

Below are answers to additional questions you may have about last month's DHL announcement. *We are still gathering information, and we will provide answers to additional questions in future communications.* Please remember to work safe, be compliant, and take care of each other.

**Q42. Where can I find the cost and other details of COBRA coverage?**

A42. Information about your COBRA rights can be found in the Benefits Handbook under the COBRA section. (Benefits Handbooks are available online at [www.myabx.com/benefits/spd.htm](http://www.myabx.com/benefits/spd.htm).) In general, employees who separate from the Company can continue the health benefits under COBRA for up to 18 months. The cost of the COBRA coverage varies depending upon the plan elected and family status. Costs range from \$281.51/month for single coverage under the Health Savings Account PPO Plan to \$1,240.54/month for full family coverage under the Enhanced PPO plan to \$1,561.56 for family coverage under the Pilot's Traditional Plan. Many common FAQs about COBRA can be found on the U.S. Department of Labor web site at [www.dol.gov/ebsa/faqs/faq\\_consumer\\_cobra.html](http://www.dol.gov/ebsa/faqs/faq_consumer_cobra.html).

**Q43. Is ABX Air considering any options for discounting or extending medical benefits (beyond COBRA) for those who lose their jobs?**

A43. We are discussing options with United Healthcare regarding individual health insurance policies that could be offered to former employees in lieu of or after their COBRA period expires. If these details are finalized, we will announce more information about these options.

**Q44. What happens to employees on disability if their position is eliminated?**

A44. Generally, if a person receiving disability benefits had their position eliminated, the disability benefits would continue as long as the person continued to meet the definition of disability.

**Q45. How can I obtain my medical records from the Healthcare Center?**

A45. Individuals can request that their medical records be transferred to another physician by completing an authorization form that is available from the Healthcare Center. You will need to provide the name, address, and phone number of the new physician. You may also request copies of your medical records sent directly to you by the same process. Please allow two to three business days to process a request.

**Q46. How long will the Healthcare Center, dental unit, and pharmacy remain open, and who will be able to use them?**

A46. We plan to keep the Healthcare Center and pharmacy open as long as it continues to make financial sense to do so. As the Company downsizes it is likely that the Healthcare Center will scale down accordingly.

**Q47. Will early retirement be an option?**

A47. ABX Air certainly will ask if there are any volunteers who wish to give up their positions first, and employees are eligible to take early retirement if they are at least age 55 and have at least 10 years of service with the Company. However, we do not expect to be able to offer early retirement incentives. It is important to preserve the assets of the retirement plan to provide the benefits that have already been promised.

**Q48. How much of our Profit Sharing Plan is tied up in ATSG stock?**

A48. There is no ATSG (formerly ABXA) stock in the Profit Sharing Plan. All shares of the Company's stock in the Plan were sold early last year for an average price of \$7.02/share and the money was reinvested in the other investments in the Plan. Currently about 55 percent of the Profit Sharing plan's assets are invested in a broad diversified portfolio of stocks. Forty percent is invested in diversified portfolio of bonds and about five percent is invested in a diversified real estate portfolio.

**Q49. How can I find out my Profit Sharing Plan balance?**

A49. Statements were mailed to all participants last March. In addition the Benefits Department is preparing retirement information statements which will include the Profit Sharing Plan balance. We expect to be able to send out these new statements within the next 60 days. Employees should make sure that their current address is on file with the Company. The address that prints on your paycheck is the official address we have for you. If you need to update the address, you can use Employee Self Service to update your address. Note that only non-bargaining employees hired before Jan. 1, 1999 have a Profit Sharing Plan balance.

**Q50. If I am eligible for a Profit Sharing Plan payout, what are the tax penalties? What happens to my current loan against my 401(k) account if my job is eliminated? Will I have to repay it?**

A50. The tax rules are the same that apply to 401(k) plans, i.e. the payout is subject to ordinary income tax. In addition there is a 10% penalty tax if the person is under the age of 59½. These taxes can be avoided by rolling over the account to an IRA or a new employer's 401(k) plan.

**Q51. What happens to my current loan against my 401(k) account if my job is eliminated? Will I have to repay it? Will I be penalized if I can't?**

A51. Your loan must be repaid, or it will default. However, the loan would not go into default until 90 days after the last payment. In the event of default, the outstanding loan balance will be treated as a taxable distribution. For further information, please contact Fidelity Investments at (800) 835-5095 to discuss loan repayment with a Fidelity representative.

ABX Air as the Plan Administrator does not charge penalties on the loan defaults. Here's what happens with loans: As long there is a paycheck, we will deduct the loan repayment amount until the loan is repaid. This includes any severance pay. If the employee is laid off or separating from employment and will no longer have a paycheck, the employee has several options:

1. The employee can make a lump sum repayment.
2. The employee can request a coupon booklet from Fidelity and continue to make monthly payments directly to Fidelity.
3. The employee can request a payout of the account or a rollover of the account. Fidelity will send the account balance net of the outstanding loan amount. In this case the loan will go into "default" status and the loan will be treated as a taxable payment. The outstanding loan will be reported to the IRS as taxable income, the same as any amount that is not rolled over. In addition, if the participant is under the age 59½, he/she will owe the IRS a 10% penalty tax for early withdrawal.
4. If the employee chooses to leave the balance in the 401(k) plan after separating and does not repay the loan, after 90 days the loan will default. Defaulting on a 401(k) loan, just means that the outstanding balance becomes taxable. Defaults are not reported to any credit bureau.

