

# BELLTEL RETIREEE



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

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## U.S. Supreme Court Hands BellTel Retirees Major Victory In Pension Spin-Off Case

In a significant victory for retirees whose pensions were spun off by Verizon, the U.S. Supreme Court vacated a lower court decision favoring Verizon and sent the case back to be re-evaluated, giving the class action suit led by BellTel a significant boost.

The case, 15-785 *Pundt, Edward v. Verizon Communications, et al*, centers on whether retirees can seek economic and legal relief over Verizon's decision to sell off their defined benefit pension plan assets to an insurance company and also use some \$1 billion of pension fund assets to pay for corporate expenses related to the transaction.

The retirees, represented by attorneys Curtis L. Kennedy of Denver and Robert E. Goodman, Jr. of Dallas, on behalf of the BellTel Retirees, argue that the original federal court decision allowing the pension transaction was in violation of the federal ERISA law of 1974, which was signed into law by President Gerald Ford to protect all retiree pensions.

The Federal Fifth Circuit Court of Appeals originally ruled in favor of Verizon but on May 23, 2016 our nation's



United States Supreme Court Justices

courtesy of SupremeCourt.gov

Highest Court vacated that decision and granted BellTel Retirees' petition, meaning the lower court's ruling was thrown out and must be reconsidered.

**Less than 1% of the 8,600 cases petitioning the U.S. Supreme Court are heard.**

Each year, 15 million cases are filed in the court system. Of those, only 8,600 rise to the level of the U.S. Supreme Court and of those, only about 75-85 are heard. Less than 1 percent of the 8,600 cases petitioning the Supreme Court are granted the status of our *Pundt v. Verizon* case. "There are only 15,000 cases that have gotten as far as we have," said C. William Jones, retired BellTel president said.

Our Verizon retirees argue that the company, in selling off \$7.5 billion in pension assets to Prudential Insurance Company as a group annuity, has put all

*(Continued to page 3)*

## *Pundt v. Verizon Supreme Court case... Why should I care?*

By Jack Cohen

Why should I care about Verizon retirees, *Pundt v. Verizon* federal litigation?

This is a good question, especially if you are a retiree who came out of the CWA or IBEW.

In 2012, over 41,000 Verizon management pensions were transferred to Prudential Insurance Company and converted into group annuities. That is what started the ruckus in the first place.

Since your pension is still intact and coming monthly from Verizon, why should you be concerned about what happened to a bunch of management pensions? After all, your pension wasn't affected, was it? The answer is a loud: "Yes it was!"

Verizon paid Prudential around \$8.5 billion to transfer \$7.5 billion of management pensions. The \$1 billion "sweetener" came from the pension assets remaining with Verizon and covered Verizon's costs and expenses. In other words, Verizon took this money from YOU!

The retirees sued and took it all the way to the 5<sup>th</sup> Circuit Court of Appeals, which ruled in favor of Verizon, finding that no "harm" was done to retirees. What happened next is astonishing.

Overcoming odds of less than one percent, the Association of BellTel Retirees led litigation was granted a Writ of Certiorari by the United States Supreme Court!

That means the highest court in the land threw out the 5<sup>th</sup> Circuit's ruling and told them to think again. The U.S. Supreme Court asked the 5<sup>th</sup> Circuit to go back to the drawing board and reevaluate whether there was in fact "harm" done to retirees.

*(Continued to page 3)*



**DON'T LET YOUR RETIREMENT BENEFITS BE GAMBLED AWAY – PAGES 5-9**



## President's Message

By John "Jack" Brennan

**W**e are now in our 20<sup>th</sup> summer, marking yet another year of achievement on behalf of Verizon retirees.

Our mission has broadened and is more complex than ever before. The issues facing retirees are more difficult than what anyone could have envisioned in our early days.

I first joined the Association as a board volunteer and then later became Chairman. All throughout, I was truly inspired by the organization's professionalism, winning attitude and quite remarkable and constant achievements and results.

Now, as president of this great organization, I am still in awe of our ability to fight for retirees and to win significant victories that protect our increasingly threatened earned benefits and pension. It is certainly not easy being locked in a continual struggle to maintain our retirement security.

The front page of the newsletter chronicles our results at the U.S. Supreme Court. It also documents the collective impact of the CWA-IBEW negotiations (pg. 12), in which the union had the steadfast support of our retirees, many of whom walked the picket lines in solidarity. With Prudential, we've built and carried on dialogue with that company's leaders.

Throughout the year, BellTel is also generating news all across the U.S. (pg. 6), spotlighting the plight of our retirees, which has a truly significant impact.

On pages 8 and 9 you will read a continuing feature about BellTel's history of

# This Association Rests on Your Shoulders

success. It's something we all - I repeat, we all - should be proud of.

The Association represents you, it represents me, and keeps us together and cohesive, fighting for Verizon retiree economic justice and equity in our retirement years. Without BellTel, retirees would very likely not still have what we have today.

