

**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 "emails" which is under the "NEWS" button at the top of the home page.**

**Contact Question –**

*Has anyone researched how we can recover FICA tax we paid on imputed income (refer to final paycheck and form letter dated 4/25/03) that was an actuarially determined lifetime value of the non-qualified monthly benefit? It seems to me we should have some recourse on this issue since we will no longer be receiving the non-qualified benefit. I have contacted Employee Service Center and they had no immediate answer, but have a specialist working on it.*

**DP3 Answer:**

The final pay check from Delta typically reflects a deduction for FICA and Medicare based upon the imputed income of the future stream of non-qualified benefits. If the annual FICA maximum already has met at the time the pilot retires, the FICA deduction is nil. However, there is not a limitation on Medicare taxes; therefore, the pilot will pay 1.45% on the imputed present value of anticipated future non-qualified benefits over his or her expected life span. In my opinion, the Sept 1st retirees have a good argument for recovering the Medicare tax on benefits that they will never receive. Pilots who retired in 2005 may be able to reduce the Medicare taxes (and FICA if applicable) to reflect only non-qualified benefits that were received prior to termination of non-qualified benefits.

Delta could easily reverse Medicare taxes that have been paid during the current calendar year; however, I doubt if Delta will move to do so until the elimination of non-qualified benefits is finalized beyond appeal.

Pilots who retired before 2005 may have a difficult battle in recovering Medicare taxes (and FICA if applicable) because a current year account for these deductions does not exist.

We discussed having attorneys/CPA's look into the issue of the possible recovery of Medicare and FICA taxes. After we receive an opinion, we may want to approach Delta about the recovery of Medicare/FICA for all pilots who retired with a non-qualified benefit. We may want to wait until termination of the non-qualified benefit is finalized. The 2005 retirees may want to contact Delta now in hope of reversing any excess Medicare/FICA taxes before the end of the calendar year.

**Contact Question –**

*Given the importance of the issues currently before DP3, have you considered sending a letter to all retired pilots apprising them of the DP3 efforts and the need for their support? I am hearing many reports of retired pilots who are not aware of DP3...many of which I am sure would join once they become familiar with the organization. Thanks for all of your hard work*

**DP3 Answer:**

DP3 has been trying to get access to retired pilots for over two years. Delta and ALPA have refused to give us names because of privacy issues. We have been relying on word of mouth to get new members and the help of several retired pilots who have email server capabilities. Until DP3 is appointed the legal representative of the retiree's for 1114 proceedings, we will have to continue to rely on our members to pass the word. Thanks for your support.

**To read previous DP3 emails, select "News" at the top of the home page, then select "emails."**

### **Contact Question –**

*I am 66 years old and retired a number of years ago after a car accident and lost my medical. I currently receive two retirement checks. One from the DAL Pilots Retirement Trust and one from the DAL Pilots Disability Survivorship Trust. I did take lump sum. I have not been able get any information if the DAL Pilot D Trust has a qualified unqualified portions, and if it comes under the PBGC if Delta voids the pensions. Could you help me with this?*

#### **DP3 Answer:**

The pilots retirement trust fund and the Pilots Disability and Survivorship fund are two distinct funds.

Qualified pensions come from the retirement trust fund and the nonqualified pensions come from current earnings of Delta.

If the pilots pension plan is turned over to the PBGC and the qualified pension is reduced, your reduction may be made up by an increase from the D&S plan. We won't know for sure until everything is sorted out.

### **Contact Question**

*Can you direct me to someone that might help me out? I am an active employee (out with back injury, but still an employee). My Dad is a retired pilot.....former Western pilot....never actually flew for Delta because he retired in 1977, but considered a DAL retiree. How does his pension fit into all of this and how is he protected? We cannot seem to find out anything about his particular group. I have assumed they are completely separate, but need to find out for sure to be safe.*

#### **DP3 Answer**

Your father's pension benefit from Western should not be affected by the Delta bankruptcy. Medical benefits and insurance could possibly be changed under Section 1114 proceedings; however, Delta has not yet addressed these issue for retirees.

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