



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.

## Most Active Period in the Association's History



### President's Message by C. William Jones

*Mr. Jones addressed the membership at the Association of BellTel Retirees' 2014 Annual Member Meeting. Here is an abridged version of his address.*

There is no doubt that 2013 & 2014 have been the most active period in our history!

We are involved in three legal actions; we have been working on both federal and state legislation; we filed proxy proposals at Verizon and Prudential and we are planning face-to-face meetings with Verizon and Prudential executives.

We focus upon five major initiatives to accomplish our mission:

- 1) Negotiation;
- 2) Pension Fund Assurance;
- 3) Proxy Proposals;
- 4) Legislation and finally,
- 5) Litigation.

I will briefly address each.

**Negotiation:** In previous years, in spite of our issues with Verizon, we have managed to maintain a good working business relationship. We try to meet each year with the Chairman and other top officers and communicate in other ways with them as needed.

Unfortunately, Mr. McAdam has refused to meet with us this year and last year because of the pending litigation that we have against Verizon's transfer

of the 41,000 management retirees to Prudential.

This year Prudential agreed to talk about issues, in spite of pending litigation. I will tell you more about that later.

A good relationship is essential for us to be able to help retirees who are having benefits problems and to obtain information that we need to do our job and keep you informed.

**Pension Fund Assurance:** Up until the 2008 economic meltdown the pension fund was in good shape with excess funds as high as \$26 billion in 1999 and as low as \$768 million of excess funds in 2002.

However, in 2008 the pension funds became underfunded for the first time in the history of VZ or its predecessors. It stood at \$2.6 billion or 8.6% underfunded.

It was very fortunate that the funds were very strong before that melt down. Imagine if they were 15% or 20% underfunded going into 2008, as many other large corporations were.

A modest recovery was made in 2009, but we were very disappointed that 2010 and 2011 showed a continued downward trend.

The transfer of 41,000 management retirees to Prudential in 2013 required the company to add significant funds to the management plan in order to complete the transaction.

We do not have the details on the status of the plan for 2013, other than global numbers. The good news is that the Verizon plan has improved total funding from 31.7% underfunded in 2012, to 25.7% underfunded in 2013.

This puts Verizon in a position where they still are not allowed to make any changes that would add to this deficit.

**Proxy Proposals:** Our Association has a record of having the greatest proxy success of any organization that we know of in the world.

*(Continued on page 2)*

## Electronic Funds Transfer Payments of Your Monthly Pensions

If you are one of the 41,000 management retirees whose pensions were sold to Prudential you know that besides losing the federal ERISA protection, we also lost access to our funds for a few days if the first of the month fell on a weekend or holiday.

Once your Association found out about this, we went to the management at Prudential and they have agreed that beginning June 1<sup>st</sup>, 2014 the EFT payments will be made available to annuitants on the last business day prior to the holiday or weekend.

The schedule for the remainder of 2014 will be:	
Holiday/Weekend	New EFT Payment Effective Date:
June 1 <sup>st</sup> (Sunday)	May 30 <sup>th</sup>
September 1 <sup>st</sup> (Labor Day)	August 29 <sup>th</sup>
November 1 <sup>st</sup> (Saturday)	October 31 <sup>st</sup>

The only holiday that this payment process will not occur on is January 1<sup>st</sup>. This is because there are potential tax implications for the retiree if Prudential released the funds on the last work day of December, the annuitant would receive 13 payments in 2014 instead of 12 and would owe taxes on all 13. Therefore, the release EFT payment for January 1<sup>st</sup> will be January 2<sup>nd</sup>.

If you have any questions about your pension payments with Prudential or if you are not receiving a monthly statement from them, call Prudential at 1-855-778-7526. You can also go on-line to view all copies of the statements from July 2013 to date at [www.prudential.com/retirementgateway/welcome](http://www.prudential.com/retirementgateway/welcome)

Our Association has developed a good business relationship with Prudential and we intend to continue to work together for the benefit of our membership.

## President's Message Continued

We have filed 37 proposals covering 11 different issues.

Three were won by a majority vote – a first in the over 125-year history of the Bell System and its successors, (Executive Severance Agreements 59% (2003); Advisory Vote on Executive Compensation by 50.2% (2007) & Proxy Access By-law by 53.2% (2013).

Verizon was the first major corporation to institute an annual vote on Executive Compensation as a result of our proposal.

That proposal caused Verizon to modify the metrics of the incentive pay scale to move toward the levels that our proposal required.

The Association also proposed two proxy proposals this year.

Jack Cohen, our Executive Vice President filed a proposal that revisited the “Golden Parachute” proposal that we won a number of years ago. Verizon executives found a way around our “Golden Parachute” proposal requirements so we were back with an attempt to close that loophole. The Association won 39% of the voting shares.

The Proxy Access proposal that we won last year is on the ballot this year, as it requires a by-law change that must be voted on by the shareholders. The shareholders approved the by-law change by 95.2% at the 2014 Verizon meeting.

Of course our win in 2008 on “Say on Pay” will allow shareholders to vote every year on the executive compensation package.

Most ask, why don't you file a proposal that would force the company to provide cost of living increases?

There are 14 SEC rules that must be followed or a company may have the proposal omitted from the ballot. If the

Association were to introduce a COLA increase proxy, it would break two of those rules, which are “material self-serving” and considered as “ordinary business.”

So the Association files Good Corporate Governance proposals. A lot of research goes into selecting proposals that expose a weakness in VZ policy or corporate governance and can be used to introduce retiree issues.

This puts us on the meeting agenda to speak and raise important retiree issues to all of the top officers, the entire board and shareholders. This is the best stage one could ask for!

