

Verizon Borrows \$3.4 Billion for Pension to Avoid PBGC Fees, Raises Eyebrows

In a move that likely indicates it plans to soon shed tens-of-thousands more of its retiree pension obligations, Verizon has borrowed \$3.4 billion to add into its underfunded pension plans and reduce fees it needs to pay into the Pension Benefit Guaranty Corporation (PBGC).

In an interview with the *Wall Street Journal* following the release of its latest earnings report, the company's financial chief Matt Ellis said the objective is to help lower fees that Verizon would need to pay for the retirees (or active employees) remaining in its defined pension funds.

By taking on \$3.4 billion in new debt in order to pay down pension IOU's, Verizon has raised the likely possibility that it could soon be looking to further spin off more of its defined benefit obligations, just as it did to 41,000 retirees when it

transferred pensions to Prudential Insurance in December 2012.

The borrowing by Verizon follows a similar roadmap it took in early 2012, when the company added significant new cash to its pensions, only months before

The borrowing by Verizon follows a similar 2012 roadmap...only months before spinning off 41,000 management retirees

spinning off 41,000 management retirees into a group annuity plan that offers retirees zero federal ERISA Law protections.

"Premiums have gone up to the point where it makes more sense to borrow money," said Mr. Ellis. He did not disclose how much money Verizon saved.

Companies pay premiums to the PBGC, which insures their pension plans. The PBGC collects a fixed fee for each person enrolled in private-sector pensions and a separate fee for each dollar the plans are in deficit.

(Continued to page 3)

4 ½ Year Legal Fight at An End

In Spring 2017, a 4 ½ year legal saga concluded for Verizon retirees and the Association of BellTel Retirees. It was a battle that roiled corporate America, putting on notice CEOs and human resource (HR) executives who have been hoping to put an end to - or at least free their companies from - long ago guaranteed defined benefit pension plans.

It was a long and difficult fight but the Association of BellTel Retirees board decided it was worth it and we made our voices loud and clear: We will not sit idly by while corporate bean counters weaken our earned pension and benefit security.

The Association successfully argued a case twice all the way up to the steps of

the United States Supreme Court, rarefied legal air to which few plaintiffs ever ascend.

The journey began in October 2012, when Verizon notified retirees their pensions would be transferred to Prudential Insurance Company. Retirees were not consulted, simply told that Verizon had entered into an \$8.5 billion contract to transfer the earned pensions of 41,000 of its retirees into a group annuity.

\$7.5 billion was for funds to pay beneficiaries with an extra \$1 billion - or about 15% extra as gravy - extracted from the Verizon pension funds to cover legal and management fees.

(Continued to page 6)

Retirees Score Well on Proxy

On May 4th an Association of BellTel Retirees delegation led by board chair Jack Cohen and retired president Bill Jones attended the Verizon annual shareowners meeting in Dallas, as our retirees had two proxies on the ballot.

The annual meeting was the lowest attended shareowner meeting ever for Verizon - the largest communications company in the United States - and including Verizon officers, directors and staff, had an attendance less than half the number of people who traveled to Atlantic City for the 2017 BellTel annual member meeting.

Despite many shareowners living in the Dallas-Fort Worth region, the meeting room was less than half full. Both gentlemen also estimated that more than half of the attendees were company officers, board members, security, or staff.

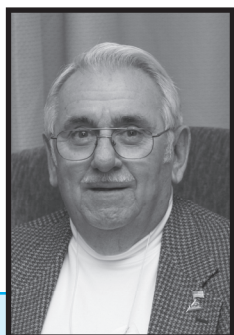
Mr. Jones reported that he and Mr. Cohen were warmly welcomed, by name, by all Verizon security and staff and that in order to recognize them, security must have been given advance photos of the two.

Given Assigned Seats at Verizon Meeting

And much like the grade school teacher separating the class troublemakers, the company assigned seats to Mr. Cohen and Mr. Jones on complete opposite ends of the room.

Then Verizon assigned an employee, with a microphone to be seated close to each of them. When our proxies were called and it was our turn to speak these people immediately handed the microphone to them and stayed within arm's length, seemingly ready to cut things off at the first hint of any trouble. That said, the opportunity for our Association to speak and be heard by the company leadership is a very valuable component of our continuing advocacy.

(Continued to page 3)



President's Message

By John "Jack" Brennan

It's been a busy 2017 so far for your Association of BellTel Retirees team, as you can read inside this issue.

On the front cover alone, we spotlight the unfortunate but likely next Verizon pension spinoff, our 2017 shareholder proxy effort and our Pundt -vs- Verizon federal litigation. That case commanded the federal courts' attention for 4 ½ years, rising to the highest court in our nation under the leadership of our talented legal team... Wow, talk about not standing on the sidelines!

On May 2 we hosted a successful 21st annual retiree association membership meeting in Atlantic City, NJ. While 175 were present, as the city by the sea's Mayor Don Guardian offered a memory-evoking welcome address, another 800-plus joined us online via Facebook Live.

While not all of us have fully embraced social media— as our children and grandchildren do - these are critical pipelines for us to get our message out directly to millions in their homes and over mobile devices.

