



Pension Benefit Guaranty Corporation

2020 K Street, N.W., Washington, D.C. 20006-1860

To Eastern Pension Plan Participants:

This letter and the attached questions and answers are to address any concerns you may have regarding your pension benefits.

As the Pension Benefit Guaranty Corporation (PBGC) previously communicated to you, the pension plans terminated on October 5, 1990, pursuant to an agreement with Eastern Air Lines' bankruptcy trustee, Continental Airlines Holdings, Inc. (Eastern's Corporate parent), Eastern's Unsecured Creditors Committee, and the PBGC. Under that agreement Continental was to have provided funds to pay all of the benefits under the plans accrued at the time of plan termination. This agreement was subject to Continental providing adequate security to cover the funds pledged to the plans.

Continental did not provide adequate collateral to meet the requirement of an acceptable security arrangement. This combined with Continental's subsequent bankruptcy filing, means that full funding might not be obtained and some Eastern participant may lose certain benefits, as described in the attached.

Most retirees will continue to get the same benefits they are currently receiving or expect to receive. Some, workers/retirees whose benefits exceed the guarantee or who have benefits that are not covered, will have benefits reduced in the future. PBGC may pay workers and retirees with non-guaranteed benefits a portion of those benefits based on funds recovered from Continental's and Eastern's bankruptcy estates.

Since the termination, PBGC has continued to provide benefits to retirees through Eastern Air Lines. This arrangement will continue for a period of time and there should be no cause for concern as to the continuity of plan administration and the payment of retirement benefits. You will be informed of any changes concerning the administration of the plans.

You may continue to direct all your inquiries and applications for benefits to the address in the attached.

Attachment

INFORMATION FROM THE PENSION BENEFIT GUARANTY CORPORATION
REGARDING THE TERMINATED EASTERN AIR LINES
FIXED INCOME RETIREMENT PLANS
AS AFFECTED BY
CONTINENTAL AIRLINES HOLDINGS, INC.
BANKRUPTCY FILING ON DECEMBER 3, 1990

This communication is intended to update participants and beneficiaries regarding the termination of Eastern's seven pension plans, as well as to address some questions which you may have in relation to how Continental's bankruptcy filing affects the payment of any plan benefits to which such persons may be entitled. In general, the answers given to the questions posed in this communication should provide general guidance regarding the PBGC's position on the types and amounts of benefits that will be paid from the plans. Issues relating to the payment of early retirement supplements and subsidies under certain pension plans are currently being considered by the PBGC.

Q1. What has happened to Eastern's pension plans?

Under an agreement with Eastern Air Lines, Continental Airlines Holdings, Inc. (Eastern's parent corporation), and Eastern creditors (the "Settlement Agreement"), PBGC terminated seven Eastern pension plans on October 5, 1990. PBGC became trustee of the plans and will pay benefits as described in the following.

Q2. Which Eastern plans were affected?

This action affected only Eastern's seven defined benefit pension plans for the company's United States employees:

- Eastern Air Lines, Inc. Retirement Income Plan for Non-Contract Employees*
- Eastern Air Lines, Inc. Fixed Benefit Retirement Income Plan for Pilots ("A" Plan)
- Eastern Air Lines, Inc. Retirement Income Plan for Flight Attendants
- Eastern Air Lines, Inc. Fixed Benefit Retirement Income Plan for IAM-M&R Personnel

* Effective January 1, 1988, the plans for Radio/Teletype Operators, Meteorologists, Ground School Instructors, and Medical Services Personnel were merged with the Non-Contract Employees Plan.

Q6. Why has PBGC changed its plans for paying full Eastern benefits?

PBGC intended to pay full benefits under the seven Eastern plans based on Continental's obligation under the Settlement Agreement to fully fund all of the plans over time. Payment of full benefits was conditioned on Continental providing adequate security. Continental did not provide adequate collateral so the provision in the Settlement Agreement for payment of full benefits is void. Without the assurance that the plans will be fully funded in the future, except as provided in Q10 and Q11 below, PBGC is limited by law to paying only guaranteed benefits and some non-guaranteed benefits funded by plan assets.

Q7. What benefits does PBGC guarantee?

PBGC guarantees monthly pension benefits beginning at normal retirement age, certain early retirement and disability benefits, and certain benefits for survivors of deceased plan participants. Federal pension law sets certain limitations on the type and amount of benefits which the PBGC guarantees. For plans terminating in 1990, which include the Eastern plans, PBGC guarantees a maximum monthly amount of \$2,164.77 for a participant who retires at age 65. This maximum monthly amount must be reduced for any benefit paid or payable before age 65 or that is paid in a form other than for the life of the participant alone, such as a form that provides survivor's benefits. Participants must be vested as of the plan termination date to receive a guaranteed benefit.