We found a member in Arizona who had sufficient shares of Prudential to file a proxy proposal.

Almost immediately, I was contacted by a Prudential executive who was very happy to set up a meeting in Dallas on March 5<sup>th</sup> to talk about our issues.

That meeting included four high level executives, Mark Grier, Vice Chairman; Margaret Foran, Chief Governance Officer, VP and Corp. Sec.; Sharon Taylor, Sr. VP Human Resources; and Theresa Molloy, Director Corporate Governance.

I reviewed all of the issues that came up when a pension is converted to an annuity. Further, I let them know that they have 41,000 hostile new customers.

That was news that they did not want to hear. They are very proud of their company, their rock solid financial position and, especially, the wonderful relationship with their customers.

We agreed to meet again to explore our issues and see what we might do together to make their new customers comfortable.

**Legislation:** A land-mark decision, Sprague vs. GM, many years ago made it perfectly legal for corporations to renege on their commitment to provide healthcare benefits – benefits that were earned by employees over many years by taking lower pay and less time off.

This led us to hire a well-known labor lawyer, Michael Gordon, to help us craft a bill that would provide the same protections for healthcare that exist for pensions.

For many reasons, in spite of tremendous effort by our board and many members, we were unable to get it passed.

So that is why we are in the process of introducing a new bill that has some different features that we hope will allow us to move forward.

**Litigation:** On Feb. 4<sup>th</sup>, 2009 the Association filed a Class-Wide Administrative Claim and Request for Documents in the names of six people who were transferred to Idearc, three former union retirees and three former management.

The Association's board took this legal action on for two reasons:

First, it was the right thing to do. We could not stand by and allow the company to dump

3,000 existing retirees into an undernourished spinoff with a very questionable future.

Second, we strongly felt that if we did not take this stand, Verizon would spin off other parts of the business in a similar manner. Well, you have been reading the news about Verizon's intentions to reinvent itself and shed parts of the wire-line business.

We were right, as you know, but we did not anticipate the transfer of 41,000 retirees' pensions to the Prudential Insurance Company.

For years we have tried to get people to understand that our benefits can be legally taken away at any time. Many do not believe that, but I am sure that recent developments have shone a light on what is ahead for us.

Suppose there were no Association or ProtectSeniors.Org to go to bat for you? We are the only organization fighting for the preservation of your pensions and benefits. Please continue to help both ProtectSeniors.Org and the Association. We cannot do it without you!

**Our Association has a record of having the greatest proxy success of any organization that we know of in the world**

### — Advertisements —

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# *RETIREE FORUM: Have You Been Switched To A United Healthcare Advantage Plan?*

**V**erizon made changes to the health care plan for **some** Management Medicare Retirees. You should have received notices at the end of last year that you have been switched to a United Healthcare (UHC) Advantage plan – PPO (Preferred Provider Organization). If you are not sure, call Verizon before scheduling your doctor’s appointment.

We have received many calls from our members who either didn’t know about this change or are having problems with their healthcare providers accepting the plan.

We have been working closely with Verizon HR and UHC to get some assistance for our members who are encountering problems with the plan, and we will continue to do so. A few weeks ago UHC resent a one page member and provider “guide to care.” This provides some key highlights about the plan for

you as the member and for your health-care provider. If you did not receive a “guide to care” call UHC and request another copy.

You should take a copy of the provider guide with you when you visit all your healthcare providers. You can also have UHC contact your healthcare provider to explain the plan in more detail.

Some key features of the plan:

The first change is that you no longer use your Medicare card when going to the doctor or healthcare provider. You are to use the United Healthcare card that you should have received at the beginning of the year.

If your healthcare provider accepts Medicare they should accept this plan.

Member co-payments exist for primary and specialty health care providers.

The member’s out of pocket costs are the same whether using in or out of network providers. There is a \$1,000

maximum then UHC picks up all remaining costs and you are no longer responsible for co-payments.

There is a \$200 deductible that must be met before UHC picks up any cost.

We are aware that there will be doctors and hospitals that will not accept this plan. As of this writing, United Health Care and Main Line Health Systems in PA are still in negotiation.

If you have any questions about how the plan works or are encountering problems with your health care providers accepting the plan, you should call UHC on 888-866-6934. If you do not get a satisfactory answer from UHC you should call Verizon benefits on 855-489-2367.

If you require further assistance **after** contacting UHC and Verizon benefits, you can contact our office on 800-261-9222 and we can escalate your questions or problem to Verizon HR.

**THIS CHART WAS PROVIDED BY VERIZON**

## Overview of Death Benefits

NY/NE Management	Mid-Atlantic Management
<ul style="list-style-type: none"> <li>▪ Eligible if hired before June 30, 1985</li> <li>▪ One-year’s pay benefit (pay frozen at June 30, 1985) including bonus</li> <li>▪ Benefit eliminated for retirements after December 31, 2001</li> <li>▪ Mandatory beneficiary includes surviving spouse, dependent child or dependent parent</li> <li>▪ Paid as a lump sum</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eligible if hired before March 31, 1991</li> <li>▪ One-year’s pay benefit (pay frozen at December 31, 1991) including bonus</li> <li>▪ Benefit eliminated for retirements after December 31, 2001</li> <li>▪ Mandatory beneficiary includes surviving spouse, dependent child or dependent parent</li> <li>▪ Paid as a lump sum</li> </ul>
NY/NE Associate	Mid-Atlantic Associate
<ul style="list-style-type: none"> <li>▪ Eligible if hired before December 31, 1986</li> <li>▪ One-year’s pay benefit (pay frozen at December 31, 1986) including differentials and awards</li> <li>▪ Benefit currently available for future retirements</li> <li>▪ Mandatory beneficiary includes same household surviving spouse, dependent child or dependent parent</li> <li>▪ Additional beneficiaries available as long as dependent on participant</li> <li>▪ Paid as a lump sum, or up to 5 annual installments</li> </ul>	<ul style="list-style-type: none"> <li>▪ Eligible if hired before August 9, 1986</li> <li>▪ One-year’s pay benefit (final pay with differentials and awards, but capped at \$39,000)</li> <li>▪ Benefit currently available for future retirements</li> <li>▪ Mandatory beneficiary includes same household surviving spouse, dependent child or dependent parent</li> <li>▪ Additional beneficiaries available as long as dependent on participant</li> <li>▪ Paid as a lump sum</li> </ul>

