BELLTEL RETIREE

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

Fall 2012 Volume 63

Directory Operations Retirees Health Benefits Cancelled

In late June, SuperMedia informed retirees who were transferred from Verizon, that their health benefits would be reduced or eliminated. SuperMedia blamed the high cost of health care for its decision.

For some retirees who are not yet eligible for Medicare, SuperMedia cut 75% of the amount of money the company contributed to retiree medical, dental, vision, and life insurance. The retirees' premiums were raised to make up the difference, and may be raised again in 2013 to keep up with this health care. By 2014, this insurance will be paid solely by the retiree.

For some retirees who are eligible for Medicare their medical, dental, vision, life insurance, and Medicare Part B reimbursement was discontinued in September 2012. For all other retirees, they will lose these benefits in January 2014.

Extend Health, an agency that assists Medicare eligible retirees in picking healthcare plans, was contacted by SuperMedia to assist retirees in finding a new health care plan. Materials were sent via the U.S. Mail to help retirees find a new provider. Impacted retirees had a short window until August 31st to enroll in a new plan without a lapse in coverage. SuperMedia also discontinued their Medicare Plan B reimbursement benefits.

For some retirees (Medicare and non-Medicare) SuperMedia also stopped paying for retirees' life insurance plans to Minnesota Life in September 2012 and all others January 2014. The retirees are now responsible for the total cost of this insurance. They could opt to keep up to $100,000 of insurance without medical evidence of insurability, but if they wanted higher coverage plans, they needed to provide medical evidence of insurability satisfactory to Minnesota Life. Rates for Supplemental Life benefits for the retirees also rose, including those for spouses and children.

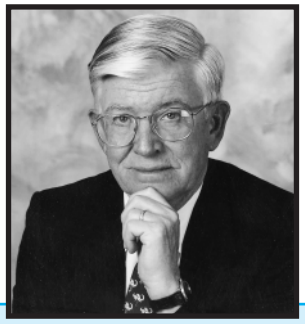
Spouses and dependents covered under retiree health plans were victim to the same changes and cuts of the primary insured. Pensions, all protected under federal ERISA law, were not affected by the benefits cut.

The company's communication also stated that "we currently do not have plans to reinstate coverage in the future."

In the cancellations packet received, one of the frequently asked questions addressed why SuperMedia retirees - who retired from a predecessor Verizon company, were losing their benefits. It said that SuperMedia's business climate was different than the communications giant Verizon, and they felt this cancellation was needed to stay competitive in the market.

SuperMedia sent a claim form to retirees along with the cancellation letter for those who opposed the elimination of their benefits. It asked those appealing to explain and give support why SuperMedia did not have the right to take away their benefits. Responses could be faxed, emailed, or mailed.

See accompanying story in the centerfold pullout section on troubles for retirees who did appeal their benefits cancellation.



President's Message

by C. William Jones

It Is Happening To You!

The SuperMedia retirees (we all knew them as our colleagues and friends working in Directory Operations at the company) are getting clobbered. They are in essence, the case study for what is to come next for perhaps our entire retiree community. Logical thinking bears this out.

The company has been locked in standstill negotiations with CWA and IBEW for over one year. The company won't budge and the union says the giveback demands are untenable for the economic survival of the workers and their families for which they advocate. Does that sound like the company that hired us years ago with promises of lifetime benefits in lieu of higher pay and more paid time off?

In case you missed the message, Ma Bell is dead and her children are on their own. Not convinced yet? Here are some recent actions that should help you to understand.

Let's start with the spin offs of parts of the wireline business. Hawaii, parts of New England and another fourteen states were spun off and resulted in two bankruptcies and one near bankruptcy because of weak

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President's Message

It is Happening To You!

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revenues, high costs and a load of debt. In these cases, no existing retirees were sent to the new companies.

However, when the Directory Operations were spun off to a newly created corporation called Idearc in 2006, Verizon increased the load on that new company by sending billions of dollars of debt and almost 3,000 retirees who never worked for Idearc. Idearc filed for bankruptcy and came out named SuperMedia. Some of our former Verizon colleagues are now being told that they will have to pay for all of the benefits costs come 2014. Others will start to pay all of the costs in the fall of 2012.

Recently, Verizon's Chairman and CEO told a Wall Street insiders symposium that his plan is to part with the wireline business as soon as regulators across the nation allow, in order to focus its investment on wireless expansion. What do you think might happen if you or I had our pensions and benefits banished to a doomed to fail company, with no recourse? Who would stand up for our rights?

Back to our fellow Verizon retirees from the Directory Operations side of OUR company...If all of this retiree bashing were not enough, when Directory Operations retirees were notified that their benefits were going by the wayside, they were provided with directions on how to appeal to the company if they disagreed with the cancellation. Considering that each and every retiree having their health and other earned benefits abolished after dedicating 25, 35 and in one case 54 years of service prefunding those benefits with our former employer, each and every retiree certainly had a right to speak up and say: "no you can't take my benefits and here's why."

