



# 2021 Summary Annual Report

## Delta Pilots Mutual Aid

This is the Delta Pilots Mutual Aid (“DPMA”) Summary Annual Report for the 2021 plan year, which is published annually to satisfy our Department of Labor regulatory obligations. We also take the opportunity to update the membership regarding the most substantial events from the previous year. 2021 was a challenging year for DPMA as we began recovering from the challenges of the COVID pandemic. In 2021, DPMA provided support for over 670 Delta pilot members and paid over \$21,000,000 in benefits to our members.

DPMA remains committed to serving our members through pilot volunteers who serve as members of our Board of Trustees, as well as employing the finest staff to run our daily operations. In the wake of the COVID pandemic, our recently hired Director of Operations positioned DPMA to be able to function in a hybrid business model in our corporate office or working remotely. Should we find ourselves in a position in the future where health concerns cause businesses to work remotely, we are prepared to do so. We remain prepared to pay our disabled members on time, regardless of unforeseen circumstances that create turbulence for the business community.

In late 2021, DPMA noticed an increase in payouts resulting in a decrease in the overall financial supply for DPMA members and therefore, elected to increase the member dues rate from 40 basis points to 50 basis points effective January 1, 2022. The information concerning this decision was disseminated to the pilot group in January 2022.

In July 2022, the Board of Trustees voted to increase the dues rate from 50 basis points to 69 basis points, effective September 1, 2022. This increase was based on several factors. First, the current benefit payouts are outpacing actuarial modeling (by greater than two standard deviations). DPMA is averaging over \$460,000 in negative cash flow per month. In June, July and August of 2022, our payouts to Delta pilots exceeded \$2,000,000 per month. Secondly, the number of disability claims has increased as well as the duration of being out on disability. The increase in duration of claims is most significant. The average claim is lasting 45 days longer than historical records as well as forecasting models, due largely to increased time required to medically return a pilot to work. Finally, the impact from a lack of profit sharing is significant. We have not received any profit-sharing income to the fund since February 2020, yet our benefit computations use a three-year lookback to determine benefit payments. The Board voted to raise the dues rate instead of decreasing the benefit to members who are out on disability or to those who will need their benefit in the future. The increase in the dues rate equates to a \$1.90 increase in dues for every \$1,000 in income.

DPMA remains vigilant in monitoring the need for disability income and survivor benefits, and we carefully make adjustments in order to meet the financial needs of the Delta pilot members (98.7% of Delta pilots are members of DPMA). We choose to make conservative, judicious changes rather than larger ones. Going forward, there may be a new pilot working agreement, the return of profit sharing, and decreased demand that may allow for another assessment of the required dues rate. In the interim, we are making adjustments to ensure funds are available for the anticipated demand in the next several years. We contract with external partners to help us assess needs of members including actuaries, investment advisors, fund managers, ERISA and contract attorneys, accountants, and auditors. The Board of Trustees will continue to monitor the monthly financial data of the plan.

I'd like to thank our Trustees, Director of Operations and our professional staff for their work in making the transition to and from disability as seamless as possible for our members. As always, I am happy to talk with or meet any Delta pilot member and discuss our operations.

This is a summary of the annual report of the DELTA PILOTS MUTUAL AID, EIN 58-2308503, Plan No. 501, a disability and death benefits plan, for the period January 1, 2021, through December 31, 2021. The annual report has been filed with the Employee Benefits Security Administration, as required under the Employer Retirement Income Security Act of 1974 (ERISA). Delta Pilots Mutual Aid has committed itself to pay certain disability claims incurred under the terms of the plan.

### **Basic Financial Statement**

The value of plan assets, after subtracting liabilities of the plan, was \$32,481,134 as of December 31, 2021, compared to \$35,108,728 as of January 1, 2021. During the plan year, the plan experienced a decrease in its net assets of (\$2,627,594). This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$20,465,655, including member contributions of \$17,255,449, net appreciation in fair value of investments of \$1,967,477 and earnings from investments of \$1,242,729. Plan expenses were \$23,093,249. These expenses included \$21,639,905 in benefits paid to participants and beneficiaries and \$1,453,344 in administrative expenses, of which \$425,712 was paid by Delta for the Delta Pilots Mutual Aid/Former Northwest Airline Pilots (DPMA/FNWAP) program, as required by the Pilot Working Agreement (PWA).

### **Your Rights to Additional Information**

You have a right to receive a copy of the full annual report, or any part thereof, on request. These items are included in that report: 1. An accountant's report; 2. Financial information and information on payments to service providers; 3. Assets held for investment; 4. Fiduciary information, including non-exempt transactions between the plan and parties-in-interest (that is, persons who have certain relationships with the plan); and 5. Transactions in excess of 5% of the plan assets. To obtain a copy of the full annual report, or any part thereof, write or call the Plan Administrator at the DPMA Office: DELTA PILOTS MUTUAL AID, P.O. BOX 20883, ATLANTA, GA 30320.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of the income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statement and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan located at 100 Hartsfield Centre Parkway, Suite 630, Atlanta, GA 30354 and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.



Steve Bruce  
Chairman

ATTENTION: If you speak English, language assistance services, free of charge, are available to you. Please contact the office at [membership@dpma.org](mailto:membership@dpma.org).

ATENCIÓN: si habla español, los servicios de asistencia lingüística, sin cargo, están disponibles para usted. Por favor, póngase en contacto con la oficina en [membership@dpma.org](mailto:membership@dpma.org).

注意：如果您會說中文，可免費獲得語言協助服務。請通過[membership@dpma.org](mailto:membership@dpma.org)與辦事處聯繫。

PAALALA: kung Togolog nagsasalita ka , wika pagtulong na mga paglilingkod , nang walang bayad , ay magagamit sa inyo . pakiusap pagkalapat ng katungkulan sa [membership@dpma.org](mailto:membership@dpma.org) .

DII BAA'AKONiNiZIN: Dine' (Navajo) bizaad bee ya'n ihi'go, saad bee aka'anida'awo'igii , t'aa jiik'eh , bee na'aho'o't'i'. T'aa shoodi dadii'niigo Doodaii [membership@dpma.org](mailto:membership@dpma.org)