Just as your retirement security depends upon many of the actions BellTel has taken on your behalf, the very future of the Association also rests on your shoulders, and we need your steadfast support.

I understand our mailboxes and emails are jammed with solicitations from non-profits asking for contributions to help pets, kids, the environment or some faith-based causes. These are all very worthy. But for those of us who truly depend on BellTel advocacy, not taking action and to support the Association - a volunteer army fighting for you - is simply penny wise and pound foolish.

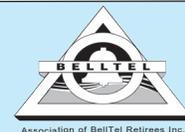
I ask each of you to do your part now and in the future by supporting the Association. It exists only and exclusively to protect you.

Please contribute today. Also ask two or more Verizon friends to also contribute for your good and the good of all their fellow retirees.

We need to be strong and we need to be together.

Thank you for what you will do today and in the future to support for the Association of BellTel Retirees.

***Your retirement security depends upon many of the actions BellTel has taken on your behalf.***



UNITED, TO PROTECT OUR FUTURE

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## 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/DexMedia 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.

### HAVE A QUESTION?

Call 800-261-9222 or

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# U.S. Supreme Court Hands BellTel Retirees Major Victory

(Continued from page 1)

pension assets at risk. In the spotlight is the appropriateness of the additional \$1 billion for expenses.

Also being reviewed is the statute of limitation on “proof of harm.” Currently a person would have no recourse if their pension assets were lost or severely damaged beyond two years after the transaction occurs. It’s why BellTel took action so rapidly, before the statute of limitation expired.

“The order by the U.S. Supreme Court to vacate the lower court decision and to send our case back to be completely re-evaluated is a huge vindication of our argument,” said BellTel Chairman Jack Cohen. “The court has sent a powerful message that Verizon retirees – and, by extension, millions of others whose pensions have been de-risked – cannot simply be dismissed. When our assets were sold off without our consent, we sought relief through the federal judicial system and now, the highest court in the land said that our concerns have validity and we must be heard. On behalf of our 134,000 members, we will not stop the fight for our retirement security.”

“Retirees were made a promise by their former employers and by Congress through ERISA that our pensions would be protected. In many cases, we accepted lower salaries throughout our working

lives in exchange for that guarantee,” said BellTel President Jack Brennan. “Now those protections are at risk and we remain vigilant in our pursuit of every remedy, including this momentous case, to ensure America’s retirees are not left abandoned and destitute by the current pension stripping craze.”

“This case is very important not only for this group of retirees but for potentially millions of other Americans who have defined benefit pension protections,” said BellTel Special Counsel Curtis Kennedy. “All of corporate America is closely watching the impact of this case and now it is clear that the Justices of the United States Supreme Court will also be watching. We look forward to once again making our case.”

In a supplemental legal brief filed in mid-July, BellTel lawyers asked the court to order Verizon to repay the pension plan the \$1 billion it used for corporate expenses in the de-risking transaction.

The Washington D.C. based national Pension Rights Center has also gotten behind BellTel, filing an amicus brief on behalf of the retirees.



courtesy of David Simmonds

*Curtis Kennedy, the Association's Special Counsel has been fighting tirelessly to defend retirees in the Pundt v. Verizon case.*

Last summer and again in April 2016, the International Monetary Fund (IMF) has expressed its own serious concern about the U.S. and global economy from the growing pension de-risking trend.

If Prudential or a successor experiences a default or asset shortfall, our retirees are concerned that the previous ERISA guaranteed protection are replaced only by a patchwork of insurance industry controlled state guaranty associations, which are not

pre-funded in cases of catastrophic financial loss and amount to \$100,000 to \$500,000 in lifetime caps, depending on a retirees’ state of residence.

The news is that the High Court sent a loud and clear message that Verizon retirees and others that have been de-risked cannot be ignored.

Do not underestimate how big a win this is for all retirees! The Supreme Court’s action against the company certainly sent a shockwave into the executive suite. As we progress in the courts, now more than ever we need your help to continue this march to victory. From the bottom of our hearts, we thank you for your support.

## Pundt v. Verizon

(Continued from page 1)

This is important to everyone with a Verizon pension. Why? Because your pension is expected to be next up on the conversion block. Verizon has demonstrated that it desperately wants to get out of the pension and benefits business and right now one of the few things that can stop them is the United States Supreme Court. Our Association has worked long and hard to get to that point and we are the only ones fighting. Let me repeat that — *the only ones fighting?*

When Verizon gets around to dealing with your pension and transfers it to a group annuity owned by an insurance company, you will lose all protections from ERISA, the federal law passed in

1974 and signed by President Gerald Ford to protect the retirement assets of Americans with pension plans from the private sector.

Once your pension is converted you will lose the “insurance protection” provided by the Pension Benefit Guaranty Corporation, along with losing all uniform protections from creditors, and ERISA’s fiduciary standards.

We need your help. Now that you realize that this is an important battle that you cannot simply watch from the sidelines, we need you to get involved for your own future. We need to put pressure on state legislatures to pass laws protecting retirees in pension de-risking transfers.

