

BELLTEL RETIREE

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.

Winter 2016-17

Volume 80

Retiree Federal Lawsuit Continues

The legal saga of the Association of BellTel Retirees fight to the U.S. Supreme Court over pension de-risking continues.

In March, the High Court agreed to consider our case. In May, with only an even number of court justices, following the death of Justice Scalia, the High Court reviewed and deliberated our case, ordering the lower Fifth U.S. Circuit Court to reexamine its prior decision against our retirees in favor of Verizon.

The impact of this case has caused tremors all along the corporate de-risking landscape, freezing most U.S. corporate plans to spin off their defined benefit pensions, lacking greater clarity from the federal court.

It is obvious in our appeal accepted by the Supreme Court, that the Fifth Circuit was refusing to acknowledge the ERISA law, the intent of Congress and the President who put the 1974 law in place in order to protect retirees from financial predators.



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Litigation spearheaded by BellTel is on appeal to the United States Supreme Court.

In mid-September after our last newsletter was sent, the Fifth Circuit reaffirmed its original decision to dismiss the Pundt v. Verizon, case siding again with the company.

After a thorough legal review by our attorneys, who we have all entrusted to get us this far, the Association has determined it will not give up the case. We are proud to announce the Association is continuing the fight on behalf of retirees and appealing the latest decision back to the U.S. Supreme Court.

The case centers on whether retirees can seek economic and legal relief over Verizon's decision to sell off 41,000 defined benefit pensions to an insurance company and in the process use some \$1 billion from retirees' pension fund assets to pay for Verizon and Prudential's corporate expenses related to the transaction. The company pension fund is currently \$6 billion underfunded according to the Wall Street Journal.

The decision by the Fifth Circuit means they believe that the class-action parties (retirees) and plaintiff, Verizon retiree Edward Pundt, could not prove any current and concrete harm has already been caused to them by the spin-off.

The Association's team of legal professionals and many other supporters believe the ruling is flawed and disregards the purpose and legal intent of the ERISA law of 1974.

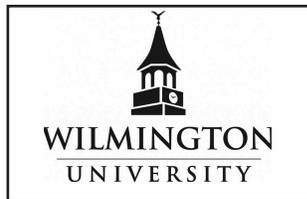
What does this mean to the Association, for our litigation, and the many retirees on whose behalf it was filed?

(Continued to page 5)

University Examines Verizon Pension De-risking

In 2016, our Association began assisting an academic research team from Wilmington University in Delaware with a study of de-risked retirees. The capstone study of 1,099 retirees sought out their awareness, impressions and insecurities of critical factors surrounding pension de-risking.

The research was led by Thomas Guarino CPA, doctoral candidate at Wilmington University within the school's Department of Business Administration. Before returning to academia, Mr. Guarino worked for Verizon and



was one of the parties de-risked.

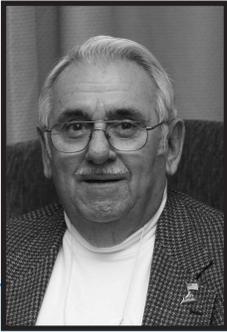
When explaining the reasoning for the study, the researchers explain, "Some of the largest companies in the United States have been transferring

pension plans of some selected retirees to third parties. There is literature that provides analysis of how these plans reduce the risk of the de-risking company. Of all the data that has been collected, studied and published, none has been found to include the opinions of the retirees affected by this trend. This study attempts to provide a look at pension de-risking from

the lens of the retiree."

They continue, "While there is no question about the value to Verizon by deciding to transfer 41,000 management retiree pensions to Prudential Insurance Company, there are questions that remain unanswered with regard to the financial well-being of the retirees. Questions remain unanswered pertaining to the diminished level of pension insurance and the differing state laws governing insurance annuities. It seems that the opinions of Verizon's retirees could have been improved with more transparency and greater consideration of the potential additional risk exposure undertaken by this group."

(continued to page 10)



President's Message

By John "Jack" Brennan

2016 has been a busy time for the volunteer retiree leaders at the Association of BellTel Retirees as you will read.

On page 1 we spotlight the research of Wilmington University, analyzing the concerns of de-risking retirees. Our thanks to researchers who asked for BellTel's input, because of our aggressive advocacy.

De-risking has become a national corporate tactic for companies to extract themselves from the retiree pension and benefits they once guaranteed. While numerous blue chip companies' retirees have also been impacted—United Technologies Corp being the latest -- only BellTel retirees have waged such a strong, aggressive fight against corporate bullying.

With the threat of more de-risking looming, our efforts have not just been for the 41,000 de-risked, but to protect many union and management retirees alike, still under the Verizon pension umbrella.

Our own legal eagle Curtis Kennedy and co-counsel have been fighting like warriors in the federal courts, elevating our *Pundt v. Verizon* case to the U.S. Supreme Court, recently back to the federal Fifth Circuit and now, once again, headed to the High Court. We believe the justices will affirm the rights and protections of our retirees, as spelled out by Congress and President Ford in the ERISA law of 1974.

In California there is also potential game-changing federal litigation to block a new effort by municipal pension plans to diminish pensions to a point they determine to be "reasonable." A three judge federal panel has affirmed pension fiduciaries right to cut pensions. If the California pension cut locomotive can't be stopped, won't corporations do the same?