> "in case you missed the message, Ma Bell is dead and her children are on their own."

You will be shocked to know that some of the retirees that followed the company's directions and appealed individually to preserve the benefits they already paid for in their working years were named in a legal action by SuperMedia, along with the CWA union locals that previously represented them. Each of the retirees were told they would have to retain legal counsel and be prepared to appear in the court in Dallas, Texas regardless of their ability to pay for representation or get to Texas.

Folks, is this still America or are we becoming some totalitarian vestige of the former Soviet Union where people had zero rights and protections!

When your Association leadership learned of this atrocity we immediately swung into action. We brought in an attorney to represent the retirees being bullied by the company, to counter this growing nightmare for some of the retirees with whom you likely worked shoulder-to-shoulder at some point during your career.

My message is that while you may feel safe, comfy and secure because it has not yet impacted your life and lifestyle, think about the unfortunate thousands of Verizon Directory Operations retirees who have now been hanging by their fingernails for the last few years. What have you personally done to stop this injustice? Have you volunteered to help our fight? Have you made regular financial contributions to support our costly legal fight and ongoing federal class action lawsuit to stop Verizon and SuperMedia (the old Directory Operations division) from getting away with this and making YOU their next target?

If the Association of BellTel Retirees and its volunteer leaders, donating over 12,000 hours of our retirement each year, were not here to spotlight these problems and to serve as a legal, legislative and public awareness impediment to the company's desire to steamroll over our earned pensions and benefits, there is no doubt that we would all be much worse off already.

It is not too late to get active in the fight, if you have been sitting on the sidelines. If you have not been contributing or volunteering your time, today is the day you can make a difference. If you have friends and relatives who worked at the company and have not yet joined, contributed or volunteered, convince them to take action today.

What is happening to your fellow former Verizon Directory Operations retirees can happen to you. Don't allow yourself to become a victim. Join us. Support our fight and your fight for pension and benefit protection. I thank you for choosing to get involved.

YOUR VERIZON PENSION ASSETS

By Robert A. Rehm,
Chief Financial Officer

What Do You Think?

What do you think of the pensions that we worked many years for and truly earned? Our pension was not given to us free, we earned it! Here is an analysis that objectively evaluates the pension plan and funding in the eyes of the pension plan participants:

Robert Rehm,
Chief Financial Officer of the Association of BellTel Retirees

Past Pension Increases

Using *my* defined pension plan benefit from the 1991 NYNEX retirement as an example, in the past 21 years there has been only one recurring monthly pension increase (Feb. 1992). There was also a one-time lump sum payment with the official Verizon name: Special Retiree Supplemental Pension Benefit in 2000. The payment was given to most retirees after your Association of BellTel Retirees rallied for and convinced top management at Bell Atlantic to "do something" to assist retirees with a pension increase.

The following year, Chuck Lee – then CEO of Verizon – told Bill Jones and me during a meeting in his Manhattan office that we should consider it "value added" to our pension benefit. It was a one-time check and it did add money to most retirees' wallets.

In the 20 years prior to my 1991 retirement, New York Telephone and NYNEX gave nine monthly pension increases to its then retired employees.

Depending on the company you were employed by, NYNEX, Bell Atlantic, GTE, etc. your pension plan benefits may have been slightly better or worse than the treatment my specific plan provided to me.

Pension Funding,
Over-Funded / Under-Funded

In 2000, the total value of the Associates and Management Pension Plan Funds was $55.2 billion and the plan was over-funded.

On December 31, 2011 our Pension Funds were valued at only $24.1 billion which is 78.8% funded, or, 21.2% under-funded. Why did these funds experience a catastrophic decrease in value? The tipping point occurred between 2007 when the fund total was $42.7 billion or $10.2 billion over-funded and 2008 when it totaled $27.8 billion and was $2.6 billion under-funded.

2000 - $22.1 billion – over-funded
2002 - $.8 billion – over-funded
2005 - $3.4 billion – over-funded
2007 - $10.2 billion – over-funded
2008 - $2.6 billion – under-funded
2009 - $3.2 billion – under-funded
2010 - $3.4 billion – under-funded
2011 - $6.5 billion – under-funded

Our former employer told us in April 2012 that, "*The funded status* of *pension plans varies over time based on many factors, including changes in participants covered by the plan and their benefits, investment performance, interest rates and company contributions. The historically low interest rates experienced in the past few years have significantly increased the plan's benefits obligation, which has reduced the funded percentages.*"

There are additional reasons, such as poor financial decisions and questionable investment strategies, very risky actual investments that were big losers, retirement incentives and lump sum buyouts, companies cutting benefits to increase their bottom line and boost their income. Using funds to finance executive pay, transfer of pension funds for portions of the company they sell or spin-off, etc., that could also affect the year end value of a pension plan and its funding.

