

On February 1, 2005 the Pension Benefit Guaranty Corporation (“PBGC”) was designated as the trustee of the Retirement Plan for Flight Attendants in the Service of US Airways, Inc. This agency is now responsible for paying your pension benefits. The PBGC calculates the Pension Plan benefit according to the provisions of the Pension Plan in effect on the date of the plan termination, January 10, 2005. The Pension Plan calculation is then adjusted as required by PBGC guidelines.

DISCLAIMER

Flight Attendants should contact the PBGC (Phone 800-400-7242 – Website is www.pbgc.gov) for information regarding their pension benefits. You must notify US Airways at least 30 days before your intended retirement date. Notification that you are retiring from US Airways can be found on TheHub. You may rescind your retirement by notifying US Airways at least 15 days before your intended retirement date.

This booklet contains basic information and is provided as a general guide to your pension and insurance benefits. The examples used in this booklet may not apply to your situation and should not be relied on when making retirement decisions. The information and materials provided herein are for background and educational purposes only. Information contained in this booklet is subject to change.

US Airways Flight Attendant Retirement

*Flight Attendants must contact the PBGC at 800-400-7242 for specific information.
This basic information is provided as a general guide.*

1. How are my Flight Attendant Final Average Earnings Calculated?

US Airways

Average of **any three** highest paid full calendar years in **last 10 years** of service.
(ending December 31, 2004) ^{1,2}

Piedmont

Average earnings of **36 consecutive** highest-paid months of service out of **last 120 months**.

PSA

Average earnings of **five consecutive** highest-paid calendar years of service out of the **last 10 years**.

Shuttle

Freeze date March 31, 1999.

Greater of Formula A or Formula B as follows:

Formula A

(a) 1.45% x "Annual Earnings" (up to \$7,000) x Years of Credited Pension Service" (up to 35 years); PLUS

(b) 1.75% x "Annual Earnings" (in excess of \$7,000) x Years of "Credited Pension Service" (up to 35 years); PLUS

(c) 1.75% x "Annual Earnings" x Years of "Credited Pension Service" over 35 years.

Formula B

\$33 x Months of "Credited Pension Service"

¹ Final average earnings include contributions to 401K, flex-spending and lump sum payment of May 2000 contract. Final average earnings do not include meal, uniform and moving expenses, imputed income or any deferred compensation receiving in lump sum.

² US Airways Flight Attendant who is on a medical leave of absence within during the last five years before retirement, or has left US Airways, your earnings for each month of the medical leave will be based on your average monthly earnings during the last 12 months of service before your authorized medical leave began.

2. How many years are required for vesting? What is the maximum amount of Credited Service that can be earned?

US Airways

Vesting after 5 years of Service. Maximum – 30 years of Credited Service

Piedmont – prior service

Vesting after 5 years of Service. Maximum - 30 years of Credited Service.

PSA – prior service

Vesting after 5 years of Service. Maximum – 30 years of Credited Service

Shuttle

Vesting upon completion of five years of Service. (Eligible former Eastern Employees became participants on June 7, 1989.)

3. How are my Years of Credited Service Calculated?

All Credited Service is calculated as of plan termination date January 10, 2005.

US Airways

Credited Service is your service with US Airways while eligible under the Plan for accrued benefit calculation purposes. Credited Service includes:

Active Service with US Airways as an eligible employee

Involuntary furloughs for up to three years, providing you return to active service when recalled. However if your employment status changed from “terminated” to “furloughed” as a result of a partial grievance settlement effective April 30, 2002, you will not be credited with Credited Service for that furlough.

Voluntary furloughs under a voluntary furlough program for the duration of such absence (or until you elect to retire, if eligible)

Authorized medical leaves of up to three years

Authorized personal leaves of absence up to 180 days; and

Military leave while your reemployment rights are protected by law.

Piedmont.

Full year of Creditable Service—worked at least 1,000 hours.

Partial year of Creditable Service—worked between 500 and 1,000 hours.
(ending August 31, 1989)

PSA.

Full year of Credited Service—Participation in the contribution plan. If you chose not to make contributions to the PSA Plan while you were eligible, you'll still receive past service credit for years of non-participation according to the chart below.(ending October 31, 1988)

PSA Non-Participation Service Credit	
1-2 years	1 year
3-5 years	2 years
6-9 years	4 years
10-12 years	6 years
13-15 years	8 years
16-19 years	10 years
20-22 years	12 years
23 years or more	15 years

The sum of PSA Past Service Credit and Credited Service for years of participation cannot exceed 16 years under the PSA Pension Plan.