It might have been nice for us long ago to be able to cure-all which ails Verizon retirees and go back to enjoying more of our retirement, but there is still so much to be done. That is why I ask, for you to please donate what you can to support the Association. It is your generosity and kind and supportive words that keep our Association propelling forward.



UNITED, TO PROTECT OUR FUTURE

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HAVE A QUESTION?

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OVERVIEW OF VERIZON RETIREE DEATH BENEFITS

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

Increased Cost of Verizon Healthcare

By Jack Cohen

As more and more of our members have participated in the "Open Enrollment" period, to say that they have been presented with "sticker shock," could very well become the understatement of 2016. I thought it appropriate to introduce some historical perspective so that some, if not all of this "angst," can be properly directed.

The UHC Group Medicare Advantage Plan was rolled out to Medicare eligible retirees effective Jan. 1, 2014. In the fall season just prior to the roll-out, UnitedHealthcare affected literally thousands of Medicare members in ten states who had experienced their doctors being cut from the Medicare Advantage Plans under UHC. What I have always found unconscionable is that regardless of all that adverse publicity, Verizon still inflicted this UHC Group Medicare Advantage Plan on to their Management retirees. As you probably read our recent survey had mixed reviews.

"UnitedHealthcare spokeswoman Jessica Pappas said, 'While these changes can be difficult for patients and their doctors, they are necessary to meet rising quality standards, slow the increase in health costs and sustain our plans in an era of Medicare Advantage funding cuts'."

To understand completely what she means one has to go back to the Medicare Modernization Act of 2003, when it was the intent of the Bush administration to provide monetary subsidies as incentive for private health plans to provide enhanced services to Medicare beneficiaries.

Eventually, an average of 14 percent more was paid, over and above that which was paid to the average beneficiary to these private health plans expecting them to offer enhancements commensurate with the additional money paid by the taxpayer. Then corporate greed kicked in.

What actually happened was something less than was expected with much of the additional funding going to marketing efforts and "bottom lines" of the

insurance carriers. In simple dollar terms the National Committee to Preserve Social Security and Medicare found that Medicare "pays about \$1,000 more a year to cover a beneficiary in a private plan than it would cost to provide care to that same beneficiary under traditional Medicare." This was reported extensively by the National Committee to Preserve Social Security and Medicare.

The Affordable Care Act of 2010, made major changes to the government payment formula for private plans providing Medicare benefits to seniors. The phase-in reductions would be during the period between 2012 and 2017. Originally those opposing the cuts claimed that this would drive all private plans out of the business of serving Medicare recipients. Actually, the reverse happened.

Today, of the 55 million people on Medicare, 17.3 million (almost a third) have private Medicare Advantage Plans. Within the 17.3 million, Kaiser reports that 3.2 million (a growing number) are part of "Group" Medicare Advantage Plans (like us). So I fully expect that what appeared denied to them from Government subsidies, has been replaced by higher costs to Medicare recipients who are part of their plans, as we have been experiencing.

Are they laughing all the way to the bank? Will this drive our people out of Verizon coverage? Is this the Verizon ultimate goal?

700+% ...Wow!

It's benefit renewal time and those covered by Medicare may take a huge financial hit: If it now becomes your primary coverage next year, at least one member's spouse, who is now Medicare eligible has reported that they must pay 700-800% more than the previous year. Talk about inflation and a lack of affordability.

After the screaming dies down, inevitably we might say or hear the words, "somebody should do something about it." They're right!

Contacting your elected representatives is something you can do yourself but unless that person gets hundreds of similar letters, your only response will be a form letter.

Ready to give up?

Don't!

You don't have to do it alone. The Association of BellTel Retirees is already fighting and advocating on your behalf on critical retiree matters.

Please support the Association today with a donation. We cannot do it alone. We must act together if we are going to make our voices heard.

There are thousands of Bell / Verizon retirees who are just as angry about some of these issues as you.

We would appreciate you contacting us (by email or phone) with information about your health care cost increases during the past few years.

There is an easy way to become a somebody who is doing something. Check out the website www.belltelretirees.org or contact us at 1-800-261-9222. Get involved today.



ProtectSeniors.Org

www.protectseniors.org

We are fighting to keep our earned retirement benefits secure:
HEALTHCARE PENSIONS SOCIAL SECURITY MEDICARE

HELP US BY:

- ◆ Sign on and contribute at www.protectseniors.org
- ◆ Receive timely updates

- ◆ Become a Grassroots Leader
- ◆ Respond to "write to Congress" requests.
- ◆ Take part in our surveys

Call: 800-398-3044 /email: info@protectseniors.org

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We appreciate your financial and grassroots support.