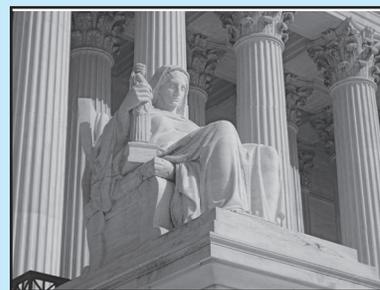


Photo credit: Matt H. Wade at Wikipedia

There have been a lot of articles written about this subject both in this newsletter and in the Senior Advocate from our sister organization, ProtectSeniors.Org.

You can download those newsletters from the website, if you don’t already have them.

We have to do this together. In the coming months you will be asked to make a simple call or write a short letter using the website from ProtectSeniors.Org. We can’t do it without an army of fellow retirees and this advocacy does not come free. We need your support. We will “carry the ball.” We just need the handoff from you. Stay tuned and please act now to become a staunch advocate and protector of your own retirement future.

# Verizon Retirees Split on UHC Satisfaction

By Jack Cohen

Most management retirees have been covered by the UnitedHealth Care Group Medicare Advantage plan since January of 2014. As a result of the recent union contract, our understanding is that our retired union brothers and sisters, who will be Medicare eligible, will be under the same plan effective January 1, 2017.

Consequently, we thought it would be prudent to survey our members about their experiences with the plan. During and after the survey, there was some criticism that sufficient space was not allowed for extra commentary so I provided my own email address for members to comment. For those who have no access to email, please know that you are invited to write to me at the Association office.

According to a May 2016 report from the Kaiser Family Foundation, 31%, or 17.6 million, of beneficiaries on Medicare have Medicare Advantage Plan coverage and that number has increased in virtually all states.

Of the 17.6 million, virtually all enroll as individuals. About 3.2 million are in a group plan, as my wife and I are.

Medicare pays the insurer (UHC) a fixed payment in effect making UHC a "contractor" to Medicare, for which they are compensated. I mention this because that compensation has become controversial due to provisions of the Affordable Care Act that will reduce that compensation in 2017. That reduction will make the Medicare subsidy more in line with that which is provided by Medicare to the average beneficiary. It will still be higher, but perhaps not high enough to satisfy corporate greed.

Right now the Medicare compensation is higher for beneficiaries of Medicare Advantage plans. The employer, and often the retiree too, pay a premium for any additional benefits or lower cost sharing. That premium, paid by Verizon and us, may rise in 2017 to fill the gap caused by the decrease in subsidy.

Our member survey showed that 85 percent of almost 2,000 members were covered by this plan. A very small number of respondents (28 people) indicated



that they had dropped out for various reasons, the largest being that providers would not take the insurance. Other reasons were out-of-pocket costs due to a particular negative event. Thirteen people said that they are no longer covered by a Verizon health plan. Other results indicated that:

1) Almost 86% said their providers accept the Group Medicare Advantage Plan for routine visits.

2) Just over 18% had to change some providers who refused to accept.

3) During a recent hospital stay 518 members, or 33% of those responding, indicated that the plan had been accepted.

4) Interestingly, 24 respondents said they paid a significant amount of money for hospitalizations that were not covered.

When asked how satisfied people were with the coverage from this plan, 60% called it workable and said they were very satisfied. Almost 30% claimed they were "somewhat satisfied" and about 8% were not satisfied at all. When asked if a test that had been requested by a Primary Care Provider (PCP) had been denied authorization, 14% answered "yes."

Common complaints related to me in the emails included:

The frustration associated with denial of service. So many specialists from orthopedists and dermatologists to special labs refused services regardless of whether they also take Medicare patients.

Many were annoyed that PCPs or specialists would often order tests only to be told that the decision was vetoed by UHC. A two-pager is provided by UHC to give to providers who resist. Frequently, that is enough. However, very often it is not enough. Both Verizon and UHC will be adamant that if the provider takes Medicare, they should take the plan. Unfortunately, that does not always happen.

Very low compensation to providers as well as extreme delays in processing

were other common threads from the emails. I suspect that is more a problem with Medicare than with UHC. However, our plan is a "Managed Care" plan and that does make a difference regarding acceptability, according to some physicians. When you dispute a claim finding, you deal with Medicare, not UHC. I know from this personal experience.

Feedback indicated nostalgia for past coverage, which included something that was truly "supplemental." The reality is

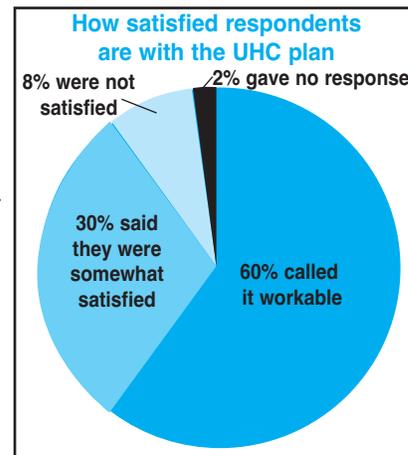
that you cannot have a "Medigap" plan when you have a Medicare Advantage Plan. However, MA plans do include prescription drug coverage so you don't need to invest in Part D.