Q8. What types of Eastern benefits are not guaranteed?

PBGC does not fully guarantee the following:

- Supplemental benefits and other benefits exceeding the amount of level life-only annuity monthly payments beginning at normal retirement age.
- Benefits exceeding PBGC's maximum monthly guaranteed amount, which is \$2,164.77 for single-life annuity benefits beginning at age 65. For retirees, except as provided in Q10 below, the maximum is adjusted for the person's age as of the plan termination date of October 5, 1990. For future retirees, the maximum is adjusted for the person's age at actual retirement date. All benefits are adjusted for a benefit form other than a single-life annuity.
- Benefits increased by recent plan amendments which were made or made effective (whichever is later) within five years prior to the plan's termination date.
- Withdrawal or preretirement death benefits derived from special contributions for pilots.

Q14. What other adjustments will PBGC make?

Withholding from benefit checks will change when PBGC makes its reductions. PBGC only withholds federal income taxes. Participants will have to make other arrangements to pay other amounts now being withheld.

In addition, for non-retired participants, PBGC will continue to provide pre-retirement survivor protection. However, PBGC may charge its own rates for this coverage.

Q15. Will Eastern workers still be eligible for an early retirement pension supplement or subsidy?

If, as of October 5, 1990, a worker had at least 20 years of credited pension service, was at least age 55 (or 52 for flight attendants) but not yet age 62, and was an active employee of Eastern, the individual is eligible to receive the early retirement supplement or subsidy upon retirement prior to age 62. However, PBGC may have to reduce the amount of the supplement because of legal limitations on its guarantee.

Workers not meeting all three conditions as of October 5 may receive either the subsidy or the supplement based on amounts PBGC recovers from Eastern and Continental.

Q16. Will Eastern employees, when they elect to retire, have the same benefit options as provided under the plans?

No. If the person did not properly elect an option before the plan termination date (October 5, 1990), PBGC will pay only one of two automatic options provided by the Eastern plans. Participants who are unmarried when their benefit payments begin will receive their benefit as a life only annuity. Married participants will receive their benefit as a joint-and-50% survivor annuity, but upon retirement they will have an opportunity to elect a life only annuity with their spouse's consent.

Q17. Since PBGC is taking over the plans, will participants be able to receive their pensions while still working for Eastern?

No. Even though a participant may be eligible for early or normal retirement, the plan provisions do not allow pension benefits to begin while the participant is still employed by Eastern.

Q18. When will participants be able to retire?

Eligibility for retirement commencement is still determined by the provisions of the participant's plan.



EASTERN AIR LINES PLAN NON CONTRACT EMPLOYEES

Case Number: 104850
Date of Plan Termination: October 5, 1990

Benefit Statement

Participant Data

Name: BROWNIE N INMAN
Social Security Number: 1-2034
Sex: Male
Date of Birth: 10/15/1940
Date of Hire: 07/01/1985
Date of Termination of Employment (DOTE): 10/05/1990
Normal Retirement Date (NRD): 11/01/2005
Earliest Unreduced Retirement Date (EURD): 11/01/2002
Earliest Retirement Date (ERD): 11/01/1995
Annual Minimum Benefit Rate (BR): \$144
Non Contract Formula Benefit at 12/31/89 (NC89): \$1,697.74
Total Credited Pension Service at 12/31/89 (CPS89): 2.958
Factor for Non-Vested Benefits (NVFACT): 1.029389
Form of Annuity: Straight Life

Your total benefit was determined under an allocation of assets and by additional benefits provided by recoveries under Section 4022(c) of ERISA. The funding level of the plan, including these recoveries, increases your vested benefit by 2.9389%.

Calculation of Monthly Pension Payment

(1) 1990 Annual Benefit Accrual under Non Contract Plan:
NC Plan frozen 8/1/89 - No accrual in 1990 \$0.00

(2) Total Annual Non Contract Formula Benefit as of 10/5/90:
(NC89) + (1) = \$1697.74 + \$0.00 = \$1,697.74

(3) Annual Minimum Accrued Benefit as of 10/5/90:
(BR) x (CPS89) = \$144.00 x 2.958 = \$425.95

(4) Monthly Non Contract Vested Benefit at EURD:
[The greater of (2) and (3)] / 12 =
[The greater of \$1697.74 and \$425.95] / 12 = \$141.48