Hundreds of millions of dollars, if not billions, in pension funds were transferred in connection with the sale and/or spin-offs of Hawaiian Telephone, landline businesses such as Fairpoint and Frontier Telephone Companies, and the IDEARC (now known as SuperMedia) deal.

While it is customary and reasonable for pension funds to be transferred and follow active employees to their new company, it was wrong and inexcusable for Verizon to transfer your fellow directory operations retirees to the undernourished IDEARC Corporation in 2007 which shortly thereafter filed for bankruptcy. We have supported the filing of a lawsuit against Verizon and SuperMedia demanding the return of these approximately 2,700 retirees to the company they retired from, Verizon!

Pension Fund Review

Several years ago we started monitoring the Verizon Pension Plan(s). To accomplish this we established a working

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YOUR VERIZON PENSION ASSETS

(Continued from page 3)

Pension Fund Review Committee comprised of 4 of our Board of Director members. We have engaged an attorney that assists in our efforts to understand the Pension Fund and we have asked Verizon some real hard questions over the years.

Some of the answers we get from our former employer are not what we want to hear but never-the-less appear legal. We will continue to probe and trust that our pension, stockholder and proxy watchdog advocacy activities keeps Verizon honest - perhaps not fair, customary and reasonable to plan participants - but honest.

Pension Freezes

In July 2007, Verizon "froze" the pensions of their management employees. Now, during the 2011-2012 union contracts bargaining, Verizon wants to do the same to union workers in addition to cutting many, many other benefits and working contract conditions for union represented employees. It appears that Verizon top executives don't want to negotiate a new contract but they want to impose a "take it or leave it" offer for future employment benefits and rules, including pensions, for active unionized employees.

Poor Performance, yet Outrageous Verizon Executive Compensation

While it may be easy to say that "pensions have gone bad" at Verizon, let's add to that poor performance, the poor performance of Verizon stock during that same interval of time. In December 1999 the company stock was $66 a share. On July 23, 2012 it was trading at $44 per share. Let's add this to the financial suffering many retirees endure, without a long overdue pension increase, in today's economy. Most retirees are stockholders too, so it is a double whammy financial loss for them.

Yet with these poor performances by Verizon executives, former CEO Ivan Seidenberg retired in December 2011 and had a total compensation that year of $26.5 million.

He was replaced with Lowell McAdam who was given a special one-time award of $10 million for a total 2011 compensation of $23.1 million.

In 2000, the total value of the Associates and Management Pension Plan Funds was $55.2 billion and the plan was over-funded. On December 31, 2011 our Pension Funds were valued at only $24.1 billion which is 21.2% under-funded.

Now What Do You Think?

Let me close this story by saying our present Pension Plan Fund can be considered good by comparison with some other major national corporations but bad when compared with the past history of our plans. Verizon has said that it is committed to making contributions to the pension fund that meet the funding standards required by federal pension laws. If this is true, it appears that the pension plans will be funded by Verizon. Funding-based restrictions will be highly unlikely if the company, as it promised and committed in writing, will fund the plan in accordance with the federal pension funding rules.

Could it be that our former employer has a strategy that says: keep the pension plan funding at bare minimum levels required by law in order to support or justify not giving any cost of living or ad hoc pension increases to retirees?

I say shame on Verizon and its top executives for not giving pension increases in 12 years to most retirees and 20 years for others. The retirees earned their pension and were told to factor-in periodic pension increases.