For our union brothers and sisters who are getting into this plan on Jan. 1, 2017, I urge you to spend the time now checking with your providers and local hospitals to make

sure they accept it. If it is a medical group or hospital, make sure all of their participating physicians and specialists and labs also accept the plan. You don't want to schedule surgery at a hospital that accepts the insurance only to find out that the anesthesiologist does not.

Generally, when traveling, if you require emergency medical attention, you will probably not be denied. However, be prepared that there may be an issue with admittance and treatment costs. In June of this year Kaiser put out a complete report on Medicare Advantage Hospital Networks and how much they vary throughout the nation.

The results of this survey and our findings will be shared with the human resources leadership of Verizon. Whether or not this results in any positive change is anybody's guess, but they should know of our experiences and reactions.



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## Join the Retiree Army – Protect Your Retirement

Dear Fellow Retirees,

Time and time again the Association of BellTel Retirees has achieved great success for retirees. Back in 1996, a group of NYNEX retirees felt a blast of arctic air coming from the CEO suite, with the executives brushing off, or worse, actively harming the interests of current and future retirees.

It truly grew by word of mouth — and then earned its reputation as a reliable, fighting organization. And it came together to protect retiree benefits and their future.



**Michael McFadden**

If these retirees had not founded the organization 20 years ago, we likely would not have many of the benefits we still have today. Yes, it could be a lot worse for all Verizon retirees!

The Association constantly researched, learned, spoke with “experts,” until they became the experts. They joined together as one solid, strong team of retired union and management. Why?

- Originally, because no more COLA were being granted at the time;
- Speaking out against reductions to earned retiree health-care, pensions and benefits;
- Fighting our pensions from being spun off to outside companies or converted to annuities without the ERISA protections we need.

Where might union members be without protections, fought for and won by the CWA and IBEW?

Most notably from my view was the effort on the part of union retirees who responded to the request to do informational picketing. Undeniably the effort of union retirees, some in their mid-80s, over a 10-month grind of bitter cold and record heat, had a definite impact on the outcome of negotiations for all workers.

It’s in that same vein that BellTel and its retiree leaders go to battle to protect the integrity of our collective retirement security.

BellTel has elevated our fight. In *Pundt v. Verizon*, it sued the company over pension de-risking and that case has been under consideration by the United States Supreme Court! Who would have ever “think” that possible? This is not incidental — it is monumental — and it is costly.

BellTel has won audiences with the U.S. Secretary of Labor, head of the federal Pension Benefit Guaranty Corporation and many key leaders in the U.S. Congress and U.S. Senate too. It successfully championed many shareholder proxy changes to make the company more

accountable, all in the direct interests of retirees, and their surviving spouses and families.

Now I’m turning the spotlight to each and every retiree reading, when I ask, what are you going to do about it? How are you going to help keep it going? BellTel needs your contributions. This Association is led by volunteers — think about that: 20 years of volunteer work. They need to know you care.

Does it make a difference to you that all throughout the year BellTel is strategizing, planning, prepared to take action to protect your retirement, spending many hours of personal and volunteer time to do these things? Please don’t take that and the Association for granted.

It is critical that you individually make a difference in this ongoing fight today. BellTel needs your support to keep all of those numerous actions it champions for our retirees on track, and so your Association can continue its advocacy and declare victory in our nation’s highest court and more.

BellTel’s accomplishments have been done in your name, and it is a good and worthy quest. Please act today. Donate to the Association of BellTel Retirees.

Thank you,  
*Michael McFadden*

*Michael McFadden is an IBEW Local 827 Southern Division Retiree Representative and a past member of the Association of BellTel Retirees’ board.*

**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 pensions and benefits of all retirees and active employees. Enclosed is my tax-deductible donation:

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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](http://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, its subsidiaries and retirees who were transferred to Idearc/SuperMedia/DexMedia.



Don't let your  
benefits be g



"Stop Verizon from gambling away the pension, benefits and healthcare so the odds are not all

## BellTel Making Headlines Across The Nation

So far in 2016 the Association of BellTel Retirees has been prominently spotlighted in the news about its numerous, important retiree advocacy causes: pension de-risking, its Supreme Court litigation, support for striking Verizon union workers and even the 2016 Verizon proxy.

Did you know that so far in 2016,

BellTel advocacy has been spotlighted in *Reuters News Service*; *Institutional Investor Magazine*; *National Public Radio*; *Bloomberg News*; *Yahoo Finance*; *The Record of North Jersey*; *the Gannett News of Westchester, NY*; *Fortune Magazine*; and many more prominent news outlets.

This part is critical to making our fight more effective and getting

attention for our causes.

That's not all. The Association continues to grow its presence online on major social media platforms, like Facebook, Twitter and even YouTube.