(5) Monthly Non Contract Pension Payment at EURD: (4) x NVFACT = \$141.48 x 1.029389 =	\$145.64
(6) Reduction Factor for ERD:	0.5800
(7) Monthly Non Contract Vested Benefit at ERD: (4) x (6) = \$141.48 x 0.5800 =	\$82.06
(8) Monthly Non Contract Pension Payment at ERD: (7) x NVFACT = \$82.06 x 1.029389 =	\$84.47



Participant Application for Pension Benefits

PBGC Form 700
Approved OMB 1212-0055
Expires 11/30/02

Pension Benefit Guaranty Corporation.
P.O. Box 19153 • Washington, DC 20036-9153

For assistance, call 1-800-400-7242

Plan Name: EASTERN AIR LINES PLAN NON CONTRACT EMPLOYEES
Plan Number: 104850 Participant Name / SSN: BROWNIE N INMAN / 262602034
Date Printed: 11/08/2002
Date of Plan Termination: October 5, 1990



INSTRUCTIONS: Please complete this form to request that PBGC begin your pension benefit payments. Use dark ink and be sure to print clearly. Note those items marked "Proof Required." You must enclose a copy of the appropriate document if you have not already sent it to us. Acceptable documents for proof of age include your birth or baptism certificate, or U.S. Passport; for marriage, a marriage certificate. If you have questions, contact our Customer Service Center at 1-800-400-7242 for information.

1. General information about you

Last Name <u>INMAN</u>		First Name <u>BROWNIE</u>	
Middle Name <u>NOELWOOD</u>	Other Name(s) Used <u>(NONE)</u>		
Social Security Number <u>20341011511940</u>	Date of Birth (proof required)	Gender MALE <input checked="" type="checkbox"/> FEMALE <input type="checkbox"/>	
Mailing Address <u>18905 SW 128 CT</u>	Apartment / Route Number		
City <u>Miami</u>	State <u>FL</u>	Zip Code <u>33177</u>	
Country <u>USA</u>	Email (optional) <u>MEIPING123@AOL.COM</u>		
Daytime Phone <u>(305) 254-6648</u> * <input type="checkbox"/>	EXTENSION	Evening Phone <u>(305) 254-6648</u>	
When would you like your pension benefit payments to begin? (This must be a future date, but no more than 90 days from the date of your application.)			MONTH <u>02</u> YEAR <u>2003</u>

CONTINUE →

Participant Application for Pension Benefits

Form 700, page 3 of 7

Plan Number: 104850

Participant Name / SSN: BROWNIE N INMAN / 262602034

4. Election of Benefit Form – Please read the information about your benefit choices that PBGC has provided before you make your election below.

Benefit Form	My Choice MARK ONLY ONE	Beneficiary MARK ONLY ONE
A. Plan's Automatic Form for an Unmarried Participant	<input type="checkbox"/>	Not Applicable if form is a Straight Life Annuity <input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
B. Plan's Automatic Form for a Married Participant	<input type="checkbox"/>	Spouse only
C. Straight Life Annuity	<input checked="" type="checkbox"/>	Not Applicable
D. Joint-and-50% Survivor Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
E. Joint-and-75% Survivor Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
F. Joint-and-100% Survivor Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
G. Joint-and-50% Survivor "Pop-up" Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
H. 5-year Certain-and-Continuous Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
I. 10-year Certain-and-Continuous Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary
J. 15-year Certain-and-Continuous Annuity	<input type="checkbox"/>	<input type="checkbox"/> Spouse <input type="checkbox"/> Other Beneficiary

5. Spousal consent to elected form of benefit and beneficiary. Your spouse must complete this section if you are married and elect option A or any of the options C through J above. (Leave this section blank if you elect option B.)

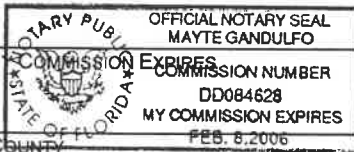
By signing below, I consent to my spouse's election of the Benefit Form checked in section 4, above, and to the beneficiary designated in section 6, below. I understand that my spouse can change the beneficiary without my consent if he or she elects a certain-and-continuous annuity in choice H, I, or J in section 4. I have read the information provided with this application, my consent is voluntary and I understand that I cannot revoke my consent after PBGC makes the first payment.

Veronica Inman
SPOUSE'S SIGNATURE (MUST BE WITNESSED BY A NOTARY PUBLIC)

11/14/02
DATE

To be completed by Notary Public witnessing the spouse's signature above:

Subscribed and sworn to before me this 14 day of November, Year 2002.



