



**DELTA WANTS YOU TO HAVE THE FACTS**

HERE'S A SIDE-BY-SIDE COMPARISON OF DELTA'S 401(K) VS. THE IAM NATIONAL PENSION FUND:

	<b>DELTA'S 401(K) PLAN (DEFINED CONTRIBUTION)</b>	<b>IAM NATIONAL PENSION FUND (DEFINED BENEFIT)</b>
<b>Can you take it with you?</b>	The money you and Delta put in the 401(k) is yours to keep regardless of which department your career may take you to or if you ever choose to leave Delta.	Benefits freeze if an employee switches to a department that does not participate in the Fund or leaves the company for an employer that does not participate in the Fund.
<b>Can you get at it while working?</b>	Delta's contribution is yours to keep after a two-year vesting period. You can access the funds through the plan's loan procedures.	The vesting period typically is five years. You cannot access the money until you retire.
<b>What are your payout options?</b>	When you retire, you can take a lump sum payout or a monthly amount.	The Fund typically only provides a monthly benefit; there is no lump sum payout unless your total pension value is \$10,000 or less.
<b>Who decides?</b>	You decide how your money is invested.	All investment decisions are made by the trustees of the Fund.
<b>How Do You Earn Benefits?</b>	Delta matches your savings, giving you more ways to save money towards retirement - Delta automatically contributes 2% for every employee and matches up to an additional 5%. So if you put in 5%, the total contribution to your 401(k) account is 12%.	Flat-rate benefits typically are based on number of years worked AFTER the employer begins participating in the Fund, and on the amount the employer agrees to contribute. Northwest agreed to contribute 5% of pay on average for each participating employee.

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**What's Wrong With This?**

The leaflet above says that Delta wants you to have the facts. That's not exactly true. They want to convince Delta and Northwest workers that their 401k plan is superior in value to the IAM National Pension Plan (NPP) as a retirement plan. But the facts just don't add up for them.

1- In the real world, here are some of the problems with depending on just a 401k plan for a secure retirement, according to the Employee Benefit Research Institute. They say most workers can't afford to make sufficient contributions to a 401k and many don't participate at all (45% at Southwest Airlines). Most workers also don't make regular contributions throughout their careers. Most workers don't have the training to invest well or don't keep close track of their investments.

- Many workers borrow large amounts from their 401k (with heavy penalties) and never pay it back. Three quarters of those who change jobs "cash out" and never replace the money.
- 2- The U.S. Government reports that the median 401k balance for those of retirement age is \$50,000. This would fund a monthly payment of \$326 for 22 years for a total benefit of \$97,000. By comparison, the NPP would pay a Northwest/IAM member over \$900/month for life at the present benefit rate for a total benefit of over \$200,000 after 22 years. At USAirways, IAM baggage handlers have been in the NPP longer than Northwest workers. Workers there with 20 years service in the NPP can retire with a monthly payment for life of \$1614.
- 3- 401k plans carry much more risk for the individual worker than the NPP. With the economic crisis, many workers have seen their 401k plans go up in smoke, losing 40% or more of their value in just a year. The NPP is funded to 95% even with the recent turmoil of the financial world. The NPP is insured by the Pension Benefit Guarantee Corporation. It is managed by investment professionals and advised by actuaries, auditors and lawyers. Return on investment is 13% since 1980. The NPP takes the risk, not the worker. (See page 1-Pension Story)