Shuttle

Credited Pension Service—is expressed as a fraction, with the numerator being the number of paid days of service in a year and the denominator being 365. For example is you work 185 days in a year, you'll earn 185/365 years of Credited Pension Service for that year of 0.501 years of Credited Pension Service⁴.
(Freeze date Match 31, 1999)

4. I was on a Leave of Absence, did I receive Years of Credited Service at US Airways?

Adoption—Yes, up to 180 days, provided the flight attendant returned to work as US Airways at the end of the leave period

Educational Leave—Yes, if leave did not exceed 180 days.

Involuntary Furlough—up to 3 years, provided the flight attendant returns to active service when recalled.

Voluntary Furloughs under a Voluntary Furlough Program – duration of the absence

Maternity—up to first 3 years.

⁴Years of credited service do not include any break in service in which you had no paid days of service beyond 12 months.

Medical Leave—up to first 3 years unless Social Security disabled, then until Social Security is terminated or normal retirement date.

Military—While the flight attendant's re-employment rights are protected under law.

Personal Leave—up to 180 days, provided the flight attendant returns to work at US Airways at the end of the leave period.

5. Is there still a Social Security Offset to my pension benefit?

US Airways

The pension benefit is the greater of the amount calculated under two different formulas for the flight attendants hired prior to May 1, 2000. One of the formulas includes a social security offset, which will be in effect even though the PBGC now administers the pension plan.

The offset is calculated according to the following provisions:

Single—1/2 estimated at age 65 primary social security

Married—1/2 estimated at age 65 primary social security until you and the younger of you and your spouse turn age 62. At age 62, 1/2 estimated family social security benefit.

Hired after May 2000—no Social Security Offset in the formula for flight attendants hired after May 1, 2000.

Piedmont – prior service

The Social Security offset will remain in place. The offset is calculated according to the following provisions:

All—1/2 primary social security at age 62 or retirement date whichever is later.

PSA - prior service

Yes, however the Pension Plan supplements the social security offset prior to age 62; therefore flight attendants will not realize the offset until age 62. The offset is calculated according to the following provisions:

All—difference between the estimated monthly amount of your primary social security payable at age 65 and the estimated primary social security benefit in effect on December 31, 1970 multiplied by 1 2/3% for each year of credited service up to a maximum of 30 years minus 5/9% for each month before age 65 that the offset is in effect.

(Est. primary S.S. @ 65 (–) est. primary s.s on 12/31/70 (x) 1 2/3% credited svc. (–) 5/9% each month before age 65 that offset is in effect).

Social Security Offset Cont'd.

PSA Social Security Offset Multipliers

Years of Credited Service 1 2/3% (1.66666667)

16 years=.266666667	8 years=.133333334
15 years=.250000001	7 years=.116666667
14 years=.233333334	6 years=.1
13 years=.216666667	5 years=.083333335
12 years=.2	4 years=.066666668
11 years=.183333334	3 years=.050000001
10 years=.166666667	2 years=.033333334
9 years=.15	1 year =.016666667

Months prior to age 65--5/9% (.55555556)

36=20	18=10.0000001
35=19.4444446	17= 9.444444452
34=18.8888889	16= 8.888888896
33=18.33333335	15= 8.33333334
32=17.77777779	14= 7.777777784
31=17.22222224	13= 7.222222228
30=16.66666668	12= 6.666666672
29=16.11111112	11= 6.111111116
28=15.55555557	10= 5.55555556
27=15.0000001	9= 5.00000004
26=14.44444456	8= 4.444444448
25=13.8888889	7= 3.888888892
24=13.33333334	6= 3.333333336
23=12.77777779	5= 2.77777778
22=12.22222223	4= 2.222222224
21=11.66666668	3= 1.666666668
20=11.11111112	2= 1.111111112
19=10.55555556	1= .55555556

Shuttle—No offset applicable to Shuttle pension.

6. What is my normal retirement date?

US Airways

Normal-- First day of the month following the flight attendant's 65th birthday for those flight attendants who have more than five years of service.

Early – age 55

Hired at age 60 or later. Upon completion of five years of service.

Normal Retirement Date Cont'd.

Piedmont

Normal—First days of the calendar month coincident with or next following the flight attendant's 65th birthday.

PSA

Normal—First day of the calendar month coincident with or next following the flight attendant's 65th birthday.

Shuttle

Normal—First of the month following the flight attendant's 62nd birthday.

Early—Age 52

7. What is the US Airways Retirement Formula?

If you were hired on or before May 1, 2000, your Plan benefit is the greater of the two formulas, which are provided below.

US Airways—up to 25 years of credited service

Single -----(60% Final Average Earnings (-) ½ family social security benefit (x) Decimal Equivalent of Years Credited Service up to 25 years

PLUS.