Our video channels alone have over 150,000 views and there are many thousands of social media connections made weekly. Our stories are regularly seen in the news media. The *Wall Street Journal* did a front page feature story on BellTel's fight against pension de-risking and our federal litigation. Then a front page *Sunday New York Times* business

section story spotlighted BellTel's 2017 Verizon Claw Back proxy proposal campaign fight. In terms of media visibility, those two are about as premium as it gets.

The company recently disclosed it borrowed \$3.4 billion to add more funds into its defined benefit pension plans. While some might think this is positive, if you recall back in 2012, the very same pattern took place as a precursor to the company's surprise spinoff of 41,000 management retiree pensions to Prudential. Fellow retirees put your seatbelts on.

That act we refer to as pension-stripping stole from those 41,000 the important legal protections granted under the ERISA Law of 1974. Please see our lead story on page 1.

This year we introduced two shareholder proxy proposals, one to claw back compensation from executives when there is a violation of law, regulation or company policy. That measure achieved over 33.7% or 917 million shares in favor, the highest of any proxy the board contested this year.

Our 4 ½ year federal legal fight against pension stripping returned to the U.S. Supreme Court. In a seemingly rushed announcement immediately prior to newly-appointed Justice Gorsuch assuming his seat, the court, deaf to this American retiree crisis, said it would

not listen to the case. The Court clarified that Chief Justice John Roberts took no part in the consideration of the petition, meaning this was more likely a political act as opposed to a legal based action.

We are obviously disappointed that the justices did not recognize that retirees in the USA have the right to file legal complaints when their pensions are transferred without their consent. You can read more in two articles addressing this topic.

All of these many legal and proxy activities and the printing and writing of this newsletter are costly. I encourage you to do all you can to support our non-profit Association, enabling it to continue to fight on such a high level for the protection of your and our retirement future.



Association of BellTel Retirees Inc.

UNITED, TO PROTECT OUR FUTURE

Published by: Association of BellTel Retirees Inc.

P.O. Box 33, Cold Spring Harbor,

New York 11724 • (631) 367-3067

website: www.belltelretirees.org

E-mail: association@belltelretirees.org

Hotline: (800) 261-9222

A 501 C3 IRS tax-exempt corporation

Circulation Exceeds 134,000

President and Executive Director:

John M. Brennan, (201) 666-8174

Senior Staff Manager

Susan Donegan (631) 367-3067

Assistant Manager

Stef Baker (631) 367-3067

Board of Directors:

Jack K. Cohen, Chairman

(914) 245-3129

Eileen T. Lawrence, Executive Vice President
(718) 229-6078

Robert Gaglione, Treasurer

(516) 676-0937

Pamela M. Harrison, Secretary

V.P. Union Relations (845) 225-6497

John Kolimaga, Director (215) 675-5992

Donald R. Kaufmann, Director (717) 398-2423

David J. Simmonds, Director (732) 636-4847

John W. Hyland - Director (845) 490-0713

Thomas M. Steed - Director (914) 213-5909

Louis Miano, Director Emeritus (781) 444-8080

Robert A. Rehm, Director Emeritus (516) 827-0801
C. William Jones,

Board Member, Emeritus (410) 310-8533

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/Super-Media/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.

— ADVERTISEMENTS —

All representations made in advertisements are solely the responsibility of the advertiser. The Association of BellTel Retirees is not responsible for any such representations. The Association does not endorse any advertiser.

HAVE A QUESTION?

Call 800-261-9222 or

Email: association@belltelretirees.org

Advertising Information

(631) 367-3067

Trouble Ahead? Verizon Borrows \$3.4 Billion for Pension

(Continued from page 1)

The federal PBGC acts as a backstop, providing emergency funds for pension plans that go insolvent or otherwise can't meet their obligations.

In 2015, Congress raised the fees collected by the PBGC to \$64 per pensioner for single-employer plans like Verizon, plus \$34 per \$1,000 of unfunded vested benefits. Clearly, this means pension obligations are becoming more expensive for Verizon and many other companies who have previously and currently still have defined benefit pension plans.

The per-participant fees have more than doubled since 2007, when they were \$31, and more than tripled for underfunded plans, which were previously charged \$9 per \$1,000 of unfunded vested benefits.

As of Dec. 31, Verizon pension plan assets were approximately \$14.6 billion, while projected obligations were about \$21 billion, for a funding ratio of 69%, according to past company filings.

The recent infusion brings the level up to a reported ratio of 80%, nearly the same at which consultant AON verified it had achieved in 2012, just months before its pension stripping transfer to Prudential.

Some have conjectured that the company is very likely to have taken the recent action as a prelude to another "risk transfer," or pension spin-off. If it is willing to take on debt in order to finance existing pension shortfalls, what could the long-range plan be? The company will also be able to reduce its current tax bill via the most recent borrowing.

When Verizon transferred its retiree pensions to Prudential, not only did it free itself from the obligation of paying plan beneficiaries, it got released from paying the PBGC for those plan holders as well.

Now converted to a group annuity, the retirement assets of those 41,000 Verizon retirees are also no longer subject to the legal and financial protections of ERISA or the PBGC. Prudential is the sole responsible party to make the monthly pension annuity payments and as an

annuity provider, is not required to pay PBGC fees.

