollment package.

Pilots and retirees electing the DPMP who live "Out-of-Area" (a geographic region identified by zip code not covered by the UHC network) will receive the same coverage as described in the Company's Out-of-Area Medical Option, including the Comprehensive Dental Option coverage. The premium schedule will be the same as described on page 2 of the Quick Look Brochure for active pilots from Delta's Benefits Enrollment package.

Retiree medical and dental plan coverage will continue to be offered, at additional cost. Pilots retiring after 1-1-97 will be able to choose from the medical and dental plan options available to active pilots, with associated premiums. The premiums will include a factor for service at Delta prior to retirement, as they do today.

For pilots who are eligible for Medicare and elect the DPMP, the coverage provided will be the Out-of -Area medical plan option in effect for the Company's medical plan offered in 2005, to include premiums.

**This is a message from the MEC:**

Pilots electing the current contractual Delta Pilots Medical Plan (DPMP) should note that, if ratified, the T/A will eliminate the DPMP as it exists today. If the T/A is not ratified there will be no changes to the current DPMP.

The new DPMP will mirror the company 2005 Enhanced Medical Plan Option including applicable active employee premiums as noted below. (Retirees must consult their open enrollment brochures or contact the Employee Service Center at 800-MY DELTA for retiree premiums.) The new DPMP will be a contractual benefit and may not change without negotiation with ALPA - just as is the case with the current DPMP.

If a pilot elects the DPMP during the initial open enrollment period and the T/A is subsequently ratified, he will automatically default into the new DPMP. If he does not wish to continue coverage under the new DPMP, he will have the subsequent confirmation period of November 29 through December 9 to elect an alternative coverage outlined in the 2005 Enrollment Brochure including "no coverage."

### Retiree/Survivor Monthly Base Premiums for 2005

Medical	UHC Standard	Enhanced/DPMP	Out-of-Area	High Value
Participant <65	\$413.70	\$569.46	\$463.42	\$171.06
Participant >65	\$176.040	\$176.04	\$176.04	\$68.32
Child	\$203.80	\$270.74	\$226.72	\$91.44

Dental	Preventive	CIGNA Dental	Comprehensive
Employee	\$10.64	\$17.57	\$34.14
Employee & Spouse	\$21.82	\$35.62	\$69.54
Employee & Children	\$30.58	\$48.34	\$77.38
Employee & Family	\$41.82	\$53.52	\$112.72

### DPMP Medical Option Monthly Premiums (including Comprehensive Dental Option)

2005	Employee	\$134
	Empl + Spouse	\$287
	Empl + Child	\$230
	Empl + Family	\$382
2006		34% of total projected costs for 2006
2007		37% of total projected costs for 2007
2008+		40% of total projected costs for 2008

### DPMP Out-Of-Area Medical Option Monthly Premiums (including Comprehensive Dental Option)

2005	Employee	\$79
	Empl + Spouse	\$166
	Empl + Child	\$135
	Empl + Family	\$221
2006		25% of total projected costs for 2006
2007		28% of total projected costs for 2007

2008+	31% of total projected costs for 2008
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### Retiree DPMP Monthly Premiums for 2005

Age at Retirement	Completed Service at Retirement	Premium
=>60	=> 10 years	22%* of base premium
=>60	<10 years	Base Premium x (1-Service/25) + 22%* of Base Premium.
		In no case will the retiree premium exceed 100% of Base Premium
=>50 but <60	=>25 years	< 60 100% of Base Premium
		=> 60 22%* of Base Premium
=>50 but <60	<25 years	< 60 100% of Base Premium
		=> 60 Base Premium X (1-Service/25) + 22%* of base premium
		In no case will the retiree premium exceed 100% of base premium

\*The percentage will be 25% for 2006, 28% for 2007, and 31% for 2008 and 33% for each year thereafter.

Note: Additional premiums for 2008 and beyond may be required by application of the "150% cap."