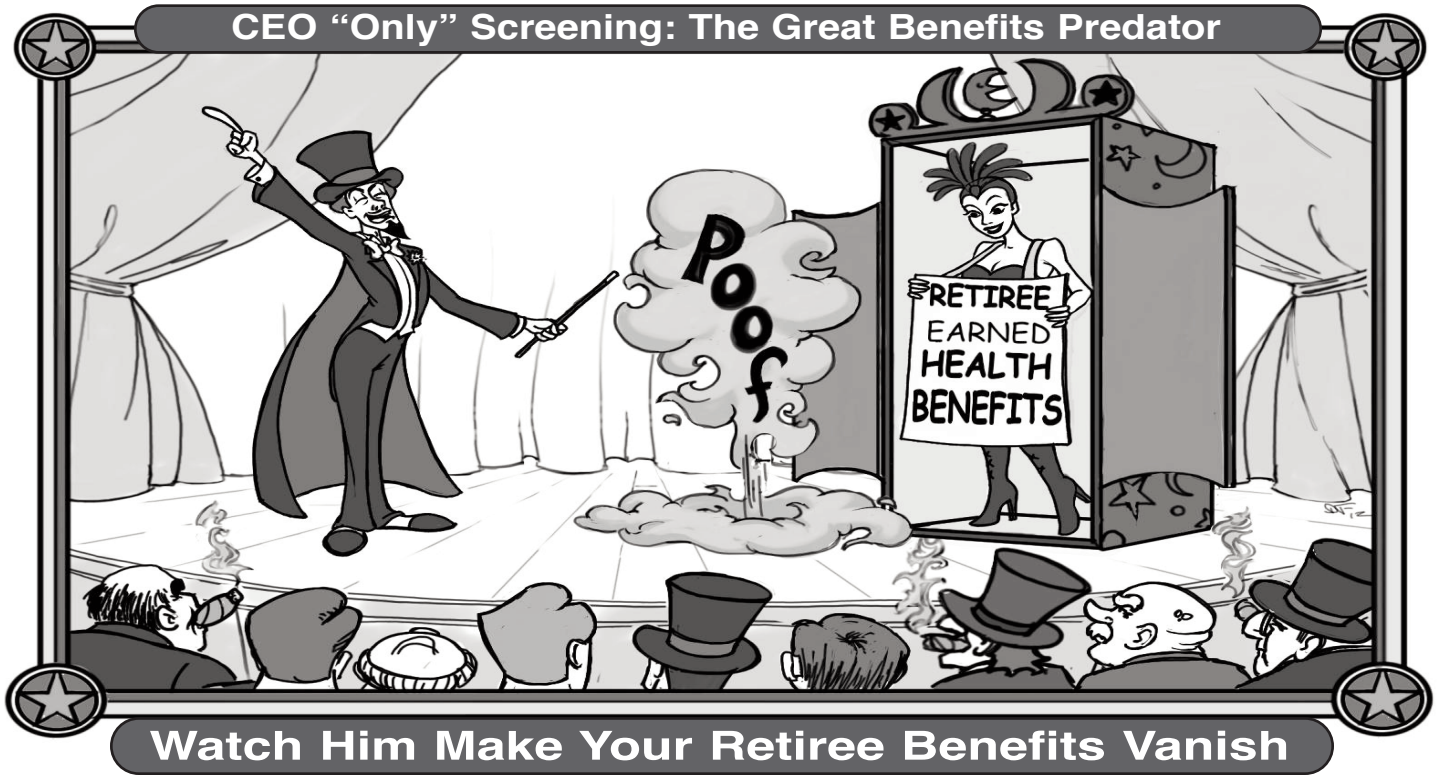
Shame on them for accepting unconscionable amounts of compensation for mediocre performance, especially in the management of and resulting depreciation of the stock share value and pension funding; and shame on them for awarding themselves outrageous future retirement benefits while the people that built the foundation of the house that executives live in, are struggling to make ends meet. We want to hear from you about this topic.

If you have not made a financial contribution to the Association's efforts to fight to protect our pensions and benefits please do so today!

The Association of BellTel Retirees Inc. cannot and does not offer Financial or Legal advice or direction. Members should consult with their Financial Advisor and/or Attorney concerning these matters.

2012 Special Edition:

Retiree Association Addresses Retirement Security Threat



Your Retiree Benefits Are In Jeopardy

Some Verizon retirees remain unclear about what the Association does to protect your benefits. The Association of BellTel Retirees is the only organization that represents both union and management, active employees and retirees, and proactively works to prevent the cancellation or reduction of Verizon and SuperMedia retirees' pension and health benefits.

Murphy V. Verizon

A class action lawsuit, Murphy v. Verizon, has been filed in the federal court demanding that retirees who had been transferred against their will from Verizon's health benefits and pension plans to a doomed to fail company Idearc (now SuperMedia), be transferred back under the Verizon benefits umbrella.

In an online survey conducted by the Association of BellTel Retirees, 98% were aware of the lawsuit that was filed, 94% knew that the Association sponsored the lawsuit, but out of the active sample polled, only 157 had donated towards it. For those who have donated, thank you. For those who have not, we encourage you to do so, because 100% of our organization's funding comes from our members. We need your support to sponsor this lawsuit and cannot do it without you.

We funded this lawsuit because it is the right thing to do, but we cannot do it without your help. If you are one of the people that were transferred involuntarily, we ask…Do you think that there is another chance without this lawsuit? To all the other Verizon retirees, you should know that this can happen to you too!

In a letter from SuperMedia, Directory Operations retirees were told that if they wanted to appeal the cancellation, they should fill out a form. When the retirees followed the directions, several of them were named in a legal action by the company, within days of appealing. These retirees are not only losing their earned health benefits but they may have to appear in the federal courts in Dallas. The Association has retained legal counsel to represent them. Now that is clearly a low, hardball employer tactic.

Would you want this to happen to you?

Retirees Share Their Stories

Sandra Ackerman, a retiree of New England Telephone, received a letter in the mail notifying her that her earned benefits were being cancelled.

Ms. Ackerman started working for the company in 1971 in market management and sales support for 32 years, while supporting her two sons as a single mother. One of the reasons she stayed with the company for over three decades was because of the commitment to provide retiree healthcare and pension plans. Although she does not have exact figures, she estimates that she will have

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2012 Special Edition:

Retiree Association Addresses Retirement Security Threat

Retiree Benefits

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to contribute $2,040- $4,800 more annually, since the company cut her benefits.