Taking on this debt may be the first sign that Verizon continues to look for ways to diminish its fiduciary duties to retirees. It seems very consistent to assume a spin-off could come down the line.

Among the other consequences is that more such pension de-risking actions threaten to further send the PBGC into a death spiral. As fees per retiree rise, companies like Verizon are more likely to look for ways to avoid making these payments. Pension de-risking robs the federal PBGC fund of its needed revenue sources, further diminishing it.

"The motivation behind such deep borrowing for still remaining Verizon defined benefit plans is not yet clear, but as past history suggests, retirees must stay vigilant," said Jack Brennan, president of the Association. "Retirees built this company and earned every dollar of their pensions. Never did any expect they would have their pensions sold off, increasing the risks they must shoulder in retirement."

Retirees Score Well on Proxy

(Continued from page 1)

Claw Back – Biggest Vote Getter:

The Association's claw back proxy (Item #9), was our most popular. It achieved the support of 917 million share votes, or 33.7%. It had sought to hold company executives accountable by clawing back compensation when a violation of law, regulations or company policy takes place. It achieved the highest total votes of any other measure on the 2017 Verizon ballot that was opposed by the board.

Immediately after the votes were counted, one SEC legal expert suggested that, "only in the weeks before the proxy vote, and after the *New York Times* story came out on the retirees' proxy effort, did the company decide to strengthen its existing clawback policy to give institutional investors a rationale to vote against the retirees. Had they not, the BellTel Retirees might have prevailed."

Introduced by Mr. Cohen, the claw back proposal's objective was to amend compensation policies to disgorge incentive earnings from senior executives

whose conduct results in substantial criminal or civil penalties against Verizon.

In 2015 Verizon paid \$90 million to settle charges of unauthorized third-party charges or cramming on subscriber bills. We believe any executive who oversaw or approved such misconduct that causes significant financial or reputational harm to Verizon should have incentive pay revoked.

In the days immediately leading up to the annual meeting our position was then also advocated for by at least one of the national proxy advisory services and the Sunday New York Times Business Section had already published a front page feature story on our retirees' continuing fight to safeguard shareowners.

"As a very large block of shareowners, we simply don't believe in rewarding unscrupulous and legally inappropriate behavior," Mr. Cohen said. "Given this was a brand new proxy proposal concept, the percentage of the votes we achieved in 2017 was tremendous, and that bodes very well for the future."

The Association also introduced a

second 2017 shareholder proposal to end the "uneven playing field" between senior

executives and rank-and-file management, related to retirement savings benefits (SERP proposal/Item

#11). That proposal

garnered only 8.1%.

It offered a novel and first-time proposal concerning benefit equity. There is no ceiling to the company match for those in the high-level Executive Deferral Plan, yet the plan for rank-and-file management is capped by law. In 2015 CEO Lowell McAdam received a matching retirement contribution of \$410,000, 20 times the maximum allowable for rank-and-file managers and others in the tax-qualified Management Savings Plan.

Since 1998, BellTel shareholder proposals have resulted in 11 changes in Verizon's corporate governance and executive compensation policies. Three of these reforms (in 2003, 2007 and 2013) were imposed by a majority vote by shareholders and eight were negotiated or voluntary governance changes.

**Verizon Shareholder
Proxy 2017 Results**

— Clawback proposal33.7% for

175 Attend Annual Retiree Meeting in Atlantic

Some 175 retirees attended the 21st annual Association of BellTel Retirees member meeting at the Golden Nugget Hotel and Casino in Atlantic City, New Jersey on May 2.

While those gathered enjoyed an opportunity to socialize with former colleagues over a continental breakfast, another 800 members joined in for portions of the meeting via Facebook Live.

The morning kicked off with a welcome by Atlantic City Mayor Donald Guardian. The mayor very warmly greeted the crowd and spoke of the long time links between his city by the sea and the telephone industry. He reminded people that this was where a major undersea AT&T Long Lines cable left the east coast for Europe. He also mentioned the heritage of New Jersey's Bell Labs and Western Electric and their workers families, many of whom resided in surrounding towns.

The group took time to recognize its two men of the year, co-founders Robert Rehm and C. William Jones. They told the crowd how, before founding the Association, they had both individually been writing to then NYNEX CEO Ivan Seidenberg for a retiree cost of living adjustment. They decided that joining forces would make sense. The group of two became three, then seven and now has 134,000 members acting to defend our collective pension and benefit rights.



Atlantic City Mayor Donald Guardian greets retirees.

This was followed by Association President Jack Brennan giving a state of the association address to update our members on the performance and impact of the nonprofit. Both he and Association Chairman Jack Cohen shined a light on the thousands of hours of volunteerism that is required in order for the Association to operate and do so as efficiently as it always does. Chief Financial Officer Bob Gaglione gave a financial report and announced that the annual financial audit documented more than 10,000 hours donated collectively by the retiree association board in 2016 (see financial report on page 8).

Next, retired FDNY Chief Richard

Alles conducted an information session about the federal Victims Compensation Fund administered by the U.S. Justice Department. Chief Alles discussed how critical this fund is for many Verizon retirees and still active employees who were deployed to work at the World Trade Center site following the terrorist attacks of 9-11-01. Tens of thousands were sent to work at the site, which included Verizon's 140 West Street building to restore emergency communications and for the stock exchanges. Emergency workers were told by the federal EPA that the air was clean, but that was wrong. Thousands of first responders now scattered



A display of 9-11 artifacts was shown at the annual meeting.



