



The Official Newsletter for Union and Management Retirees and Employees of Bell Atlantic, GTE, Idearc/SuperMedia, NYNEX, MCI, Verizon and its Subsidiaries. Paid for by contributions from Verizon and Idearc/SuperMedia retirees.

Association Testifies Before U.S. Department of Labor on Verizon Pension Sell-Off

By Jack Cohen

In June our Association was invited to testify before the U.S. Department of Labor, ERISA Advisory Council in Washington D.C. on the subject of pension de-risking. It was an opportunity we could not turn down.



courtesy of the Dept. of Labor

U.S. Department of Labor ERISA Advisory Council.

Who better to address this subject than Association of BellTel Retirees members? Recently 41,000 retirees of Verizon had their pension assets “de-risked” in an abrupt sale to the Prudential Insurance Company. The rush by Verizon to complete the deal was obviously in order to avoid an annual payment of \$1.7M to the Pension Benefit Guaranty Corporation.

The bottom line is that Defined Pension Plans were a good idea that outlived its usefulness to the corporate world.

Among those invited to testify at the all-day federal hearing was Robert S. Newman, who served as ERISA counsel to Verizon on the transfer to Prudential. Testifying after Newman were two high-priced actuaries followed by representatives of the American Benefits Council, which represent major corporations, among them Verizon.

Defined Benefit Plans were very important to a growing company from
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Retirees to Re-File Case in Federal Court After Judge Dismisses Pension Sell-Off Lawsuit

by Curtis Kennedy

U.S. Judge Sidney A. Fitzwater dismissed the Lee v. Verizon lawsuit which was filed by the Association of BellTel Retirees after Verizon announced that it was selling off 41,000 Verizon management pensions to Prudential Insurance. That sale converted retirees pensions into annuities, leaving them unprotected under the federal ERISA pension law or the



Pension Benefit Guaranty Corporation (PBGC).

Because of the judge’s ruling we are now bringing a revised action in the Federal Fifth Circuit Court of Appeals on behalf of those 41,000 impacted retirees.

“Although the judge ruled in Verizon’s favor, he did allow us to re-file. This will give us the opportunity to re-file a stronger argument against Verizon. We will not rest until all the 41,000 management retirees are back under Verizon and are under ERISA protected pension plans,” said C. William Jones, Association President.

Late in 2012, as we previously

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Prudential Financial Addresses Retiree Annuity Concerns

Earlier this year Verizon sold off 41,000 management retiree pensions to Prudential Insurance Company. On behalf of the impacted members of the Association, President C. William Jones has opened a line of communication with Prudential about the concerns on the sell-off. Prudential responded to the Association’s initial inquiries. Here is what they had to say:

Dear Mr. Jones,

This letter is in response to your April 22, 2013 letter to John Strangfeld, Chairman and CEO of Prudential Financial.

We appreciate the opportunity to address your questions about the transition to Prudential that you conveyed in your letter on behalf of the members of your Association for who an annuity was purchased (“annuitant(s)”) under the Group Annuity Contract (“Contract”) between the Verizon Management Pension Plan and the Prudential Insurance Company of America (Prudential).

We want you to know that Prudential is committed to making this transition reasonably seamless for the Verizon annuitants, and to that end we have developed multiple channels for communication with the Verizon annuitants, including mailings, a toll free phone line, and the internet.

(Continued on page 8)

Are you a Shareholder for Prudential Insurance Company of America?

If you or your spouse is a shareowner of Prudential, we would like to hear from you.

Please contact the Association’s office at
1-800-261-9222.

**Rough Road Ahead
For All Retirees**

SPECIAL EDITION

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President's Message

by C. William Jones

I know that you, especially those who get our on-line notices, must feel like you are being bombarded by the Association with an endless number of notices and requests to contact your state and federal representatives. We also use every opportunity to ask you to contribute.

I wish it were not true but we have never been assaulted by our former employer like we have been in the last year or so. Verizon is in a constant mode of unloading anything or anyone that is not improving the bottom line. This is regardless of any previous promises or commitments.

First came the transfer of the directory operations people, including thousands of existing directory retirees, and sending tens of billions of dollars of debt along with those souls. Your Association could not stand by and ignore this unprecedented dump job. We also feared that others might be singled out and be jettisoned as well. We took legal action to save those folks from financial disaster. At this time, the case is still active in the federal courts.

Of course, we were correct in expecting more upsetting events.