\* All groups require continuous employment from participation end date and retirement with a Service Pension or Disability Pension

## Legislative Efforts on Pension Stripping are Underway in Connecticut and New York

By Edward Stone

Pension de-risking, or pension stripping legislation was introduced this past year in Connecticut and New York with grassroots outreach programs underway in Florida, Massachusetts, Pennsylvania, Texas and Virginia.



Verizon Retirees and others, is now a known commodity in Hartford and the practice of Pension Stripping is no longer a mystery to legislators.

In New York, Senator Tony Avella of Queens, introduced SB 6150 early in the year and after a few bumps and turns Assemblyman Peter Abbate from Brooklyn stepped up to the plate and introduced a companion or "same as" bill in the NY Assembly – A9013. Both bills have been referred to the Insurance Committee and await consideration. New York is a state where letters and phone calls from constituents can be very effective.

In Connecticut, Representative Gerald Fox, Chairman of the Judiciary Committee, introduced what is now House Bill 5595 via the Judiciary Committee where it passed by a resounding 36 – 4 vote. The bill then made its way to the Insurance Committee where Representative and Chairman Robert Megna fought off significant insurance industry opposition but ultimately received enough votes to pass by a narrow margin. The bill is now headed for the full House floor. Whether or not a bill passes in Connecticut this session, ProtectSeniors.Org advocating for legislation on behalf of

ProtectSeniors.Org has also been working with the National Conference of Insurance Legislators (NCOIL) to educate legislators from across the U.S. serving on their Financial Services Committee about Pension Stripping and the need for reasonably equivalent protections under state law for folks like the 41,000 retirees who were airlifted out of their pension plan and sent over to Prudential, losing all of the uniform protections intended by Congress under ERISA.

Representative George Kaiser from North Dakota sponsored the creation of a Model Act which was debated at the last NCOIL meeting in Savannah, Georgia. We hope to push the Model Act at

NCOIL's annual meeting in Boston this summer. The incoming President of NCOIL is Senator Neil Breslin from New York and members of the Financial Services committee include New York Assemblymen Kevin Cahill and William Barclay.

The National Insurance Industry lobby has generally opposed any efforts at regulating pension stripping at the state level and they are offended by the use of the pension stripping moniker. The insurance industry would like everyone to believe that they are ideally situated to manage assets and liabilities without oversight and that sending out annual statements to their annuitants would "scare people".

Why the industry opposes our efforts to protect claims from creditors on a uniform basis is a mystery. However, the insurance industry should favor uniform treatment under state law.

Life insurers should manage pension assets and liabilities when plan sponsors choose to offload retirees; but they should do so in a fashion that takes retiree issues into consideration. This should include notice, uniform protection from creditors, annual statements and a modicum of transparency and accountability, which do not seem like too much to ask. And most importantly, state legislators need to act now – before it is too late!

### 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.

## Recover Investment Losses!

- Pension Buy-Out funds invested & lost?
- Stockbrokers mismanaged your money?
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(Cases on contingency basis only)

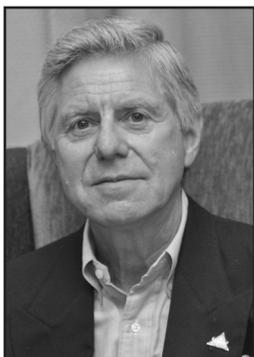
We have many satisfied BellTel Retirees as clients & have effectively retrieved hard earned pension \$\$\$ lost carelessly.

Debra G. Speyer, Esq. who represents  
Bell Retirees nationwide. 1-800-510 STOCK  
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# Verizon Proxy 2014: Big Retiree Impact at 2014 Shareowners Meeting

By Robert Rehm

One day following the Association of BellTel Retirees 2014 member meeting, I had the honor of representing my fellow retirees at the Verizon Annual Meeting in Phoenix, Arizona. While nearly 400 individuals actively participated in the BellTel meeting in Atlantic City, only about 150 people were present for Verizon's shareowners gathering.



Chairman Lowell McAdam announced the preliminary vote counts and said that final tallies would be announced by mid-May (beyond the BellTel newsletter article deadline).

Proxy Outcome:

#1 Election of Directors - APPROVED;

#2 Ratification of Accountants - APPROVED;

#3 Advisory Vote, Executive Compensation (the Association's President's former Say-On-Pay proposal) - gained a win with 94.0%;

#4 Proposal to Implement Proxy Access (Association's 2013 proxy win) - 95.2%;

#5 Network Neutrality - 26.4%;

#6 Lobbying Activities - 26.6%;

#7 Severance Approval Policy - 39.0% (Association Executive Vice President Jack Cohen's proxy);

#8 Shareholder Right To Call Special Meeting - 49.1%;

#9 Shareholder Right To Act By Written Consent - 42.9%;

#10 Proxy Voting Authority - No Preliminary vote count given.