1% Final Average Earnings (x) Credited Service in excess of 25 years, but less than or equal to 30 years.

OR

1.64% (x) Final Average Earnings (x) Credited Service in excess of 25 years but less than or equal to 30 years

Married— Single formula with Social Security offset adjusted when the younger of you or your Spouse turn age 62 .

Date of Hire After May 2000

(.0164 (x) Final Average Earnings (x) Years of Credited Service up to 25 years

PLUS

1% (x) Final Average Earnings (x) Credited Service in excess of 25 years, but less than or equal to 30 years

If you are married at the time of your retirement and the social security offset applies to you, you should contact the PBGC and US Airways Salary Administration if your marital status changes (death/divorce) as it may have an impact on the benefit you receive from the Plan.

US Airways Retirement Formula—Decimal Equivalent:

5 Years	.2
7 Years	.28
10 Years	.4
13 Years	.52
15 Years	.6
17 Years	.68
20 Years	.8
21 Years	.84
22 Years	.88
23 Years	.92
24 Years	.96

Retirement Formula Cont'd.

8. What is the retirement formula for Piedmont – prior service ending August 31, 1989

All—(2% (x) Final Average Compensations (x) Years of Piedmont Creditable Service through August 31, 1989 (-) 50% of the Primary Social Security Benefit. 50% of Social Security benefit effective at age 62. *Credited Service cannot exceed 30 years*

9. What is the retirement formula for PSA – prior service ending October 31, 1988

All—(2% (x) FAE (x) Years. PSA Credited Service (-) Social Security Offset). *Credited Service cannot be more than 30 years*

10. What is the retirement formula for Shuttle – prior service ending March 31, 1999.
The greater of:

- A. The accrued benefit under the Shuttle Plan as of April 1, 1999 based on you years of service and Credited Pension Service.
- B. The sum of the benefit accrued under the US Airways plan on or after April 1, 1999 and the accrued benefit from June 7, 1989 and March 31, 1999 excluding the Eastern hypothetical minimum benefit.
- C. The Eastern minimum benefit payable under the Shuttle Plan minus the Eastern pension payable by the PBGC (All years of Credited Service count).
- D. The sum of the benefit accrued under the US Airways Plan based on years of Credited Service on or after April 1, 1999 plus the Eastern minimum benefit payable under the Shuttle Plan based only on years of service and Credited Pension Service before April 1, 1999. For each year that the sum of the years of Credited Pension Service under the Eastern Plan and Credited Service under the US Airways the Shuttle Plan exceeds 30 the year with the smallest benefit accrued under the Shuttle Plan will be excluded.
- E. No Social Security offset

11. Is there an Early Retirement Penalty under the Pension Plan?

Yes, according to the following chart:

<u>US Airways</u>			
	30 or more years	More than 10 – less than 30 years	5-10 Years
	(To age 62)	(To age 62)	To age 65
Age 64	n/a	n/a	3%
Age 63	n/a	n/a	3%
Age 62	n/a	n/a	3%
Age 61	2%	3%	3%
Age 60	2%	3%	3%
Age 59	3%	3%	3%
Age 58	3%	3%	3%
Age 57	3%	3%	3%
Age 56	3%	3%	3%
Age 55	3%	3%	3%
Totals	19%	21%	30%

Piedmont – prior service August 31, 1989

All-3% for each year by which the flight attendant’s age at retirement is less than 62 years of age.

PSA- prior service October 31, 1988

Age 60 - 65—1/4 of 1% for each month (3% per year) between the payment starting date and your 65th birthday.

Age 55 - 60—15% reduction (3% per year for each year prior to age 60) plus ½ of 1% reduction for each month (6% a year) between payment starting date and 60th birthday.

	<u>To age 60</u>
Age 59	6%
Age 58	6%
Age 57	6%
Age 56	6%
Age 55	<u>6%</u>
	30%

A total reduction of 45% applied to the pension benefit of a PSA flight attendant who retires at age 55.

Early Retirement Penalty – cont.

Shuttle – prior service March 31, 1999

Age 52—62—If you ceased working for the company and elected early retirement directly from active status a reduction of 5% per year until age 62. A 50% reduction applies if collecting a pension benefit at age 52.

If you terminated your employment prior to retirement there is a reduction of 6% per year from your early retirement date until age 62. A 60% reduction applies if collecting a pension benefit at age 52.