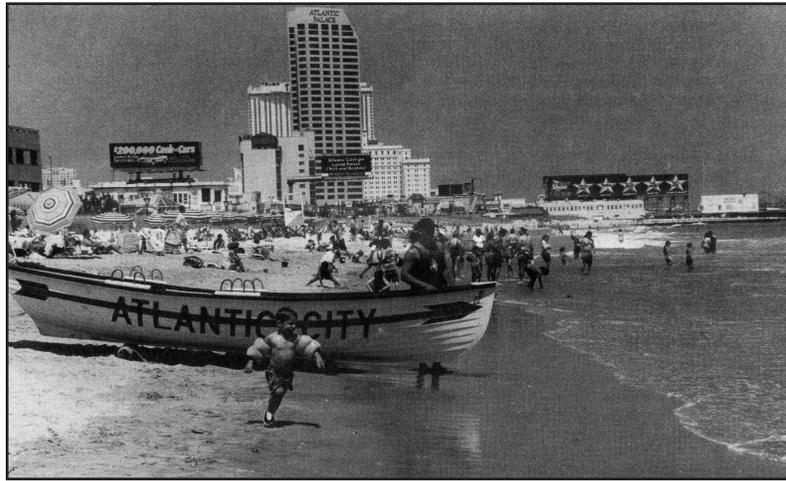
ProtectSeniors.Org is a 501(c)4 organization. Contributions are NOT tax deductible. Paid for by ProtectSeniors.Org

Spring in Atlantic City: 2017 Annual Retiree Gathering

The Association of BellTel Retirees has chosen Atlantic City, N.J. as the location of its 2017 annual member meeting. The meeting will be at the Golden Nugget Casino, Hotel & Marina on Tuesday, May 2, 2017, starting at 8:30 AM.

Atlantic City is very often suggested by our members as an excellent meeting location because of its proximity to many major metropolitan areas, its transportation options, location on the beach, world-famous boardwalk, casinos, restaurants, entertainment and shopping. The warming spring season is an ideal time to visit the shore with former colleagues and meet up with friends.

In addition to the bustling Boardwalk, surrounding attractions include the Atlantic City Art Center, the Atlantic City Historical Museum and the Tanger outlets for shopping with several golf and fishing options within close proximity.



The hotel will be offering the Association of BellTel Retiree members a special rate of \$74 plus taxes and fees for those who wish for overnight accommodations.

Reservations are needed to attend the 2017 meeting. To reserve a seat, please complete and send the early RSVP reservation form below. Be sure to include the names of all those attending and return it with your \$5 per person registration fee to Ms. Susan Donegan, c/o the Association of BellTel Retirees, P.O.

Box 33, Cold Spring Harbor, NY 11724.

Please make all checks payable to the Association of BellTel Retirees. Entrance tickets and directions will be mailed to you closer to the event. Please note that hotel reservations and event reservations are separate and a reservation to one is not a reservation to the other. All members

must register with the Association to guarantee a spot at the meeting.

To reserve a hotel reservation at the special discounted rate you can contact the Golden Nugget hotel at 1-800-777-8477 or at <http://www.goldennugget.com/atlanticcity/>. Please use code ABELTEL when booking.

We look forward to seeing you at our 21th annual gathering.

**Early Bird RSVP for Association of BellTel Retirees Annual Meeting
Tuesday, May 2, 2016 at the Golden Nugget Casino in Atlantic City, NJ**

A Ticket Is Required To Attend

I will attend the meeting in Atlantic City, NJ - # in party_____

Name:_____ Address:_____

Phone Number:_____ Email Address:_____

Enclosed is a Check for \$_____ (\$5.00 per person)

Please list your guest's names and addresses:_____

PLEASE PRINT CLEARLY

(You can list invitees names on a separate piece of paper if more than 2 are attending)

A ticket will be mailed to each member and guest for admission.

Please return this registration form and fee ASAP to: **Association of BellTel Retirees Inc.**
c/o Susan Donegan / P.O. Box 33, Cold Spring Harbor, NY 11724



Retiree Federal Lawsuit Continues

(Continued from page 1)

The ERISA law was put in place by Congress and signed into law by President Gerald Ford specifically to protect retiree pension assets from being used and manipulated around like chess pieces by financial industry players, such as Verizon or other corporate retirement plan fiduciaries.

That is exactly what we will continue to argue by appealing this latest decision back to the nation's highest court.

"Bell heads don't give up," said Association Chairman Jack Cohen. "On behalf of the 41,000 retirees whose pensions were spun off, and those at Verizon who may still face the same fate, we will not stop the fight for our retirement security. This is too big of an issue for us to simply walk away from."

"America's retirees were made a promise by their former employers and by Congress, through the ERISA law, that our pensions would be protected," said BellTel president Jack Brennan. "Our protections remain at risk and we will fulfill our mission by continuing to

Investor
Verizon Retirees Score Victory
in Fight for Their Pensions

**Bloomberg
BNA**
Justices Order
Second Look at
Verizon Pension Lawsuit

LAW360
Justices Order New Look
At Verizon Pension Suit
Post-Spokeo

BI
BUSINESS
INSURANCE
Supreme Court kicks Verizon pension
derisking back to lower court

pursue every legal avenue we can to fight for retirees' pensions."

The Washington, D.C.-based national Pension Rights Center has supported the Association's legal argument, filing an amicus brief in the U.S. Supreme Court case.

Each year, 15 million cases are filed in the federal court system. Of those cases only about 75-80 are heard by the U.S. Supreme Court. The Association advancing the *Pundt* case to such high levels clearly shows both the strategic

vision and tenacity of your retiree Association.

We will keep you up to date on our efforts, or you can find our court filings on the Association's website by visiting www.belltelretirees.org and clicking on legal actions then the 'Lee/Pundt v. Verizon' tab.

Please continue to strongly support the Association and our fight for all of our fellow retirees and surviving spouses. We can't keep up the battle without your strong and generous support.