Of those in attendance in Phoenix, perhaps only 85 of which were shareholders, the rest were Verizon executives, board, staff and security.

Prior to the 10:30am start of the 2014 Verizon annual shareowners meeting, I was approached by the company's Assistant General Counsel, and fellow Verizon attorneys for a cordial conversation. That was followed by an upbeat chat with Bill Horton, Verizon's Senior Vice President, Deputy General Counsel and Corporate Secretary, where I disclosed that I was there representing the Association of BellTel Retirees and three other proxy proponents. Then, Marc Reed, Executive VP and Chief Administrative Officer came over for another friendly conversation, as did a few other company leaders.

The overall respect shown by them for our retiree association was rather telling.

In talking to these executives, a few indicated that given the agenda, it appeared to be the Association of BellTel Retirees' meeting because of the number of proposals that I was authorized to present.

In addition to speaking in support of the Association's two proposals, I presented three other proxy proposals for proponents not in attendance. I also presented my own statement related to retiree issues.

Probably the best part of the meeting was at the close, when Mr. McAdam announced that he would take only one more audience question, as it was nearly noon, it left me and two or three other shareholders, standing in line at the microphone, relegated to sitting down and being bypassed.

Up jumped a gentleman and retiree. He grabbed the shareholder microphone and told McAdam he wanted to speak. The chairman tried to explain that he had to close the meeting "due to

travel arrangements" of attendees but the retiree, named Stephen Shaw from Arizona, would not accept Chairman McAdam's refusal.

This fellow went on to tell McAdam that he was a 1985 retiree from NYNEX and he was not a good speaker so he said, "I want Bob Rehm to speak for me as he knows what I want to say!"

I rose and said, "Lowell, I honor your request to conclude the meeting and I sat down, however, I have traveled 5,000 miles round trip, presented five other shareholders' proxy proposal statements and was getting passed over by not being able to present my personal shareholder comments. I also said that I would talk for this fellow shareholder but it was his call on that!"

Lowell then asked me to keep the additional comments brief. After making a 6 1/2 minute presentation, the Association closed this Verizon Annual Meeting with a loud standing applause by most of the shareholder audience.

Stephen, a dedicated and helpful member, told me he believed the Association of BellTel Retirees was great in its operations and he proudly sends a donation, because of the aggressive fights we have been waging for the protection of our fellow retirees!

**It appeared to be the Association of BellTel's meeting because of the number of proposals...presented**

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# 18th Annual Retiree Meeting in NJ

Nearly 400 retirees from 13 states traveled to Harrah's Resort Atlantic City, NJ to attend the Association's 18<sup>th</sup> annual member meeting.

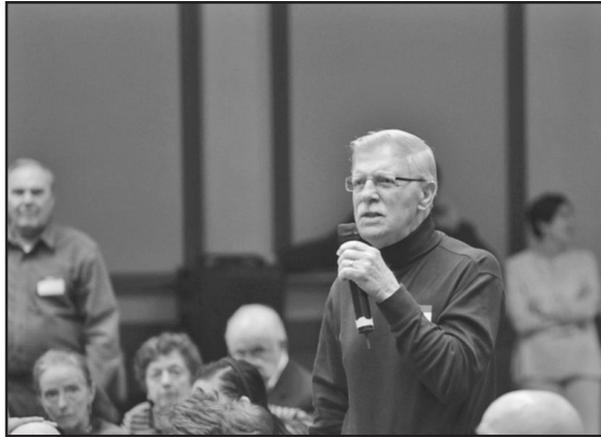
Chairman Jack Brennan welcomed the membership and their spouses and introduced each board member. He also spoke of the Association's strong support for ProtectSeniors.Org and said that they have the same objective. "Together we are fighting for you," he said. "The ultimate goal is the protection of you and your benefits."

Later Chief Financial Officer Eileen Lawrence provided a financial report of the Association. Ms. Lawrence said the Association has a goal of reaching \$1 million this year after coming close to reaching that same goal in 2013. A financial report for the Association of BellTel Retirees can be found on page 8.

Then, President C. William Jones offered a state of the Association address.

Mr. Jones touched upon five key issues that the Association is involved in, negotiation, pension fund assurance, proxy proposals, legislation and litigation. For a summary of Mr. Jones' remarks see page 1.

He also welcome two couples, Dorothy & George Reddington and



Willy & Karin Geodeke, who have attended almost every annual member meeting.

Mr. Jones mentioned that the Association has filed suit against Verizon concerning the pension transfer to Prudential, and is defending retirees who SuperMedia sued because they protested the termination of their healthcare benefits. That case was recently won by the Association. The Association has another legal action against SuperMedia concerning the transfer of existing retirees to Idearc.

He told the members that their Attorney Curtis Kennedy, who was originally going to provide a litigation update, was in an accident and could not address them. Mr. Jones thanked Attorney Edward Stone for standing in as a speaker at the meeting addressing the current legal actions.

Mr. Stone then updated the membership on the four litigations that affect the Association:

- 1-Murphy v. Verizon,
- 2-the Idearc fraud litigation,
- 3-SuperMedia v. Bell,
- 4-Lee v. Verizon.

#### **Murphy v. Verizon**

Murphy v. Verizon is the case where more than 2,500 retirees' benefits

were spun off from Verizon to Idearc. The case is in appeal in New Orleans. The Association's main argument is that it was a breach of fiduciary responsibility. "It's not their money" Mr. Stone said, it is your money, "it's earned benefits."

He mentioned that the appeal record is strong in this case and encouraged retirees to go online and read the briefs. All of the Association's legal filings are on the website under the "legal actions" tab on the home page.

