US Airways, Inc.
Employee Pension Plan
Employee Savings Plan

Summary Plan Description

As of January 1, 2005
January 2006

Dear US Airways Benefit Plan Participant:

We are pleased to present to you this Summary Plan Description (“SPD”) for the US Airways, Inc. Employee Pension Plan and the US Airways, Inc. Employee Savings Plan (the “Retirement Program”). This SPD summarizes the main provisions of the Retirement Program as of January 1, 2005.

Please take some time to review this SPD, since it includes a comprehensive overview of:

- Your participation and the Retirement Program’s eligibility rules;
- How the Retirement Program works in general;
- Your payment options; and
- Important information about the operation of the Retirement Program and your rights as a participant.

If you have general questions about the benefits information contained in this SPD, please contact Benefits Administration at 800-872-4780, prompt 2. (Effective February 6, 2006, you will need to contact the Fidelity Service Center for US Airways at 1-800-354-3412 for information on the Retirement Program.)

Sincerely,

John Hedblom
Vice President
Human Resources
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INTRODUCTION

This document summarizes the main provisions of the US Airways, Inc. Employee Pension Plan and the US Airways, Inc. Employee Savings Plan (collectively, the “Retirement Program”), as of January 1, 2005, and serves as the Summary Plan Description (“SPD”) for these benefits as they apply to eligible employees. It’s important to note that the Retirement Program consists of two separate defined contribution plans:

- The US Airways, Inc. Employee Pension Plan (the “Pension Plan”); and
- The US Airways, Inc. Employee Savings Plan (the “Savings Plan”).

Please read this SPD carefully. If you have any questions about the benefits information contained in this SPD, contact US Airways Benefits Administration at 1-800-872-4780. When you hear the telephone prompts, select 2. (Effective February 6, 2006, you will need to contact the Fidelity Service Center for US Airways at 1-800-354-3412 for information on the Retirement Program.)

This SPD provides a comprehensive overview of the benefits available under the Retirement Program. However, it is only a summary. Complete details are contained in the legal plan documents. If there is any difference between the information in this SPD and the legal plan documents, the plan documents will govern. In addition, the laws relating to qualified retirement plans change frequently. Whenever a Retirement Program provision is inconsistent with any change in the law, the Retirement Program will be administered according to the new law, regardless of the terms of the Retirement Program or this summary. You will be informed about any changes that will have a significant impact on the Retirement Program or your Retirement Program accounts.
ABOUT YOUR ELIGIBILITY

You are eligible to participate in the Retirement Program if you are:

- A United States-based part-time or full-time non-contract employee of US Airways, Inc. ("US Airways" or the "Company"); or
- A member of a collective bargaining unit whose contract provides for your participation in the Retirement Program; and
- At least age 18 and have completed 90 days of continuous employment.

*Please note:* Your service begins with your first day of employment. If you stop working before you have 90 days of continuous service, then return to work within 12 consecutive months, there are special rules that may allow your previous service to count toward the 90-day requirement when you return to work.

You are not eligible to participate in the Retirement Program if you are:

- A member of a collective bargaining unit whose retirement benefits are subject to collective bargaining, unless the collective bargaining agreement specifically provides for your participation in the Retirement Program;
- An employee who has agreed not to participate (with respect to the Savings Plan);
- A temporary employee (with respect to the Savings Plan);
- An individual who is not classified by US Airways as an employee under federal law;
- A mechanic and related employee of MidAtlantic Airways who is represented by the International Association of Machinists and Aerospace Workers (the “IAM”); or
- An employee of MidAtlantic Airways, hired on or after July 1, 2004, who is not covered by a collective bargaining agreement.
HOW THE PLAN WORKS

The following term is used in this section:

Compensation. Includes all base pay, bonuses*, overtime pay, shift premiums and shift differentials calculated before any payroll deductions under the terms of any qualified cash or deferred arrangement, cafeteria plan or qualified transportation fringe benefit plan. Compensation does not include any payments received under an incentive compensation plan. The Retirement Program, by law, cannot recognize compensation above a certain level. This amount is adjusted annually by Internal Revenue Service (“IRS”) regulations, and the 2006 limit on compensation is $220,000.

* Effective June 6, 2005, this excludes any payments made pursuant to any broad-based incentive award programs, including but not limited to the US Airways Employee Performance Enhancement Incentive Program.

To help you achieve your retirement income goals, US Airways contributes to the Retirement Program accounts on your behalf. You also have the opportunity to make additional contributions.

The Retirement Program includes two separate plans:

- The US Airways, Inc. Employee Pension Plan (the “Pension Plan”); and
- The US Airways, Inc. Employee Savings Plan (the “Savings Plan”).

These plans together provide retirement savings opportunities through a Base Account, a 401(k) Account, a Profit Sharing Account (for certain collectively-bargained employees), and a Company Match Account (for certain collectively-bargained employees).

The following table provides a brief summary of how enrollment works for each component of the Retirement Program, and how contributions are made.
<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Your Enrollment</th>
<th>US Airways’ Contributions</th>
<th>Your Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Account</td>
<td><strong>Automatic.</strong> You are enrolled beginning with the first day of the calendar quarter after completing 90 days of continuous employment.</td>
<td>Each pay period, US Airways contributes three percent (3%) of your Compensation, unless you are a member of the Transport Workers Union. If you are a member of the Transport Workers Union, US Airways contributes a percentage of your Compensation based on your age.</td>
<td>You may not contribute to this account.</td>
</tr>
<tr>
<td>401(k) Account</td>
<td><strong>You must enroll.</strong> You can begin making contributions as of the first day of the calendar quarter after completing 90 days of continuous employment, but you must enroll in order to participate.</td>
<td>US Airways does not make contributions to this account.</td>
<td>You may elect to contribute as much as 100% (up to certain legal limits) of your Compensation on a pre-tax basis.</td>
</tr>
<tr>
<td>After-Tax Account</td>
<td><strong>You must enroll.</strong> You can begin making contributions as of the first day of the calendar quarter after completing 90 days of continuous employment, but you must enroll in order to participate.</td>
<td>US Airways does not make contributions to this account.</td>
<td>You may elect to contribute as much as 100% (up to certain legal limits) of your Compensation on an after-tax basis.</td>
</tr>
<tr>
<td>Company Match Account*</td>
<td><strong>Automatic.</strong> You are enrolled beginning with the first day of the calendar quarter after completing 90 days of continuous employment, provided you enroll in the 401(k) Account.</td>
<td>Each pay period, US Airways contributes an amount (up to certain legal limits) to match a portion of your pre-tax contributions to your 401(k) Account.</td>
<td>You may not contribute to this account.</td>
</tr>
<tr>
<td>Profit Sharing Account*</td>
<td><strong>Automatic.</strong> You are enrolled beginning with the first day of the calendar quarter after completing 90 days of continuous employment.</td>
<td>At the end of each year, US Airways may contribute a percentage of your Compensation based on the Company’s pre-tax profit margin for the year.</td>
<td>You may not contribute to this account.</td>
</tr>
</tbody>
</table>

*The Company Match Account and the Profit Sharing Account apply to certain collectively bargained employees only.*

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**Please note:** On December 1, 2004, the Shuttle, Inc. Investment Plan for Non-Contract Personnel (the “Non-Contract Shuttle Plan”) was merged with and into the Savings Plan. Provisions for the participants of this plan can be found in the “Special Provisions for Employees of Merged Companies” section beginning on page 36.
Enrolling in the Plan

Your contributions to the Savings Plan will begin with your first paycheck in the first quarter following 90 days of continuous employment.