If you retire prior to normal retirement age with 20 years of “Credited Pension Service” and you are not eligible for Social Security benefits, you may elect either:

(a) Your accrued benefit reduced 3% per year for each year your retirement precedes age 62; or

(b) An early retirement supplement equal to 50% of your reduced accrued benefit payable until age 62

12. I worked for Piedmont, PSA or Shuttle prior to the merger with US Airways. How will my retirement plan be integrated?

Date of hire to date of merger with original airlines + Date of merger to date of plan termination under US Airways = Final Benefit Calculation

US Airways & Piedmont

A combination of both pension benefits up to 65% of a flight attendant’s Final Average Earnings.

US Airways & PSA

A combination of both pension benefits up to 65% of a flight attendant’s Final Average Earnings.

US Airways & Shuttle

The greater of:

Retirement Formula A

- (a) 1.45% x “Annual Earnings” (up to \$7,000) x Years of “Credited Pension Service” (up to 35 years); PLUS
- (b) 1.75% x “Annual Earning” (in excess of \$7,000) x Years of “Credited Pension Service” (up to 35 years); PLUS
- (c) 1.75% x “Annual earnings” x Years of “Credited Pension Service” over 35 years

Retirement Formula B - \$33 x Months of Credited Pension Service

Retirement Formula C

The Eastern minimum benefit payable under the Shuttle Plan minus the Eastern pension payable by the PBGC. (All years of Credited Service count.

Retirement Formula D

The sum of the benefit accrued under the US Airways Plan based on years of Credited Service on or after April 1, 1999 plus the Eastern minimum benefit payable under the Shuttle Plan based only on years of service and Credited Pension Service before April 1, 1999. For each year that the sum of the years of Credited Pension Service under the Eastern Plan and the Credited Service under the US Airways the Shuttle Plan exceeds the 30, the year with the smallest benefit accrued under the Shuttle Plan will be excluded.

Years of Past PSA/PI Service Credit		US Airways Decimal Equivalent Multiplied by 60%
25=50%	12=24%	25=1.0=60%
24=48%	11=22%	24=.96=57.6%
23=46%	10=20%	23=.92=55.2%
22=44%	9=18%	22=.88=52.8%
21=42%	8=16%	21=.84=50.4%
20=40%	7=14%	20=.8 =48%
19=38%	6=12%	19=.76=45.6%
18=36%	5=10%	18=.72=43.2%
17=34%	4=8%	17=.68=40.8%
16=32%	3=6%	16=.64=38.4
15=30%	2=4%	15=.6 =36%
14=28%	1=2%	14=.56=33.6%
13=26%		13=.52=31.2%

If the integration formula exceeds 65%, the US Airways years of credited service will be reduced until the formula reaches 65%.

13. What is the Normal Form of Payment under the US Airways pension plan?

Life Annuity - for a single flight attendant
After death no further pension payout.

50% Joint and Survivor Annuity – for a married flight attendant
50% of pension benefit to spouse upon retiree’s death for remainder of spouse’s life.

Contingent Pensioner Options

Normal retirement income is reduced to provide retirement benefit to contingent. (50%; 66 2/3%⁵; 100%).

10 Year Certain and Life Option

The flight attendant receives a reduced pension benefit for life with a guaranteed payment period of 10 years.. Should a retired flight attendant die within 10 years of his/her benefit commencement date the plan will continue to pay the same amount to a contingent annuitant until the 10 year anniversary of the retirees benefit commencement date.

Level Income Option

The level income option of unavailable form the PBGC

If you are married and elect a benefit option which does not provide a benefit to your spouse after your death, spousal consent, witnessed by a plan representative or Notary Public is required.

A flight attendant can revoke any payment option before the later of (a) the date your benefits begin, and (b) the end of the seven day period beginning after the day you receive your benefit election information. The flight attendant is not allowed to change the payment option once the benefit payments have begun.

⁵ The 66 2/3% option is unavailable from the PBGC.

Section II
Pension Benefit Guaranty Corporation

1. What is the Pension Benefit Guaranty Corporation (“PBGC”)?

The PBGC is a corporation created under a federal statute, the Employee Retirement Income Security Act of 1974 (“ERISA”). Under ERISA, US Airways was required to pay a premium for each person who was eligible for a retirement benefit under the Pension Plan. This premium payment allowed the Company to participate in the PBGC’s insurance program. This insurance program provides that in the event the retirement plan was terminated with insufficient funds to pay all accrued benefits under the plan, the PBGC would guarantee the payment of pension benefits for each plan participant up to certain maximum amounts.