"I worked for Verizon, I retired from Verizon. I should be covered by Verizon benefit plans. I never worked for SuperMedia, why would you put me there," Ms. Ackerman said of the involuntary transfer foisted on her. "Anyone who retired from Verizon should have Verizon benefits."

She was forced to retire in 2003 when the company laid off 25,000 workers. When she signed her retirement agreement, she was aware of the Reservation of Rights Clause, but did not think the company would enforce it because she said, "the company had always taken care of their people."

Ms. Ackerman who is under 65 years of age, said she may need a part time job just to afford health benefits.

Another retiree, Irena Paprocki a former art specialist, spent 54 years with the company. She was hired by New England Telephone in 1947 and concluded her service with Verizon in 2001.

"I was employed at a company that I loved, whose work ethic included integrity, loyalty and commitment. During my long and exactly 54 year career I faced many challenges and they were all met with the same work ethic of integrity, loyalty and commitment."

Ms. Paprocki is one of the Directory Operations retirees who is part of the Murphy v. Verizon lawsuit. Her benefits were involuntarily transferred over to SuperMedia. "They just took everything away," she said. She no longer has life, dental, vision or healthcare. Ms. Paprocki estimates that she will have to pay $4,000-$5,000 annually to pay for healthcare and prescription drug coverage.

When asked who is to blame for the transfer, she said the blame goes to

Verizon. "This should not have happened, it is unconscionable," she said about the switch. "They transferred us over to a bogus company."

Ms. Paprocki was laid off in July 2001. She felt that when the company downsized, her longevity with the company should have meant something, and that she was "leaving with extinction, not distinction" for her career and the company should have thanked her.

Although she did receive thanks from then CEO/Chair Ivan Seidenberg after she wrote him a letter, she felt she would not have gotten acknowledgement, if she did not write to the company first.

Ms. Paprocki said that this "latest endeavor by SuperMedia is the ultimate injustice to retirees and in the midst of this frightening awareness of personal violation (retirees losing their benefits) it has evoked a sense of compassion and empathy with me to speak out on behalf of others who could encounter the same fate in the future."

If loyal employees, like Ms. Paprocki and Sandra Ackerman who devoted 54 year and 32 years respectively with the company had their benefits cancelled, you could lose your benefits too!

Reservation of Rights Clause

Many members are still unaware of what the important Reservation of Rights Clause is. It might be the most important paragraph ever put before you. In the mid to late-1980s Bell companies and others added a clause to their benefits verbiage that said they maintained the right to amend the plan at any time. This clause was named "the Reservation of Rights Clause."

Then in the mid-1990s employers added in another statement regarding the possibility of future health benefits termination within their Reservation of Rights Clause and into employee's termination packages handed out at retirement. Those who signed these retirement agreement papers were then and only then given the fine print about the Reservation of Rights Clause that would impact them. The effect of this clause has devastated many retirees across America causing them to pay more and more for health insurance that they have already paid for throughout their careers.

Ms. Paprocki was told about the Reservation of Rights Clause the day she was downsized. "I was completely taken aback," she said.

We Need Your Help Today!

Fellow retirees are under attack, you and your retirement benefits are under attack! We are stronger united then we are apart. Join in the fight to protect your retirement future.

With Verizon Chairman McAdam speaking to Wall Street analysts about spinning off significant numbers of landlines, what if your pension and benefits are exiled next to a doomed to fail company? Would you take action then? Don't wait.

It is important that we grow. Grow our membership, and grow the number of contributors supporting our efforts and advocacy. The active involvement and interest among the entire retiree population can help to curb these devastating attacks on our retirement financial security.

It can happen to you too!

2012 Special Edition:

Retiree Association Addresses Retirement Security Threat

Retirees: Don't be a spectator while your earned benefits and economic future are being victimized! Support the Association of BellTel Retirees.

Companies Push Retiree & Employee Buyouts

In the wavering economy, many companies have been offering buyout options to current employees and even offering pension buyouts to retirees on defined benefit pensions, as a way to cut costs and increase profits. Verizon Communications offered buyouts to 1,700 current employees, while General Motors (GM) offered a lump sum pension buyout to cut their U.S. pension obligations.

Verizon's Buyout Offer to Employees

In June, Verizon Communications offered buyout options to 1,700 employees across 12 states. Wireline technicians and call center workers were the only ones affected. Employees accepting the offer were expected to leave the company in mid-July and layoffs would have been the next step if there were not enough employees who subscribed.

According to Zacks Equity Research: "Verizon plans to cut employees only in the wireline segment. The company is making efforts to reduce cost in the wireline, as the division is struggling with persistent losses in access lines that are weighing on its revenues and margins."

Verizon would not comment on the buyout, only saying they were similar to previous offers.