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At the end of 2012, there were 41,000 management retirees who were unceremoniously sold off to Prudential Insurance Company. This would not be considered a disaster until you realize that that sale stripped those people of ALL ERISA protections and the insurance provided by the Pension Benefit Guaranty Corporation.

Your Association immediately filed a legal action that is still active in the Dallas Court. We also have introduced legislation in Connecticut, with other states to follow, since any protections for insurance company annuitants is in the hands of the state in which that a person resides.

The latest Verizon gimmick that has been foisted on the folks on the New Jersey shore, parts of Long Island and other locales, many of whom lost their homes in Hurricane Sandy, are being forced to accept a poor substitute for copper land lines called Voice Link. That is an interesting name since it only links voice – not burglar alarms, not faxes, not portable emergency alerts, as well as a list of other shortcomings.

Of course, your Association has and continues to fight these assaults in the courts and in the legislature and in the media. Those actions require resources, which costs money, lots of money. But, we have no choice. Seventeen years ago we formed this Association because we anticipated that the company was going to renege on their commitments. We felt back then that we had to build an activist organization to put up a fight when it was necessary. Individuals are virtually powerless until they join together, in large numbers, and stand up using all available “tools” to defend the defenseless. As individuals, we are defenseless.

So, I have to make a strong appeal to everyone, both contributors and non-contributors. We must raise another \$500,000 before the end of 2013 to keep this fight going. Your financial future is a stake.

Our Membership has grown over the years thanks to your referrals of friends and relatives. Our strength is proportional to the number of members we have and you can help us to help you by sending us your contacts and we will welcome them with open arms.

I know that you will respond, as you always have. However, if you have not previously contributed, now would be a great time to start.

Thank you for your generosity, your referrals, as well as your moral support.



Association of BellTel Retirees Inc.

UNITED, TO PROTECT OUR FUTURE

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Thumbs Down on Voice Link – Inferior to Copper & FiOS

Verizon is planning on phasing out its copper wire services. Last fall, many parts of the northeast suffered damages from Hurricane Sandy. Verizon's copper phone lines were damaged. Instead of repairing the copper lines, Verizon has decided to replace them with a device called Voice Link.

Voice Link is a 4 x 4 inch wireless device with a 4 inch antenna, which connects to the customer's inside phone wiring. It also includes a 36 hour battery backup, which uses 3 AAA batteries. However, Voice Link does not work with remote medical devices, home alarm systems or faxes. It cannot accept select collect calls or connect customers with an operator when they dial "0". It also cannot be used with dial up modems, credit card machines, international credit cards and other toll free calls. Further, Voice Link will not work if the customer uses a dial telephone instrument.

Jack Brennan, Chairman of the Association of BellTel Retirees said, "I consider this new service a dis-service by the Verizon company and recommend you object to this service. You may do so by contacting your State Utilities Commission and voice your objection to the installation of Voice Link."

In other areas, Verizon has replaced the copper lines with optical fiber, which allows the company to offer its FiOS service. The cost to install fiber can be more than \$1,000 per home.

"Everybody would love for us to put in fiber, but that's not practical," said Tom Maguire, senior vice president of National Operations Support, who leads the Voice Link program at Verizon.

Verizon says that each customer that

switches to Voice Link saves the company \$600 a year.

In May, the New York Public Service Commission approved the use of Voice Link in the western part of Fire Island where the company said a substantial portion of the copper lines was beyond reasonable repair.

New York Attorney General Eric Schneiderman said that "the Commission should not jettison wireline service merely because Verizon's business strategy prefers a wireless plan...the Commission should instead require that Verizon divest those portions of its New York franchise where it is no longer willing to continue providing wireline service and replace Verizon with another carrier that will provide wireline service."

Verizon has started to install Voice Link in other parts of New Jersey, New York's Catskill Mountain communities, and in some parts of Manhattan.

Customers who have used Voice



Verizon introduced Voicelink after Hurricane Sandy.



New Jersey Shoreline after Hurricane Sandy.

"Voice Link does not work with remote medical devices, home alarm systems or faxes. It cannot accept collect calls or connect customers with an operator"

Link said it has all of the problems of a cell phone but none of the advantages. The IBEW and CWA have criticized Voice Link saying it was a 'voice only' service.

The CWA has sent letters to the PSC saying that "Replacing wireline service with Voice Link will mean the loss of good-paying jobs for Verizon technicians, whose numbers have already been cut by more than half in the last seven years. We can't afford to lose any more."