Association President Jack Brennan recognizes Association co-founders and Men of the Year C. William Jones and Robert Rehm.

City – Hundreds More Participate Online



Retired FDNY Chief Richard Alles explained how Verizon retirees are eligible for 9-11 related compensation for illnesses.

throughout the nation have since been diagnosed with 9-11 related cancers, lung diseases and over 1,400 have died as a result. Chief Alles, who was the chief lobbyist for the FDNY's Uniformed Fire Officers Association, explained the compensation and medical protection each impacted worker or retiree from Verizon is eligible for.

The group was given a briefing on



Some retirees at the 21st annual member meeting.

Washington, D.C. happenings by Nicole Smith of our sister organization, ProtectSeniors.Org, and later some insights by Special Counsel Eddie Stone into the impact that ProtectSeniors.Org is having in the individual state capitals. The lobbying group reported on the introduction of new legislation in the State of Pennsylvania

to better protect retirees residing there from the negative impacts of when their earned pensions are spun off.

Retirees were then greeted by our ever energetic legal eagle Curtis Kennedy. Mr. Kennedy brought the nearly 1,000 who joined online and in person, through the effort to win our pension de-risking case that was elevated not once, but twice to the U.S. Supreme Court (See Pundt vs Verizon story on page 1).

Next, Association President Jack Brennan opened the floor for an active Q&A session to address comments and questions from the attendees, both in the room and those participating via the internet.

We encourage all of our retirees to click into our Facebook page, where you will be able to view any and all parts of the annual meeting video. At any time this will allow you to fast forward to see certain specific presentations first. In the coming weeks we will also be dividing up each speaker's presentation and uploading those to our YouTube Retiree Channel, where they can also be seen.



Retirees posed questions about pension benefits and advocacy at the annual meeting.

Saluting Curtis Kennedy, A Legal Champion for Retirees

Over ten years ago, the Association of BellTel Retirees retained attorney Curtis Kennedy. Already recognized as one of our nation's most effective legal advocates for pensioner rights, Mr. Kennedy has been an invaluable legal warrior for retirees.



Mr. Kennedy has been taking on large corporations on behalf of harmed retirees for more than 35 years, including more than 70 Bell System cases, and has always done so with conviction, passion and skill. He has repeatedly said he does not want to see retirees mistreated as a result of the greed of corporate America. He does his work out of principle and compassion.

Curtis Kennedy has taken many cases on behalf of our retirees, all the way to the steps of the U.S. Supreme Court. He logged 3,000 hours on our *Pundt v. Verizon* case, defending the promises and commitments made to Verizon retirees. Another earlier case on our retirees behalf consumed another 2,500 hours of Curtis' life. Without him, we can absolutely say our retirees would be less secure in their futures.

In a 2007 interview with the *Denver Post* he said, "When I first started doing this work, the people I helped out, they worked 35 to 40 years for one company. You don't see that anymore. That really had an impression on me that these people deserve the best help they can get."

Mr. Kennedy has served retirees of Verizon, U.S. West/ Qwest, and SuperMedia (formerly Verizon Directory Operations) in achieving legal protections.

"We owe Curtis such an enormous debt of gratitude for continually fighting on behalf of all of our retirees," said Jack Brennan, Association President. "His commitment for 'doing the right thing' is unparalleled. He has served as a vital legal advisor, advocate and fought tirelessly in defending us and we thank him for his unending devotion and years of service to our retirees' cause."

In December, we recognized Mr. Kennedy for his dedication and for being a champion and fighter for America's retirees, from his loyal friends at the Association of BellTel Retirees. We can never say thank you enough.

4 ½ Year Legal Fi

(Continued from page 1)

At that point the Association of BellTel Retirees retained counsel to evaluate the impact of so-called pension de-risking or pension stripping on retirees and their ERISA rights.

In December 2012, Chief Judge Sidney A. Fitzwater of the U.S. District Court for the Northern District of Texas, Dallas Division, allowed the Verizon spin-off transaction to go forward, indicating he saw no immediate proof of financial hardship to the retirees.

Over the next 4 ½ years, the Association pursued a vigorous legal campaign that defied expectations as it kept moving higher up in the federal courts, finally reaching the highest court in the land: The U.S. Supreme Court. We even won the support of the U.S. Department of Labor to our ERISA protection position.

The impact and the seriousness of the case our team presented – financially supported only by our members – was an improbable campaign against large and well-funded opponents: Verizon and Prudential. Our opposition had teams of \$1,000/hour lawyers with almost infinitely more resources, but we fought on.

Disappointingly, on March 27, 2017, the U.S. Supreme Court, acting for the second time in the case, denied a final appeal in our *Pundt v. Verizon* litigation. With the denial was perhaps the most offending statement to all American retirees regardless of your political beliefs, "*The Chief Justice took no part in the consideration or decision of this petition.*"

It is likely this means the decision to deny Verizon retirees and all American retirees depending on the the protection of their ERISA rights, was a purely political decision (by Chief Judge Roberts) and not based on legal merit.