#### **Idearc Fraud Litigation**

"This spin-off was doomed to fail," Mr. Stone said. This case is pending in the Dallas Court and being overseen by Judge Fish. The case is filed for the benefit of creditors and is not brought by the Association of BellTel Retirees.



However, the Bankruptcy Litigation Trustee's case against Verizon is materially important to the Murphy case, which is filed for the benefit of retirees. The information revealed in the case filed by the Bankruptcy Litigation Trustee confirms the retirees' claim asserted in the Murphy case that it was not in their best interests to be involuntarily transferred to Idearc/SuperMedia.

#### **SuperMedia v. Bell**

When SuperMedia cancelled the healthcare plans of its retirees, it sent them notices by mail. It told the retirees



# - Huge Success

that those who protest should do so in a form letter. Those who did so got sued personally by Idearc and its attorneys. Through mediation, the Association, led by our attorney Mr. Kennedy, got this lawsuit thrown out and the Association is getting its legal fees refunded.

### Lee v. Verizon

This lawsuit refers to the transfer of 41,000 management retirees' pensions to Prudential. Verizon paid \$1 billion over the value of the transfer amount to Prudential to take over the pensions. Mr. Stone said the \$1 billion is your money, they stole it and are getting away with it.

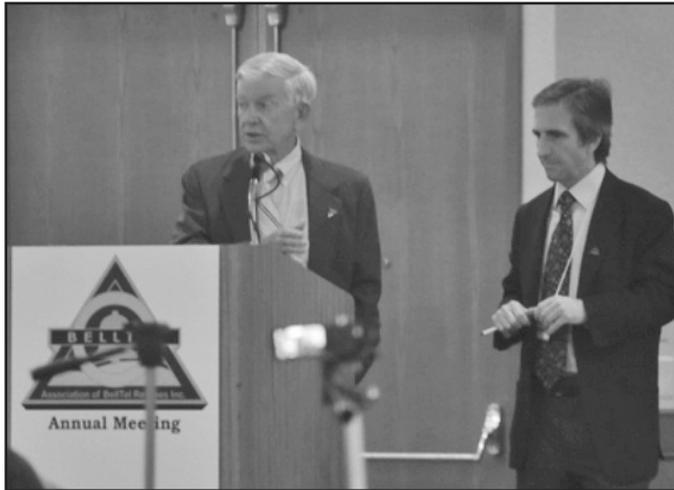
Mr. Stone stated all four of these cases have one thing in common, they are instances where we the Association are trying to combat the efforts to dump retirees. Mr. Stone said that there was an American pension crisis and said that the reason retirees are the "first to go" is because companies can do it, so they do.

"Yet, someone has to say that they can't," he said.

Mr. Stone talked about the story of David and Goliath. He said that it was

not really an unfair fight because David employed creative tactics different from what the Goliath expected. He encouraged BellTel members to start fighting for their benefits with different approaches.

He said it is sometimes better to lead into oblivion than to follow. He told the crowd it was not an easy fight but a necessary one and to lead into oblivion to



fight for your benefits.

Mr. Stone then went into the crowd asking them about their length of service dedicated to Verizon. Many in attendance had logged over 40 years.

After Mr. Stone's speech, he and Mr. Jones led a Q & A session. Members asked questions ranging from the 41,000 management pensions being transferred to Prudential and if Verizon is going to split wireless and landline retirees' benefits. Other questions from the audience arose about United Healthcare and whether or not the Association would be forming retiree



coalitions with other groups. Members also said that they planned on telling their friends and former co-workers about the Association.

The Association would like to thank all the retirees and their families for attending the annual meeting in the inclement spring weather, and to all who contributed to the planning of the event. The Association would like to especially thank Executive Vice President Jack Cohen for organizing the event and Mr. Stone for his inspiring talk to the membership.





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# FINANCIAL REPORT

By Eileen Lawrence,  
Chief Financial Officer

A brief overview of our 2013 year-end financial data was presented to the membership at our 18th annual meeting of the Association in Atlantic City, NJ on April 30th.

Processing and tracking our finances requires detailed and accurate input by our office staff and our accountant. In addition, the staff tracks contributions by type (cash, check, credit card, online). All data is reviewed under the IRS requirement for an annual external audit, which will take place this month. Our accounting system allows for detailed tracking and is the basis for our tax filings with the IRS and states.

Quarterly financial reports by account are provided to the board by Bob Gaglione, our Treasurer, for close budget tracking. The audits are conducted at our headquarters by BDO Inc. and generally run four to five days. The final audit is presented to the Board of Directors for their concurrence, and the data is the basis for our federal 990 filing with the IRS, and our state filings. We must file in every state in which we solicit contributors, currently 46.

The Association is grateful to our office staff for their constant attention to detail, insuring accuracy and gathering the required documentation. At the same time, they fulfill the single most important role in the Association of BellTel Retirees: being our personal connection to you. We receive hundreds of calls and letters from members with benefit questions, and thanking us for our assistance.

The intense activity in our small office, generated by Verizon's jettison, without notice, of 41,000 management pensions to Prudential Insurance Co. annuities, was further complicated



when Verizon introduced new healthcare coverage in September 2013 for management retirees beginning in 2014.

These two events have doubled the calls we receive. We will continue to answer questions within our responsibility by getting policy interpretations from Verizon and identifying problem areas for referral to them. But if we ever needed proof that Verizon retirees need us, we certainly have seen the proof of that in the last two years.

## 2012

As required by the New York State Attorney General's Charities Bureau, BDO Seidman, LLP conducted an on-premise audit of our 2012 financial statements in May 2013. Questions from the auditors were answered completely, and in writing. The audit was presented to the Association's Board of Directors and approved by them in June 2013.