This year, your Association has been featured in a series of online videos. These have highlighted our 20th retiree annual member meeting; BellTel being honored in lights at New York City's Times Square; and BellTel's 20 years of successful advocacy. These videos have attracted well over 10,000 views online. That sure is a lot of eyeballs looking at us.

You can tune in to watch any new or old videos about our retirees including: "The Retiree Chronicles," "Seniors' Saga" or "Faces of Verizon" on YouTube at the link below.

<https://www.youtube.com/user/BellTelRetirees/>

We encourage you to tune in, become a subscriber and share all of these with friends.



### ProtectSeniors.Org

[www.protectseniors.org](http://www.protectseniors.org)

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you worked a lifetime to earn. Support the Association of BellTel Retirees  
ways stacked against you."

## VOICES OF OUR MEMBERS:

*We asked fellow Verizon retirees about their thoughts on the Association of BellTel Retirees 20 years of successful advocacy. Here is what they had to say.*



**Gloria Hutchinson**

"I don't think we would be anywhere near where we are today without BellTel."



**William Nussbickel**

"If we didn't have this representation, we would be a lot worse off than we are. I would give them all the accolades in the world. They're saving my life."



**Emmanuel Freeman**

"Happy birthday, keep it up. Hope it's here for another 20 years. The organization is fighting for us and I hope they win it."



**Kevin Ellis**

**(Active Employee & CWA member)**

"Keep up the good fight. You have accomplished so much in such little time and the future looks bright, and one day I hope to join your ranks and help you in that fight."

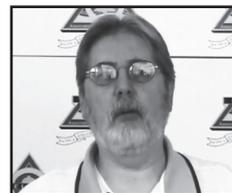
**Peggy Cronin**

"I want to thank all these people throughout these years that stepped up and taken positions to keep this going because it is the hardest thing. Not just starting something but keep it going on and on so I do appreciate every single person that works to keep this Association going."



**Bob Fischer**

"Happy anniversary and best wishes for and another 20 years to come if not more. I think they do outstanding work and I'm proud to be a member. I realized it was very important to be a part of it. We've got a lot at stake being retirees."



**Mary Hogan**

"Happy 20<sup>th</sup> and wish you many more and I hope to be involved in many more."



You can also view some of these responses on the BellTel Retiree YouTube channel.



## BELLTEL RETIREES CONTINUE

This year, the BellTel newsletter has been looking back at the 20 years since our founding in 1996 by a handful of our fellow retirees. We have taken a look at some of the key milestones along our successful journey together, as we have fought and continue to fight to protect the rights and benefits that our retirees have earned. In this issue we take a look at 2011-2016.

Over these most recent years, retirees have seen changes in leadership at both Verizon and the Association of BellTel Retirees, welcoming in new leadership and facing down new challenges.

We won yet another proxy proposal, our 11<sup>th</sup> victory against Verizon, cementing our place as the most successful shareholder activist group in Verizon's history, if not U.S. history. In addition to using the power of our votes as shareholders, over the years the Association has waged several strong and effective legal battles to stop the company from cheating retirees out of what they deserve. In the past few years we raised that portion of our advocacy to new heights. After being hit with a shockwave in 2013 when Verizon spun off the pensions of 41,000 retirees into less-protected insurance annuities, we sued. Today, that case has achieved what 99 percent of all federal lawsuits fail to accomplish: It

was granted a petition by the United States Supreme Court.

In a dramatic show of how powerful a presence the Association has become, in the spring of 2016, BellTel was honored by having its name and logo spotlighted high atop the jumbotron in New York City's famous Times Square.

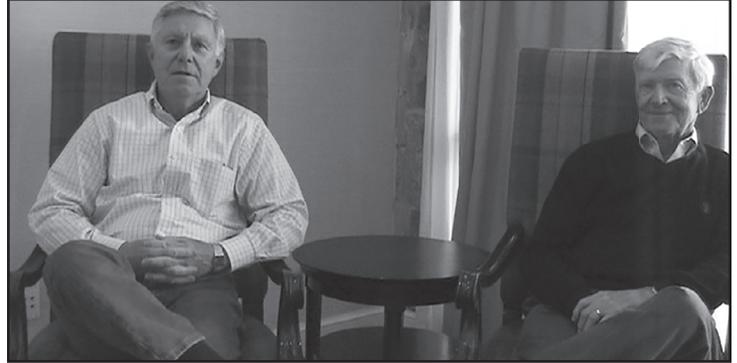
These and other highlights from the last few years are detailed below:

### Transition in leadership

BellTel Co-Founders C. William Jones and Robert Rehm both retired from the Association as President and CFO after years of dedicated service.

Mr. Rehm retired in 2013 after serving on the board for 17 years. Once asked why he volunteered so much time, he said, simply, "because it was the right thing to do."

Upon retiring as our Association's fearless leader at the end of 2014, Bill Jones told members, "It has been a very exciting and fulfilling 18 years leading this organization and your support has been wonderful." A smooth transition



*Association Co-founders Bob Rehm and Bill Jones.*

was had, as longtime Chairman Jack Brennan assumed the presidency of the Association.