You can enroll online through Fidelity NetBenefits (www.401k.com) or by calling the Fidelity Service Center for US Airways at 1-800-354-3412. When you enroll, you will:

- Choose the percentage of pay you want to save on a pre-tax and/or after-tax basis;
- Choose a Personal Identification Number (“PIN”) so that you can access your account by telephone or online in the future; and
- Choose how to invest all of your accounts in the Retirement Program. (For more information on investing the money held in your accounts, see page 18.)
PLAN CONTRIBUTIONS

US Airways’ Contributions

Base Account

US Airways contributes a percentage of your Compensation to your Base Account each pay period. The contribution percentage is three percent (3%) of your Compensation, unless you are a member of the Transport Workers Union (“TWU”). If you are a member of the TWU, the contribution percentage is based on your age at the end of the calendar quarter in which the pay period falls.

Effective October 18, 2004, employees covered under the maintenance training specialist collective bargaining agreement between US Airways and the IAM became ineligible to receive contributions to the Base Account.

If you are a member of the TWU, the contribution percentage is based on your age at the end of the calendar quarter in which the pay period falls. The percentage contribution and corresponding age brackets are shown in the table below.

<table>
<thead>
<tr>
<th>Your Age</th>
<th>US Airways’ Contribution as a Percentage of Your Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 – 34</td>
<td>2%</td>
</tr>
<tr>
<td>35 – 44</td>
<td>4%</td>
</tr>
<tr>
<td>45 – 54</td>
<td>6%</td>
</tr>
<tr>
<td>55 or over</td>
<td>8%</td>
</tr>
</tbody>
</table>

Example: Leah is paid on a bi-weekly basis. Her current Compensation is $1,600 every other week, and she turns 35 on June 15. Beginning with the first paycheck in April, US Airways will contribute 4% of Leah’s Compensation, or $64, to her Base Account every other week.

After-Tax Account

US Airways does not make contributions to this account.

401(k) Account

US Airways does not make contributions to this account.
**Company Match Account (for employees covered under a collective bargaining agreement between US Airways and the TWU)**

US Airways will contribute 50 cents for every dollar (i.e., a 50% company match) that you contribute to your 401(k) Account, up to the first four percent (4%) of your Compensation. That means that US Airways will contribute a maximum of two percent (2%) of your Compensation. The company match percentages are shown in the table below.

<table>
<thead>
<tr>
<th>If you contribute</th>
<th>US Airways Contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2%</td>
<td>1.0%</td>
</tr>
<tr>
<td>3%</td>
<td>1.5%</td>
</tr>
<tr>
<td>4%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

*Example:* From the example above, Bill’s current Compensation is $1,600 every other week. He decides to contribute 5% of his pre-tax Compensation, or $80 per paycheck, to his 401(k) Account. US Airways will make a matching contribution of 50% of the first 4% Bill contributes — or $32. Each paycheck he will save a total of $112 in his combined 401(k) and Company Match Accounts, not including any potential investment earnings or contributions made to his Base Account.

**Profit Sharing Account (for employees who are Dispatchers and Flight Crew Training Instructors covered under a collective bargaining agreement between US Airways and the TWU)**

Following the end of each year, US Airways may contribute a percentage of your Compensation to your Profit Sharing Account, based on US Airways Group’s pre-tax profit margin for the year. US Airways Group is the parent corporation of US Airways, Inc. and all wholly-owned subsidiaries. To receive any Profit Sharing Account contribution for a given year, you must be employed by US Airways or a company related to US Airways on December 31st of that year. Your Compensation will be the Compensation you receive during the year, after you became eligible to participate in the Retirement Program. The following table summarizes how US Airways determines Profit Sharing Account contributions based on pre-tax profit margins each year.
### Pre-tax Profit Margin

<table>
<thead>
<tr>
<th>Pre-tax Profit Margin</th>
<th>Percentage of Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1.5%</td>
<td>0%</td>
</tr>
<tr>
<td>At least 3.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>At least 4.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>At least 6.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>At least 7.5%</td>
<td>2.5%</td>
</tr>
<tr>
<td>At least 9.0%</td>
<td>3.5%</td>
</tr>
<tr>
<td>At least 11.0%</td>
<td>4.5%</td>
</tr>
<tr>
<td>At least 12.0%</td>
<td>5.5%</td>
</tr>
<tr>
<td>At least 14.0%</td>
<td>6.5%</td>
</tr>
<tr>
<td>15% or more</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

If the profit margin falls between two of the figures in this chart, the percentage contributed is based on a straight line interpolation between the figures.

**Example:** From the example above, Joe’s current Compensation is $40,000 a year. At the end of the year, US Airways experiences a pre-tax profit margin of 4.5%. As the table above illustrates, US Airways will contribute 1.0% of Joe’s Compensation, or $400, to his Profit Sharing Account.

Note: Effective January 1, 2005, Flight Simulator Engineers, who are represented by the TWU, became ineligible for the profit sharing contribution.

### Your Contributions

You may elect to make pre-tax contributions to your 401(k) Account and after-tax contributions to your After-Tax Account. Depending on your situation, you may also be eligible to make rollover or catch-up contributions.

### Pre-Tax and After-Tax Contributions

You make pre-tax and after-tax contributions to the Savings Plan through automatic payroll deductions. In general, you can contribute from 1% to 100% of your pre-tax Compensation and 1% to 100% of your after-tax Compensation. Please note that the combination of pre-tax and after-tax elections cannot exceed 100%.

**Example:** Leslie earns $30,000 a year. If she elects to make a contribution, she can contribute as little as $300 (that’s 1%) or as much as $30,000 (or her entire earnings) each year.
**Pre-Tax Contributions**

By making pre-tax contributions to the Savings Plan, you reduce your current taxable income because you do not pay federal and most state and local income taxes on these contributions and their investment earnings while they are in your account. However, pre-tax contributions are subject to Social Security and Medicare taxes paid by you and US Airways. Because you pay Social Security taxes on the money you contribute to your 401(k) Account, the Social Security benefits you receive at retirement will not be affected by the savings you contribute to the Savings Plan.

*Example:* From the example above, Leslie earns $30,000 a year. Assume her federal tax bracket is 25%. Each year, she contributes 4% ($1,200) to her 401(k) Account. Leslie reduces her taxes by approximately $300 each year by contributing 4% to her 401(k) Account.

**After-Tax Contributions**

If you elect to make after-tax contributions to your After-Tax Account, your after-tax contributions will be included in your income that is subject to federal, state and local income taxes. Income taxes on the investment earnings of your after-tax contributions will be deferred until you receive a distribution of your benefit from the Savings Plan.

**Comparing Pre-Tax and After-Tax Contributions**

Pre-tax and after-tax contributions are treated differently under the Savings Plan. The following chart lists key characteristics to consider when choosing the type of contribution that best fits your personal needs.