What's more, the chief court clerk rushed our case forward as opposed to waiting a few more weeks when newly confirmed Justice Neil Gorsuch would be seated, potentially breaking the tie.

The justices that stood ideologically with retirees on this matter included four: Breyer, Kagen, Ginsburg and Sotomayer. Only one, Justice Alito, was ideologically against our position.

Why the Rush in 2017?

The denial means the High Court evaded a duty to address this very new legal topic of de-risking and how it conflicts significantly with the intent of Congress when it passed and President Ford signed the ERISA Act of 1974. De-risking transactions are in direct conflict with the ERISA Law and the rights of Americans with defined benefit pensions.

It appears the court believes retirees cannot and should not have the right to complain about bogus fees levied against their retirement assets by a party with fiduciary responsibility. It effectively throws this matter back to the Congress to readdress.

ERISA was established for the very purpose of creating uniformity across all states when it came to rules governing pensions. Now de-risking is sending oversight of pension assets back to each of the 50 states and with no uniformity of the laws.

Our legal counsel, Curtis Kennedy said, "A retiree's biggest asset is not going to be their home, but rather their Prudential annuity, and a lack of necessary disclosures means we don't know if it's invested in condos in Hong Kong or Bagdad. If you co-sign a loan for your kids and the business fails, they can come after your Prudential annuity to get their money back. The message from the court's action is that they don't give a hell about your pension protection."

As we consider our efforts, the legal fight undertaken should be looked at in terms of how a small but pugnacious volunteer retiree led non-profit group tied the corporate world in legal knots over its resolve to defend Verizon retiree pension rights.

ght at An End

We fought the biggest opponent on the biggest stage, and while the legal outcome eventually fell just short, our united fight made it further than anyone ever could have predicted.

A History of Legal Advocacy

Our field marshal was Mr. Kennedy, a legal giant slayer who took on our case because he believed in fighting on principle for the rights of America's retirees.

It escalated in March 2013, when the Federal District Court for the Northern District of Texas, Dallas Division, granted class action status to the case, then known as *Lee v. Verizon*.

Our fight was to win back the protections of the retirees whose pensions were spun off, as well as many more still under the Verizon pension fund umbrella.

The following year, the case was split, one on behalf of the 41,000 retirees transferred (*Lee v. Verizon*) and the other for Verizon retirees whose pension were not yet spun off (*Pundt v. Verizon*).

Even as advocacy groups were aligning with our cause, the nation's major corporations were uniting and hanging on the outcome of the case, waiting for a sign to resume their own pension de-risking plans.

In April 2014, Judge Fitzwater dismissed the *Lee* case with prejudice because he decided Verizon did not breach a

"fiduciary" duty to retirees. He then also dismissed the *Pundt* case without prejudice for lack of constitutional standing.

In February 2015 Mr. Kennedy appealed, making oral arguments to the Fifth Circuit Court of Appeals' denial, Kennedy and our legal team petitioned the U.S. Supreme Court.

At the High Court level our supporters included the Pension Rights Center, which filed an amicus brief (friend of the court legal brief) in support of BellTel Retirees, arguing that we had a right to complain about mismanagement of pension assets and seek civil penalties against Verizon under ERISA.

After accepting our case, on May 23, 2016, the Justices on the High Court ordered the Fifth Circuit to vacate its original *Pundt* ruling and reconsider based upon the outcome of another precedent setting case, *Spokeo v. Robins*. The Fifth Circuit did as it was instructed, but in September 2016 refused to change its decision.

This set up our effort for the U.S. Supreme Court to have a second look. In late March 2017, despite its previous legal guidance, the then still 4-4 politically split U.S. Supreme Court opted not to take new action in our case.

"We are obviously disappointed that the justices did not recognize that retirees in the United States of America have the right to file legal complaints when their pensions are transferred and converted into annuities without their consent," said Jack Brennan, Association president.

Everyone who fought alongside us and supported us can hold their heads up high that we persevered to the end, clearing virtually every legal hurdle that existed thanks to our dedicated leadership and the incomparable skills of Mr. Kennedy.

To put this in perspective, out of 8,600 annual cases, the U.S. Supreme Court only selects 75-80 to review, or less than 1%. Your Association of BellTel Retirees went where 99% of others fail to reach and for that, we must all be extremely proud.

"I want to thank Curtis Kennedy and our entire legal team including Robert

E. Goodman, Jr. for all their efforts on behalf of the retirees of Verizon," said Mr. Brennan. "We fought hard for our members' to the very end. While other legal teams would have asked for exorbitant fees to take on such a case, ours fought more for justice and the honor of defending us."

"The Association of BellTel Retirees and ProtectSeniors.Org must continue to work tirelessly to advocate for the protection of all of our retirees."

"We will change whatever we must to prosper and serve well, as we always have, but not at the expense of our employees and retirees," – AT&T, Bell System Creed – Pre Divestiture

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.

FINANCIAL REPORT

All businesses rely on accounting - the accurate and timely journalizing of financial transactions. It is the lifeblood of all businesses and the Association of BellTel Retirees is no different in this regard.