BellTel was not the only Verizon oriented organization that saw leadership transition. Longtime Verizon Chairman and CEO Ivan Seidenberg retired in 2011. Mr. Seidenberg had risen through the ranks of New York Telephone and, many retirees remember working with him during their careers. Lowell McAdam was bought in from outside the company and its culture, to become current Chairman and CEO.

### Pension De-risking

The year following Mr. McAdam's arrival, 41,000 Verizon management retirees were shocked when the company brokered a \$8.5 billion deal with Prudential Insurance Company, converting those retiree pensions to a group annuity.

This meant that all of those Verizon retirees immediately lost ERISA and PBGC protections provided under federal law.

When the surprise transfer was announced, BellTel sprang into action and sought a court injunction to stop it, but unfortunately the federal courts allowed it to go through and in January 2013, those 41,000 Verizon pensioners, became Prudential Group annuitants.

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*Association President Jack Brennan joined by fellow retirees, meets with Congressional staff leaders on Capitol Hill.*



## TO MAKE HISTORY



*BellTel Retirees leaders were invited to meet with top Prudential officials at the company's headquarters to address the needs of the 41,000 Verizon retirees.*

Soon after, BellTel leaders began a high level dialogue with top Prudential leaders to express the concerns and trepidations our retirees have about the transaction's impact on their lives. That resulted in opening an ongoing BellTel/Prudential partnership that works to enhance policies and practices for present and future annuitants.

### **Litigation**

Carrying on its pension de-risking litigation, BellTel sued Verizon over the \$8.5 billion spin off. The resulting litigation, now known as the Pundt v. Verizon case, has presently risen all the way to the United States Supreme Court. Led by BellTel Special Legal Counsel Curtis Kennedy, the case was granted a very rare petition by the nation's highest court, which chose to vacate the lower court decision and ordered that the lower federal court judges have another and closer look at the law as it relates to our case.

Retirees argue that the \$1 billion in retiree pension plan assets that Verizon used to pay transaction fees were excessive and unreasonable, and therefore a breach of ERISA.

It is critical to note that the U.S. Supreme Court considers less than 1 percent of all cases seeking review, only 75-85 each and every year, meaning the impact to date is a remarkable achievement.

### **BellTel Wins Another Proxy By Majority Vote**

As it has several times in the past, BellTel scored another shareholder proxy

victory in May 2013, to allow Verizon shareholders to nominate directors for election to the company board. This passed at Verizon's annual meeting earning 53.2% of the vote. This win marked the Association's third victory by majority vote and 11<sup>th</sup> bylaw change from the behest of the Association's advocacy, again illustrating to the company our Association's impact.

### **ProtectSeniors.Org's Efforts**

While BellTel has been fighting on behalf of retirees through litigation, proxy proposals and much more, its sister organization, ProtectSeniors.Org, has been working for stronger healthcare protections and better pension de-risking protections on Capitol Hill and in statehouses across the country.

It achieved the introduction of new federal legislation, the Employee Benefits Protection Act, HR 1856, in Congress.

This would make it more difficult for companies to terminate or modify earned pension and healthcare plans once a worker retires.

In 2015, Connecticut Governor Dan Malloy signed a new retiree pension de-risking protection legislation into law to restore creditor protections to retirees who were de-risked. Similar bills are currently in the works in New York, Massachusetts, Pennsylvania and New Jersey.

Your Association of BellTel Retirees has continued to achieve many significant results over these twenty years and we thank all of you for making us stronger and we encourage you to remain a very key ingredient of that success. We also ask for your continued loyalty and support to our cause, so we can keep up an aggressive fight for all of our fellow Verizon retirees.



*Hundreds of retirees attend each BellTel annual member meetings, including 2016's held in Tarrytown, NY.*

# RETIREE SPOTLIGHT: PASSION FOR THE STAGE

The 1960's were an iconic decade, one filled with new rights and opportunities for women. Diane Hegarty was one of those women moving with those new opportunities, building a career in the New York Bell System.



Retiree Diane Hegarty

Diane grew up in a large family. She studied dance and singing at Marjorie Marshall's dance school. Ms. Marshall was the mother of legendary Hollywood actors, directors and producers Penny and Garry Marshall. These are just some of the amazing people Diane met in her life.

In 1966 a family friend who worked at NY Telephone, directed her to MaBell.

At 17 years old, Diane was hired as a representative with the company. "They called me baby rep because of how young I was," Diane quipped. A year and a half later, she interviewed for a job as an observer. She stayed at the position for almost two years, before becoming a supervisor at the age of 21.

During six years in that position, she and her co-supervisor wrote a sales and promotional program called PEP to reward sales representatives. The plan would eventually be used in all of New York City.

She recalls some of her best memories were her role to motivate and reward company sales representatives.

For one noteworthy event at the

United Nations, she hired a Ronald Reagan look alike. The security conscious U.N. gave them a hard time although "The women loved it, swooned and took pictures with him, the United Nations was not happy," Diane said.

