



ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO

*Northwest Master Executive Council
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October 16, 2009

Richard Anderson
Chief Executive Officer
Delta Air Lines, Inc.
PO Box 20706
Atlanta, GA 30320-6001

Dear Mr. Anderson;

We are writing to inform you of an important bill that has been introduced into the United States Congress and to ask you to join the Business Coalition for Benefits Tax Equity. There are many large employers who have already signed on in support of this legislation. We are confident, once you review the information, you will agree that this is an excellent opportunity for Delta to show its support in this important progress in Federal Law. The law would directly effect on many of Delta's employees, eliminate administrative tax burdens, enhance Delta's corporate reputation as a champion of workplace fairness, and would drive the recruitment and retention of fair-minded, dedicated employees.

The Tax Equity for Health Plan Beneficiaries Act (DP Tax) (**S. 1153, H.R. 2625**) has been introduced before Congress. The legislation would end the tax inequities that currently apply to employer-provided health insurance for domestic partners. Currently, the Internal Revenue Code excludes from income the value of insurance premiums and benefits received by employees for coverage of their spouse and dependents; but this treatment does not extend to coverage of domestic partners. As a result, employees are taxed on the coverage provided to their partners, but have no additional income to cover this tax burden. In addition, the value of domestic partner benefits is included in the employee's wages for the purpose of calculating payroll taxes, thus increasing both the employee and employer's payroll tax obligations. This is a significant financial burden for many employees enrolled in Delta or Northwest Airlines' health care plans.

DP Tax would end the taxation of benefits provided for domestic partners and other non-spouse beneficiaries under employers' health plans. The bill would exclude the value of employer-provided health insurance for a domestic partner or other non-spouse beneficiary from an eligible employee's income, just as it does for benefits provided for a spouse or dependent. This legislation does not mandate that employers provide coverage to non-spouse beneficiaries; nor does it establish criteria for determining which beneficiaries qualify. This remains the province of the employers themselves. The bill simply eliminates the unfair taxation of benefits that employers choose to provide.

The bill would also make clear that domestic partners or non-dependents can be included in pre-tax cafeteria plan elections, permit Voluntary Employee Beneficiary Associations (VEBAs) to provide full benefits to domestic partners and non-dependents, and extend Health Related Savings Accounts to cover domestic partners and other non-dependents.

DP Tax was introduced to the 111th Congress by Representatives Jim McDermott (D-WA) and Ileana Ros-Lehtinen (R-FL) in the House and by Senator Chuck Schumer (D-NY) in the Senate. The provisions

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of this bill have been included in proposed amendments to the health care reform bill and are currently being debated in Congress, so this is an excellent time for our corporate leadership to weigh in on this important matter.

There are many sound business reasons to join the Coalition:

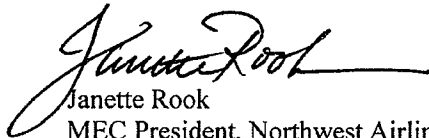
- Businesses should not be taxed for providing the health insurance benefits that an increasingly diverse workforce needs.
- Eliminating the tax on domestic partner benefits will save employers additional payroll taxes on same and different sex partner benefits, accounting for substantial cost savings over time.

It will also relieve the administrative burdens of:

- Calculating the imputed value of domestic partner benefits for each health plan a company offers;
- Coordinating enrollment elections with payroll to ensure proper administration;
- Updating human resources information systems to account for the different tax treatment of some employees; and
- Updating other systems to assess taxes on other monetary benefits.

We hope you will carefully consider stepping out as a leader for our industry and join the long list of corporate members of this coalition in this initiative for fairness at work for all employees.

Sincerely,



Janette Rook
MEC President, Northwest Airlines
Association of Flight Attendants-CWA



Bryan Bennett
SEA Flight Attendant, NWA/DAL
Association of Flight Attendants-CWA Member

Enclosures

Cc: NWA AFA Master Executive Council
Albert Garcia, NWA AFA Government Affairs Chair
Mike Becker, COO Northwest Airlines, Inc

JR/kjc