Opinion: The auditors found that our financial statements "present fairly, in all material respects, the financial position of the Association of BellTel Retirees Inc. as of December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America." The audit reflected total assets of \$419,683. A copy has been filed with the New York State Attorney General.

## 2013

The following are brief highlights of our financial transactions for fiscal year 2013. Our financial records will be audited in June 2014 prior to filing our IRS Form 990, and the NY State CHAR 500, — "Annual Filing for Charitable Organizations." In addition to filing in New York, we will file in 45 additional states where we have members.

## REVENUE

Our total revenue for 2013 was \$987,130, an overall increase of 2% for the year.

Contributions represented 98% of total revenue, and individual donations averaged \$31.62.

Credit card donations averaged \$40.69.

## EXPENSE

Total operating expense for the year (pre-audit) totaled \$1,019,988 — an overall increase of 3% compared to 2012.

Professional fees — including legal, accounting and temporary consulting services — increased 21% for the year. We began a new legal effort to protect the pension funds of 41,000 Verizon management retirees who were transferred from Verizon to Prudential, converting the pensions to annuities an action which removed the federal protections of the Pension Benefit Guaranty Corp. (PBGC). Insurance company annuities are governed by individual, and varying state laws. The protections we seek to gain will be accomplished by working with state legislators to support changes in state insurance laws.

Costs to publish and distribute our newsletter — including printing, postage and professional PR/media costs — decreased 13%. With planned major increases in pro-active legal actions, we need to closely administer all other expense areas. In 2013, we incurred printing and postage costs of \$130,000. Our goal is to move forward in a balanced, cost effective way with a review of the distribution of our newsletter. At the same time we are concentrating on increasing online communications, and this is helped by more and more seniors going online.

Your Association's media communications effort provides us a taller stage and brighter spotlight for the retiree concerns, for which we advocate. With a record as one of the most successful groups bringing attention to the plight of

# TO THE MEMBERSHIP

retirees, we have drawn critical attention for the Verizon shareowner proxy victories, the annual member meetings, pension spin-off fight/litigation, SuperMedia Retirees litigation and the most important recent challenge: the need for state-wide protections against Pension Stripping.

Maintaining a visible presence in key online, broadcast and print articles, your Association's efforts make headlines in the news outlets America frequents including, the *Wall Street Journal*, *USA Today*, *Reuters*, *Kiplinger's*, *Crain's New York Business*, *Crain's Detroit Business*, *Plan Sponsor* and many more. News

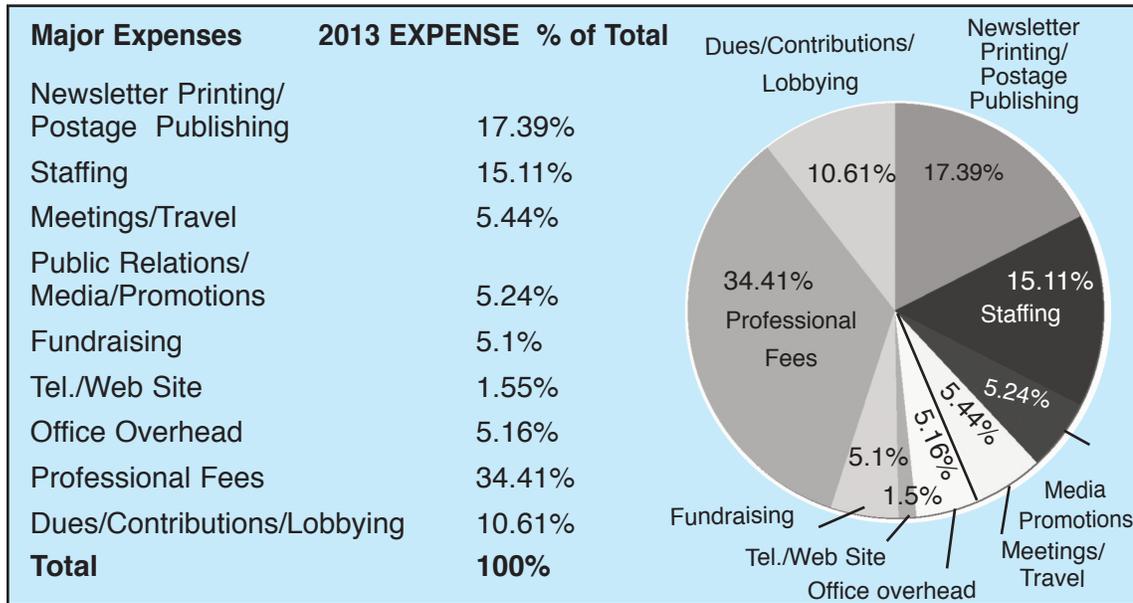
Staffing costs include wages, payroll taxes, contract and temporary help and represent 15.5% of our total expense. Wage expense is offset by well over 10,000 unpaid volunteer hours of work by your volunteer board each year.

Our lobbying allocation to ProtectSeniors.Org remained at 2012's level. Together, we continue to pursue legislative guarantees on retirees' behalf to protect against loss of our earned healthcare subsidy from Verizon and to bring oversight to Medicare and Social Security issues.

This year, ProtectSeniors.Org is

Professional Fees represent our largest expense, 78% of which goes to our legal actions. These costs increased by 21%. We have the most professional lawyers and accountants who represent and protect your association in the most positive way.

2014 has started off with changes for Verizon management retirees' healthcare, and the overall total economic effect on retirees remains to be seen at year end. We continue to seek solutions to the problems generated by this change. No one other than your Association, together with ProtectSeniors.Org, is fulfilling this role.