2. Will the PBGC pay the full amount of my pension?

Possibly. The PBGC will determine the value of your pension benefit according to the provisions of the Pension Plan in effect on the date of plan termination. Then there will be adjustments to this amount for: any benefit enhancements that were put in place within the 5-years preceding the plan termination, and different forms of benefit payment (e.g. various forms of joint and survivor annuities, or straight life annuity). The final adjusted amount will be compared to the PBGC age and maximum guarantee chart. A copy of this chart is set out below and on www.afausairways.org. If your pension benefit is less than the maximum amount guaranteed by the PBGC you will receive your anticipated plan benefit. If your pension benefit is greater than the maximum amount guaranteed by the PBGC at the later of the date when you retire or the date of plan termination, you may not receive the full amount of your pension benefit from the PBGC.

3. So, I don’t receive the amount on the PBCG chart for my age at retirement?

No. The PBGC does not pay you more than you are entitled under the Pension Plan. The PBGC operates an insurance program with limits on how much any individual can be paid - there are no windfalls. So long as the value of your plan benefit is less than the maximum amount the PBGC is allowed to pay any individual, you will receive your Pension Plan benefit.

4. What happens if the value of my pension benefit exceeds the maximum guarantee per my age?

The PBGC pays retirement benefits according to priority categories. If you were retired three years prior to the date of plan termination (“DOPT”) or, under the terms of the Pension Plan you could have retired 3 years prior to DOPT and your pension benefit exceeds the maximum guarantee amount for your age, you are a priority category 3 (“PC3”) and, depending on the value of assets in the plan, you might receive more than the guaranteed amount, up your actual plan benefit.

5. More about PC 3.

When determining pension benefits, flight attendants whose plan benefit is greater than the monthly maximum guarantee amount for their age and who were at least 58 years old on the DOPT are in PC3. The DOPT is January 10, 2005. The pension benefit determination in PC3 uses a three-year look back to determine the benefit formula elements of final average earning, years of service, and age. Towers-Perrin, the actuary working with the Company and the PBGC during this transition time, expects that there

will be sufficient plan assets to fund a higher level of pension benefit to those participants in PC3. This possible higher level of benefit is only available to those participants whose pension benefit, as calculated under the Pension Plan is greater than the maximum guarantee amount for their age at the DOPT (for those already retired) or their age at retirement (for those retiring after the DOPT). In other words, flight attendants in PC3 (whose plan benefit exceed the PBGC guarantee amount), at a minimum, will receive the maximum guarantee amount and, depending on the value of plan assets available to pay benefits, a greater amount, but in no event more than the benefit to which they are entitled under the Pension Plan formula.

6. What are Priority Category 4 (“PC4”) benefits?

A flight attendant whose pension benefit does not exceed the maximum guarantee amount for his or her age and who is younger than 58 years of age on the “DOPT” is in PC4. There is **not** a three-year look back to determine benefits in PC4. Remember, when determining your pension benefit, the PBGC utilizes the retirement formula in the Pension Plan in effect of the DOPT. All adjustments provided in the Pension Plan in effect then also are included. These adjustments to your pension benefit include any early retirement penalty, the social security offset (for both single and married employees), and reductions associated with any benefit enhancements added to the Pension Plan within the five years preceding the DOPT. The amount determined to be your pension benefit according to the Pension Plan formula is then compared to the PBGC’s maximum guarantee amount for your age on the DOPT for those flight attendants already retired and your age on the date of retirement for those retiring after the DOPT.

7. Do I receive pension service credits for each year worked at US Airways?

You will receive pension credit for each year you worked as a flight attendant at US Airways up to 30 years. The same is true for former Piedmont flight attendants under the Piedmont retirement plan. However, former PSA flight attendants’ are given Credited Service for years of non-participation in the PSA plan. See the formulas and examples set out in Section I, above. Former Shuttle flight attendants receive pension service credits according to the retirement option they choose.

8. Is there any way to increase my pension?

All final average earning calculations under the Pension Plan are based on earnings prior to January 1, 2005. All years of service calculations are based on service ending on January 10, 2005. After these dates, no increase in years of service or earning will be recognized in determining pension benefits. However, if you delay retirement or delay receiving your pension benefit until age 62, for the early retirement penalty under the Pension Plan, and until age 65 for the PBGC early retirement penalties, your pension benefit will not be reduced by the early retirement penalty.

9. Is there a social security offset?

Yes, There is a social security offset for both single and married flight attendants who were hired on or before May 1, 2000. The PBGC administers the terms of that Pension Plan, including the social security offset. See Section 1.

10. Does the PBGC deduct taxes and other amounts like the Company did?

The PBGC deducts federal income taxes. You are responsible for paying state and local tax if applicable. No payments for medical plans are deducted.

11. Does the PBGC offer automatic deposit?

Yes. You must contact the PBGC and your banking institution to make arrangements for automatic deposit.