HISTORY OF OUR DE-RISKING FIGHT

4-Year Timeline of Lee/ Pundt v. Verizon litigation over pension de-risking:

October 2012 – Verizon notifies 41,000 retirees that their pension will be transferred to Prudential Insurance Company.

November 2012 – Lawyers for the Association of BellTel Retirees sue Verizon to halt the planned transfer of 41,000 retiree pensions.

December 7, 2012 – Chief Judge Sidney A. Fitzwater of the U.S. District Court for the Northern District of Texas, Dallas Division, denies the retirees' motion for an immediate temporary restraining order, clearing Verizon spin off to go forward.

December 10, 2012 – Verizon finalizes the transfer to Prudential.

March 2013 – Federal District Court for the Northern District of Texas, Dallas Division, grants class action status to the retiree litigation then known as *Lee v. Verizon*.

April 2014 – Judge Fitzwater orders the Verizon Retirees' Class Action case (*Lee*) dismissed with prejudice, and the Non-Transferee Class dismissed without prejudice (*Pundt*).

February 4, 2015 – BellTel Retirees appeals the *Lee* ruling. Retiree attorney Curtis Kennedy makes oral arguments before

the Federal Fifth Circuit Court of Appeals in New Orleans.

August 17, 2015 – Fifth Circuit affirms judgement against retirees in *Lee v. Verizon*.

December 2015 – The case continues on as *Pundt v. Verizon*. Retirees' petition the U.S. Supreme Court for a Writ of Certiorari review. Out of 8,600 annual cases petitioning it, the High Court only selects 75-80 cases a year to review, or less than 1%.

January 19, 2016 – The Pension Rights Center files an amicus brief (friend of the court legal brief) in support of Verizon retirees, arguing that the plaintiffs have a right to complain about mismanagement of their pension and seek civil penalties against Verizon under ERISA.

March 2016 – Justices of the U.S. Supreme Court accept review of BellTel Retirees *Pundt v. Verizon* case.

May 23, 2016 – The U.S. Supreme Court vacates the decision by the Fifth Circuit Court, ordering the Appellate Court judges to re-evaluate its ruling.

September 15, 2016 – The Fifth Circuit affirms its earlier decision to side with Verizon.

Fall 2016 – BellTel attorneys prepare appeal of case as it awaits its new U.S. Supreme Court session.



Will Pensions Soon Be A Thing of the Past?

Every day, we see more evidence that pension plans are underfunded, perhaps even purposely so, by their corporate sponsors. General Motors, International Paper and the railroad company CSX have all borrowed money to fund pension contributions this year.

It was recently announced that Verizon Communications is among the latest to consider borrowing in the bond market to help fund its pension plan needs.

Retiring Verizon CFO Francis Shammo told the Wall Street Journal that Verizon does not want to add to the “rising premiums that it pays to the PBGC because of underfunded pension plans” and that the company “would like to reduce those payments.” The fact that the company is spotlighting the cost of its PBGC insurance costs should be concerning to those still in the defined pension plan.

Verizon’s current pension obligation is \$22 billion. The deficit is about \$6 billion. The company has contributed \$750 million to its pension fund this year, more than the \$600 million it previously expected.

Mr. Shammo said that the company also plans to pay out more in lump sums to retiring employees this year.

In the private sector, companies have increasingly been de-risking pensions in order to lower their annual PBGC insurance costs. That is why Verizon’s statements are so alarming.

In the public sector, where many of the battles over pensions have been fought and where precedents have been set, the threat has rarely been greater.

Earlier this summer a three-judge appeals court in California unanimously declared that public retirement pension plans could now be reduced, even if already granted and guaranteed to retirees.

Justice James Richman of the Federal First District Court of Appeals ruled that “while a public employee does have a ‘vested right’ to a pension, that right is only to a ‘reasonable’ pension.”

How Low Can They Go:

According to Gregg McLean Adam, representing impacted California unions and their pensioners, defining that standard is quite a slippery slope.

“The court says you can reduce current employees’ pensions to a point of reasonableness,” Adam explained to the Los Angeles Times. “Where that point is, your guess is as good as mine.”

California has always had an influential role in defining pension law, treating government pensions as contracts protected by the state constitution, a principle that holds in New York State as well. So it is of national interest that there has been

Verizon’s current pension obligation is \$22 billion. The pension is now underfunded by \$6 billion.



California has a key role in defining national pension law. Current federal litigation has the potential to shrink pensions already earned.

courtesy of wikimediacommons

an ongoing debate and litigation of national importance to all pensioners.

Part of this debate involves the so-called “California rule,” which prohibits changes to government pensions once they are granted.

“The California rule is a rule that makes it difficult for states to reform their pensions,” said Alexander Volokh, an Emory University Law Professor.

California’s “pension reform” law passed in 2012 has cut public pensions, raised the retirement ages for new government workers and banned pension “spiking.”

Our own Association of BellTel Retirees is continuing its legal fight on the federal court level on the Verizon pension transfer in our case, *Pundt v. Verizon*.

The Fifth Circuit Court of Appeals recently ruled in the company’s favor but we are moving ahead to appeal back to the High Court.

If states and municipal governments simply permitted to begin reducing pensions by 10% or 40% to what they term as “reasonable pensions” as the California litigation is considering, won’t other states and corporations seek to jump on that same band wagon?