Our office staff and accountant record all transactions and maintain our ledger allowing accurate tracking of the detailed financial statements that become the basis for our tax filings with the IRS and individual states. These periodic detailed financial statements and related reports are provided to the board by Bob Gaglione, our treasurer. The board uses the reports in making decisions regarding the direction and management of the business.

The financial statements are then subject to an annual external audit by BDO, an international accounting firm which takes place in June. The final audit is presented to the Board and the data is the basis for our federal and state tax returns and our compliance with individual state non-profit registration requirements.

An overview of our 2016 financial results was presented to the membership at our annual meeting in Atlantic City on May 2nd. Here is a brief summary of that report:

External Audit of 2015 Financials

As required by the New York State Attorney General's Charities Bureau, BDO Seidman, LLP conducted an on-premise audit of our 2015 financial statements in June 2016, in accordance with generally accepted accounting principles (GAAP). The final audit report was then presented to and approved by the Association's Board of Directors.

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, 2015, 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 \$288,904. A copy has been filed with the New York State Attorney General.

2016

The following are brief highlights of our financial results for fiscal year 2016. Our financial *records will be audited in June 2017* prior to filing our IRS Form 990, and the NY State CHAR 500, — "Annual Filing for Charitable Organizations."

REVENUE

Our *total income* for 2016 was \$723,000, an overall decrease of 13% for the year. Individual donations totaled more than 20,894 and averaged \$34.57.

EXPENSE

Total *operating expense* for the year (*pre-audit*) totaled \$771,000—an overall decrease of approximately 13% compared to 2015.



In 2016, we incurred printing and postage costs of approximately \$144,000. We continue to streamline the distribution of our newsletter and encourage electronic delivery where possible. Online communications continues to grow.

Your Association's media communications effort provides us a bigger stage and brighter spotlight for the retiree concerns we advocate for. With a record as one of the most successful groups bringing attention to the plight of retirees, we have drawn critical attention for the Verizon shareowner proxy victories, the annual member meetings, pension spin-off fight and federal litigation and the most important recent challenge: 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 across America, including the New York Times, Wall Street Journal, Philadelphia Inquirer, Charlotte Observer, Miami Herald and many more. News coverage in the past year has resulted in dozens of earned media placements with a combined print and online readership exceeding 8.5 million.

Staff costs include wages, payroll taxes and insurance and represent 13% of our total expense. The efforts of our paid office staff is augmented by well over 10,000 unpaid volunteer hours of work by your volunteer board each year.

Our lobbying allocation to ProtectSeniors.Org for 2016 was \$140,000.

ProtectSeniors.Org continues to pursue legislation to guarantee retiree protections against loss of our earned healthcare subsidy from Verizon and to bring attention to Medicare and Social Security issues. In 2016, ProtectSeniors.Org continued to actively pursue state legislation to establish financial protections lost as a result of pension stripping by Verizon and other companies.

Professional Fees represent one of our largest expenses at approximately \$151,000. A majority of those fees are spent in support of our litigation and proxy actions (64%). Our legal costs declined in 2016 falling by 42% largely as a result of reduced litigation activity.

The Association ended 2016 with pre-audit total assets of \$240,500.

Your contributions are vital to our existence. They provide nearly all of the revenue we need to operate. Please continue to contribute as generously as you can. We are working hard to be successful with the initiatives we are pursuing on your behalf, but we cannot do it without you. Please support us with a tax-deductible contribution today.

Thank you.

Eileen Lawrence,
Executive Vice President &
Bob Gaglione, Treasurer

WHY DO I VOLUNTEER?



By Mike McFadden

I want to start by stating clearly and unequivocally, volunteering is good for us!

Lately while I was helping with a fundraiser for the Association of BellTel Retirees, a person said to me "how the heck do people like you find the time and what inspires you and others to spend the time to do this, with little in return but a thank you, and sometimes even criticism from other retirees?"

Well, I guess that, what a lot of retired people don't realize is that volunteerism is very rewarding and good for you in many ways.

Many experts and brain researchers recommend that, as a way of staying "with it" and avoiding dementia and Alzheimer's disease, we should keep doing three things: Physical exercise, brain exercise and continued learning.

Volunteering gives me all three.

I learn more about legislation and lobbying, something I once knew little about. It keeps me socializing with other retirees as a team member and it keeps me on the move every day physically and mentally. So in many ways helping others, was also very good for me. A so called "win-win".

If you have some time on your hands and would like a great purpose to improve your overall mental and physical health while helping other retirees, why not get involved in volunteering.

There are endless opportunities all over the place and it really feels good when someone compliments you by saying "thanks a lot".

Volunteering for the Association of BellTel Retirees has made my life much better and hopefully yours too.

McFadden Receives Lifetime Achievement Award At Spring Retiree Meeting



Photo ID (L to R): Rita McFadden, Mike McFadden, L-827 President Bob Speer, State Retiree Rep Diane Lopez & Southern Unit Business Agent Rich Spieler

On April 12th, Mike McFadden received the 2017 Lifetime Achievement award as part of the IBEW local 827 retirees meeting in Williamstown, NJ.

With well over 100 in attendance, Mr. McFadden was presented this award for his many decades of volunteer service to the members and retirees of

local 827. Mike serves as the retiree representative for the local's Southern Unit.