AT&T is another company looking into the possibility of eliminating its phone lines in areas yet to be decided, and wants to have all land line equipment turned off by year 2020, whereas Verizon, according to Mr. Maguire, wants the phase out to begin now.

Morgan Stanley

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Pension Fund Deficit Reduced 50%

Verizon's Chief Financial Officer Fran Shammo announced that rising interest rates this year has helped Verizon cut its pension deficit in half.

Corporations use a 'discount rate' based on corporate bond yields to calculate the present value of payments they expect to make to retirees over the life of their plan. The higher the discount rate, the lower the companies' pension liabilities are.

The monthly discount interest rate of the pension funding index rose to 4.74% in June from 4.41% in May.

The decrease in liabilities happened without any increase in the amount Verizon set aside for its pension plans. When companies increased the discount rates used to estimate future obligations it can help to increase current profit outlook and reduce the calculation of future obligations. These higher rates make Verizon's pension plans appear more robust.

The interest rate assumption change has cut Verizon's projected unfunded liability by about \$4 billion. At the end of 2012, Verizon owed retirees \$26.8 billion and held assets in the fund valued at \$18.3 billion.

Mr. Shammo said that if interest rates keep rising then the unfunded liability will continue to close. This means that if the discount rates continue to rise, cash contributions made by Verizon to its pension plans would be lower.

After Verizon spun off 41,000 management retirees to Prudential Insurance Company, Verizon now has a total of more than 50,000 persons in their pension plan, all of whom maintain their federal protections. These 50,000 consist of about 6,000 retirees and about 44,000 current active employees.

Verizon Thriving: Surpasses 100 Million Customers

Verizon Communications released its 2nd quarter fiscal results for 2013, showing continued growth for the company. Total operating revenue was \$29.8 billion, for the quarter, an increase of 4.6% from last year's 2nd quarter 2012. Operating income was \$6.6 billion, an increase compared to \$5.7 billion in second quarter 2012.

Verizon's Wireless division total revenues were \$20 billion, rising 7.5% year-over-year. Verizon Wireless added 941,000 subscribers and 36% of its accounts are on a Share Everything Plan. Verizon Wireless also surpassed their 100 million customer mark.

Smart phones account for more than 64% of Verizon Wireless customer phone base. Verizon Wireless 4G LTE service is now available in all 50 states, to 301 million people in 500 markets across the United States.

Verizon's Wireline division reported another quarter of FiOS customer, market share and revenue growth. Verizon consumer revenues were \$3.6 billion, an increase of 4.7% from 2nd quarter 2012.

Verizon Wireline added 161,000 new FiOS Internet connections, 140,000 new FiOS video connections and totaled 8.9 million broadband connections at the end of the second quarter 2013.

Verizon has also been replacing its residential copper with something called Voice Link. In the first half of 2013, Verizon moved 169,000 homes to fiber and added Voice Link to other areas (see story on page 3).

Cloud and data services, security and IT solutions, advance communications, strategic networking and telematics services increased by 4.8%.

"Verizon's consistent strategic investments in Wireless, FiOS and global networks drove strong financial performance in the first half of 2013," said Lowell McAdam, Verizon chairman and CEO. "Having now posted double digit earnings growth in five of the six quarters, we are focused on continuing to provide the best portfolio of products on the most reliable networks; capturing incremental revenue growth in broadband, video and cloud services; and sustaining our earnings and cash flow momentum."

Verizon reported 78 cents in diluted earnings per share compared with 64 cents per share in second quarter 2012.



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Rough Road Ahead For All Retirees

EDITORIAL: *Rough Road for Retirees*

All of us have experienced unexpected financial potholes during our retirement, despite pre-planning in our working years. Now many experts, including the Government Accounting Standards Board (GASB) and Moody's rating service, say things are about to get a lot more bleak for retirees across the U.S.

CNBC recently referred to it as a "Pandemic of Pension Woes Plaguing Our Nation."

The Center for Retirement Research warns the 2014 GASB bookkeeping transparency rules will force underfunded plan sponsors to stop fudging estimates of investment

returns. While the average funding ratio is reported to be 75% in 2011, the Center says the reality is closer to 57%.

Currently 150 million Americans get some healthcare via an employer or ex-employer's plan. In 2018 the Affordable Care Act adds a 40% luxury tax to employers for plans over \$10,200 for an individual and \$27,500 for a family. This obviously will cause many corporations to further reduce or simply cancel benefits.