Recently, joining Verizon in offloading pension obligations to Prudential was United Technologies, which recently de-risked 36,000 of its pensions.

“The ruling regarding California pension changes and our *Pundt v. Verizon* case are outcomes that will have enormous impacts for the pension and benefits landscape throughout the country,” said Association President Jack Brennan. “Legally we are at the cutting edge of the national retiree advocacy movement. BellTel must continue to be vigilant to protect and defend the

rights of those who worked their entire careers in exchange for the promise of retirement security. Too many of us have had the rug pulled out from under us and we can’t allow such abuses to continue.”



An Appeal:

Who Can Best Act In Retirees Interests?

By John Kolimaga

If there is one thing people who currently or previously worked for Verizon can agree on, it is that, sadly, the company makes it quite clear that it doesn't care about its employees or its retirees. They're not considered assets and their pensions and health care benefits are seen simply as a burden.



John Kolimaga

Corporate policies, court decisions, legislation and the management of pension funds in recent years have all combined to threaten or undermine the benefits we earned during our working years.

Retirees can recall being told that their pensions were guaranteed and that they'd have fully paid health care benefits for themselves and their spouses. Now, we're faced with limited health plan choices, increased costs and threats of things getting worse. Unless forced, Verizon executives have shown no concern about the dignity and well-being of retirees.

All retirees should ask themselves: Who really understands these issues? Who can act in their best interests? The

answer is the Association of BellTel Retirees.

The membership is almost evenly divided between former management and union workers, whose interests have become aligned in retirement. The Association, over its 20-year history has had a significant impact in protecting retirees through legal action, shareholder votes on executive compensation, legislation, and direct talks with Verizon executives.

Individually, any of us might write a complaint letter to Lowell McAdam, contact a congressional representative about legislation or vote against the Verizon board's recommendations on our proxy statements. These are all worthwhile efforts and doing so might give us a psychological boost, but acting individually has little chance of affecting any real changes.

It takes large-scale organization and the coordinated efforts put forward by a group to get the company's attention and force change.

The only group capable of exerting that force is the Association of BellTel

Retirees and their sister organization, ProtectSeniors.Org. The Association's officers are unpaid volunteers who together have already donated thousands of hours on behalf of retirees. Tax deductible contributions fluctuate but the costs of fighting these battles only increase.

Two movie tickets (with senior discount, of course) and one small popcorn and soda costs about \$35 and provides a few hours of entertainment. A like donation to the Association helps support advocacy whose only goal is you and your spouse's wellbeing.

Prior to joining the Association, I sent the requested donations, read the newsletters, forwarded a few prepared forms to congressional representatives and watched them act on behalf of BellTel/Verizon retirees.

The more I learned about the group the more serious I became about doing my part to help ensure the dignity of all BellTel retirees.

I keep looking for a means to fight these problems and the only effective advocate that I've seen is the Association of BellTel Retirees. Please support the Association as generously as you can.

36,000 More Retirees Have Their Pensions De-Risked

Connecticut based United Technologies, which provides high tech systems and services to the building and aerospace industries, is the latest company to sell off its retirees pension plans to Prudential Insurance.

Among the brand name companies it owns or previously had in its control: Otis Elevator, Carrier (Air Conditioning) Corporation, Pratt & Whitney, Hamilton Sunstrand, Kidde Corp, Chubb Security, Goodrich (B.F. Goodrich), UTC Aerospace Systems, Sikorsky Aircraft, etc.

United Technologies transferred the pensions of 36,000 retirees, outsourcing \$775 million in pension benefit obligations. In addition, to the 36,000 de-risked retirees the company plans to give another 10,000 retirees a lump sum payment. The company says these transac-

tions combined will save United Technologies \$1.77 billion in 2016.

Last year, the Association's sister organization, ProtectSeniors.Org, successfully worked with Connecticut legislators to protect retirees from some of the harmful effects of pension de-risking and has similar efforts across the other states.

De-risking strips away the ERISA law and PBGC protections that pensions had, annuities do not have those protections. The law added some of the protections that were lost to retirees whose pensions were converted to annuities by shielding the assets from creditor and bankruptcy claims. Connecticut is the first state that provides these protections and Nutmeg State residents who

were impacted by this latest corporate de-risking will now benefit from ProtectSeniors.Org's important efforts.

"This transaction is an important part of United Technologies' long-term strategy to reduce future pension risk and expense," Chief Investment Officer Robin Diamonte said in a statement. "It will not affect participants remaining in the plans and entrusts the assets

leaving the plans to a highly rated insurance company whose core business is retirement security and administration of pension benefits."

Prudential will provide the de-risked retirees and their surviving spouses monthly benefits of \$300 a month or less.





How Can We Help You? Our Trouble Shooters Are On Your Side

When you have a problem and you call the Association of BellTel Retirees for assistance and guidance, have you ever wondered who you were speaking with?

Susan Donegan, Office Manager, and Stef Baker, Assistant Office Manager, oversee the day-to-day operations of the Association's Cold Spring Harbor office, where they spend parts of their days listening to individual members' concerns, guiding them through the red tape they encounter at Verizon and helping them track down answers to their most vexing problems. In a busy week, the women receive an average of 150 calls from members in need of help, all while maintaining the business functions of the office.

