

Pension fund benefits

Frontier employees

March 1982 Frontier News

A sizeable benefit for Frontier employees is eligibility for participation in a company-sponsored retirement plan.

Anything unique about this?

Yes. Frontier is one of the few airlines in the nation with a fully funded pension program. This means there is enough money in the pension fund today to pay all currently committed retirement benefits in future years.

The company contributes money each year to the pension fund out of total revenues. In 1981, contributions were \$17.4 million — an average of \$3,034 per employee — bringing the fund total to over \$105 million.

The fund is held in a secure trust by the Central Bank of Denver, which makes payments to retirees. Money in the pension fund will always remain in this fund; under no circumstances will it return to Frontier.

"Management takes a conservative approach to the retirement program. maintaining the plan should always be fully funded," according to **John Osterberg, Frontier's director of the treasury.** "A 1981 survey of U.S. airlines reveals that only 30 percent of airline industry employees are covered by fully funded programs. If a pension plan is not fully funded, there is not enough money presently in the fund to honor all obligations to retired employees."

Frontier employees with at least one year of service are eligible to participate in a retirement program. There are seven plans for employees, depending on union affiliation or job classification.

"For most employees, the company retirement plan is a major part of future planning - a way to supplement what the employee may receive from other sources. Frontier's fully funded program is assurance this benefit will continue for years to come." says **Osterberg.**

Retirement plan descriptions are available by writing the employee benefits department at DEN-IN.