"I met a lot of people, had a lot of fun, and worked really hard. People like to have fun, and will work harder if they get to have it," Diane said.

Diane has been a long time member of the Association of BellTel Retirees, attending numerous annual member meetings. She has appreciated the Association's help in handling medical questions and keeping retiree issues on the front burner.

"Verizon doesn't have any personnel to help us! The Association has been very helpful and on point with my questions," said Diane.

She added, "They are the only Association available that we can turn to for help with our retirement issues. They do "it", because "it" has to be done. I personally appreciate all their efforts and what they continue to do. If not for the Association, Verizon would have had no one to question or curtail their evil endeavors to diminish our rights. Kudos to the Association of BellTel Retirees!"

Diane retired in 1996, a few months short of 30 years with the company. By

the time she retired she had worked in several departments besides sales promotions, including phone centers, regional staff, and marketing. She retired as Acting District Manager.

Her retirement occurred during a tumultuous time in the company as NYNEX had let a lot of employees go.

"The environment had changed; it became a lot less fun. In the past people helped one another. When I was new, people always helped me out. Now people were fighting for their jobs, and that part of the environment changed," said Diane.

After NYNEX, she spent 8 1/2 years working at Broadview Networks as a Managing Director.

Diane would later become one of the 41,000 retirees whose pensions were de-risked to Prudential.

"Verizon has enough money to buy YAHOO, but not enough to keep us out of Prudential," Diane said, exasperated.

Diane thinks it is imperative to preserve retirees' health benefits. "Based on my family longevity, I may have thirty more years to thrive, or at least live. Like an old car, as my "mileage" increases, I will certainly require additional maintenance to support my quality of life."

In retirement, she has used her motivator skills to better those around her. She was a nursing home ombudsman and is on the board for her local garden club. However, it is on the stage with the Old Mill Singers where she really takes the spotlight and uses her stage presence.

The Old Mill Singers is a coed vocal group based in Ossining, New York. They use their performance talents to fundraise for causes like the fight against cancer. They sing at nursing homes, recreational concerts and events throughout New York. Her most notable concert involved performing as one of the six merry murderers from the musical Chicago.

Regarding the Association, she says "The organization has been striving tirelessly to help preserve and protect our rights. It is a thankless job. There have also been some real wins thanks to those who dedicate hours of their "leisure time" to our causes. They have worked diligently to establish the Association as one to be seriously dealt with and successfully meshed Management and Non-Management people to really work together as Verizon could never do!"

## Morgan Stanley



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## Member Mailbag



Dear Association,

A few months ago I originally contacted you out of complete frustration.

Why contact your organization? Because I spent nine months being referred around and around the (Verizon) system, time after time for months.

In September of 2015, I discovered that I was missing a Verizon retiree discount code.

I was originally contacted and advised two years ago that it was activated in 2013.

Somehow the billing code was never placed into my Verizon account. The discount amount is considerable so I persuaded the company to have the 2013 activation investigated.

Long Story Short: The Association stepped in to help. After contacting the Association, Verizon contacted me right away.

It took a couple of weeks but I managed to get the discount.

I truly believe I would not have had this matter resolved without you and your organization.

Thank you very much!!!

R.R.G., Bell Atlantic Retiree

Dear Association,

In March of 1976 I retired from NJ Bell at the age of 55 with 36.5 years of service. For 19 years I've been a member of the Association.

I am grateful for your never ending battle to protect what we were promised.

Without your efforts, we would not have gotten that lump sum.. thank you, thank you.

-A.L.

P.S. Ma Bell would never have treated us that way. The biggest mistake was breaking up the Bell System.

## Bringing Grandma & Grandpa Online

Hello...my name is Helen and I will be nine years old in September. My grandpa is typing this article for me because I am still very new at using computers, but I am learning. My mommy and daddy are experts and they have given me a child's iPad that I can use to send emails to my friends and my grandma and grandpa. I love getting email messages from them.

My grandpa and I have been great buddies since the days when he and my grandma used to watch me while my parents were working. He would sleep on the futon and I would sleep on his chest. I was just a little baby at the time.

My grandpa has an important job as chairman of a large club of old people. It is not polite to call them "old" so he wants me to say: "Senior Citizens."

We talk a lot about how his club is able to communicate (that's a big word) with them by using the computer. Just like I do with my iPad, he can send messages to so many whom also have computers.



*Helen Cohen, granddaughter of Chairman Jack Cohen*

However, so many are intimidated (another big word) by the computer and he has to use the Post Office and expensive stamps to get messages to them. That is such a waste of money, and is so very, very slow.

I really hate to see my grandpa sad. I try to cheer him up by saying that maybe they will learn so they can send emails to their own grandchildren, nieces and nephews like he does. He

gets even happier when he and my grandma get emails back from me and my little sister who is five. He tells me that everywhere there are special programs for seniors to learn and libraries that make computers available if people don't have their own. But still so many refuse to learn. That must be very frustrating for my grandpa.

It would sure make him happy if more of his members learn how to send and receive emails just like his eight-year-old granddaughter. Making him happy always makes me happy too.