GM Offers Pension Buyouts To Retirees

While Verizon trims its current workforce, GM's focused on cutting pension obligations. One way they did this was by offering 42,000 white collar retirees and their surviving beneficiaries a lump sum pension payment. This buyout would cut GM's pension obligations by 24%. GM would not disclose how many retirees took the buyout.

GM also bought a group annuity contract from Prudential to manage its remaining defined benefit pensions.

These two moves pared the automotive maker's pension obligation by $26 billion and impacts 118,000 non-union retirees. There was no change to the pension plans of the hourly workers represented by the United Autoworkers Union, who represent the bulk of the automaker's U.S. pension liability. At press time of this newsletter, GM was still deciding whether or not to offer the buyout offer to union workers.

Retirees had to weigh several options before choosing between GM's offer and an annuity plan. These included taxes, inflation, investment options, and even their own expected life spans.

59-year-old Kevin Hogle worked with GM for 31 years before retiring and his wife worked for 40 years. Combined, their lump sum offer payment would have been about a million dollars.

Despite the seemly large offer, Kevin and his wife planned to reject the buyout. He commented, "The buyout doesn't look like anything we're interested in. When you do the projections on the payout, you'd have to be very aggressive in your investments to do well enough, unless you're going to die in 10 years. My in-laws lived to be 85 to 90-something. If you live that long, you're lucky, but that's 30 years, so you better do some good investing."

2012 Special Edition:

Retiree Association Addresses Retirement Security Threat

Verizon CEO Plans to Abandon Wireline Division

On June 21, 2012, at the Guggenheim Securities Symposium, in the St. Regis hotel in New York City, Verizon CEO Lowell McAdam announced that once government regulators allow, Verizon will start to abandon their rural phone network (and their DSL broadband), in favor of expanding and replacing phone service in those regions with its wireless network.

Verizon CEO Lowell McAdam

At the symposium, Mr. McAdam said "And then in other areas that are more rural and more sparsely populated, we have got LTE (4G Long Term Evolution network) built that will handle all of those services and so we are going to cut the copper off there. We are going to do it over wireless... and then I can focus the investment on that to improve the performance of it."

Besides redistribution of Verizon's funds and attention to the growth of their wireless division, Mr. McAdam announced his plan to expand FiOS and move the service to more urban areas.

Wall Street analysts say this can impact 18 million Verizon customers.

To read a transcript from the symposium, click on the QR code or you can find it on the BellTel website at http://belltelretirees.org/images/stories/vz-guggen_6_21_12.pdf

If you have a smart phone, blackberry or iPhone you can download the application for a QR code scanner. Once downloaded all you need to do is click your phone against the QR codes much like taking a photo and your smart phone will give you access to additional resources, news stories, online videos and more.

Postal Service Defaults on Retiree Healthcare Payments

Much in the manner landlines have faced stiff competition from cell phones, VOIP, and cable carriers, the United States Postal Service (USPS) has been facing financial losses over the last few years. This is because of the growing popularity of online communication, email, and online bill pay. USPS defaulted on payments for future retiree healthcare.

USPS confirmed that two legally mandated payments were unpaid, totaling $11.1 billion dollars. They are hoping defaulting on these payments will help offset the $14.1 billion dollars in loss they have already reported for 2012.

President of the National Association Of Letter Carriers, Fredric Rolando, blamed the Congress mandated health care payments for the USPS financial struggles. He said they put the post office into a "panic mode that absorbs energy and resources" every year and prevents them from innovative service. The Treasury payments have been mandated since 2006.

In 2007 and 2008, USPS reported profits of around $3 billion dollars, but then reported loss after making their health care payments. In the recent years, they claim health care payments have been to blame for up to $5 billion dollars in losses. USPS predicts that they will be in the red up to $21.3 billion by 2016, with $5.8 billion coming from retiree health care payments.

The default payments have not changed day-to-day mail service. Post offices stayed open with normal delivery service and continued to pay employees their full salary. Also, current retirees continued to receive health care. However, the health care of future retirees is at risk because of the defaulted payments.

While it defaulted on its retiree healthcare payment, USPS did pay the Labor Department $1.5 billion dollars for workers compensation and millions of dollars in interest payments to the Treasury.

Save the Date!

The Association of BellTel Retirees will host its 2013 annual member meeting in Annapolis, MD on Friday, April 19, 2013. We hope to see you there. More details will be published in the Winter issue of the newsletter.

Verizon- Union Negotiations

It has been a year and counting since hostile negotiations began between Verizon and their union workers. After striking for two weeks, Union workers ended the walkout after Verizon promised movement in negotiations.

It has been reported that when the CWA and the IBEW originally asked for mediation, Verizon refused the request. However, Verizon had agreed at a later date.

As of our news deadline, negotiations are being conducted under the auspices of the Federal Mediation and Conciliation Service (FMCS), an independent government agency. Agency Director, George Cohen, and Director of Mediation Services, John Pinto have been heading the negotiations.