<table>
<thead>
<tr>
<th>Pre-Tax Contributions</th>
<th>After-Tax Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>You <strong>do not pay</strong> current income taxes on:</td>
<td>You <strong>pay</strong> current income taxes on your contributions before they go into your After-Tax Account.</td>
</tr>
<tr>
<td>■ Your contributions;</td>
<td></td>
</tr>
<tr>
<td>■ The Company’s matching contributions (for employees represented by the TWU); or</td>
<td></td>
</tr>
<tr>
<td>■ Investment earnings.</td>
<td></td>
</tr>
<tr>
<td>Taxes are deferred until you receive a distribution from the Savings Plan.</td>
<td></td>
</tr>
</tbody>
</table>

US Airways matches pre-tax contributions (for employees represented by the TWU). US Airways does not match after-tax contributions.
<table>
<thead>
<tr>
<th>Pre-Tax Contributions</th>
<th>After-Tax Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your annual pre-tax contributions are limited to a specified dollar amount. (The dollar limit for pre-tax contributions for 2006 is $15,000.)</td>
<td>There is no specific dollar limit for after-tax contributions.</td>
</tr>
<tr>
<td>You may not withdraw pre-tax contributions before you terminate employment — unless you have an approved financial hardship or you reach age 59½.</td>
<td>You may withdraw after-tax contributions at any time, subject to a minimum of $1,000 and a maximum of your After-Tax Account balance for each withdrawal.</td>
</tr>
<tr>
<td>You pay taxes on any withdrawals you take from your pre-tax account value. For most withdrawals before age 59½, additional penalties may apply.</td>
<td>You do not pay taxes when you withdraw your after-tax contributions (because they have already been taxed). However, you will pay taxes on any investment earnings paid out to you associated with your after-tax contributions. Additional penalties could also apply to investment earnings if withdrawn before age 59½.</td>
</tr>
</tbody>
</table>

**Income Tax Credit**

Tax legislation allows certain individuals to receive an income tax credit of up to $1,000 for contributing to tax-deferred retirement plans. These credits are limited to individuals whose adjusted gross income (AGI) is less than the following amounts:

- $50,000 for couples filing income taxes jointly;
- $37,500 for individuals who file as heads of household; and
- $25,000 for single taxpayers.

This tax credit is available through 2006. For more information, please contact your personal financial or tax advisor.

**Catch-up Contributions**

If you are age 50 or older, or if you will reach age 50 before the end of the calendar year, you are eligible to make “catch-up” contributions, which are additional tax-deferred contributions each year, up to a specified dollar limit. If you will be age 50 or older in 2005, you can contribute up to an additional $4,000 in catch-up contributions ($5,000 in 2006). You may contribute up to 100% of your Compensation (subject to the catch-up dollar limit) to take advantage of this benefit. Your catch-up contributions will be recorded in a separate account in your name (called the “Catch-up Contribution Account”). Please note that the catch-up contribution dollar limit is subject to change periodically. If eligible, you can make catch-up contributions through automatic payroll deductions, just like your other account contributions.
**Rollover Contributions**

If you participated in a qualified retirement plan through another employer and received a distribution from that plan, you may roll that benefit into the Savings Plan at any time (no waiting period required).

Keep in mind, however, that although you may make a rollover contribution at any time, you may not begin to make 401(k) and/or After-Tax Account contributions or receive US Airways’ contributions to the Base, Company Match or Profit Sharing Accounts until you meet the Retirement Program’s eligibility requirements. For more information, see “About Your Eligibility” starting on page 2.

Your rollover contributions will be recorded in the Savings Plan in a separate account in your name (called your “Rollover Account”). Rollover contributions are not matched by US Airways, but they can be invested in any of the investment options available under the Savings Plan. The Savings Plan cannot accept rollover contributions in stock or property, or from a personal Individual Retirement Account (“IRA”), except a conduit IRA.

For more information about making rollover contributions, contact the Fidelity Service Center for US Airways at 1-800-354-3412.

**Transfers to the Savings Plan**

If you participated in another qualified plan of US Airways or a company related to US Airways and are eligible to participate in the Savings Plan, US Airways may direct the Trustee to transfer your assets to the Savings Plan. This will typically only apply if US Airways participates in a merger or consolidates retirement programs. Certain plan provisions and protected benefits and forms of payment (under the plan from which assets are being transferred) will remain in effect for you only with regard to the transferred money. Any transfer contributions will be recorded in a separate account in your name (called your “Transfer Account”).

Please note that a change in employment status with US Airways — from a contract position that is not eligible for this Savings Plan to a non-contract or contract position that is eligible for this Savings Plan (and vice versa) — will not result in a transfer of account balances from another retirement program to this Savings Plan. In this case, your account balances will be managed separately under the separate retirement programs, and you will receive separate account statements.
## How the IRS Limits Affect Your Accounts

**Highly Compensated Employee.** Generally includes any employee who received compensation in excess of $100,000* during the previous year.

*These limits are subject to change by the IRS periodically and are lower in prior calendar years."

### Annual Addition Limit

The Internal Revenue Code ("IRC") limits the total amount of contributions made for you under all defined contribution retirement plans offered by US Airways or a company related to US Airways to the lesser of:

- $44,000 in 2006 (indexed for inflation); or
- 100% of your taxable income.

Specifically, this limit applies to the total of all the contributions you and US Airways make to the Retirement Program in any given calendar year. (For purposes of determining 100% of your taxable income, 401(k) and catch-up contributions and pre-tax contributions that you make to any welfare or fringe benefit plans at US Airways are not included.)

If total contributions to the Retirement Program exceed this limit, US Airways may make an adjustment to and/or refund of the contributions in excess of the limit. This is called a “refund of an excess annual addition.” Any refund of an excess annual addition will be made from your accounts using the following steps, until the total contributions meet the limit:

1. **Step 1.** Reduce 401(k) Account contributions that have not been matched with contributions to the Company Match Account;

2. **Step 2.** Reduce 401(k) Account contributions that have been matched with contributions to the Company Match Account and any applicable matching contributions (reduced in pro-rated amounts);

3. **Step 3.** Reduce Profit Sharing Account contributions;

4. **Step 4.** Reduce Base Account contributions.

You will be notified in writing if any of the above applies to you.
**Maximum Annual Contributions to the Savings Plan**

The IRS limits the total amount of pre-tax contributions you can make each year. This limit, which is indexed for inflation and subject to change periodically, applies to all pre-tax contributions you make to the Savings Plan and to similar plans of any other employer in the same calendar year. US Airways will monitor your 401(k) contributions to the Savings Plan so that you will not exceed the limit. However, if you contribute to plans of any other employer, it is your responsibility to monitor compliance with this limitation.

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Pre-Tax Contribution Limit</th>
<th>Combined Pre-Tax and Catch-up Contribution Limit for Employees Age 50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$15,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>After 2006</td>
<td>Indexed for inflation in $500 increments</td>
<td></td>
</tr>
</tbody>
</table>

**IRC Non-Discrimination Tests – Savings Plan**

In return for favorable tax treatment, the IRS requires any plan with pre-tax contributions (i.e., 401(k) Accounts) and any plan with company matching contributions (i.e., Company Match Accounts) and/or after-tax contributions to pass two special tests. “Non-discrimination tests” are designed to make sure that the Savings Plan has a fair mix of contributions among employees at all income levels, and that the Savings Plan does not discriminate in favor of Highly Compensated Employees.

US Airways expects this Savings Plan to meet these two tests each year. If the Savings Plan does not meet these tests at any time, it might be necessary to reduce the percentage you are allowed to contribute to your 401(k) Account and/or reduce the amount contributed to your Company Match Account (for employees represented by the TWU) by US Airways. This should only affect employees at higher income levels.

In general, Highly Compensated Employees’ 401(k) Account contributions and Company Match Account (for employees represented by the TWU) and After-Tax Account contributions cannot exceed:

- 125% of the average deferral percentage for all other employees in the prior calendar year; or
200% of the average deferral percentage for all employees in the prior calendar year, provided contributions for Highly Compensated Employees are no more than 2% higher than the average percentage.
WHEN YOU ARE VESTED

Vesting means you have a non-forfeitable right to the money in your account. You are always 100% vested in the value of the accounts holding your own pre-tax, after-tax, catch-up and rollover contributions (and any investment earnings on those contributions).

You become 100% vested in your Base, Company Match (including any investment earnings on those contributions) and Profit Sharing Accounts once you complete two years of vesting service. You are credited with vesting service from the first date you are employed by US Airways.