12. When do I notify the PBGC that I will be retiring and want to begin receiving pension payments?

You notify the PBGC no more than 90 days prior and no less than 30 days prior to the date you wish to receive your first pension payment.

13. US Airways no longer sends pension estimates, how do I know what my pension will be?

If you apply for benefits during the first months after PBGC assumes responsibility for paying US Airways benefits, it may take PBGC several months, from the time you first contact the agency, to calculate and pay your first retirement benefit. However, your Annuity Starting Date can be established and “preserved” based on your first contact with the agency. PBGC will send you a written estimate of your benefits along with a benefit application as soon as possible. When your payments begin, you can receive back payments plus interest from your Annuity Start Date.

If your first contact PBGC to apply for benefits when this initial transfer period is over, that is, when US Airways’ records are fully transferred to PBGC and PBGC’s computer systems have been modified for the unique aspects of the US Airways plans, you can expect to receive a written benefit estimate and benefit application within two weeks of contacting the agency.

14. What if I do not agree with the PBGC’s estimate of my pension benefit?

You will have 45 days from the date of the ‘letter of determination’ to appeal the determination of your pension amount.

15. Can I rescind my notice to the PBGC and change the start of my pension checks?

Yes, you currently are able to rescind your notice and stop your check up to 1 day before your pension check is issued. Once your check has been cut, you cannot stop your pension checks.

PBGC Guaranteed Maximum Amounts for Pension Plans Terminating in 2005

Age	Annual Max.	Monthly Max.	Monthly Joint & 50% Survivor Max.*
75	\$138,665.64	\$11,555.47	\$10,506.35
74	\$126,076.20	\$10,399.92	\$ 9,457.24
73	\$113,486.88	\$ 9,455.72	\$ 8,511.52
72	\$100,897.44	\$ 8,408.12	\$ 7,567.31
71	\$ 88,308.12	\$ 7,359.01	\$ 6,623.11
70	\$ 75,718.68	\$ 6,309.89	\$ 5,678.90
69	\$ 67,964.40	\$ 5,663.70	\$ 5,097.33
68	\$ 61,122.36	\$ 5,093.53	\$ 4,584.18
67	\$ 55,192.56	\$ 4,599.38	\$ 4,139.44
66	\$ 50,175.00	\$ 4,181.25	\$ 3,763.13
65	\$ 45,613.68	\$ 3,801.14	\$ 3,421.03
64	\$ 42,420.72	\$ 3,535.06	\$ 3,181.55
63	\$ 39,227.76	\$ 3,268.98	\$ 2,942.08
62	\$ 36,034.80	\$ 3,002.90	\$ 2,702.61
61	\$ 32,841.84	\$ 2,736.82	\$ 2,463.14
60	\$ 29,648.88	\$ 2,470.74	\$ 2,223.67
59	\$ 27,824.40	\$ 2,318.70	\$ 2,086.83
58	\$ 25,999.80	\$ 2,166.65	\$ 1,949.99
57	\$ 24,175.20	\$ 2,014.60	\$ 1,813.14
56	\$ 22,350.72	\$ 1,862.56	\$ 1,676.30
55	\$ 20,526.12	\$ 1,710.51	\$ 1,539.46
54	\$ 19,613.88	\$ 1,634.49	\$ 1,471.04
53	\$ 18,701.64	\$ 1,558.47	\$ 1,402.62
52	\$ 17,789.28	\$ 1,482.44	\$ 1,334.20

* Both spouses the same age.

SECTION III COBRA, HEALTH INSURANCE AND THE HCTC

1. If I retire before age 65 how do I get Health Insurance?

US Airways offers two health insurance plans for pre-65 retirees. The first plan is a COBRA plan and you are eligible to participate for 18 months only. Upon completion of COBRA the retiree is then responsible for securing insurance on her/his own. The second plan is an ACCESS plan. Pre-65 retirees are eligible to participate in this plan until the retiree turns age 65.

2. Explain the difference between the COBRA plan and the ACCESS plan?

The COBRA plan is the current medical plan. The retiree receives the same coverage offered to active employees, however the retiree is required to pay the full premium plus a 2% administrative fee. This plan is only in effect for 18 months from the date of retirement.

The ACCESS plan is also the current medical plan. The retiree receives the same coverage offered to active employees, however the retiree is required to pay a higher premium than COBRA. The higher premium has been determined in the following manner: The population between ages 55 and 65 had a higher rate of medical costs. This cost was averaged and then determined to be the premium rate for the ACCESS plan. The ACCESS plan is in effect until the retiree is age 65.