So while Detroit's financial and pension crisis is making headline news, it's not only "their problem."

CNBC's John W. Schoen says,

"Even in the best of times, pension accounting is fertile ground for voodoo economics...based on a series of all but unknowable assumptions."

Verizon retirees are fortunate to already have an organization that advocates for our economic protection. Take the time to thoroughly read the newsletter and recognize all of the efforts our Association and its volunteer leaders are doing to preserve our futures.

With greater turbulence ahead for pensioners, we need you to participate and support the Association of BellTel Retirees efforts. Please contribute today!

Association Testifies Before U.S. Department of Labor

(Continued from page 1)

the 1950's and before, right up to the 80's. In 1975, 88% of private sector workers were covered by Defined Benefit Plans. By 2005, that number was reduced to just 33%.

By then, companies and the groups that do their dirty work on Capitol Hill, determined that the problem was that the beneficiaries of these plans - you and me - had the unmitigated gall and audacity to live too long.

After many hours of testimony, it was finally time for the good guys, advocating for the protection of retiree economic benefits, to testify. First Llana Bolvie, an economist for the C.W.A., and an expert on pension and retirement policy, testified.

When it was my turn to speak on behalf of our Association of BellTel Retirees, I pointed out that despite all of the financial fast talk it was the retirees throughout America that stood unprotected from attacks by groups like

these and the corporations they fight for.

I pointed to what is happening to seniors in this country indicating that the "de-risking" of pensions has hit number four. The first three included (1) the administration's drive to decrease Social Security COLA; (2) increasing out-of-pocket costs to Medicare from Congress and (3) the dropping of employer-sponsored health care subsequent to retirement in the private sector.

I pointed to the recent poverty threshold adjustments, which have resulted in almost half the senior population being less than 200% of the poverty threshold. The reality is that while all of these promises were made by corporations intent on recruiting good people, the concept that these employees would actually live long enough to be on the receiving end, was entirely remote.

We demanded that the Council ensure that retirees get the protection

that Congress intended under the ERISA law.

After having presented who the ultimate "victims" of de-risking were, the members of the committee showed real interest by asking a series of questions, which they had not done with other speakers. This was intriguing after voluminous testimony during the day, including discussions of plan sponsors and fiduciaries.

We clarified that the option for lump sum buyouts was not even a consideration in the Verizon/Prudential deal. I was asked by one member of the Council: "So, even if you knew that you would be losing a large percentage of your total asset, if you were offered the buyout, would you still take it?" I replied that there is a possibility that I might. However, what is most objectionable is that no choice was even offered.

At the conclusion a number of committee panelists came up to me afterwards and expressed their appreciation of the Association of BellTel Retirees honest testimony.



PENSION SELL-OFF LITIGATION UPDATE

(Continued from page 1)

reported, Judge Fitzwater ruled that he would not stop the Verizon / Prudential transaction from going forward. The sell off of pension assets was thus hurriedly completed on or about December 10, 2012. We continued with the case and pressed forward with a complaint asserting four separate federal claims.

On June 24, 2013, Judge Fitzwater addressed each claim:

*The lawsuit contends in the first claim, that Verizon failed to make an important necessary disclosure in a summary plan description, that one of the circumstances that might result is a retiree losing benefits paid under the Verizon Management Pension Plan would be a transfer out of the plan into an insurance company provided annuity.

The lawsuit claims that Verizon should not have been allowed to transfer the "selected group" of retired persons, unless the entire plan was ended and all retirees were equally treated and transferred out of the pension plan. Verizon transferred 41,000 persons out of the plan and over to Prudential.

However, Verizon left behind in the pension plan about 6,000 other retirees and, of course, all active employees. A total of more than 50,000 persons were left in the pension plan, all maintaining their federal protections. The almost 41,000 persons removed lost all their federal protections.

The Association still intends to persuade the court to see our position that "benefits" are not just dollars and cents, but includes the federal protections under ERISA, including the uniform financial guarantee provided by the PBGC.

Also, the Association wants the court to recognize that even Verizon has taken the position that it must disclose all circumstances under which a person could lose benefits or be removed from the plan. Verizon never previously disclosed the possibility that, long after retirement, a person could be involuntarily removed from the pension plan and dumped into the hands of an insurance company.