You also become 100% vested in your Company Match Account if, while actively employed, you reach normal retirement age (age 65).
BREAKS IN SERVICE

If you stop working at US Airways for a period of time, you could have a break-in-service. This break-in-service may or may not affect your vesting service depending on the length of your prior service and the length of your break-in-service.

- If you leave US Airways and are later rehired within 12 months, your vesting service will include the period prior to the date you leave US Airways through the date you first perform an hour of service after your return.

  Example: Kevin was employed by US Airways on January 24, 2004. On August 21, 2004, he left the Company, and on January 11, 2005, he was reemployed. Since he was reemployed within 12 consecutive months, Kevin receives credit for vesting service from his original date of hire.

- If you leave US Airways and are later rehired after 12 consecutive months, your service prior to the break will be restored for vesting purposes, provided:
  - You were vested when the break-in-service occurred; or
  - You return within five years (if you were not vested at the time the break-in-service occurred).

  Example: Laura was employed by US Airways on March 4, 1995. When she left the Company on November 10, 1996, she was not fully vested in her accounts. On February 12, 2004, she was reemployed. Laura was not vested when the break-in-service occurred and did not return within five years. Therefore, while she is fully vested in the value of the accounts holding her own pre-tax, after-tax, catch-up and rollover contributions and any investment earnings on those contributions, she is not fully vested in the contributions made by US Airways and any investment earnings on those contributions.
LEAVES OF ABSENCE

You may be able to continue participating in the Retirement Program during leaves of absence, under certain conditions.

Continuation of Participation on Approved Paid Leaves of Absence

You can continue to make pre-tax and after-tax contributions to the Savings Plan if you take an approved paid leave of absence. This includes Family and Medical Leave Act (“FMLA”) leaves. You may take loans and withdrawals, but you cannot receive a final distribution of your Retirement Program accounts unless you terminate (or have been deemed to have terminated) your employment with the Company.

Continuation of Participation for Employees in the Uniformed Services

The Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”) guarantees certain rights to eligible employees who are called to active military service. Upon return, eligible employees may be entitled to the seniority, rights and benefits associated with the position they held at the time their employment was interrupted, plus additional seniority, rights and benefits that would have been attained if their employment had not been interrupted. These rights include:

- Service credit under the Retirement Program for the period of leave; and

- The right to make up any contributions that would have been made to the Retirement Program during the leave. US Airways will match these make-up contributions.

Such leave will not constitute a break-in-service provided the military service does not exceed 5 years and you return to work within the time prescribed by law, which generally is no later than 90 days after your release from active military duty.

Upon your return from military leave, US Airways will make a contribution to your Base Account and Profit Sharing Account (as applicable). If you choose to make up your missed pre-tax contributions, US Airways will make a matching contribution (for employees represented by the TWU) to your account based on your pre-tax contributions.
YOUR INVESTMENT OPTIONS

You are responsible for investing your Retirement Program accounts. The Retirement Program offers a variety of investment options. The Retirement Program’s investment funds are designed to provide you with investment choices that are different in their “risk/return” characteristics and that have different investment objectives, so you can design your own investment strategy. Currently, the Retirement Program investment options fall into four categories:

- Seven individual mutual funds;
- Two professionally managed institutional funds;
- Three diversified portfolio mixes (a pre-selected combination of mutual funds); and
- A Self-Directed Brokerage Account (an account that gives you access to virtually thousands of mutual funds and individual securities including stocks, bonds, Certificates of Deposit and more). This option is offered only under the Savings Plan.

Remember that you are solely responsible for investing your Retirement Program accounts. No one else, including US Airways, controls or is responsible for your investment decisions. The responsibility is yours alone. That is why it is so important to familiarize yourself with all of the Retirement Program’s features and investment choices. When you become eligible for the Retirement Program (as described earlier), you should choose how you want to invest the money in your Retirement Program accounts.

The money in your Retirement Program accounts must be invested in at least one of the available investment options. If you do not elect an investment fund for your Retirement Program accounts, the Plan Administrator will invest your account balances in the Fidelity Retirement Government Money Market Portfolio, the Retirement Program’s default fund.

US Airways may change or add to the available investment options, but will always provide at least three funds, constituting a broad range of investments. You will be notified of any changes to the investment options offered under the Retirement Program.
Making Your Investment Election

You can invest in any combination of funds in 5% increments, provided your investments total 100% of your account balance. Payroll deductions and Company contributions cannot be invested directly in any of the investment options available through the Self-Directed Brokerage option. You must elect to invest contributions through Fidelity after the monies have been contributed to your account. You may invest no more than 25% of your vested Savings Plan account in the Self-Directed Brokerage option.

US Airways does not guarantee the performance of any investment fund. You are responsible for any gains or losses resulting from investment elections you make. The Plan Administrator does not give investment advice. You may wish to seek professional advice when choosing investment funds.

Under certain circumstances, the Trustee may decline to follow your investment directions. Your investment directions will not be carried out in those situations in which the directions would:

- Result in a loss greater than the balance in your account;
- Result in a transaction prohibited under ERISA or the IRC;
- Generate taxable income to the Retirement Program or jeopardize its tax qualified status;
- Conflict with the Retirement Program documents or other instruments governing the Retirement Program;
- Cause a Retirement Program fiduciary to hold assets out of the jurisdiction of United States Courts; or
- Result in certain transactions between the Retirement Program and the Company.

Determining the Net Asset Value of a Fund

Your interest in an investment fund is measured and allocated in terms of “units of participation.” The value of a unit of participation is determined by the net asset value of the investment fund. The net asset value per unit of an investment fund at any given time is calculated by:
Adding the value of each security or other asset in the investment fund’s portfolio;

Subtracting the liabilities of the investment fund; and

Dividing that total by the number of units that the investment fund has outstanding to the Retirement Program participants at that time.

Net income and investment gains increase the net asset value, while losses cause the net asset value to decrease. When assets are distributed or transferred out of an investment fund, they are valued at the net asset value per unit of participation, which is determined on a daily basis.

When assets are contributed to or transferred into an investment fund, the value of the assets is converted to units of participation based on the net asset value per unit of participation, which is also determined on a daily basis.

**Obtaining Information About Your Investment Funds**

At the time you become eligible for the Retirement Program, you will receive information on each of the investment funds directly from Fidelity Investments. This information will include:

- A general description of the investment funds;
- The investment objectives of each investment fund;
- The risk and return features of each investment fund; and
- The level of diversification in each investment fund.

Also, any sales and transfer fees charged by the investment funds are available upon request. You are urged to review the information available for a fund before investing in that fund. Upon request, Fidelity Investments will provide a prospectus for each of the investment funds. Prospectuses are not available for the three diversified portfolio mixes offered under the Retirement Program, although the individual prospectuses of the underlying funds are available. It should also be noted that prospectuses are not available for the two professionally managed institutional funds.

If it is not otherwise provided, you can request the following information from Fidelity Investments:
A description of the annual operating expenses of each investment fund (including management, administrative and transaction costs that reduce the value of the investment fund);

Copies of the prospectuses, financial statements and reports provided to the Retirement Program by the investment fund managers;

A list of each fund’s assets and the value of each asset;

A report of each investment fund’s latest available values of the shares or units (and past and current investment performance); and

The value of the shares or units of each investment in which you or your beneficiary is invested.
COMPLIANCE WITH SECTION 404(C)

The Retirement Program is intended to comply with Section 404(c) of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended, and Title 29 of the Code of Federal Regulations Section 2550.404c-1. This means that the fiduciaries of the Retirement Program, such as the Company, may be relieved of liability for any losses that are the direct and necessary result of your investment instructions.
MANAGING YOUR RETIREMENT PROGRAM ACCOUNTS

You can log on to NetBenefits (www.401k.com) or call the Fidelity Service Center for US Airways at 1-800-354-3412 to:

- Check your account balance. Statements are available online through NetBenefits. In addition, paper statements will be delivered annually within 30 days following the end of the year. You can also elect to receive paper statements each calendar quarter by contacting a Fidelity representative or by changing your mail preference on NetBenefits. These statements will show the value and the activity of each of your accounts, including earnings and losses for the previous calendar quarter.