3. Can I get financial help to pay for this insurance?

As long as you are receiving your pension benefits from the PBGC, are 55 years of age but not receiving Medicare, and your insurance plan is a 'qualified plan' you are eligible for a tax credit from the IRS called the Health Care Tax Credit ("HCTC"). COBRA coverage is qualified coverage for purposes of the HCTC.

The ACCESS plan does not meet the definition of a 'qualified plan' under the Internal Revenue Services regulations. Therefore this plan is ineligible for the "HCTC" financial help.

4. How does the HCTC work?

Most tax credits are available as a dollar for dollar credit against, or reduction of, the federal income tax you owe. The HCTC works in this manner but it also can be applied to the monthly premium costs. This alternative is called the advance credit option. The advance credit option allows you to receive the HCTC in the form of a monthly payment of 65% of the premium cost of a qualified plan, paid directly to the qualified health plan administrator. This option is designed to help you pay for health insurance premiums as they become due.

5. How much of the COBRA premium cost does the HCTC cover?

For those eligible, the HCTC will cover 65% of the cost of eligible health insurance. To be eligible for the HCTC, the health plan must be qualified by the state in which the plan is offered. COBRA coverage is qualified coverage for purposes of the HCTC.

6. Are the COBRA and ACCESS plans the only available health insurance that qualifies for the Health Care Tax Credit?

According to the Internal Revenue Services regulations, the only other type of ‘qualified plan’ is an individual insurance policy purchased 30 days prior to losing insurance due to retirement through an independent insurance agent, broker or Association. This option is likely to be more expensive than any group policy. If you utilize this option it is very important that you verify that the health insurance plan you are purchasing is a ‘qualified plan’ under the HCTC guidelines.

7. How do I sign up for HCTC?

The PBGC sends a notice to the HCTC group at the Internal Revenue Service (IRS), which administers the HCTC, each month listing all new retirees who are eligible for the HCTC. The IRS then sends each retiree a HCTC program kit. You must complete the program kit and mail it back to the IRS with all required documentation. Review the instructions in the kit carefully, noting all the documentation you are required to submit. Failure to submit all required documentation will result in loss of the HCTC.

8. How soon after I retire can I participate in the advance credit option?

You are eligible once you receive the first invoice for your COBRA payments and are on the PBGC payee list of retirees. You may have to pay several months of your COBRA premiums in full before you will be processed for the advance credit option. Any amounts you pay before the advance credit option is effective can be claimed as a tax credit when you file your income tax return.

9. How do I pay my COBRA premiums?

Once you elect COBRA coverage you will be sent a monthly invoice from the COBRA plan administrator. You must pay the invoice by the due date or you will lose your COBRA coverage for non-payment of premium. If this happens there is no right to reinstatement or appeal.

10. What happens at age 65?

Once you are 65 years of age, you become eligible for Medicare. You may choose a traditional Medicare plan or a Medicare HMO. You may also want to choose a supplemental insurance plan to cover that portion of health care costs not paid by Medicare in full.

11. Do I still get dental insurance?

If you had dental insurance on your last day of work, you can obtain dental coverage through COBRA. The duration of dental insurance for those flight attendants who elect COBRA and retire on or after January 2, 2005 dental coverage will not exceed 18 months.

However, if you elect the ACCESS plan you are ineligible for dental insurance.

12. What happens to my sick time when I retire?

When a flight attendant retires she/he has two options with her/his sick bank. The first option is to cash out the sick bank. The retiree will be paid \$6.70 for each hour of accrued sick leave in his/her bank at the time of retirement. Such payment is to be made in equal monthly installments over a twelve-month period, beginning within thirty (30) days of retirement, or a flight attendant may receive a one-time cash payment within thirty (30) days of the retirement date.

The second option is to use hours in the sick bank, including those hours over 1500 to pay a portion of for pre-65-retiree medical premiums under the Access Plan. For purposes of funding monthly the pre-65 retiree medical premiums, an hour of sick pay will be valued at \$8.20. Forty-one (41) hours of accrued sick pay (\$336.20) will be credited toward the monthly pre-65 retiree medical premium until the Flight Attendant's sick bank on the date of retirement is exhausted. The flight attendant is responsible for any amount owed for the monthly ACCESS premium in excess of the \$336.20 deducted from the retiree's sick bank.

14. What happens when my sick bank no longer covers my Access Plan?

You are eligible to remain in the ACCESS plan until age 65 by paying the full monthly premium out of pocket.

15. After 18 months on COBRA, can I switch to another health insurance plan under HCTC?

If your state offers health insurance that is HCTC eligible, you may switch to that plan once your COBRA benefits expire.

