



January 16, 2023

23-13

**Negotiators’ Notepad 23-13: C2019 Section 26 – Retirement & Disability Benefits**

This Negotiators’ Notepad will discuss the details of various changes to **Section 26** of the PWA in the Tentative Agreement (TA). This Notepad should be read in conjunction with the entire series of C2019 Notepads which will be made available at the [Contract 2019 website](#), along with the [TA Reference document](#), as you educate yourself in preparation to make an informed decision when the membership ratification window opens.

**Retirement**

**Increased Company-funded 401(k) Defined Contributions**

Currently, Delta pilots 401(k) retirement plan is funded by a 16% Defined Contribution (DC) based on a pilot’s eligible earnings. Under the agreement, the Company DC contribution will increase as follows:

- January 1, 2024 = **17%**
- January 1, 2026 = **18%**

This chart illustrates how the pay rates that were negotiated in **Section 3** compound with the additional DC contributions over the term of this agreement.

Year	Avg. Rate*	Avg Annual Pay	Annual DC	DC Contribution	DC Increase
<b>A330 Captain</b>					
2022	\$335.78*	\$342,496	16%	\$54,799	---
2023	\$417.54	\$425,890	16%	\$68,142	<b>\$13,343 (24.3%)</b>
2024	\$438.42	\$447,188	17%	\$76,022	<b>\$21,222 (38.7%)</b>
2025	\$455.96	\$465,079	17%	\$79,063	<b>\$24,264 (44.3%)</b>
2026	\$474.20	\$483,684	18%	\$87,063	<b>\$32,263 (58.9%)</b>
<b>A320 Captain</b>					
2022	\$281.27*	\$286,894	16%	\$45,903	---
2023	\$337.97*	\$344,731	16%	\$55,157	<b>\$9,254 (20.2%)</b>
2024	\$356.43*	\$363,560	17%	\$61,805	<b>\$15,902 (34.6%)</b>
2025	\$371.13*	\$378,552	17%	\$64,354	<b>\$18,451 (40.2%)</b>
2026	\$387.64*	\$395,392	18%	\$71,171	<b>\$25,267 (55.0%)</b>

\*Weighted average rate based on projected fleet composition

**Market Based Cash Balance Plan (MBCBP)**

Delta’s commitment to establish an optional

MBCBP was negotiated back in 2020 under **LOA 20-04**. There have been several technical hold-ups with the plan’s implementation related to receiving the proper IRS and Treasury approvals. The “Plan Document” for the MBCBP has been fully completed, and is ready for submission to the IRS for determination. The restrictions in place under the Pension Protection Act of 2006 (PPA2006) are set to expire in October of 2023, and the MBCBP may be implemented at any time after that date.

With the increases to compensation and DC contributions under Contract 2019, the MBCBP will provide a valuable additional benefit as “401(k) Excess” payments, which are taxed at a pilot’s highest marginal tax rate, are expected to soar under the agreement. Please watch for more information in the coming months as we near the implementation of the MBCBP.

### **Non-qualified Deferred Compensation Plan (NQDC)**

During the term of this agreement, the Company has agreed to work with the Association to establish a new “NQDC” plan (or “Top hat” plan) that would allow *pilots who elect to do so* the *option* to defer a portion of their income, in addition to the 401(k) and MBCBP. More information about this *optional* plan will be published in the future.

### **Disability Benefits**

#### **Increased Medical Leave Period**

As discussed in **Section 13**, the agreement has increased the 10-year medical leave period to 15 years before a pilot is removed from the seniority list. In addition to increasing the time-period for removal from the seniority list, the TA will allow:

- After 10 years of continuous medical leave, a pilot:
  - will have the *option* to request to be removed from the seniority list (no differently than if removed after 10 years under the current PWA), and
  - if removed following such request, will not be subject to disability verification, and will not have their disability benefits impacted solely due to being removed from the seniority list.
  - If they do not request to be removed from the seniority list, the pilot will have an additional 5 years to regain their medical certificate and return to active flying status, but may be required to continue to provide disability verification during that time.

#### **Disability Payment Floor**

This agreement establishes a minimum monthly disability benefit based on FAE calculation equivalent to no less than 83.33 hours/months (1000 hours annual) pay at applicable 1st year FO pay rate. The minimum monthly disability benefit on March 2, 2023 will be \$4,514/month, or \$54,170/year.

Any pilot currently on disability who became disabled in their first 365 days of employment will have their benefit adjusted up to the new floor, if it is currently less.

#### **Enhanced Disability Bank**

Currently, a pilot does not have access to their Enhanced Disability Bank until either:

- After exhausting their DPMA benefit, or
- If not a member of DPMA, after having been on disability continuously for 12 months.

This agreement now provides a pilot on disability access to their Enhanced Disability Bank after exhausting their sick leave, but *prior to* using their DPMA benefit. A pilot may view their Enhanced Disability Bank balance in the HR Self Service page in DeltaNet.

### **Disability Benefit Restrictions on Psychiatric Disabilities**

Under the agreement, the disparate treatment between pilots suffering from psychiatric disabilities and pilots with a physical disability has finally been eliminated. Currently, a pilot who becomes disabled resulting from any type of psychiatric disability is limited to a 30-month consecutive/54-month lifetime restriction on benefits. This agreement has removed this exception and pilots with psychiatric disabilities will now be eligible for the full disability benefit – no differently than a pilot with a physical disability – until reaching mandatory retirement age.

### **FAA-Required Invasive Procedure**

This agreement has deleted the 7-year limitation on disability benefits for a pilot who refuses an invasive procedure required by the FAA. For example, a pilot is disabled with a heart valve issue, and the pilot is required to undergo a procedure to insert a stent in order for the FAA to reissue their medical certificate. However, the pilot's personal medical doctor determines that the risk of the procedure is greater than the risk of blockage, and therefore the doctor does not recommend a stent at this time. This would be an invasive procedure and if the pilot elected to not do it, their disability would currently end after 7 years. The agreement has removed this exception, and the pilot would now be able to remain on disability until reaching mandatory retirement age if they chose not to undergo this invasive procedure required by the FAA to obtain their medical certificate.

### **Conclusion**

*Please take the time to read the entire series of Notepads that will be provided to you, share the material with your families, attend one of the road shows, and ask as many questions as you need to ask. LEC Representatives will be available in lounges to help answer any questions you may have. In addition, please review the latest information and FAQs at [dal.alpa.org](http://dal.alpa.org), or submit questions to [DeltaTAQuestions@alpa.org](mailto:DeltaTAQuestions@alpa.org).*

Fly Safe,  
Eric, Brandon, and Rich