- Increase, decrease, stop or resume the amount of your pre-tax and/or after-tax contributions at any time during the year. Remember, if you are an employee represented by the TWU and you elect not to contribute to your 401(k) Account, you also will not receive the contributions US Airways would make to your Company Match Account;

- Change your investment elections or transfer your current account balances among funds. Account transactions requested after 4:00 p.m. Eastern Time will reflect the next business day’s closing price. Fidelity Investments will send you written confirmation of your transactions within five business days; and

- Take a 401(k) loan or make a withdrawal from your account.
LOANS AND WITHDRAWALS

Loans

There may be times during your career when you need access to the money in your accounts. The Savings Plan has a loan feature that lets you borrow from your accounts and pay yourself back, with interest. This gives you the flexibility to use your own money and postpone paying some taxes, while still building savings for retirement. However, taking money out of the Savings Plan may reduce your overall long-term investment growth.

What You Can Borrow

You may borrow from any of the following accounts:

- 401(k) Account;
- Catch-Up Contribution Account;
- Rollover Account; and/or
- Transfer Account.

You can borrow from these accounts provided:

- You have no other loans outstanding from the Savings Plan;
- The loan is for at least $1,000; and
- The loan is for the lesser of:
  - 50% of your vested Savings Plan account balance, or
  - $50,000, reduced by the highest outstanding balance of any other loans made to you during the 12 months prior to the date of the new loan.

For example, if your vested account balance is $80,000, and you did not have an outstanding loan during the previous 12 months, you can borrow up to $40,000 (50% of your vested balance, up to $50,000). If you had an outstanding loan within the previous 12 months, and the most you owed during that year was $8,000, you can only borrow up to $32,000 ($40,000 - $8,000).
What You Cannot Borrow

You may not borrow or withdraw any money contributed to the following accounts:

- Base Account;
- Company Match Account;
- Profit Sharing Account; or
- After-Tax Account.

Types of Loans

You can apply for a personal loan or a home purchase loan. Personal loans must be repaid within five years. Home purchase loans may be repaid over a longer term (up to 30 years). You can use a home purchase loan to buy or build a home used as your primary residence only. You must show documentation, such as a signed real estate contract, before a home purchase loan will be approved.

Interest on Loans

When you take a loan, you will be charged an interest rate of “prime plus one.” This is the prime interest rate listed in the Wall Street Journal on the first business day of the month in which you request your loan, plus one percent (1%). Once your loan is processed, the interest rate is fixed for the term of your loan. The interest you pay will be invested in your accounts, along with your loan payments.

How to Apply for a Loan

If you are considering a loan, call the Fidelity Service Center for US Airways at 1-800-354-3412 or log on to Fidelity NetBenefits (www.401k.com) to find out how much is available to borrow. The Fidelity Service Center for US Airways will assist you with modeling your loan, based on the amount you want to borrow and length of the loan, to see what your monthly payment will be. Modeling lets you choose the right loan amount and repayment schedule before committing yourself to the loan.

Once you choose a loan amount and repayment schedule, the Fidelity Service Center for US Airways will send you the forms necessary for approval of the loan. To formally apply for a
loan, you must submit a completed loan application to the Fidelity Service Center for US Airways. If you are single, you can request the loan over the telephone. If you are married, your spouse must consent to the loan. Your spouse’s consent must be witnessed by a Retirement Program representative or a notary public. You do not have to give a reason for the loan; however, if you are taking a loan to buy your primary residence and you want to take the loan out for longer than five years, you will need to submit a copy of the real estate sales contract to the Fidelity Service Center for US Airways. You should send your real estate contract to the Fidelity Service Center for US Airways at least 30 days before you expect to receive your loan check.

**Administrative Fees**

When you take a loan, you will be charged an initial set-up fee. If you have an outstanding loan at the beginning of any calendar quarter, you must also pay a quarterly loan administration fee. You can request information on loan rules and fees at any time, even if you are not applying for a loan.

**Repaying Your Loan**

You repay your loan according to a repayment schedule. In general:

- You repay your loan with interest in equal installments through payroll deductions, within the repayment period. When you repay your loan by payroll deduction, the repayments will be invested as follows:
  
  — **If you are also contributing to the Savings Plan at the time you’re repaying your loan**, both the principal and the interest will be invested in the Savings Plan based on your investment elections for future contributions in effect at that time.

  — **If you are not contributing to the Savings Plan at the time you’re repaying your loan**, the repayments will be invested according to the most current investment election you have on record.

- You can also prepay your entire loan balance in one lump sum at any time during the repayment period, without penalty. Partial prepayments are not permitted.
You can have only one loan outstanding at any time. If you repay the outstanding balance on your existing loan, you may again be eligible to take another loan.

You can continue to make contributions to the Savings Plan while you are repaying your loan.

What Happens If:

- You become Totally Disabled while you have a 401(k) loan outstanding? You have two choices:
  - You can continue making your scheduled loan repayments. In this case, you will receive loan repayment coupons to submit with your payments; or
  - You can elect to take a full distribution from the Savings Plan. The balance due on the loan will be deducted from your accounts before they are paid to you and treated as a taxable distribution.

- You take Military Leave while you have a 401(k) loan outstanding? Your loan repayments will be suspended while you are on military leave. Payments will resume once you complete the leave, at the same frequency and at least the same amount as your payments before the leave. The term of the loan will not extend beyond the original term plus the period of military leave.

- You take a paid or unpaid leave of absence while you have a 401(k) loan outstanding? You have two choices:
  - You may continue making your scheduled loan repayments. In this case, you will receive loan repayment coupons to submit with your payment; or
  - You can wait until you return from your leave and pay one lump sum to bring your loan up to date. There are no partial payments. If full payment is not made upon your return from a leave, your loan could go into default.

- You leave US Airways while you have a 401(k) loan outstanding? You have two choices:
  - You can continue making your scheduled loan repayments. In this case, you will receive loan repayment coupons to submit with your payments; or
— You can elect to take a full distribution from the Savings Plan. The balance due on the loan will be deducted from your accounts before they are paid to you and treated as a taxable distribution.

**If You Default on Your Loan**

If you do not make a loan payment within 60 days of the payment due date, your loan will be in default, and the loan and any accrued interest become immediately due and payable. If your loan defaults, it becomes a taxable event. Any unpaid loan balance and accrued interest will be reported to the IRS as ordinary income for that tax year. You must pay taxes on this amount, and it may be subject to an additional ten percent (10%) penalty tax if you are under age 59½.

**Withdrawals**

Under certain circumstances, withdrawals are permitted from the Savings Plan while you are still employed. If you meet the requirements for a hardship withdrawal, or are age 59½ or older, or have $1,000 or more in your After-Tax Account, you may make a withdrawal from the Savings Plan.

**After-Tax Contribution Withdrawals**

You may elect an in-service withdrawal of after-tax contributions while you are still actively employed (subject to a $1,000 minimum withdrawal or the total account balance if less is available). Your distribution will be paid as a lump sum. To apply for an after-tax contribution withdrawal, contact the Fidelity Service Center for US Airways at 1-800-354-2412.

**In-Service Withdrawals After Age 59½**

You may elect an in-service withdrawal after age 59½, but no more than twice in any plan year and of no more than 50% of your pre-tax contributions or catch-up contributions, including any earnings.