The award reads:

"2017 LIFETIME ACHIEVEMENT AWARD is presented to Michael McFadden in appreciation of his 50+ years (and counting) of selfless service to the active and retired members of IBEW local 827 Southern Unit."

BellTel Videos Engage Retirees With News, Reflections

The Association of BellTel Retirees is always seeking new and varied ways to communicate with its members, including videos that have been widely viewed and shared.

The BellTel YouTube channel launched in December 2011, together with those on our Facebook page has over 150,000 video views from a library of over 60 member focused topics, event highlights and member interviews.

We encourage members to visit the BellTel Retiree YouTube channel and share links to videos with family, friends and fellow retirees. Our videos are also posted and popular on Facebook.

"This is an engaging and effective way to connect with fellow retirees and hear their stories and to learn about the

Association's advocacy for our collective retirement security," said President Jack Brennan.

We ask that members subscribe to the YouTube channel and also follow and "like" our Facebook page, allowing them to receive updates and important news.

These communication channels are a great forum to meet up online and it allows us all to share with others in our community. As people who dedicated our careers to communications, these mediums help us continue to spread the word about the important issues we advocate for on your behalf.

The Association of BellTel Retirees' videos can be viewed at
<http://www.youtube.com/user/belltelretirees> and
<https://www.facebook.com/>

You Tube

Take Action - Join & Contribute to ProtectSeniors.Org Today

Our sister organization, ProtectSeniors.Org, was created in 2006 as a stand-alone lobbying entity to fight for federal and state legislation on our retirees' behalf.

We recommended then, as we do once again today, that all of our members, their family and friends join ProtectSeniors.Org so that we can collectively address the legislative and regulatory problems that negatively impact us. As a 501C3 organization, the Association is limited in its ability to lobby government and its leaders.

ProtectSeniors.Org is therefore a vital method for retirees to communicate directly with elected leaders on both the federal and state levels.

Their campaigns are so very important because they impact the protection of your earned pensions and your earned benefits.

In the last year its media campaigns have been spotlighted in top news outlets and opinion leader editorial pages across the nation. Its on-line member services also enable each of you to communicate directly to your elected leaders and your local media on the most important retiree issues of the day.

In the last year, ProtectSeniors.Org has had an impact when it testified

before the U.S. Congress, the U.S. Justice Department, U.S. Labor Department and even was granted a face-to-face meeting with the Executive Director of the Pension Benefit Guaranty Corporation (PBGC) and his top staff.

In January, the U.S. Congress authorized the non-partisan Government Accountability Office (GAO) to conduct a study, to evaluate the impact of introducing the Employee Benefits Protection Act, which was advanced by ProtectSeniors.Org.

Late that month, Congresswoman Louise Slaughter (D-NY) ranking member of the Rules Committee said the GAO, *"agreed to my request for an investigation that examines the effects of large, corporate restructurings on American workers' pensions and health care benefits. Corporate restructurings, mergers, bankruptcies, and spinoffs have been on the rise...there is no denying that American workers are often harmed in the process, and in some cases, suffer from slashed pension and healthcare benefits they've earned after years of hard work. This investigation will...provide members of Congress with the information needed to protect their constituents' health care coverage and retirement security."*

On the state level related to de-risking, ProtectSeniors.Org has active legislation in multiple states. These efforts seek to restore many of the ERISA style protections that retirees had before their pensions were spun off into group annuity policies by our former employer.

There is no, repeat no - organization out there that is fighting at this level for you and advocating for you like ProtectSeniors.Org is.

There are other groups out there with glossy magazines and millions of dollars to spend on national TV advertising.

However, only ProtectSeniors.Org is truly concerned about legislation to address the viability of our earned pensions, earned healthcare and the survival of what we worked a lifetime to achieve.

ProtectSeniors.Org is on the ground fighting the good fight to protect you in retirement. Take action today and make a contribution, talk to your neighbors and have them join so they can help protect their retirement future too.

You do not need to be a BellTel member to join. There are no ifs, ands, or buts about it. Do it today.

Contact ProtectSeniors.Org at 1-800-398-3044 or by email info@protectseniors.org.

Association of BellTel Retirees Inc 501(c)(3)

•All Volunteer Board

•Continuing volunteer service dedicated to Verizon & IDEARC/Dex Media retirees since 1996

•Provides a variety of Program Services to protect pensions and benefits of Verizon & IDEARC/Dex Media retirees

•Supports ProtectSeniors.Org lobbying efforts within the IRS guidelines

•Contributions are tax-deductible

www.belltelretirees.org

ProtectSeniors.Org 501(c)(4)

•All Volunteer Board

•PURPOSE:

Pass State and Federal legislation Protecting **All retiree pensions and Benefits**, in all industries. Promote legislation to protect **Social Security and Medicare**.

•Unlimited lobbying –

Engage professional lobbyists who are actively pursuing protection of **your earned pensions and benefits** with Congress and state legislators.