## Join Us In NYC For The Labor Mass at St. Patrick's Cathedral

Every year, New York City's Saint Patrick's Cathedral and the Archdiocese of New York celebrates its Labor Mass to honor those dedicated to preserving the rights and benefits of working men and women.

This year the Mass will be on Saturday, Sept. 10th. Please save-the-date and join the Association of BellTel Retirees as we lift our banners alongside those of our union brothers and sisters. Our group will assemble in front of the Cathedral at 7:30am on the Fifth Avenue and East 51<sup>st</sup> street side.

This year, should have extra significance given the long strike. Whether your roots are with the CWA or IBEW or management, all of us have friends and family in the union movement to advocate for wages, benefits

and a decent retirement.

Show your support for all the working men and women of our nation and turnout if you can. We hope to see you there.

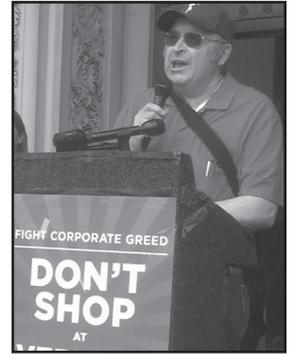
Please RSVP by calling 1-800-261-9222 or email at [association@belltelretirees.org](mailto:association@belltelretirees.org)



# Congratulations on CWA/IBEW Contract



Many retirees picket in support of striking Verizon workers.



Jack Cohen addresses striking union workers in NJ.

On June 17, 2016, members of the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) both announced they ratified the labor agreement for a new contract on behalf of 40,000 Verizon union workers. The new contract runs through August 3, 2019.

The Association of BellTel Retirees was proud to stand shoulder-to-shoulder with union workers during this long battle. We also salute the many retirees who supported the unions and IBEW and CWA members by manning the picket lines in some cases for months at a time.

Former BellTel Board member and retired IBEW local 827 southern division representative, Michael McFadden

spotlighted this when he said, “We thank those of you who participated in picketing for almost a year through cold wintry weather. I am very proud to be associated with all of you who came out to help the active employees gain a fair contract while also holding on to our own retiree benefits. I would also like to thank Diane Quass Lopez, our state retiree committee chairperson, plus all of the state reps and Rich Spieler, Leah Connolly and Glen Yearly, our southern division leadership, and all of those who acted as picket captains over the last year for the active and retired picketers. You are special and I am happy to know all of you who helped make other people’s lives better. The sacrifice was worth it.”

“There were only a small percentage of

us retirees out there but we definitely impacted negotiations and did a hell of a job for retirees and all of the active employees,” McFadden said.

In April, BellTel Chairman Jack Cohen spoke to more than 1,000 striking workers and union retirees at the State House in Trenton, NJ, saying, “We stand united with the striking workers because we believe in preserving middle class jobs, fighting for decent wages and benefits that working people deserve.”

Upon ratification, BellTel Retiree Association leaders expressed their relief and satisfaction with a favorable outcome for the union workforce.

Congratulations to all for achieving a beneficial outcome.

## VERIZON PAYS \$4.8 BILLION FOR YAHOO

Verizon announced at the end of July that it was buying Yahoo’s core internet business and real estate for \$4.83 billion in cash. The sale includes Yahoo’s advertising technology, popular online content such as Yahoo Sports, Yahoo Finance and the “Tumblr” social network.

Yahoo was valued at \$125 billion at its peak in 2000, and today its current overall market cap is \$36 billion.

The sale of Yahoo ends the company’s 22 year run as an independent entity.

The sale, still has to be approved by Yahoo shareholders and regulators, which is expected to close in first quarter 2017.

In addition to the \$4.83 billion, Verizon agreed to pay an extra \$1.1 billion on top of the purchase price to cash out Yahoo employees restricted stock upon

the close of the deal. Many employees, particularly senior executives are also entitled

to large severance packages if they are dismissed as a result of the transaction.

For instance Yahoo CEO Marissa Mayer’s golden parachute is estimated to be valued at \$55 million. She joined the internet company in only 2012.

It is expected that Verizon will merge Yahoo with AOL, which it purchased last year for \$4.4 billion.

“Just over a year ago we acquired AOL to enhance our strategy of providing a cross-screen connection for consumers, creators and advertisers. The acquisition of Yahoo will put Verizon in a highly competitive position as a top global mobile media company, and help accel-

ate our revenue stream in digital advertising,” said Lowell McAdam, Verizon Chairman and CEO.

According to the Washington Post, Yahoo and AOL were ranked number 3 and number 6 respectively on the ComScore’s list of top digital media properties in the United States in February. However, added together their unique visitors were 50% greater than Google, which was number 1 on the list.

The Yahoo acquisition will help Verizon compete with Google and Facebook for digital advertising revenue.

AOL chief executive Tim Armstrong said, “Combining Verizon, AOL and Yahoo will create a new powerful competitive rival in mobile media, and an open, scaled alternative offering for advertisers and publishers.”