*In the second claim the retirees contend Verizon breached ERISA fiduciary duties to act in the 'best interest' of retirees. However, Judge Fitzwater opined that the decision to transfer the retirees is not subject to ERISA's requirements. Judge Fitzwater ruled that when a company makes a decision to amend a pension plan and, consequently, transfer retirees out of the pension plan, the decision is a

(Continued from page 6)

'settlor' decision and is not a 'fiduciary' decision.

Only 'fiduciary' duties are subject to scrutiny under ERISA's strict standards. In contrast, 'settlor' duties are not subject to ERISA's protective requirements. For instance, a decision to end a pension plan and send everyone into an insurance annuity is a settlor decision, not challengeable under ERISA. But, that is not what happened here.

*In the third claim asserted in the *Lee v. Verizon* case, the contention is that Verizon engaged in unlawful discrimination against one group of retirees while giving more favorable treatment to another group of retirees. Judge Fitzwater opined that the suit

had not pointed out a viable right that Verizon has interfered with. But, it did and it will be re-emphasized that the right to stay in the pension plan and receive all federal protections and the uniform guarantee provided by the PBGC is a viable right.

*The fourth and final claim asserted in the *Lee v. Verizon* case contends that Verizon wrongfully used over \$1 billion of pension monies to pay excessive and improper expenses in order to rush the transaction through to completion last December. Judge Fitzwater opined that we did not specify which aspects of the extra \$1 billion of expenditures were unreasonable, or how they were unreasonable—e.g., that the legal fees exceeded the reasonable rate for similar work or that any commissions exceeded the market rate.

Therefore, on behalf of the impacted retirees, we will make a more detailed

clarification that, regardless of whether Verizon and Prudential's lawyers were paid a market rate of \$1,000 per hour, none of those legal fees should have been charged to pension plan funding. These expenses should be charged to company revenues, not charged to the trust fund that was established so as to make pension payments to retirees.

In summary, while the Chief Judge of the Dallas federal court has issued his present order to dismiss all four claims asserted in the *Lee v. Verizon* case, the Association had the right to submit a Second Amendment complaint. The new court documents are posted on the Association's website. The document can be found on the home page, under the "Legal Actions" tab, under "Lee V. Verizon."



Rough Road Ahead For All Retirees

Prudential Responds on Retiree Annuity Concerns

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In December 2012, Prudential mailed each annuitant a personalized packet that included the Annuity Certificate that documents Prudential's irrevocable guarantee to each annuitant, along with other documents mandated by each annuitant's state of residence and a list of Frequently Asked Questions ("FAQ's") about the Contract. Please note that several of the questions you included in your letter are covered in the Certificate FAQ's.

The Annuity Certificate packet informed the annuitants that Prudential has a special phone number answered by specially trained Representatives, as well as a website, exclusively for Verizon annuitants:

- We encourage you and the other annuitants to call us toll free at 1-855-778-7526 whenever you have any questions about the Prudential annuity payments. Our knowledgeable Representatives can be reached Monday – Friday, from 8a.m. to 9p.m. ET. If hearing impaired, please call 1-877-760-5166. To reach us internationally, please dial the access code for the country where you are located, followed by the toll free number.
- Annuitants with internet access can visit Prudential's retiree website at www.prudential.com/Retirement-Gateway/Welcome. The website includes a Welcome video, an informative brochure about Prudential, and

other information about the transition to Prudential. In addition, the Annuity Certificate FAQ's are also posted on the website.

In mid-June 2013, Verizon annuitants will also be able to access personal annuity payment information online. Annuitants can review payment method, payment history (beginning July 1, 2013), and make updates on-line to address, banking information and tax withholding elections, any time.

In addition during the third week in June, we will mail each annuitant an Annuity Information kit with information about the completion of the transition of the full administration and direct payment of the monthly payments to Prudential, beginning July 1, 2013. This kit is personalized with each annuitant's specific information. It also includes a list of FAQ's with additional information that can help you and the other Verizon annuitants better understand the annuity. These FAQ's will also be posted to our exclusive Verizon retiree website.

As you requested, here are responses to the questions you provided in your letter:

1. *How will my benefits be impacted by the group annuity purchase?*

We interpret this as asking "will my payments change?" In response, we note



the following information, taken from the FAQ's: "The transition of your benefits to Prudential under the Contract will not change the amount of the monthly payments to you or your surviving Contingent Annuitant, *if applicable*. The payments will continue in the same amount without interruption."