DATE MY COMMISSION EXPIRES _____
CITY / COUNTRY _____

Mayte Gandulfo
NOTARY PUBLIC NAME
11/14/02
STATE _____

CONTINUE ➔

7. Information on Federal tax withholding – Tax laws require that we withhold Federal income tax from your pension payments unless you instruct us to do otherwise. You have three choices. Please read them carefully and make your selection on the next page. You may choose:

A) To have PBGC withhold no Federal income taxes from your payments (not available if you live outside of the United States).

B) To have PBGC follow IRS guidance and calculate your withholding.

If you choose this option, you need to tell us if you are married and the number of allowances you claim. It is possible that we will not withhold any Federal income tax even if you choose this option— if, for example, your benefit is low or if you claim a large number of allowances. You may increase the amount we withhold by claiming fewer allowances, by having additional money withheld, or by electing option C, below.

C) To have PBGC withhold the amount you tell us to withhold each month.

If you decide not to have PBGC withhold taxes or the amount that we withhold is too low, you may have to pay an estimated tax directly to the Internal Revenue Service. If the amount of your estimated tax or your withholding is too low, you may also have to pay the IRS penalties. You may wish to consult a tax specialist or the IRS about your decision.

What happens if you do not choose any option?

If you do not choose one of these options, we will withhold Federal taxes as if you were a married individual with three allowances. The amount we will withhold depends on your monthly pension.

What if you want to pick a different option later?

You may change your decision at any time. To choose a different option, simply call PBGC's Customer Service Center at 1-800-400-7242. We will then send you a tax withholding form to complete. Depending on when we receive it, we will make the change by the next month or the month after that.

What if you don't live in the United States?

If you live outside the United States, you cannot elect option A. You may be eligible for special tax treatment under a tax treaty with the country you reside in. We will send you additional information after you file this form.

When determining your Federal tax withholding you may find it helpful to read the IRS instructions for completing the IRS Form W-4P (Withholding Certificate for Pension or Annuity Payments). If you would like a copy, you can either call the PBGC Customer Service Center at 1-800-400-7242 and request a copy be sent to you, or you can print a copy from the IRS Internet site under Forms and Instructions at www.IRS.gov.

CONTINUE 

Participant Application for Pension Benefits

Form 700, page 7 of 7

• Plan Number: 104850

Participant Name / SSN: BROWNIE N INMAN / 262602034

Financial institution information – Please provide the information in this section to have your payment sent directly to a financial institution. The financial institution will receive and post credits and/or debits for you. You may cancel or change this arrangement by calling PBGC at 1-800-400-PBGC. The financial institution can cancel it by sending you a written notice.

The information below is available from your financial institution, or you may find it on your checks, account statement, or deposit slip. There are three numbers printed on the bottom of your check: the financial institution's routing number, your account number, and your check number. The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. Your account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Be sure not to use the check number. If you are unsure of the routing number or your account number, contact your financial institution.

Name of Financial Institution		First Union		Branch		west Kendall									
Mailing Address								13700 N. Kendall Dr							
City				State				Zip Code							
Miami								33186							
Name of contact person															
Routing Number				Financial Institution Phone Number								EXTENSION			
067006432				(305) 263-1550								x			
Name(s) on the Account												Account Type			
												<input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings			
Account Number															
1090009323137															

**PLEASE REVIEW THIS FORM TO MAKE SURE IT HAS ALL REQUIRED SIGNATURES BEFORE YOU SUBMIT IT.
 A MISSING SIGNATURE COULD DELAY YOUR FIRST PAYMENT.
 THANK YOU**



PBGC
P.O. Box 19153
Washington, DC 20036-9153

502
December 17, 2002

PBGC Case Number: 104850
Plan Name: EASTERN AIR LINES PLAN NON CONTRACT EMPLOYEES

BROWNIE N INMAN
18905 SW 128 CT
MIAMI FL 33177

Dear BROWNIE N INMAN:

We have directed our bank, State Street Bank, to issue your first monthly payment of \$145.64 on 02/01/2003.

This payment is in the form of Straight Life Annuity with not survivor benefits. The Straight Life Annuity provides you with a monthly benefit for the rest of your life.

You are also entitled to missed payments totaling \$439.21 including interest. You will receive this amount in a single payment, which you may not roll over into another retirement plan. We will report the payment to the IRS as taxable income and you may wish to discuss the tax consequences with a tax advisor.

If you have any questions or do not receive your payment within 10 days, please call our Customer Service Center at **1(800) 400-7242**. If you use a TTY/TDD, call **1(800) 877-8339** and give the relay operator our telephone number. You may also write to:

PBGC
P.O. Box 19153
Washington, DC 20036-9153

When you write us, include your Social Security number, PBGC case number 104850, and a daytime telephone number. Please keep this letter in your records for future reference.

Sincerely,

Lucia Iglesias

Lucia Iglesias