"Because of the sensitivity of these negotiations… the FMCS and the parties will refrain from any public comment concerning the future schedule and/or the status of talks among the parties until further notice," Director Cohen's statement said.

Reports indicate that the federally supervised negotiations are moving forward rapidly. There are reportedly some agreements on issues that have been achieved between the parties. We hope negotiations will wrap up and new contracts will be in place by the time this newsletter is delivered.

Dear friends,

In our Summer newsletter, we provided a detailed 2011 financial report to you. That data has now been audited by *BDO USA, LLC* and we will file it with our federal and state tax filings for 2011.

We engage professional services for our audit and tax filings, as well as professional legal expertise for our lawsuit, and for our proxy efforts. These are costly but necessary investments in our retirement security.

Needless to say, there is much, much more work done each day by your board and staff. Our staff's role in interfacing with the members, answering 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 by your board. Your contributions are what make it possible for us to continue in a professional way – and to be there for you. *Your contributions encourage us to continue.*

We appreciate and earnestly need you to continue to be there for us with your financial support. Many of you provided an extra gift last year by contributing several times throughout the year. This is greatly appreciated, not only by us but by your fellow members. In support of this year's efforts, our minimum goal is to raise revenues of **$800,000.** As of June 30th, we have reached 70% of that goal. We need the support of **all members** to achieve it, and to go beyond.

Here is the status of our fundraising as of June 30th.

	FINAL 2010	FINAL 2011	6 MOS. 6/30/2012
CONTRIBUTIONS	$744,532	$771,464	$561,073
# of Contributions	26,691	28,158	18,458
Average	$27.62	$27.40	$30.40

We cannot let our guard down: We are all fighting for ourselves. But 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 this year, please consider one now.

PLEASE: HELP US EXCEED OUR GOAL. SEND IN A CONTRIBUTION TODAY, AND SUPPORT YOUR FELLOW RETIREES!!

Your *recruiting help* is also needed by referring us to your friends. A recommendation from you is the best way to recruit new members.

Thank you,
Eileen Lawrence, Treasurer

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 $_____**

Or use your credit card. Just fill out the information listed below.

Visa MasterCard Credit Card Acct.#_____/_____/_____/_____

Expiration Date_____ Three digit code on back_____

Name_____

Address_____ City/State/Zip Code_____

E-mail_____ Telephone #_____

You can also donate online by going to our web-site www.belltelretirees.org and click on 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. 9/12

Member Mailbag

Disclaimer – The views published reflect only the views of the author.

Dear Association,

I want to express my thanks to you for this year's annual meeting held in Milford, Massachusetts. It was a most informative meeting, especially for someone attending for the first time. Admittedly, holding the meeting here in the Greater Boston area made for quite easy access.

Thank you so much for all the work you do, and for the extensive information you bring to retirees.

Sincerely, C.M. B.

* * *

Dear Association,

Congrats on the latest issue of the newsletter! There is no way to assess the cost value of what the Association is doing to protect all of our benefits. I cannot understand why more members do not contribute more each year, considering the way costs of doing business are increasing practically every week.

As a single woman relying on only my pension, Social Security, Medicare and my largest savings – my 401K Plan left with Ma Bell at retirement, I am very concerned for my future.

It galls me to hear of the large bonuses our "head honchos" get each year at such a low performance margin. The millions they get should go toward an increase in our pensions. It should never be acceptable for any company to delve into pension plans for company use.

I thank all at the Association for your dedicated service to all retirees and I hope you will continue on this path for many years to come.

Enclosed is my summer contribution.

Sincerely,

MPM, New York, NY

* * *

Dear Association:

Thank you so much for the newsletter. Who would have thought 20 years ago that something like this would happen to our benefits?

Really appreciate all you folks are doing. Hope and pray things work out in our favor.

If I didn't receive this newsletter I wouldn't know anything Verizon is doing.

Thank you for all your hard work. Sending a donation.

Sincerely,

L.A. , Bell of Pennsylvania

OUR MISSION:

The Association of BellTel Retirees Inc. is dedicated to promote 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.

BELLTEL
Association of BellTel Retirees Inc.
UNITED, TO PROTECT OUR FUTURE

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Why I Got Involved: Board Member Pam Harrison

While six former union members have served on the Association board, Pam Harrison has the longest tenure.

Now celebrating ten years on the Association Board, Pamela Harrison currently serves as the Association of BellTel Retirees' Board Secretary. She also previously served as President of CWA Local 1103 RMC. She first got involved in the Association after attending the 2001 Verizon shareholders meeting.

When she heard Association co-founders Bill Jones, Bob Rehm, and Joe Ristuccia speak to company leaders and to shareowners about three different proxies, she was so impressed with their message and passion to fight to protect all retiree pension benefits, that she later joined the Association when Mr. Rehm contacted her.

