

# Pensions&Investments

## Verizon retirees seek class-action status for lawsuit

By [Timothy Inklebarger](#)

December 7, 2009

Retirees of Verizon Communications Inc., Basking Ridge, N.J., are seeking class-action status from a U.S. District Court in Dallas, claiming that in November 2006 they and other employees were involuntarily switched from Verizon's pension plan to a pension plan run by Dallas-based Idearc Inc., a Verizon spinoff company that filed for Chapter 11 bankruptcy in March.

Plaintiff's attorney Curtis L. Kennedy declined to discuss the case.

The complaint for proposed class-action relief under ERISA claims that former Verizon employees Philip A. Murphy Jr., Sandra R. Noe and Claire M. Palmer, along with more than 2,000 other Verizon retirees, were reclassified under and transferred to Idearc's pension plan without notice to the participants.

"The involuntary reclassification and transfer of plaintiffs and other retirees into Idearc's pension plans proved not to be in their best interest," according to the court complaint. "Less than two years after the spinoff transaction occurred, Idearc began to endure financial troubles and the company began cutting back retiree benefits provided to plaintiffs and other retirees who were transferred from Verizon. Plaintiffs and all other putative class members have suffered loss of retiree welfare and incidental benefits not suffered by Verizon's other retirees who were not reclassified and involuntarily transferred to Idearc."

Verizon spokesman Alberto Canal said in an e-mail that all of the transferred retirees, including the three named plaintiffs, "retired from business entities that were separated from Verizon to form Idearc more than three years ago."

"Verizon properly transferred their post-retirement benefit responsibility to Idearc, along with over \$750 million to fund their pension benefits," Mr. Canal said. "Contrary to allegations, documents were provided to these plaintiffs, as required by federal law, and their internal claims were timely reviewed. Suggestions to the contrary are incorrect and misleading to Idearc retirees."

Verizon's pension plans were valued at a combined \$28.6 billion as of Dec. 31, according to the Money Market Directory. Idearc's pension plans were valued at \$649 million as of Dec. 31, according to SEC filings.