16. If I elect not to participate in the COBRA or ACCESS plan when I retire, is it possible to enroll at a later date?

No. Retirees only have one opportunity to enroll in the company sponsored health insurance plan.

Other Company Sponsored Insurance Plans

17. How long does my Long Term Disability Last?

If you were on Long Term Disability prior to the May 2000 contract and continue to be disabled, your LTD will last until you are age 65. Then you must retire and collect your pension and social security. If you began LTD after May, 2000 your LTD lasts 2 years or if you are designated as Social Security Disabled, until age 65.

18. I am on Social Security Disability, when do I have to retire?

If you are currently receiving social security disability payments from the federal government and are receiving LTD payments from US Airways, the LTD payments will last until you are age 65 as long as the company exists and has the funds to pay these benefits. The LTD program is self-funded. At age 65 you can begin collecting any pension monies owed you together with social security.

19. What about Retiree Life Insurance?

At the flight attendant's expense, the Company will make available Group Life Insurance to a retired flight attendant (normal or early) and dependents in an amount equal to the basic coverage in effect on the day prior to

his/her retirement. Life Insurance is unavailable once the retiree reaches age 65.

20. What happens to my company paid Accidental Death and Dismemberment Insurance?

The flight attendant's AD&D insurance coverage is terminated upon retirement. The flight attendant may elect coverage on her/his own through her/his own insurance agent at the flight attendant's expense.

SECTION IV RETIREMENT NOTIFICATION

REMEMBER: In order to retire from US Airways, Inc and receive the benefits, if any, to which you are entitled, and to receive your pension benefit from the PBGC, you must notify both the Company and the PBGC. Be sure to note the different time frames and procedures for notifying each of your intentions.

Retirement /Rescind: Notice for Retirement after July 1, 2005

1. How far in advance must I notify US Airways of my intent to retire if I am retiring after July 1, 2005?

You must provide the US Airways Benefits Center and your supervisor at least 60 days advance notice of your intent to retire.

2. How far in advance must I notify the PBGC of my intent to retire if I am retiring after July 1, 2005?

The PBGC requires a separate notice to begin pension payments. It is best to give the PBGC at least 120 days notice but no less than 90 days. The PBGC treats the first of the month following the month in which your completed retirement application is received as the commencement date for your pension payments.

3. What if I want to rescind the retirement notice given to the Company after July 1, 2005?

To rescind a retirement notice given to the Company after July 1, 2005, you must notify your supervisor and the US Airways Benefits Center no less than 15 days prior to the effective date of your retirement.

4. When do I have to notify the PBGC that I have rescinded my retirement notice to the Company?

The PBGC requires a separate notification from you no later than the day before the date of the first pension check is cut.

SECTION V
Important Contact Information

US Airways, Inc.
Benefits Administration
Crystal Park Four
2345 Crystal Drive
Arlington, VA 22227

1-800-872-4780
<http://thehub.usairways.com>

PBGC
PO Box 151750
Alexandria, VA 22315-1750

1-800-400-7242
<http://www.pbgc.gov>

HCTC Program

1-866-628-4282
<http://www.irs.gov>
(Keyword: HCTC)

COBRA
Ceridian Benefits Service
PO Box 34055
St. Petersburg, FL 33746-4055

1-877-799-8820
www.COBRAServ.com

401K
Fidelity Investments
US Airways Service Center
PO Box 77003
Cincinnati, OH 45277-0065

1-800-354-3412

Clearview Federal Credit Union
8805 University Boulevard
Moon Township, PA 15108-2580

1-800-926-0003

AFA MEC Office
200 Marshall Drive
Coraopolis, PA 15108

1-412-262-3110
<http://www.afausairways.org>

AFA International
501 3rd St N.W.
Washington, DC 20002

1-800-424-2401
<http://www.afanet.org>

Section VI RETIREMENT CHECKLIST

120 days before retiring :

1. Notify PBGC of intention to retire.
2. Notify US Airways of intention to retire (minimum 30 days notice).

60 day before retiring:

1. Complete PBGC paperwork.
2. Complete direct deposit slip for PBGC.
3. Notify bank to change automatic deductions based upon new pay date.
4. Determine post retirement insurance needs and take appropriate action.
5. Contact local and state tax offices to determine appropriate method of paying taxes, if applicable.

30 day before retiring:

1. Notify US Airways to rescind retirement, if applicable (minimum 15 days notice.)
2. Notify PBGC to rescind retirement, if applicable
3. Contact HCTC regarding paperwork packet for tax credit

After retirement date:

1. Complete COBRA paperwork when received (45 – 60 days after retirement).
2. Send completed information back to HCTC.