Withdrawals are processed as soon as administratively practicable. To apply for an in-service withdrawal, contact the Fidelity Service Center for US Airways at 1-800-354-3412.
**Hardship Withdrawals**

If you meet the requirements for a hardship withdrawal, you may make a withdrawal from your Rollover, Transfer, Catch-Up Contribution and 401(k) Accounts. You may request a hardship withdrawal from the Savings Plan only if you have already exhausted all of your other financial resources, including other available withdrawals and nontaxable loans through US Airways or a company related to US Airways. If you are married, your spouse must consent to your withdrawal request.

Hardship withdrawals may be authorized for:

- Non-reimbursed medical expenses or expenses necessary to obtain medical care, as defined by federal law, for yourself, your spouse or your eligible dependents;

- Payment of tuition, related educational fees and room and board expenses for the next twelve months of post-secondary education for you, your spouse or your eligible dependents;

- Costs directly related to the purchase (but not renovation, repair or mortgage repayments) of your principal residence; or

- Preventing foreclosure or eviction on your principal residence.

You may withdraw the amount you need to relieve your financial hardship and cover any related taxes and penalties, or the amount available in your accounts eligible for hardship withdrawal, whichever is less.

For a hardship, you may withdraw from the following accounts and in the following order:

- Your Rollover Account (if you have one), including earnings on your contributions; then

- The value of your Transfer Account (if you have one), except for any earnings on 401(k) contributions to that account after December 31, 1988; then

- The value of your 401(k) and Catch-up Contribution Accounts, except for earnings on contributions earned after December 31, 1988.
**Penalties for Hardship Withdrawals**

If you take a hardship withdrawal, you cannot contribute to the Savings Plan or any other retirement plan sponsored by US Airways or a company related to US Airways for six months after your withdrawal. When the six months has passed, your contributions will not resume automatically. You must re-enroll by calling the Fidelity Service Center for US Airways at 1-800-354-3412.

**Taxes on Hardship Withdrawals**

All hardship withdrawals are taxable as ordinary income. In addition, you cannot roll over a hardship withdrawal into an IRA or another qualified plan. You may also have to pay an additional ten percent (10%) early withdrawal tax if you are under age 59½.

**How to Request a Hardship Withdrawal**

If you are considering a hardship withdrawal, call the Fidelity Service Center for US Airways to find out how much is available for withdrawal and to request a hardship withdrawal application form. You will be asked to send proof of the financial hardship along with your application to the Fidelity Service Center for US Airways before your hardship withdrawal can be approved.
PAYMENT OF BENEFITS

The full vested value of your accounts becomes payable when you leave US Airways because of death, retirement, total and permanent disability or other termination of employment. You may elect an immediate payment or defer payment of your benefits if you prefer.

- If your vested account balance is **$1,000 or less**, and you do not request a distribution of your account, it will be paid to you as a lump sum as soon as administratively possible.

- If your vested account balance is **greater than $1,000 but less than or equal to $5,000**, and you do not request a distribution of your account, it will be automatically rolled over to an IRA designated by the Company.

- If your vested account balance is **greater than $5,000**, it will be paid on the earlier of:
  - Your Normal Retirement Date (age 65), or
  - The distribution date you elect.

If you do not elect a distribution date or defer your payment, you will receive your account balance no later than the earlier of:

- **60 days after the end of the calendar year in which the latest occurs:**
  - You reach your Normal Retirement Date (age 65),
  - You reach your tenth year of participation in the Plan,
  - You leave US Airways; or

- **The April 1st following the later of the end of the calendar year in which you:**
  - Reach age 70½, or
  - Leave US Airways, if you are not a five-percent owner at any time during the plan year in which you reach age 70½.
Payment Options

*Please note:* The vested balance in your Base Account will be considered separately from your vested balance in all other accounts combined (Rollover, Transfer, 401(k), Catch-up Contribution, After-Tax, Company Match and Profit Sharing Accounts). You must make one election for your Base Account and one for your other accounts combined, and may elect the same or different forms of payment, provided any spousal consent requirements are satisfied.

To receive a distribution under the Retirement Program, you must make a qualified election in accordance with the Retirement Program and certain distribution rules under the law.

No more than 90 days, but no less than 30 days, before the date your benefit payments are to begin, Fidelity Investments will send you information on (a) normal and optional forms of payment; (b) your right to elect or waive the Joint and Survivor form of payment (if you are married); and (c) your right to revoke an election you’ve made.

You may receive your distribution in one of the following normal forms of payment:

- A Single Life Annuity, if you are single; or
- A 50% Joint and Survivor Annuity, if you are married.

You may also elect to receive your distribution in one of the following optional forms of payment:

- **Lump Sum Payment** — A one-time, single-sum payment of your vested account balance.
- **Joint and Survivor Annuity (50%, 66⅔% or 100%)** — An annuity contract that pays you a certain amount on a regular basis during your lifetime and then continues paying a percentage (either 50%, 66⅔% or 100%) of that amount to your beneficiary during his or her lifetime.
- **Ten-Year Certain and Life Annuity** — An annuity contract that pays you a reduced benefit for life, with a guaranteed payment period of 10 years (120 payments). If you die during the guaranteed period, the remaining payments will be made to your named beneficiary. If you die after the guaranteed period, no further benefits are paid to your beneficiary.
Periodic installment payments — Monthly, quarterly, semi-annual or annual payments.

If you are married, your spouse must consent to your choice if you elect an option other than a Joint and Survivor Annuity with your spouse as beneficiary. Your spouse’s signature must be witnessed by a notary public or Retirement Program representative.

If you die before your beneficiary and payments have not yet begun, your beneficiary may only select an option that does not have a survivor feature (i.e., a Lump Sum Payment or a Single Life Annuity). Your beneficiary may not elect to spread payments over his or her life and another individual’s life.

You can revoke any payment option you’ve elected by contacting Fidelity Investments before the later of (a) the date your benefits begin, or (b) the end of the seven-day period beginning after the day you receive your benefit election information. You may not change your payment option once benefits commence.

If You Die

If you die before receiving any payment from the Retirement Program, your beneficiary will be eligible to receive your vested account balance.

Generally, payments will be made as soon as administratively possible, but no later than the December 31st of the fifth calendar year following the calendar year of your death. However, amounts payable to surviving spouses may be deferred until as late as the end of the calendar year in which you would have attained age 70½.

Naming a Beneficiary

When you become eligible for the Retirement Program, you will have the option to name a beneficiary to receive your vested account balances if you die before your account balances are paid to you. You may name anyone as your beneficiary; however, if you are married, your spouse is automatically your beneficiary.

If you are married and want to name someone other than your spouse as your beneficiary, your spouse must consent in writing, and a Retirement Program representative or a notary public must witness your spouse’s consent. You may change your beneficiary designation at any time.
with your spouse’s consent. You must provide written notice (along with the required spousal consent) using the beneficiary designation form provided by Fidelity Investments.

- If you are not married at the time of your death and have not named a beneficiary, or if no named beneficiary is living, your account balances will automatically be paid to your estate;
- If you are married at the time of your death and have not named a beneficiary, your account balances will automatically be paid to your spouse;
- If you marry or remarry after naming a beneficiary, your new spouse is automatically your new beneficiary; or
- If you die without naming a beneficiary, or if your spouse dies before you do, benefits will be paid to your estate.

Also, if you are currently under age 35 or if you terminate employment before age 35, any beneficiary designation form you have completed will automatically become invalid on the first day of the plan year in which you turn age 35 or upon your termination of employment before age 35, as applicable. If you do not complete and submit a new beneficiary form, your account balance will be payable at the time of your death to your spouse, if you are married, or to your estate if you are not married.