2. *What is a "co-mingled separate account"?*

We believe it would be more informative to first respond as to what type of separate account has been established under the Verizon contract. We would like to note the following information, taken from the FAQ's: "Prudential has established a separate account to hold certain assets to provide support for its payment obligations under the Group Annuity Contract." This separate account is exclusively for the Verizon contract. A co-mingled separate account is one in which the assets of several contracts are pooled into one fund.

3. *Are Verizon assets invested along with GM assets?*

No.

4. *Are there any other companies assets included in this account, if so what company(s)?*

No.

5. *How does Prudential allocate investment gains and losses to Verizon retirees?*

By the nature of this group annuity contract, investment gains and losses are not "allocated" to particular annuitants.

6. *Who makes investment decisions generally with respect to the group annuity contract?*

Prudential invests the assets in the separate account.

7. *What investment guidelines apply?*

We would like to note the following information, taken from the FAQ's: "These (separate account) assets are invested primarily in fixed income obligations, such as bonds, with cash-flows that are intended to be matched to the liabilities under the Contract."

8. *Will Prudential provide annual reporting on the status of the separate account?*

For example, we would expect to see fund account balances year over year, cumulative benefits paid, investment

TALK TO A RETIRED VERIZON MANAGER ABOUT YOUR RETIREMENT SAVINGS AND INCOME STRATEGIES.



Jim Biggins is a retired Verizon Manager with a Masters Degree in Personal Financial Planning from Bentley College.

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Rough Road Ahead For All Retirees

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income earned and basic information about how the accounts are performing.

There is no annual reporting to annuitants of the status of the separate account.

9. What happens if creditors seek to garnish annuity payments?

We would like to respond by directing you to the following information contained in the Assignment section of the Annuity Certificate: "Payments under the Annuity are for the exclusive benefit of the Payee receiving the payment. To the full extent permitted by law and the Contract, Annuity payments are not subject to legal process for the claims of creditors of anyone. Payees may not assign, forfeit or transfer this annuity." It should be noted, however, that Prudential may be required to alter monthly annuity payments pursuant to a qualified domestic relations order.

10. What happens in the event a retiree files for bankruptcy?

Thank you for this question, however, we would prefer not to attempt to give a general answer to this type of question; a retiree who is interested in this topic may want to consult his or her own advisers, to obtain specific advice in light of his/her particular circumstances.

We would like to note that the above are brief responses, which are qualified by the more detailed information we have provided in other materials that we have sent to, and made available to, the annuitants.

On behalf of Prudential, we hope that the information provided will help resolve this inquiry. Prudential strives to provide superior customer service, and appreciates the time and effort to providing us with the opportunity to review this matter.

**Robert Loveless, Director
Defined Benefits Operations
Prudential Financial**

Help Us Achieve Critical \$1 Million Fundraising Need

As this report is written, we are tracking the results of our 2013 annual fundraising effort, which kicked off in January. For the first time in our history, we have set a goal of \$1 million in contributions. We are thankful to you that we came close to that in 2012, and we feel confident that our loyal membership will help us meet this year's goal. As of July 31st, we have reached \$698,862. This is great! But with estimated expenses of \$1.1M in the face of federal litigations related to the spin-off of 41,000 management pensions and litigation related to SuperMedia retirees, formerly Verizon Directory Operations Division. We need to reach and surpass that \$1M goal in contributions as soon as possible.

Please help us with a contribution today! We need support from 100% of our member as we continue pursuit of our important legal issues.

Your contribution is vital to our ability to continue publishing the newsletter, to attend and be a strong voice at Verizon's shareowner meetings, and to actively support legislation protecting your earned healthcare benefits.

We will continue to keep you informed on the latest issues important to you. If there is something you'd like to see in your newsletter, please let us know. Together with ProtectSeniors.Org, we are the only organizations fighting for the needs of Verizon and IDEARC retirees. Please support our work and spread the word to friends and family.

Thank you.

**ASSOCIATION OF BELLTEL RETIREES INC.
P.O. Box 61, Glen Head, NY 11545-0061**

Yes, I want to support the Association of BellTel Retirees Inc. in our fight to protect the pension and benefits of all retirees and active employees. Enclosed is my tax-deductible donation:

Other \$ _____ \$100 \$75 \$50 \$36.50 \$30 We appreciate any amount you can donate \$ _____

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I am a: Management retiree _____ Union retiree _____ Other _____ Company Retired from: _____

You can also donate online by going to our web-site www.belltelretirees.org and click on the DONATE NOW button. Consider a recurring donation—which is an easy and safe way to budget your contribution.

