

## **Frequently Asked Questions: Equity Claim Distribution for Retirees**

### **How do I find out how many shares I will receive?**

You should have received information on the estimated value of your claim from Delta in January.

### **How did my claim amount translate to XX many shares?**

A person holding a general unsecured claim of \$10,000 against Delta (in Delta Classes 4 and 5) would receive an initial distribution of approximately 225 shares of new common stock in the reorganized Delta Air Lines.

Net distributions for Delta retirees generally will be smaller on account of withholding obligations. For 1114 claims, this means that some shares were withheld (and monetized) to pay applicable local, state and federal income taxes and social security and Medicare.

For non-qualified claims, shares were withheld to pay local, state and federal income taxes.

### **When will I receive the distribution of my claim?**

In the event you have a claim that has been allowed at this time, we expect that you will receive a distribution in early June. However, it's important to note that under Delta's Plan of Reorganization, claim distributions may not be completed all at one time, so you may get your an initial distribution followed by a final distribution at a later date.

### **Why is my claim not being paid all at once?**

As outlined in Delta's Plan of Reorganization, claim distributions may not be completed all at one time, so you may get an initial distribution followed by a final distribution at a later date.

### **When will I get receive subsequent distributions?**

As outlined Delta's Plan of Reorganization, persons (or entities) who receive an initial distribution do NOT receive a subsequent distribution until the end of the case (when all outstanding claims are resolved). However, it is possible that you may receive your final distribution sooner.

### **How much will my shares be worth?**

The price of the shares is set by the market. Delta's shares will trade on the New York Stock Exchange and you will be able to track Delta's stock performance online.

**How do I know which class I'm in?**

The letter you received from Delta with your voting materials will tell you which Class of Creditors you are in.

Class 4	General Unsecured Claim against Delta over \$100,000 (non-qualified pension, 1114/medical benefits)
Class 5	Non-convenience Class Retiree Claims Against Delta between \$2000-\$100,000 (non-qualified pension, 1114/medical benefits)
Class 6	Convenience Class (<\$2000) claim against Delta

**If my claim is classified in the convenience class, when will I receive a distribution?**

If you have an allowed claim that is under \$2000, you are a convenience class claimant. You will receive your full and final cash distribution in early June.

**Distribution of Shares****How will my distribution be made?**

Your distribution will be made in accordance with Delta's Plan of Reorganization and provisions set forth for the class of your claim.

- If you are in Class 5, which you had the option to receive equity or cash and you elected to have your claim distributed in equity, your net shares will be deposited into the individual brokerage account we have set up for you with Fidelity.
- If you had the option and elected to have your claim paid in cash, you will receive a check directly from Delta.

**If I elected to take shares, am I able to sell or trade them immediately?**

Yes, once the shares are deposited into your account you are free to sell/trade them.

**How do I know if I have a Fidelity Account®?**

A Fidelity Account® will be set up for you if you have an allowed claim that is being paid to you in equity. You do not need to do anything to set up this account, but you will need to activate it.

**How do I access my Fidelity Account®?**

You will be receiving a detailed communication from Fidelity Investments® regarding how to login and access your account. You should be receiving this information in mid-May.

**I tried to access my brokerage account and it was not there or my shares were not there. What should I do?**

Please contact Fidelity at 1-800-544-6666.

**Do I have to pay for my Fidelity Account®?**

Delta will pay the yearly maintenance fees for the account for as long as you have it. However, you will incur commissions and fees from Fidelity® if you decide to trade your stock or purchase additional securities. You can view the Fidelity Commission and Fee Schedule on Fidelity.com or you can call a Fidelity representative for more information.

**Taxes**

**How are taxes being handled?**

You will receive a net distribution either in equity or cash depending on your class treatment or election. This means that Delta will have withheld the taxes for you. If you are receiving equity, shares will be withheld to cover your tax withholding obligations. If you are a member of a class that was given the option of receiving cash proceeds rather than shares, and you have elected to receive cash, Delta will withhold taxes from the cash proceeds.

**What taxes were deducted from my distribution?**

- If you have a non-qualified pension claim, we deducted applicable local, state and federal income taxes.
- If you have an 1114 benefits claim, we deducted local, state, and federal tax, plus Medicare and Social Security taxes.

**Will I get an itemized statement of shares and taxes withheld for each distribution?**

Yes, you will get an itemized statement, in the form of a check stub, of the value of the shares distributed and withholding taxes from Delta shortly after the distribution is made to you.

**Will I get a Form 1099 or W-2 from Delta?**

You will receive a W-2.

**If my claim gets distributed in shares, what do I report on my 2007 income tax return?**

You should report the amount of wages reported you to on the W-2 form you receive from Delta. In the event you sell your shares, you may have a capital gain or loss that will need to be reported to the IRS and you will get the necessary paperwork from Fidelity for your annual tax return.

However, in the event that you sell your shares, you may have a capital gain that will need to be reported to the IRS and you will get the necessary paperwork from Fidelity for your annual tax return.

**Is there an appeal process for claim eligibility or amount?**

No, the date to do so has expired.

**Is there an appeal process for taxation?**

No. Any adjustments that need to be made as it relates to tax withholding on this distribution will have to be reconciled via your 2007 tax returns.

**My income is so low that I do not file a tax return. Will I need to notify Delta of this so they do not withhold taxes?**

No. You will reconcile any adjustments that need to be made as it relates to tax withholding on this distribution by filing a 2007 tax return.

**I think Delta used the wrong state to calculate my taxes. How can I get this fixed?**

Delta used the tax rate from the state listed as your permanent mailing address. If this is incorrect, please contact the Employee Service Center and your future distributions will reflect this new information.

However, any adjustments that need to be made as it relates to tax withholding on this distribution will have to be reconciled via your 2007 tax return.

**If I elected to pay the withholding taxes on my claim, how will these be calculated?**

The **gross number of shares** that will be provided to you were based on the initial distribution calculations and your scheduled claim value. Once the gross number of shares was determined, they were then valued based on the stock price of Delta common stock on May 3<sup>rd</sup>, 2007, \$20.72 and using this total value amount, the respective withholding taxes have been calculated for the following:

**Social Security** – You were taxed at a rate of 6.2% for social security. If your allowed claim is related to a Pilot Non-Qualified Settlement, you were not subject to social security taxation. In addition, if the share value is greater than \$97,500, you will only be subject to social security taxation up to that amount. The amount above the \$97,500 is not subject to social security taxation.

**Medicare** – You were taxed at a rate of 1.45% for Medicare. Again, if your allowed claim is related to a Pilot Non-Qualified Settlement, you were not subject to Medicare taxation.

**Federal** – If your allowed claim was between \$2,000 and \$100,000, you were taxed at a flat-rate of 15%. If your allowed claim is greater than \$100,000, you were taxed at a flat rate of 25%.

**State** – You were taxed at the supplemental rate associated with your state of residence.

Remember, you will receive the total **gross shares** into your Fidelity Account only if you elected to do and properly submitted your payment to cover withholding taxes. The payment must have been received by May 17, 2007.

Anyone receiving a check from the retiree cash elect or convenience class, will receive net funds after the proper tax withholdings are made by Delta on your behalf.