Fidelity representatives can discuss further details on these options and their implications for employee loans. The number is (800) 835-5095. Also we've posted 401(k) Q&As under NEWS on the [www.401k.com](http://www.401k.com) web site that address many of these questions.

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**Q52. If I have less than five years of service with ABX, will I get the full distribution of the company match to 401(k)?**

A52. The value of your Employee Contribution account belongs to you and is always 100 percent vested in your account. The term "vested" means percentage of ownership of your 401(k) account. You gradually become vested in the Company matching contribution through your years of service as follows:

Completed Years of Service	Company Match Percent Vested
1	20%
2	40%
3	60%
4	80%
5	100%

For example, if you have three years of service with ABX, you are 100 percent vested in the money you have contributed to your 401(k) account plus 60 percent vested in the money ABX has contributed to your account. The above vesting schedule is for the matching funds only. For the five percent contribution vesting schedule, see the next question.

**Q53. Will I receive the five percent contribution from the 401k?**

A53. For non-bargaining employees hired after September 1, 2005 and covered by this particular plan, the five percent contribution has the following vesting schedule:

Completed Years of Service	5% Contribution Percent Vested
Less than 3	0%
3 or more	100%

**Q54. Will I receive a payout for my sick time if my job is eliminated?**

A54. No. Sick time is provided by the Company to help you through a period of illness so that you can return to work with little or no disruption in your pay. It is not intended as a source of additional income for those who have been fortunate enough not to suffer periods of illness.

**Q55. Will a voluntary layoff option be offered?**

A55. We intend to allow voluntary layoffs when and where appropriate.

**Q56. What kind of severance will be offered, and who will be eligible?**

A56. We are still working on the details of a retention program that will encourage employees to remain at ABX Air as long as their positions are needed and then aid them as they transition to new employment. We anticipate that severance will be offered to the full- and part-time non-bargaining unit employees who continue working until a date at which their positions are eliminated. If an employee resigns employment with ABX Air or is terminated for cause prior to the release date, he or she will not be eligible for severance. For example, if an employee accepts other employment with another company prior to his or her release date, severance will not be offered.

Large numbers of severances are not expected in the regional hubs. Typically those employees that were not offered DHL employment when hubs have moved from ABX Air to DHL have been offered severance payments. However, details of hub transitions have not yet been finalized.

**Q57. If I accept a severance package, will it affect my ability to receive Unemployment Compensation?**

A57. Normally, acceptance of a severance package delays Unemployment Compensation but otherwise has no impact.

**Q58. Are severances subject to the same taxes and deductions as paychecks?**

A58. Yes. If you need to change your tax withholding you can do so online using Employee Self Service: [www.MyABX.com/selfservice](http://www.MyABX.com/selfservice).

**Q59. What retraining and job placement assistance will be provided if my position is eliminated?**

A59. ABX Air intends to help those employees whose positions are eliminated. Resume and interview preparation, job search help, occupational training, and financial counseling are among the types of services being considered. We are working closely with state agencies to make the services available quickly and conveniently. It is our plan to begin making some of these services available while you are still employed.

**Q60. What will happen to my tuition reimbursement if my position is eliminated in the middle of a school term?**

A60. At the successful conclusion of the class, ABX Air will reimburse tuition for pre-approved course(s) in process at the time an employee is released.

**Q61. Will the Family Fun Day and other EAFB events still take place?**

A61. Yes, EAFB-sponsored events, including the Family Fun Day, will continue as planned.

**Q62. Why are improvements to the air park continuing? Why is new equipment still arriving?**

A62. Upgrades, replacement, and maintenance of facilities and equipment will continue wherever it is important for safety or operational reasons.

**Q63. Does DHL own any of our aircraft?**

A63. DHL does not own any of the aircraft operated by ABX Air.

**Q64. Does DHL own the air park?**

A64. Yes, DHL owns the air park, though the original contract with Airborne Freight provided for the state to reclaim the property if it were no longer being operated as an airport.

**Q65. Will ABX Air be able to perform Maintenance Repair Organization (MRO) work at ILN?**

A65. Our intention is to continue offering aircraft maintenance and repair services to third party customers using the facilities at ILN for as long as possible. We currently have a lease on the maintenance facilities until 2010.

**Q66. Will there be pay cuts?**

A66. Some pay and benefit reductions may be necessary in order for ABX Air to be competitive in the ACMI and MRO industries. At this point, it's too soon to guess what those pay and benefit reductions would look like.

**Q67. Will upper management take pay cuts if everyone else does, too?**

A67. Yes.

Please continue to forward your questions to your management, Employee Relations, our CEO [Joe.Hete@abxair.com](mailto:Joe.Hete@abxair.com), our President [John.Graber@abxair.com](mailto:John.Graber@abxair.com), or our Vice President of Human Resources [John.Starkovich@abxair.com](mailto:John.Starkovich@abxair.com).

*Many of the answers to these questions are contingent upon DHL's negotiations with UPS.*