I am interested in learning more about Planned Giving. Please contact me.

The Association of BellTel Retirees Inc. is a 501(c)3 tax-exempt organization representing retirees and active employees of Verizon, it's subsidiaries and retirees who were transferred to Idearc/SuperMedia.

Connect With Fellow Retirees by Joining BellTel's Facebook Page



The Association of BellTel Retirees wants to help you stay personally connected with other retirees. If you are familiar with social media, please join our Facebook page.

Through this platform you can reach out to former colleagues, network with other retirees in your area and see the latest retiree-related news and postings from other retirees and the Association.

According to CNet, on average, facebook has 618 million daily active users and 1.06 billion monthly active users.

The Association's Facebook page can be found at <https://www.facebook.com/associationofbelltelretirees>.

New Video: "De-Risking" Is Risky For Millions Of American Retirees

The latest corporate trend called "De-Risking" is so new it's not even identified in Webster's Dictionary! What we do know is that it's very risky for the entire retiree community.

Many major corporations in addition to Verizon have begun to pursue "de-risking" strategies and retirees are the victims, having their pension assets sold off without their consent. Our sister organization, ProtectSeniors.Org, has been working diligently to fight this problem.

To help you understand the pitfalls better they created a video, "De-Risking Is Risky for Millions of American Retirees," in which Edward Stone, our Special Legal Counsel, and Jack Cohen, one of our leading national retiree leaders explain the nuances of "de-risking" and the dangerous impact it could have on all of us.



Edward Stone and Jack Cohen (right) discussing pension de-risking in new video.

Mr. Stone is an expert in annuity, legal and valuation issues and Mr. Cohen, Association Executive Vice President, recently testified before the U.S. Department of Labor, ERISA Advisory Council on pension "de-risking."

The video can be found at ProtectSeniors.Org Youtube Page or at <http://www.youtube.com/watch?v=-ZfBNLzBE6k>

Our Members: More Than "Just" Ex-Verizon Employees

In June 2013, the Association conducted an online member survey that showed that the Association of BellTel Retirees represents not only Verizon retirees, but tens of thousands of Verizon customers who are also shareowners. The retiree survey had more than 5,000 respondents.

Nearly 84.1% confirmed that they remain loyal Verizon customers:

- 14% are landline customers;
- 21.3% are FiOS customers;
- 17.7% said they have Verizon cell/smart phone service;
- 14.3% of respondents use both FiOS and Verizon Wireless Service.

In the survey, 59% of the respondents identified themselves as current Verizon shareholders. For those of you who are Verizon shareholders, remember that you get to vote on the proxy proposals at Verizon's annual shareholders meeting by submitting your proxy ballot.

"Our membership must not be viewed as only company retirees. Our 128,000 membership makes up an important Verizon customer base and we are a substantial block of Verizon shareowners who have voting power. Collectively we can bring change at Verizon. It is vital to make sure Verizon can hear us now and in the future!" said Bill Jones, president of the Association of BellTel Retirees.

For those of you who participated in this survey, thank you.



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2013 FINANCIAL REPORT

Dear friends,

In our Summer newsletter, we provided the details of our 2012 revenue and expense data. That data has now been audited by *BDO USA, LLC* and the final report has been reviewed with and approved by your board. The audit is an IRS requirement, and will be filed with our federal and state tax filings for 2012 in the next few months.

We engage professional services for our audit and tax filings, as well as professional and legal expertise for lawsuits, pension de-risking and proxy efforts. These services are costly but necessary investments in all of our collective retirement security.

The results of the audit are rewarding: it is with pride that we are able to report to you that our records are in order and that we are in compliance on all levels with the laws governing nonprofit organizations. *Needless to say, each day*

brings more important retiree issues and more work to be done. Our staff's role in interfacing with the members, answering Verizon calls, helping to direct benefit problems toward solutions, coordinating mailings, recruiting new members in every state, attending conferences – it all adds up. The costs of this work are supplemented each year by over 12,000 unpaid volunteer hours contributed by your board.