"If retirees call the Verizon business office and they are having problems getting their issue resolved, our members know that they can call us and we can escalate it," said Ms. Donegan.

For instance, she once helped a patient whose chemotherapy was not being paid for by insurance. She jumped to the task, calling Verizon's Benefits Center and finding the right person to help, explaining the problem and then figuring out what needed to be done to correct the error. The patient, who had called in despair because she was afraid her life-saving treatment would be cut off or made



Susan Donegan and Stef Baker assist Association members' concerns.

prohibitively costly to continue, called back the next day, expressing great relief that her therapy would continue.

"A lot of retirees can be intimidated by the daunting task of wading through corporate bureaucracy and understanding exactly what services they can access, what their rights are and what they can expect from complicated documents like insurance plans," said Ms. Baker. "Add to that, when someone needs help with these matters it is often at a time when they are ill or grieving. We take on that burden by putting in the time and energy they can't."

Ms. Donegan and Ms. Baker, who have been with the Association for five years and two years, respectively, said some of the cases they encounter still baffle them.

In one incredible instance, a retiree

gets his health insurance cancelled year after year due to a technical glitch involving his address. Each year, Ms. Donegan, who now knows precisely the right course of action after this annual occurrence, calls the company, repeats the procedure and gets the problem fixed in time to avoid any stressful and costly loss of coverage.

"It's like a broken record," said Ms. Donegan. "You would think they would have learned by now but here I am, explaining the same situation year after year like it's a completely new problem. It has gotten to be routine so now we're able to have a good laugh over it when fixed again and it's all done – until next year!"

Ms. Donegan and Ms. Baker don't just help retirees but the surviving spouses of those who have passed away, which account for about 10% of their calls. Without the Association, many retirees and surviving spouses might have no point-of-contact or place to turn to address serious challenges.

Some of the frequently asked questions they receive:

1) Explain the death benefits.

Verizon offers surviving spouses of its retirees' benefits but the benefits must be requested within a year. If a request is made after the deadline, the spouse loses that right. Often, widows and widowers do not realize this because Verizon doesn't tell them.

2) If a retiree drop the UHC Medicare Advantage plan, will they lose their Prescription drug coverage:

The answer is yes.

3) Does Verizon offer FiOS discounts?

Yes, all retirees in the Bell System who have Verizon services are eligible for a discount. They can get more details at www.verizon.com/benefitsconnection

4) Do retirees' dependent children have coverage:

Verizon will provide benefits to retirees' children who are under the age of 18. Verizon will only provide retirees' children (ages 18-26) benefit coverage if they are attending school.

To contact Susan or Stef at the Association of BellTel Retirees' headquarters, call 800-261-9222 or email: association@belltelretirees.org.

Morgan Stanley



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Support BellTel via Recurring Donations

The Association of BellTel Retirees Inc. survives on your donations. The cost of doing business goes up every year but the challenges we face and the continuing threats to our retirement security increase as well.

We are, of course, very grateful for all the donations we receive. However, the rate of inflation is rising faster than the donations we receive. Our efforts to prevent Verizon from taking away and rearranging your benefits costs more and more, especially with the landmark U.S. Supreme Court case we have brought on behalf of those who face having their pensions de-risked.

We are in a fight with a very large and financially resourceful foe. How do we fix that? YOU! Asking you to write a bigger check is not easy to do. So I won't. I'd ask you to donate to the Association in a different way than you do now.

Instead of writing a check or making one (large) donation, how about a small recurring donation each month? By clicking on "DONATE NOW" on the Association's website, you can set up a recurring tax-deductible donation and greatly increase our power to

fight for you.

This could be as small as \$10/month. You can also donate every other month. "Donate Now" has several options you can take advantage of. Think of the power we could wield with that much support. We can't continue our fight without you.

I would not ask the membership to sign up for recurring donations if I didn't ask the board to do the same. I have been doing it for 10 years and have never had a problem. I ask that you consider this type of donation to keep the Association alive and well and able to continue fighting for your rights.

Thank You

*David Simmonds - Director
Fund Raising Chairman for*

The Association of BellTel Retirees, Inc.



ATTENTION MEMBERS:
Please specify on your donation card or check what tax year you want your tax deductible donation to the Association of BellTel Retirees posted. Please date your checks either for 2016 or 2017.

Please Support Your Team With A Tax Deductible Contribution

We thank all of you who have responded positively to our requests for your tax deductible contributions to BellTel this year. They allow us to continue to protect our earned benefits, as well as keep you informed of national, state and legal issues throughout the year. This is your organization, and this is our last chance to meet our 2016 revenue goal of \$1Million to meet expenses. We'd very much like to end our 20th Anniversary year on a very positive note.

We ask you to please consider supporting our volunteer efforts with a contribution prior to December 31st. It is so very important to all of us. Our organization is all-volunteer and we rely upon donations to wage the crucial battles to protect and defend your earned benefits.

Thanks for all you do.
Your volunteer Board of Directors

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 Discover Amex MasterCard Credit Card

Acct.# _____ / _____ / _____ / _____ Expiration Date _____ Security code on 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 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.

