



**AIR TRANSPORT ASSOCIATION OF AMERICA**  
**PERSONNEL RELATIONS CONFERENCE**

1000 CONNECTICUT AVENUE, N. W. • WASHINGTON 6, D. C. • EXecutive 3-6161

J. L. O'BRIEN, Vice President—Personnel Relations

**December 30, 1959**

**Mr. Gerald White**  
**Assistant General Counsel-Legislation & Rules**  
Room A-800  
Federal Aviation Agency  
1711 New York Avenue, N. W.  
Washington, D. C.

Dear Mr. White:

In accordance with our telephone conversation yesterday afternoon I am enclosing herewith the information that is presently available. This information includes:

1. Copies of typical pension plans and an abbreviated description of these plans.
2. The number of pilots that will retire in 1960.
3. An analysis of the estimated and expected retirement income for these pilots.
4. Copies of arbitration awards dealing with compulsory retirement of pilots at age 60.

The pension plans attached on American Airlines, Pan American and United are negotiated plans. This means that ALPA and the Company are in agreement on the terms, conditions and benefits described therein and reached this agreement through the processes of collective bargaining. It must be noted that each plan provides a normal retirement date at age 60 and that benefits were actuarially computed on the basis that pilots would in fact retire at age 60. Benefits are also provided for early retirement which would be between the ages of 50 and 60. The benefits payable for early retirement are naturally much less than are payable for normal retirement at age 60. Continued employment beyond age 60 does not increase future pension benefits except on an actuarial equivalent basis.

Mr. White

- 2 -

December 30, 1959

For a more detail analysis of pension plans in the airline industry it is suggested that the enclosed three plans be studied as these contain the typical and principal features found in the industry.

A breakdown of the pilots who will retire in 1960 under the new FAA rule is as follows:

<u>Airline</u>	<u>Number of Retiring Pilots</u>
A	1
B	7
C	3
D	3
E	2
F	11
G	1
H	2
I	2
J	1
K	3
L	2
	<u>38</u>

It is noted that the above airlines are not specifically identified nor is it felt that any useful purpose would be served by such an identification. However, it may be said that there is only one pilot retiring from a local service carrier in the above list; the remainder are from domestic trunk and international American flag carriers.

The estimated and expected average retirement income for the above pilots retiring from domestic trunk and international carriers is \$4,930.54 per year and represent the following range:

<u>Retirement Income Per Year</u>	<u>Number of Pilots</u>
Less than \$3,500	1
\$3,500 - \$3,999	5
\$4,000 - \$4,499	8
\$4,500 - \$4,999	11
\$5,000 - \$5,499	2
\$5,500 - \$5,999	3
\$6,000 - \$6,499	3
Over \$6,500	4

December 30, 1959

- 3 -

Mr. White

It must be noted in this connection that a few pilots in the above retirement income analysis have indicated their intent to exercise a special option whereby their retirement income is reduced so that their wives may receive a separate retirement income after the retiring pilot is deceased. The one pilot retiring from a local service airline, under a plan which was first inaugurated in 1958 will receive a retirement income of \$2,000 per year because the plan has been in existence for only a short time.

There have been two recent System Board of Adjustment Awards on mandatory retirement for pilots at age 60. The attached American case was in 1958 and has been accepted as being final and binding on the Company. The attached Western award was rendered in 1959 but has not been accepted as final and binding by the Company. This Western award is now in litigation. A third System Board of Adjustment case has been argued on Trans World but no award has been rendered as of this date.

Additional information as to (1) the annual income for the past five years of pilots retiring in 1960; (2) the number of pilots who will retire in 1961, 1962 and 1963; and (3) the estimated expected retirement income for these pilots has been solicited from the carriers and will be forwarded to you when received and compiled.

If we may be of further assistance on this matter please do not hesitate to call on us.

Very truly yours,

  
J. L. O'Brien

Attachments

Number of Pilots Retiring on all Air Carriers in 1960 through 1963

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>Total</u>
A	1	-	-	1	2
B	7	3	7	6	23
C	3	1	-	2	6
D	3	-	-	-	3
E	2	-	2	5	9
F	11	3	5	8	27
G	1	-	-	-	1
H	2	2	2	5	11
I	2	-	1	4	7
J	1	4	4	3	12
K	3	1	3	2	9
L	2	-	-	1	3
M	-	-	1	-	1
N	-	-	1	-	1
O	-	-	1	-	1
Total	35	14	27	37	116