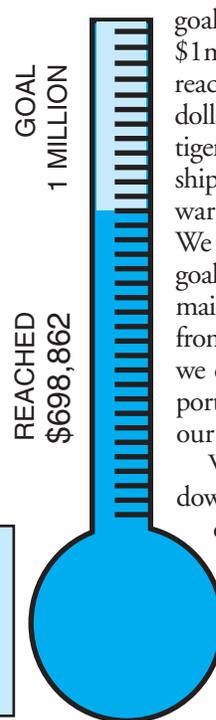
Your contributions are what makes it possible for us to continue in a professional way – and to be

	FINAL 2011	FINAL 2012	7 MOS. 7/31/2013
CONTRIBUTIONS	\$771,464	\$951,769	\$698,862
# of Contributions	28,158	30,850	21,799
Average	\$27.62	\$30.85	\$32.06

there for you. *Your contributions are a vote of confidence in us to continue our work.*

We appreciate and earnestly need you to continue to be there for us with your financial support. The membership truly went out of their way to help us in 2012. That is a vote of confidence for all of us. Thank you for this outstanding support. It is greatly appreciated, and offers overwhelming encouragement for all of us to continue our work.

In support of this year's efforts, our



goal is to raise revenues of \$1million. Friends, this is reachable; we can be a million dollar non-for profit advocacy tiger. As of July 31st, membership response has been heartwarming and encouraging. We have reached 70% of our goal. But our expenses to maintain the fight on multiple fronts are growing as well, and we continue to need the support of all members to achieve our goal, and to go beyond.

We cannot let our guard down: we are all fighting for our retirement security, and we are your voice. We need your financial support to do it. Your latest personal contribution data is shown on the enclosed contribution card label. *If you have not given, now is the time to take action.*

PLEASE: HELP US EXCEED OUR GOAL. SEND IN A CONTRIBUTION TODAY, AND SUPPORT YOUR FELLOW RETIREES!! You can also help us by referring your friends to us. A recommendation from you is the best way to recruit new members.

Thank you,
Bob Gaglione, Treasurer



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www.protectseniors.org

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VERIZON BUSINESS NEWS

Verizon Looks to Canada

Verizon Communications is looking to expand their wireless service to Canada. As of our news deadline, the company was evaluating a deal with wireless carriers called Mobilicity and Wind Mobile.



Both companies have been struggling to compete against major Canadian wireless players, such as BCE Inc's Bell Canada Unit, Telus Corp and Rogers Communications Inc.

OUR MISSION:

The Association of BellTel Retirees Inc. is dedicated to promoting the protection and enhancement of the pensions and benefits for all retirees and beneficiaries of the companies and subsidiaries that make up the Verizon and Idearc/SuperMedia Corporations.

The Association will convince the company to properly care for its thousands of dedicated former union and management employees.

The Association will conduct activities designed to educate elected federal, state and local representatives and promote the passage of legislation which will protect and guarantee, rather than invade our hard-earned pension and benefits fund.

Telus Corp tried to buy Mobilicity for \$363 million but the bid was blocked by the Canadian government, which is trying to increase competition in the wireless market. Telus Corp., Rogers Communications and BCE Inc together control 90% of the Canadian wireless market.

Verizon is now able to enter the Canadian Wireless market because the Canadian government is starting to allow more foreign ownership. Tim Casey, an analyst at BMO Capitol Markets in Toronto said, "the entry of Verizon into the Canadian wireless market would be the best case scenario for the Industry Minister (Christian Paradise) and the worst case scenario for the incumbent players. Verizon has deep pockets and considerable scale and expertise in the business."

It is rumored that Verizon made an initial offer of \$600 million to \$800 million to buy Wind Mobile and spectrum within Canada.

Could Verizon Owe Apple \$14 Billion?

Verizon may end up owing Apple Inc. as much as \$14 billion if Verizon fails to sell enough iPhones in 2013, according to Moffett Research LLC.



In 2010, Verizon Wireless made a multi-year deal with Apple to buy \$23.5 billion worth of iPhones in 2013, which is twice as many as Verizon sold in 2012. Sales are running far short of that level.

"It is likely Apple would be reluctant to simply ignore these commitments since many other carriers around the world are probably in a similar situation and simple amnesty would set an unwanted precedent," according to Moffett. "It is therefore unrealistic to think that Apple will not exact some consideration for renegotiating these shortfalls."

Verizon Unveils New Smart Phone Upgrade Plan

Verizon Wireless unveiled the Verizon Edge Service in late summer.

Verizon Edge allows subscribers to upgrade to new devices every six months as long as half of the cost to their existing phone has been paid off.

With Verizon Edge, the subscriber is not on contract with Verizon but if the customer wants to end service with Verizon, they have to pay the tab for the rest of the phone.

Other wireless subscribers, such as AT&T, T-Mobile have offered similar plans before Verizon.

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