University Studies Verizon Pension De-risking

(Continued from page 1)

Overview By Researchers:

Congress passed the Pension Protection Act of 2006 and established new rules for funding and reporting pension information (Pension Benefit Act of 2006). With increased regulations and increased insurance premiums, this act has propelled the movement towards defined contribution plans and even employers with well-funded defined benefit retirement plans are considering the change.

Guarino explains, "Employers with defined benefit plans, who are paying out pensions to retirees, have recently joined a new movement called pension "de-risking... (which) removes a pension liability from a company's balance sheet as the company 'transfers' the pension obligation to a third party."

The third party payers, usually insurers, will continue to make regular payments as annuities, yet little is publically available about what insurance companies are allowed to do with pension funds received in a de-risking transaction.

BellTel was invited to participate specifically because of its active advocacy on behalf of all Verizon pensioners, which includes both those whose pensions were transferred and also those whose pensions remain under the Verizon umbrella. The study and online Q&A interview was open to all Association members.

A whopping 86.37% of those who were de-risked were unsatisfied with the transfer of their retirement assets, while only 5.53% were satisfied with transfer to Prudential and 8.10% said they were neutral on the issue.

Authors found that following the de-risking, most retirees now hold an unfavorable view of the practice and two-thirds (67%), feel Verizon "does not care about their financial well-being."

"The transfer activity seems to leave these retirees with a feeling of abandonment, which may have been avoided with better communications, greater transparency and possibly some compensatory consideration," said Guarino.

935 respondents or 85% interviewed receive either a pension or a pension

annuity and the remaining 15% (164 retirees) took a lump sum.

Of those currently receiving a Verizon Pension or a de-risked Prudential annuity, 64% (634 retirees) were among the de-risked class and 32% (293 retirees) remain with a defined benefit pension from Verizon.

The research team critically recognized that the de-risking impacted not only the 41,000 already spun off, but many tens of thousands more retirees as well as union-represented retirees and employees, who are candidates for a possible future spinoff. The remaining Verizon pension assets are now \$6 billion underfunded.

- ◆ 82% believe the federal government need to begin regulating pension de-risking
- ◆ 82% believe having their retirement assets with an insurance annuity presents a greater risk
- ◆ 72% say they are not knowledgeable enough about their state's insurance

Study participants' on average had been retired for 21-years and over 70% were former management employees. The average age of survey participants is 75.5 years and their average working career spanned 31.2 years. 73% were male and 27% were female. The majority of survey participants reside in the states of Massachusetts, New Jersey, New York, Pennsylvania and Florida.

Nearly 82% of all those asked believe the federal government needs to begin regulating pension de-risking, as 82% believe having their retirement assets with an insurance annuity presents a greater risk to them than having their assets within the Verizon pension system.

72% of all retirees say they are not knowledgeable enough about the workings of their individual state's insurance industry guaranty association and the protections it provides them, should Prudential or a future manager of their de-risked pension-annuity encounter bankruptcy or financial shortfall.

"Respondents indicated a much

higher level of PBGC (federal Pension Benefit Guaranty Association) understanding than state annuity insurance coverage understanding," researchers say. The PBGC is an arm of the federal government that is funded by employers sponsoring defined benefit pension plans.

Critical Retirement Income

Protection Assurance:

Over 53% of the study participants report that the defined benefit pension or now de-risked pension-annuity from their former employer comprises over 50% of their total retirement income.

Researchers determined that 81% of all retirees believe the federal government should regulate de-risking and 75% of those who were de-risked now feel financially less secure.

These findings are consistent with what the Association of BellTel Retirees has long stated: Pension de-risking makes retirees more vulnerable financially and retirees know it.

The researcher's state: "the Association of BellTel Retirees on behalf of the 41,000 pension plan participants, and their beneficiaries, have sued their former employer. The suit charges Verizon with violating the ERISA Section 102(b) failure to provide required disclosure, ERISA Section 404(a)(1) Breach of ERISA fiduciary duties and violation of ERISA Section 510 interference of protected rights. Members of the U.S. Senate have asked the Departments of the Treasury and Labor, the PBGC and Consumer Financial Protection Bureau (CFPB) to establish guidelines, procedures and clarification of fiduciary duties for de-risking of pension plans."

Guarino concluded, "Retirees are seeing potentially devastating changes to their post-retirement benefits and pensions. These benefits were earned over a lifetime of loyal service and they served as motivation for remaining with their former employer. Now, years later, these promised benefits are at risk and in some cases, benefits have been reduced or eliminated. Verizon retirees will have a voice through this study."

The Association would like to thank Thomas Guarino and his colleagues at Wilmington University for their diligent research efforts on this important study.



Board Members John Hyland (left) and Tom Steed (right) attend the labor mass at St. Patrick's Cathedral in New York City with IBEW official Bret Doerier in September.

Retiree Forum: Check the Cost of Your Wireless Service Contract

It's a very good idea to check the details and terms of your wireless service agreement at least once a year. Many people purchase a phone through their carrier and lock in a specific rate for 2 years. After 2 years, your service continues under the old terms/price even though you're eligible for the current (often lower) price.

You should call your carrier and ask for a cost/usage comparison. There may be another plan that provides equal/greater coverage for the same or a lower rate that does not lock you into a long term contract. Also ask if you qualify for any special rates or discounts, etc. or if there are any future offerings that might provide savings.