To check or change your beneficiary, call the Fidelity Service Center for US Airways at 1-800-354-3412.

**Minimum Distributions**

Under current laws, if you are no longer actively at work, you must begin to receive payment of your account balance no later than the April 1st following the later of the year in which you reach age 70½ or retire. If this “minimum distribution” provision applies to you, you will be notified. You cannot roll over a minimum distribution.

**Tax Consequences of Distributions**

*Please be sure to discuss any tax questions with your tax or financial advisor prior to taking a distribution or withdrawal from the Retirement Program.*
**Hardship Withdrawals**

Generally, hardship withdrawals are considered taxable income and are subject to ordinary income taxes for the year in which you receive them. If you are younger than age 59½, you will owe an additional ten percent (10%) penalty on the pre-tax amounts withdrawn, unless the money is used to pay certain unreimbursed medical expenses or is paid to you because of your total and permanent disability. Hardship withdrawals may not be rolled over. When you take a hardship withdrawal, you are responsible for paying all taxes on the amount you receive when you file your federal, state and local income tax returns for that year. You may elect to have an additional amount withheld from your distribution to help pay this tax liability.

**After-Tax Withdrawals**

You do not pay taxes when you withdraw your after-tax contributions (because they have already been taxed). However, you will pay taxes on any investment earnings paid out to you associated with your after-tax contributions. Additional penalties could also apply to investment earnings if withdrawn before age 59½.

You are responsible for complying with applicable federal, state and local tax laws and regulations when you receive the distribution. You will receive more information about the applicable rules when you request a distribution.

**In-Service Withdrawals on Pre-Tax or Catch-Up Contributions After Age 59½**

In-service withdrawals on pre-tax contributions after age 59½ are considered taxable income and are subject to ordinary income taxes for the year in which you receive them. When you take an in-service withdrawal, you are responsible for paying all taxes on the amount you receive when you file your federal, state and local income tax returns for that year. In-service withdrawals can also be rolled over.

**Rollovers**

You can elect to have your distribution paid directly from the Retirement Program (“rolled over”) into a traditional IRA or another eligible employer plan. If you make a direct rollover, you defer paying federal income taxes until you withdraw the money from the IRA or employer plan. If you do not elect to make a direct rollover, any distributions paid to you in a lump sum will be subject to a withholding of 20%.
SPECIAL PROVISIONS FOR EMPLOYEES OF MERGED COMPANIES

This section describes certain provisions that apply to the following Plan participants:

- Former employees of Shuttle, Inc. who, on November 30, 2004, held accounts under the Shuttle, Inc. Investment Plan for Non-Contract Personnel (the “Non-Contract Shuttle Plan”), which merged into the Savings Plan on December 1, 2004.

If you are a Plan participant described above, the Plan’s provisions apply to you except as described below:

- Your aggregate account in the previous plan was transferred to and maintained as a distinct sub-account in the Savings Plan, and referred to as “Shuttle Accounts.”

- If you did not make an investment election for your Shuttle Accounts, it was invested in the Savings Plan’s default fund, the Fidelity Retirement Government Money Market Portfolio. You can now make investment elections for this account as provided under the Savings Plan.

- You are entitled to receive a benefit from the Savings Plan equal to the balance of the aggregate account transferred from the previous plan, increased or decreased by any charges or credits made to the Shuttle Accounts after December 1, 2004.

- You were not permitted to make any further contributions to your Shuttle Accounts after December 1, 2004.
HOW YOU MAY LOSE BENEFITS

Certain circumstances may reduce or eliminate the benefits you would otherwise receive from the Retirement Program. These include:

- If you leave US Airways before you are fully vested, you will not be entitled to the contributions US Airways made on your behalf. This is called a “forfeiture,” and your distribution from the Retirement Program will be reduced by the forfeited amount. The forfeited amount will be restored to your account balance if you return to US Airways as an eligible employee within five years of the date your employment ended;

- The amount paid out from the Retirement Program may be more or less than anticipated, depending on the market value of the contributions in each investment fund at the time your account is paid out;

- Your account cannot be used as collateral or to satisfy any debts or liabilities except if a court order concerning child support, alimony or marital property rights so decrees. Then, money in your Retirement Program account may be payable to someone other than you or your designated beneficiary (see “Qualified Domestic Relations Orders” on page 38); or

- If you are convicted of a crime or judgment involving or against the Retirement Program and such judgment or decree expressly provides for the offset of all or part of the amount of your benefits to be paid to the Retirement Program, your distribution will be reduced by that amount.
QUALIFIED DOMESTIC RELATIONS ORDER

A Qualified Domestic Relations Order (“QDRO”) is a legal judgment, decree or order that recognizes the rights of an “alternate payee” (e.g., a spouse, former spouse, child or other dependent) under the Retirement Program with respect to child or other dependent support, alimony or marital property rights. If you become legally separated or divorced, a QDRO may be issued to assign a portion or all of your benefit under the Retirement Program to an alternate payee to satisfy a legal obligation you may have to that individual. The QDRO may also grant a former spouse rights normally provided to a surviving spouse under the Retirement Program, preventing a later spouse from having full spousal rights.

Benefits for alternate payees are subject to the following:

- Benefit payments will not continue beyond the alternate payee’s lifetime;
- An alternate payee cannot:
  - Name a beneficiary to receive benefits under the Retirement Program,
  - Provide survivor benefits to his or her spouse or dependent, or
  - Transfer rights under the QDRO through his or her will;
- Payments to alternate payees cannot be attached or garnished by creditors;
- Alternate payees cannot assign their benefits under the Retirement Program; and
- Alternate payees must notify the Plan Administrator of any changes in name, address or marital status.

US Airways is legally required to recognize QDROs. The Plan Administrator will recognize a court order as a QDRO provided the court order meets specific requirements and procedures regarding the amount and timing of payments. You can obtain a copy of the procedures governing QDROs, without charge, by contacting the Fidelity QDRO Center at 1-800-354-3412 or online at www.QDRO.Fidelity.com.
PLAN ADMINISTRATION

This Plan Administration information is provided in compliance with the Employee Retirement Income Security Act ("ERISA") of 1974, as amended. While you should not need these details on a regular basis, the information may be useful if you have specific questions about the Retirement Program.

Plan Names

The Retirement Program is comprised of two plans:

- The US Airways, Inc. Employee Savings Plan; and
- The US Airways, Inc. Employee Pension Plan.

Plan Sponsor

US Airways, Inc.
Crystal Park Four
2345 Crystal Drive
Arlington, VA 22227
703-872-7000

Plan Administrator

US Airways, Inc.
Benefits Administration
Crystal Park Four
2345 Crystal Drive
Arlington, VA 22227
1-800-872-4780, Prompt 2

(Effective February 6, 2006, you will need to contact the Fidelity Service Center for US Airways at 1-800-354-3412 for information regarding the Retirement Program.)

Fidelity Investments has been retained to administer the Retirement Program on a day-to-day basis. The administration of the Retirement Program will be under the supervision of the Plan Administrator.
**Trustee/Recordkeeper**

Fidelity Management Trust Company  
82 Devonshire Street  
Boston, MA 02190

**Type of Administration**

The Retirement Program is administered through a trust(s).

**Agent for Service of Legal Process**

US Airways, Inc.  
General Counsel  
Crystal Park Four  
2345 Crystal Drive  
Arlington, VA 22227  
703-872-7000  
Legal process also can be served on the Plan Administrator or Trustee.

**Identification Numbers**

The Employer Identification Number (“EIN”) assigned to US Airways by the IRS is 53-0218143. The Plan numbers are 016 (the Savings Plan) and 017 (the Pension Plan).

**Plan Year**

The Plan year is January 1 through December 31.