The healthcare coverage changes implemented by Verizon affected management retirees only. They have not yet affected our union retirees, and we do not know what future negotiations will bring.

2014 will be added to the category of critical years as seniors continue to be chosen by Congress as the easiest target to balance the budget. Does this infuriate you as much as it does us?

Our only option is to

coverage in the past year has resulted in over 70 earned media placements with a combined readership exceeding 8 million.

The Association has continued to create a series of online videos that can be found on the BellTel YouTube channel, and have attracted much online attention. Our 2013 video series, "Retiree Chronicles: Happy Memories, Uncertain Futures" attracted over 60,000 views and the BellTel Channel has been viewed nearly 85,000 times.

These are examples of your Association maintaining a high profile presence to speak out on the matters that impact you in retirement.

actively pursuing state legislation to establish financial protections lost as a result of Pension Stripping by Verizon and other companies. Our goal to establish uniform protections must be accomplished state by state. It is a major effort and requires your full support. Federal protections of our pensions are a loss we did not anticipate and we need to restore the protections. Did you know protections vary by state, and if you move they will be subject to the existing state law of your new residence? For example in 49 of 50 states your new Prudential annuity can be taken by creditors if you should have a bankruptcy.

fight back. Fighting is expensive – and we are fighting corporate money. Your continued grassroots and financial support are critically important to our efforts to protect and inform seniors.

The Association ended 2013 with pre-audit total assets of \$327,567. The numbers tell the story: expenses are up, and will continue to go up. Your contributions are vital to our existence. They provide 98% of the revenue we need to operate on your behalf. Please continue to contribute as generously as you can. You are funding your own protections. We are doing the work, but we cannot do it without you.

# Member Mailbag



Dear Association,

I am enclosing my contribution. It appears we need it now more than ever as Verizon continues to take away our hard earned benefits.

I am a Verizon retiree whose pension was transferred to Prudential. I want to thank you for your efforts in trying to reverse this situation. The NEWS FLASH helped in dealing with the transition from Verizon to Prudential. There is so much information that we would be unaware of if not for you.

I want to thank you for all the work you do to keep our hard earned health and pension benefits intact.

Sincerely yours,  
— P.J. Devine, Mass.  
\* \* \*

Dear Association,

Again, as I send in my annual contribution, I cannot help but be amazed at the BellTel Retirees diligence and unwavering effort to protect our pensions, medical benefits and insurance.

You are making an excellent effort in

spite of difficult odds. My hats off to Bill Jones. My heartfelt thanks to you all!

— R. Chiasson  
\* \* \*

Dear Association,

You folks are amazing! I wasn't aware of the payroll situation you not only discovered but have resolved. I'm proud to be a supporting member of the Association.

— Mark Bender, Boca Raton, FL

\* \* \*

Dear Association,

Thank you for the note in response to my small contribution to BellTel Retirees. I didn't know Bill Jones very well when we were both working for Bell, but I have followed your work at the Association. And I must say that nobody has done even a small part of the work that you have performed for the good of your fellow retirees. I'm sure that thousands of our members are as grateful as I am to have been associated with you, and are as proud as I am to have watched while you did positive things for all of us while others who we selected to lead the Bell System did not do so. I can't thank you enough, but I must tell you that I and thousands of others who worked as a team for Bell

respect and admire you. You are doing what millions of others wished they would have done. Thanks and keep going.

Sincerely,  
P.M

\* \* \*

Dear Association,

I just reviewed the publicity of the annual meeting and it is outstanding !! You folks are really using today's technology to further our cause.

Keep up the excellent work.  
— Ray Robertson,  
Severna Park, MD



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

Published by: Association of BellTel Retirees Inc.

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A 501 C3 IRS tax-exempt corporation  
Circulation Exceeds 128,000

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GP10-01505P-N06/10

## Help Us Achieve Our Critical \$1 Million Fundraising Goal

We have set a goal of \$1M in contributions this year – something we can only do with your help. Your Board of Directors are your fellow retirees, and each of us volunteers many hours on your behalf.

We are thankful to you that we came very close to reaching \$1M in 2013, and we feel confident that you will actively support our efforts to reach or exceed \$1M in 2014.

Please give as generously as you possibly can. Help us help each other, and protect our pensions and healthcare going forward. As of April 30th, we have reached \$458,104. – 45% of our goal. This is a great start, and we thank those who have contributed!

We have estimated expenses for the Association of BellTel Retirees to be \$1.1M in the face of federal litigations related to the spin-off of 41,000 management pensions and litigation related to SuperMedia, formerly Verizon Directory Operations. We need to reach and surpass that \$1M goal in contributions as soon as possible.

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

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

We will continue to keep you informed on the latest issues important to you. Together with ProtectSeniors.Org, we are the only organizations fighting for the needs of Verizon and IDEARC retirees. Please support our work, and spread the word to friends and family.

Thank you.

## Don’t Wait For The Next Crisis!!

By David Simmonds, Chair



“It seems that as we all review our day to day travails, we view life as peaks and valleys. When all is well, we are comfortable at the peaks when life is at its high points. In valleys however, it’s quite a different story.

Too often human nature sees us put ourselves in crisis mode. That’s also how we see our membership in, peaks and valleys. When we are confronted with a crisis (Pension De-Risking and Idearc issues come to mind), we see a rise in new members and increased donations. This is true with healthcare at contract time for the craft retirees too.

When something scares us, we do our best to get help any way we can. One of those ways is to contact the Association of BellTel Retirees. Getting the answers to your questions isn’t always easy. It takes hard work and diligent research. This does not come for free.