My service (2 phones) plan expired in June but the terms would have continued unless someone called and questioned the costs. The new plan had a slight improvement in available data usage, everything else was the same, yet it cost \$15 less per line.

One phone call = \$15 saving per line x 2 lines x 12 months = \$360 savings per year.

A lot of Verizon retirees qualify for retiree discounts. To find out more go to <http://www.verizon.com/about/our-company/retiree-information>

-John Kolimaga

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Mortgage Specialist

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Member Mailbag



Dear Fellow BellTel Retirees,

Thank you so much for what you do for all us retirees. You are fighting for a noble cause to protect what we have earned and what was formerly promised. I was with AT&T land lines for 10 years and transferred to NY Tel in 1993, which was unheard of with my service date. I was in CWA local 1122 for 25 1/2 years, plus CWA 1152 for 10 years. We all did a great job of building up Ma Bell to be the giant it became. It's too bad corporate America has a short and greedy memory about what made them great.

Thanks again,
J.D.

As a retired widow, on a very fixed income I truly appreciate your efforts on my behalf.

We seniors need all the help we can get to keep our rightful benefits that are earned with over 30-years of dedicated service.

M.A.

I am in awe of your wonderful success these past 20 years. Thank you for all you do for us retirees.

Keep up the good fight.
J.K.

To all of you who have been working so hard for all of us for so long. I can't believe that some people don't send a donation. I truly do appreciate all that you are doing.

MDV

I'm writing a short note to sincerely thank the Association's efforts on all the retirees' behalf. I personally appreciate what you do for me and all retirees. Without your efforts, Verizon would take everything away from us. Keep up the great work you do on our behalf. God bless you all.

Sincerely,
B.O.

Thank you for all that you do. I am very grateful, also I am one of the 41,000 management retirees who were de-risked.

L.C.

VERIZON BUSINESS NEWS

Verizon Closes Call Centers In Five States

Verizon has announced that it will close call centers in five states, affecting about 3,200 workers.

This comes as the company has increasingly contracted out and outsourced call center jobs, a point of contention during the union strike that took place this past spring. The call centers that will close are in Rochester, N.Y.; New York City; Bangor, Maine; Lincoln, Neb.; Wallingford and Meriden, Conn.; and Rancho Cordova, Calif.

When Verizon and the unions agreed to a new contract earlier this year and the strike ended, the company agreed to add 1,300 new East Coast call center jobs. According to the Huffington Post, the call centers that were closed have employees that are not represented by unions.

At the time of the announcement, a

spokesman for New York Gov. Andrew Cuomo said: This is an egregious example of corporate abuse - among the worst we have witnessed during the six years of this administration. Verizon's call center closures will result in job losses for 'hard-working' New Yorkers."

Kim Ancin, a Verizon spokesperson, said all workers were offered jobs at other company sites or severance packages if they decided not to relocate. Those who do relocate will receive relocation packages starting at \$10,000.

Verizon reported 3rd quarter fiscal earnings of \$1.01 a share on revenue of \$30.93 billion.

* * *

Verizon CFO Francis Shammo retires

After 27 years with Verizon, Francis Shammo retired as Chief Financial Officer. Though his retirement was effective Nov. 1, Mr. Shammo plans to stay

until the end of the year to help with the transition.

"This is a great time for me to make this personal move," Mr. Shammo said in a statement. For Verizon, 2016 has been a significant transformational year and I will leave knowing that the company is well-positioned to deliver on its strategic initiatives."

Mr. Shammo had served as CFO since November 2010. He joined a Verizon predecessor Bell Atlantic Mobile in 1989.

Mr. Shammo's total compensation in 2015 was valued at \$7.2 million, up from \$6.5 million in 2014.

Matthew Ellis is Mr. Shammo's successor. Ellis was previously CFO for Verizon's wireless and wireline businesses. Mr. Ellis joined Verizon in 2013 and prior to joining the telecom giant he spent 15 years at Tyson Foods Inc.

CBS Turns To The IBEW To Revamp The Late Show Set

On September 8, 2015, viewers of the CBS Late Show not only saw a new host but a completely new set.

When David Letterman retired, CBS-TV decided to remodel New York City's Ed Sullivan Theatre before the new host, Stephen Colbert, debuted.

For the remodeling, CBS called upon workers from the IBEW to help do the job. The Late Show employs about 30 IBEW members to produce the show as in-house technicians.

Over a three-month period, IBEW Local 1212 worked alongside CBS's construction crew, design companies and other trades including, International Alliance of Theatrical Stage Employees and the Carpenters union.

"A tremendous amount of work was

done in a very short amount of time. I can't tell you how proud I am of our guys," said Local 1212 Business Manager Ralph Avigliano.

They installed a new sound system, along with other cutting edge technological features such as an all-digital projection mapping system and LED lights covering a third of the set.

One of the most impressive features is a dome that is original to the 1927 landmark building, which originally opened as a Broadway theater.

"When you see the dome and the architecture of the old and the new technologies coming together to create this environment you can see that it was an incredible undertaking and the expertise of the IBEW is exactly what was needed to make it happen," said Avigliano.

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OUR MISSION:

The Association of BellTel Retirees Inc. is dedicated to promoting the protection and enhancement of the pensions and benefits for all retirees and beneficiaries of the companies and subsidiaries that make up the Verizon and Idearc/SuperMedia/Dex Media 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.