"The audience listened to them with respect and attention and they elicited the same response from Ivan Seidenberg and the officers and Board members of Verizon," said Ms. Harrison. She was later approached by Mr. Rehm about joining the Association. "After hearing them, I was pleased to join."

Pam Harrison, Board Member 2002- Present

"It was an ah-ha moment for me. It was clear that the shareholder meeting was a venue where retirees could have a voice, particularly when their grievances were voiced in such a calm organized manner as they presented. I was hooked. I wanted to have the same type of representation for my fellow union retirees. Unfortunately, as much as the union may want to represent its retirees, corporations do not have the legal obligation to bargain with unions for its former workers," said Ms. Harrison.

The Association's proxy success that Ms. Harrison refers to has had unprecedented success. The Association of BellTel has won more proxies and influenced more changes to corporate policy than any other shareowner advocacy group in the nation. "That is what you call an impactful level of representation for retirees and a show of collective strength in numbers," she added.

Ms. Harrison keeps in contact with other retirees on a daily basis, and, like other Association members, she has seen how important it is to support the battle for retiree rights on Capitol Hill. The quest to pass HR 1322, The Earned Retiree Healthcare Benefits Protection Act has been a battle that she has participated in since 2006.

"The membership of the Association is more equally balanced between former union and management retirees, it is time to bring more retirees into our organization, to push for legislation to protect our hard earned benefits. Working together, we will not allow Verizon to pilfer our healthcare benefits,' said Ms. Harrison.

Yearly at the shareholders meeting there is a raucus reception of cheers, applause and support by CWA and IBEW to the proxy presentations and statements by the Association to the Verizon Board. For many years, Ms. Harrison met with Bill Jones, Bob Rehm and union organizers the night before and morning of the meetings.

"Although Verizon has no legal obligation to negotiate retiree benefits, they have agreed with the union to bargain for retirees even though retirees have no vote in the union. This is why we need legislation, the Earned Retiree Healthcare Benefits Protection Act, to pass in Congress," said Ms. Harrison.

BellTel 2012 Annual Meeting Video Online

By popular demand, the Association has made available video from the 2012 member meeting in Milford, Massachusetts. So if you were unable to be there go online to hear and see more. To view the videos online, please log on to

http://www.youtube.com/user/BellTelRetirees

to see highlights and view other videos we have produced.

Court Upholds the Affordable Care Act

After hearing arguments about the legality of the Patient Protection and Affordable Care Act (ACA) the U.S. Supreme Court decided to uphold the law on June 28, 2012.

Many have wondered how this will affect retirees' healthcare. The ACA expanded Medicare Plan B and offered retirees free preventative care – meaning no co-payments or deductibles for preventive services such as cancer screenings, glaucoma screenings, bone mass tests, and diabetes self-management. However, retirees in higher income brackets may pay more for the coverage.

Under the ACA, seniors are granted discounts on brand name medications in the "doughnut hole" coverage gap. These discounts are expected to grow until the gap is closed in 2020.

Under the healthcare law, Congress seeks to crackdown on extra Medicare expenses and fight fraud. Prior to the healthcare law, the Medicare system overpaid insurance plans by 14% as an enticement to keep them in the program. Now Medicare will be negotiating with plans on a different basis, saving money.

The ACA introduced the Early Retiree Reinsurance Program. Many professions offer employees the option to retire before they are old enough to receive Medicare, leaving them uninsured. Under the Early Retiree Reinsurance Program, employers receive financial relief of up to 80% to provide early retirees quality health plans. A company can receive assistance for paying early retiree health benefits. The program will remain in effect until 2014 when other options will be provided.

The law also launched the Community Care Transition Program. The program's goal is to provide Medicare patients a smooth transition from hospital care to home care. Community organizations will be set up by 2015 to provide transitional care and prevent hospital readmission.

Those requiring more intensive long-term care may benefit from the ACA eliminating annual and lifetime limits, or limits as to how much one can be billed to insurance companies during any year or lifetime. By 2014, healthcare plans will have no annual limit on most covered benefits. However, according to Healthcare.gov, limits can be set on non-essential procedures. Also, if a subscriber was grandfathered into the plan before March 2010, annual and lifetime limits may still be applied.

Starting October 2012, hospitals will face greater accountability for Medicare patients under Value-Based Purchasing program. They will be mandated to report treatment of heart attacks, heart failure, pneumonia, surgical care, and health-care associated infections.

Each state legislature and governor will decide whether or not to expand the Medicaid program to its residents.

Medicare Advantage (MA) options will be cut because the programs will be calculated by a different formula, slashing the choices of the plans by two- thirds.

"Overall, 50% of beneficiaries (7.4 million people), who would have been in MA plans will transition to the fee-for-service plan, which they otherwise would have rejected as insufficient for their needs. The average beneficiary – considering both those who stay in the stripped-down MA program, and those who transition out of it – will incur an average cut of more than $3,700 in benefits per year by 2017," said Robert Book, a conservative contributor at Forbes Magazine.