Everything we do is funded by you, the members, and we need your support ahead of the next crisis. When you donate on a regular basis, we have a chance to act proactively and address concerns even before members call us in panic mode.

We are working on several fronts and need your support now. By donating on a regular basis you give us the ammunition to fight for you. The board members put in a total of 12,000 volunteer hours a year working for you, without pay. It’s time to step up and help the Association meet its goals. The amount you donate is less important than donating on a regular basis.

You can set up automatic donations as well as recurring donations. It’s a simple matter of going online and clicking on the “make a donation button” and choose a recurring donation every month, quarterly, or once a year. \$10 a month is less than two Starbucks coffees, but it adds up for us. Don’t have a computer? No problem. Call the office and we will help you set up automatic, recurring donations.

Thank you for your consideration and support for the Association.

### 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:

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

Or use your credit card. Visa MasterCard Credit Card Acct.# \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Expiration Date \_\_\_\_\_ Three digit code on back of card: \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip Code \_\_\_\_\_

E-mail \_\_\_\_\_

Telephone # \_\_\_\_\_

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.

## Verizon No Longer Expanding Broadband in New Jersey

Verizon and The New Jersey Board of Public Utilities (BPU) are united in defending a recent agreement they made against union leaders and public interest groups that say the company has abandoned Opportunity New Jersey, a plan to expand broadband connection in New Jersey.

The BPU and Verizon amended their 21-year old deal, citing that it needed to address newer technology. Opponents do not agree, saying it leaves parts of New Jersey without high-speed internet access.

"The settlement on the table right now completely guts the agreement and allows them to evade every promise that they made," said Seth Hahn, of the

Communications Workers of America.

Two towns of Cumberland County, Greenwich and Stow Creek, filed complaints with the BPU about poor phone service and their limited access to broadband.

Ann Vardeman, Associate Director of the watchdog group, Organizing and Advocacy for New Jersey Citizen Action, said Verizon's non-compliance with the original agreement, as it has not provided broadband in rural areas and in some cities, is because doing so would be expensive and not profitable, for Verizon.

"Our real main concern is that ratepayers have been paying for something that Verizon said it would do — and

now Verizon is saying to ratepayers, 'Even though you have been paying for it, we are not going to do the work,'" Vardeman said.

Started in 1993, Opportunity New Jersey was funded by surcharges to subscriber bills, an amount estimated to now total billions.

Verizon spokesperson Lee Gierczynski, said Verizon invested a lot of money into New Jersey, \$13 billion, compared with the \$5.4 billion the deal originally estimated. He said that there is nothing wrong with DSL speeds and 4G connections that the new agreement would offer those areas.

## Optimistic 1st Q Results for Verizon

Verizon Communications announced its first quarter 2014 fiscal results and year-end results for 2013. Total operating revenue for the first quarter of 2014 was \$30.8 billion, a 4.8% increase compared to the first quarter 2013 and the highest quarterly growth rate in the past five quarters.

Verizon reported an additional 98,000 FiOS internet and 57,000 FiOS video net additions. Verizon totaled 6.5 million FiOS internet connections, up 9.9 percent, and 5.3 million FiOS video connections, an 8.7 percent increase. By the end of first-quarter 2014, 51 percent of consumer FiOS Internet customers subscribed to FiOS Quantum, which provides speeds ranging from 50 to 500 megabits per second. This is up from 46 percent at year-end 2013.

Verizon reported a \$1.4 billion increase in cash flow from operating activities compared to first quarter 2013. This total, however, does not reflect incremental \$1.3 billion in interest payments and \$200 million in pension funding that the company did not incur in the first-quarter 2013.

"Verizon has delivered double-digit earnings growth in eight of the past nine quarters, and in first-quarter 2014 we posted our strongest consolidated revenue growth in five quarters," said Verizon chairman and CEO Lowell McAdam. In regards to the multi-billion dollar Vodafone deal, McAdam said, "We are already seeing the expected earnings accretion from the transaction. The full access we now have to the significant

cash flows of Verizon Wireless is energizing our efforts to provide customers with product and service innovations and to enable powerful solutions to some of the world's biggest challenges."

Verizon Wireless results were more sluggish. The company added 539,000 contracts in the first quarter of 2014, a 20% drop from that period of 2013 and 13% lower than the 635,000 subscribers AT&T acquired.

Despite this, Verizon stated that their 100% ownership of the wireless division resulted in more profit overall. Profits from the wireless division were \$3.8 billion, an increase of 6.2 percent compared with first-quarter 2013.

Verizon reported \$1.15 in earnings per share (EPS) and 84 cents in adjusted EPS (non-GAAP), excluding net non-



operational gains and losses – compared with 68 cents in both reported and adjusted EPS in the first quarter in 2013.

The year-end results from 2013 showed consolidated revenue of \$120.6 billion, up \$4.8 billion from 2012, and a 4.1% growth in operating revenues. Verizon reported a diluted earning per share of \$4 dollars, a substantial increase over 2012, and adjusted earnings per share (non-GAAP) of \$2.84. They subscribed an additional 648,000 FiOS internet subscribers and 536,000 FiOS video subscribers and showed a 14.7% growth in FiOS revenues.



Michael Abramo *Senior Wealth Manager*  
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We work closely with current Verizon employees and retirees to evaluate and analyze:

- 401(k) plans
- Verizon pension plans
- 72T distributions
- Annuities

Please call (508) 530-3500 or email:

[mike@easterntrustwm.com](mailto:mike@easterntrustwm.com) for a conversation about your current financial situation and future goals.