**Plan Funding**

The Savings Plan is a “defined contribution” profit-sharing plan that contains a 401(k) feature. The Plan is funded by employee pre-tax and after-tax contributions, matching contributions from US Airways based on the amount the employee contributes to the Savings Plan (for employees represented by the TWU), and any profit sharing contributions from US Airways based on the company’s pre-tax profit margin and the employee’s Compensation (for Dispatchers and Flight Crew Training Instructors who are represented by the TWU).

The Pension Plan is a money purchase plan. The Pension Plan is funded solely by contributions from US Airways. Contributions under the Pension Plan are not insured by the Pension Benefit
Guaranty Corporation (“PBGC”) because the PBGC does not insure contributions made to defined contribution plans.

All Retirement Program contributions are held in a trust fund(s) and are separate from Company assets.

**Plan Document**

This SPD is intended to help you understand the main features of the Retirement Program. It should not be considered a substitute for the plan documents, which govern at all times. The documents set forth all of the details and provisions concerning the Retirement Program and are subject to amendment. If any questions arise that are not covered in this SPD, or if the SPD appears to conflict with the official plan documents, the plan documents will govern.

**Future of the Plan**

It is US Airways’ intent that the Retirement Program will continue indefinitely. However, US Airways reserves the right to amend, modify, suspend or terminate the Retirement Program, in whole or in part, subject to the terms of the collective bargaining agreement (as applicable) or by action of the Board of Directors. Plan amendment, modification, suspension or termination may be made for any reason, and at any time, and can result in the reduction or elimination of future benefits.

Regardless of any changes made to the Retirement Program, you will always be entitled to the current value of your vested account, to the extent required by law. Benefits provided under this Retirement Program are not insured by the PBGC under Title IV of ERISA because the insurance provisions of ERISA do not apply to this type of plan.

If the Retirement Program is terminated, all plan contributions will stop. You will be entitled to the full amount in your accounts as of the date of termination or discontinuance, regardless of the percent you are vested at the time of termination or discontinuance.

**Limitation on Assignment**

Your rights and benefits under this Retirement Program cannot be assigned, sold, transferred, pledged by you or reached by your creditors or anyone else except under limited circumstances.
For example, the law does permit the assignment of all or a portion of your interest in the Retirement Program to your former spouse or children as part of a QDRO.

**Plan Interpretation**

To the fullest extent permitted by law, the Plan Administrator will have the exclusive discretion to determine all matters relating to eligibility, coverage and benefits under the Retirement Program. The Plan Administrator will also have the exclusive discretion to determine all matters relating to interpretation and operation of the Retirement Program. Decisions made by the Plan Administrator will be conclusive and binding on all parties.

**Receiving Advice**

US Airways cannot advise you regarding tax, investment or legal considerations relating to the Retirement Program. Therefore, if you have questions regarding benefit planning, you should seek advice from a personal, independent advisor.
YOUR RIGHT TO APPEAL

If you have any questions about the Retirement Program or if you wish to make a claim for benefits, you should contact the Plan Administrator. If you feel you have a right to a benefit under the Retirement Program that you have not received, you may file a claim for the benefit with the Plan Administrator.

Time Frame for Claim Determinations

If you receive an adverse benefit determination (i.e., any denial, reduction, termination of a benefit, or a failure to provide or make a payment), the Plan Administrator will notify you of the adverse determination within a reasonable period of time, but not later than 90 days after receiving the claim. This 90-day period may be extended for up to an additional 90 days, if the Plan Administrator both determines that special circumstances require an extension of time for processing the claim, and notifies you, before the initial 90-day period expires, of the special circumstances requiring the extension of time and the date by which the Retirement Program expects to render a determination.

In the event an extension is necessary due to your failure to submit necessary information, the Retirement Program’s time frame for making a benefit determination on review is tolled (i.e., stopped) from the date the Plan Administrator sends you the extension notification until the date you respond to the request for additional information.

If You Receive an Adverse Benefit Determination

The Plan Administrator will provide you with a notification of any adverse benefit determination, which will set forth:

- The specific reason(s) for the adverse benefit determination;

- Reference to the specific Retirement Program provisions on which the benefit determination is based;

- A description of any additional material or information necessary for you to perfect the claim and an explanation of why that material or information is necessary; and
A description of the Retirement Program’s appeal procedures and time limits applicable to such procedures, including a statement of your right to bring a civil action under ERISA after an adverse determination on appeal.

**Procedures for Appealing an Adverse Benefit Determination**

You, or your authorized representative, have 60 days following the receipt of a notification of an adverse benefit determination within which to appeal the determination. You have the right to:

- Submit written comments, documents, records and other information relating to the claim for benefits;

- Request, free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits. For this purpose, a document, record or other information is treated as “relevant” to your claim if it:
  - Was relied upon in making the benefit determination,
  - Was submitted, considered or generated in the course of making the benefit determination, regardless of whether such document, record or other information was relied upon in making the benefit determination, and
  - Demonstrates compliance with the administrative processes and safeguards required in making the benefit determination; and

- A review that takes into account all comments, documents, records and other information submitted by you relating to the claim, regardless of whether such information was submitted or considered in the initial benefit determination.

The Plan Administrator will notify you of the Retirement Program’s benefit determination on review within a reasonable period of time, but not later than 60 days after receipt of your request for review by the Retirement Program. This 60-day period may be extended for up to an additional 60 days if the Plan Administrator both determines that special circumstances require an extension of time for processing the claim and notifies you, before the initial 60-day period expires, of the special circumstances requiring the extension of time and the date by which the Retirement Program expects to render a determination on review.
In the event an extension is necessary due to your failure to submit necessary information, the Retirement Program’s time frame for making a benefit determination on review is tolled from the date the Plan Administrator sends you the extension notification until the date you respond to the request for additional information.

The Plan Administrator’s notice of an adverse benefit determination on appeal will contain all of the following information:

- The specific reason(s) for the adverse benefit determination;

- Reference to the specific Retirement Program provisions on which the benefit determination is based;

- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim; and

- A statement describing any voluntary appeal procedures offered by the Retirement Program and your right to obtain the information about such procedures, and a statement of your right to bring an action under ERISA.

All appeals decisions made by the Plan Administrator are final and binding.

You must use and exhaust this Retirement Program’s claim and appeals procedures before bringing a suit in either State or Federal Court. Failure to follow the Retirement Program’s prescribed procedures in a timely manner will also cause you to lose your rights to sue regarding an adverse benefit determination.
YOUR RIGHTS UNDER ERISA

As a participant in the Retirement Program, you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants shall be entitled to receive information about your plan and the benefits it provides, including the right to:

- Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as worksites, all documents governing the Retirement Program including the collective bargaining agreements, and a copy of the latest annual reports (Form 5500 Series) filed by the Retirement Program with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefit Administration;

- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Retirement Program, including the collective bargaining agreements, copies of the latest annual reports (Form 5500 Series) and updated SPDs. The Administrator may make a reasonable charge for the copies; and

- Receive a summary of the Retirement Program’s annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of these summary annual reports.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Retirement Program, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.
Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual reports from the Retirement Program and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or a federal court. In addition, if you disagree with the Retirement Program’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If it should happen that Plan fiduciaries misuse the Retirement Program’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

**Assistance With Your Questions**

If you have any questions about the Retirement Program, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration (“EBSA”), U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.
NOT A CONTRACT OF EMPLOYMENT

Your eligibility or your right to benefits under the Retirement Program should not be interpreted as a guarantee of employment. US Airways’ employment decisions are made without regard to the benefits to which you are entitled upon employment.

This SPD provides detailed information about the Retirement Program and how it works. These documents do not constitute an expressed or implied contract or guarantee of employment.
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