

Abstract

Bottom Line for Pilots with Defined Benefit Plans

- Where benefits are paid as pensions payable for life, the following table shows typical Section 415 limits on the annual benefit:

Age at Retirement	With mandatory retirement at:	
	Age 60	Age 65
60	\$160,000	\$137,075
61	160,000	147,968
62	160,000	160,000
63	160,000	160,000
64	160,000	160,000
65	160,000	160,000

- Where benefits are paid as lump sum settlements, the following table shows typical Section 415 limits on the lump sum benefit:

Age at Retirement	With mandatory retirement at:	
	Age 60	Age 65
60	\$2,120,131	\$1,816,356
61	2,074,826	1,918,801
62	2,028,764	2,028,764
63	1,981,995	1,981,995
64	1,934,750	1,934,750
65	1,887,054	1,887,054

- If benefits are payable partly as pensions and partly as lump sum settlements, with a split such as 70%-30%, the limits of the two preceding tables are apportioned between the two forms of benefit. Exactly how the apportionment occurs depends on the provisions of the plan.
- The amounts in the preceding table are illustrative only. Exact amounts depend on the provisions of the individual plans.
- If your airline has agreed to pay any “excess” or “non-qualified” amounts (which exceed Section 415 Limits), Section 415 limits will not restrict total benefits.
- Section 415 does have cost of living adjustments that will raise the limits listed in these tables.