

GLOBAL PENSIONS

Retirees sue Verizon over pension switch

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US – Verizon retirees have sued the telephone company alleging they had been illegally transferred and, as a result penalized, to the pension plans sponsored by Idearc, a now bankrupt company.

The class action complaint alleged: "In mid-November 2006, after each plaintiff had been retired for at least ten years, they together with more than 2,000 others were involuntarily reclassified and switched into pension plans run by Idearc."



It said all the plaintiffs were "fully vested" in the Verizon pension plans with rights to continued payment of monthly annuities and other Verizon welfare benefits.

It also said: "No party received any plaintiff's consent to be switched over to Idearc's pension plans. From the point of the spin off, concluded on November 17, 2006, Verizon treated the retirees' rights to the usual Verizon retiree benefits as being terminated."

In March 2009, Idearc filed for Chapter 11 bankruptcy procedure, following financial problems, which according to the complaint, resulted in retiree benefits cutbacks.

Association of BellTel Retirees - an activist organization - head William Jones said: "What Verizon did to these retirees is disgraceful. They are ducking a fiduciary responsibility to employees who gave decades of service and earned these benefits."

The proposed class action was recently filed in the US District Court for the Northern District of Texas, Dallas Division. Specifically, it alleges the pension plan administrators failed to provide requested plan documents and unlawfully interfered with retirees' rights to receive Verizon retiree pension and welfare benefits, among various charges.

Spokespeople for Verizon and Idearc did not immediately return requests for comment.