

## **Delta to File for Termination of Pilots' Defined Benefit Pension Plan-- *Urges continued support for pension reform legislation***

Delta today confirmed to ALPA, Delta pilots, congressional conferees and other leaders on pension reform that on Monday, June 19, Delta will be filing a notice of intent to terminate the Delta Pilots Retirement Plan. The proposed termination date is September 2, 2006. This likelihood was recognized in recent negotiations by both Delta and ALPA because of the pilot plan's unaffordable costs – expected to exceed \$1 billion in the near term alone – even if pension legislation is passed. Unfortunately, it would be impossible for the company to successfully reorganize and emerge from bankruptcy while meeting the plan's costs.

As it prepares to file the notice of intent to terminate the pilot plan, the company thought it was important to communicate to congressional leaders what it is doing and why, while making certain that it is clearly understood that pension reform legislation containing the airline-specific provisions could still help save the defined benefit plan for Delta's 91,000 other active and retired ground employees and flight attendants, and remains urgently needed.

[Read the letter](#) that Jerry Grinstein delivered today to congressional conferees and other leaders on pension reform.

### **Questions and Answers**

#### **Q1: Does this mean that the pension plan for ground employees and flight attendants will be terminated?**

A1: This step does not represent any change in our commitment to working to save Delta's other defined benefit pension plan covering 91,000 active and retired flight attendants and ground employees. This plan does not have the same level of projected costs as the pilot plan.

#### **Q2: Will the passage of pension reform legislation being considered now by Congress – including the airline-specific provisions as passed by the Senate – make it possible for the pilot defined benefit plan to be saved?**

A2: Unfortunately, no. In large part due to the plan's lump sum feature, costs resulting from the pilot plan likely would exceed \$1 billion in the near term alone, even with pension reform.

#### **Q3: Is it still important to support pension reform legislation?**

A3: Yes, very important. Without legislative relief, our pension funding obligations for the non-pilot defined benefit plan also are unaffordable. Pension reform legislation that includes the 20-year extension of funding obligations for airlines would provide greater help in our efforts to maintain the non-pilot plan. For us to be able to achieve that goal and plan for our financial needs and proceed with our restructuring on a timely basis, pension reform legislation with the Senate airline funding rule must be in place soon.