•Contributions not tax deductible

www.protectseniors.org

ProtectSeniors.Org Political Action a PAC Committee of ProtectSeniors.Org

•All Volunteer Board

•Administered by
ProtectSeniors.Org

•Lobbies and financially supports Members of Congress and State legislators who support our legislation

•Can only solicit funds from members of ProtectSeniors.Org

User ID and Password for the PAC website is the word
pac

•Contributions not tax deductible

Access through: www.protectseniors.org

Amazon Makes BellTel Retirees Smile

By David Simmonds

Director & Fundraising Chair

Amazon online shopping is fast becoming a force to be reckoned with in the retail business. The amount of money spent on Amazon compared to brick and mortar stores is staggering. So how does this make The Association of BellTel Retirees smile? Simple Math.

At Smile.amazon.com for every dollar you spend .5% is donated by Amazon to the charity of your choice. This is found money for the Association. It costs the shopper nothing. The Association pays no fees for the money. It's a straight charitable donation from Amazon.

I have personally calculated my own spending for 2016 and found this would have added almost \$16 more to my regular donation to our Association and this would cost me nothing extra.

If you are a regular Amazon shopper, why not make it benefit the Association of BellTel Retirees?

It's very simple to do. If you're an Amazon user, instead of the normal web address for Amazon, use the link established for the Association. <https://smile.amazon.com/ch/11-3311185>. It will link to your Amazon account. Save the address in your favorites. From that point on, click on <https://smile.amazon.com/ch/11-3311185> every time you shop.

If you'd like to start shopping through Amazon, use the same link and set up an account. You can see in the upper left hand corner of the screen under the search bar that your charity is the Association of BellTel Retirees. It will also provide a running total of the donations



made on your behalf. Either way, you'll be helping the Association with some extra economic support to work all that much harder for you.

I can't think of an easier way to add to your already generous donations than to simply shop. The future is online shopping, so why not make it work for you.

All of us wish we could donate more to worthwhile charities and causes and now Smile-Amazon provides the means to do it. It's an opportunity to supplement your generous donation using someone else's money. Any questions can be directed to our office staff who are happy to provide you guidance and answers in short order.

Link to Amazon for BellTel Retirees: <https://smile.amazon.com/ch/11-3311185>

Thank you in advance for your generosity.

Member Mailbag



Dear Friends,

If every member, who sends in a check, said thank you it still would not be enough.

I, personally, appreciated all the hard work, research and time you all spend on securing what we all worked for. Telephone employees were always a family who dedicated their lives doing a great job. We are made of steel. Your determination and strength has been shown over and over again. The company has no idea what you are made of. Don't get discouraged and give up. We are all behind you. God Bless you and your families.

Sincerely
Helen

Dear Association,

Just wanted to say "thank you" for all you are doing.

MD

Dear Family,

Without the BellTel Retirees publications I would not have a clue to what is happening in the industry. Thanks for keeping us posted and a bigger thanks for giving us a voice.

JT

Dear Staff,

Enclosed is my \$100 contribution for 2017. More will come later in the year, if I can swing it. As a retiree from Bell Atlantic in March of 1988, I have enjoyed almost 30 years of retirement on the company pension. However, with only a couple of "COLAs" from then, you can imagine what my pension is worth in today's dollars. I have tried to support BellTel Retirees for a number of years because I believe in your spirit and goals.

Hoping you will again "stream" the annual member meeting on the internet again this year. I participated and enjoyed seeing from afar last year.

Many thanks for what you do. Best Wishes for the coming year.

Regards, JM



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

Donate Today to:

ProtectSeniors.Org, P.O. Box 476, Cold Spring Harbor, NY 11724

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

OATH – Verizon Confirms New Subsidiary Brand Name

Verizon has announced the new name of its merged subsidiaries AOL and Yahoo, "Oath."

The Oath umbrella will combine the two popular internet search companies, more than a billion consumers and 20 brands, all of which will additionally continue to operate under their own brand banners.

"The Oath brand is a brand that stays behind the scenes," AOL CEO Tim

Armstrong, soon to be Oath CEO, told NPR. "The real brands that we're going to be promoting are things like Yahoo, Yahoo Finance, Yahoo Sports, TechCrunch, and Huffington Post."

On April 24th Verizon then announced the name change of its Huffington Post to simply HuffPost.

Oath will be a subsidiary of Verizon and will roll out new content for the brands it houses. Verizon-owned content

and brands will be cross-promoted across all company platforms.

According to Armstrong, privacy and security enhancements include a system that alerts users about how their individual actions affect the security of their accounts. Users may also be required to change passwords more frequently, in addition to other security measures.

Oath will be presented as a single entity to advertisers and brand partners.



Retiree News & Notes

The Putnam County, NY Verizon retiree Geezer group meets once a month at the Eveready Diner in Brewster. To join the Geezers, contact Bob Fischer at catfish726@msn.com. Mr. Fischer said of the meeting, "What a great turnout! It is always good to reminisce old stories of people and things that we have all shared...Seems like 100 years ago! It was good to see familiar faces and faces of some that we haven't seen a long time. Good food and good friends ALWAYS make for a good time!"



Morgan Stanley



Robert F. Manning

Executive Director
Financial Advisor
One Liberty Place
1650 Market Street, 42nd Floor
Philadelphia, PA 19103
215-854-6271
robert.f.manning@morganstanley.com
www.morganstanleyfa.com/manning

© 2016 Morgan Stanley Smith Barney LLC. Member SIPC.
CRC897541 06/14

GO GREEN

This newsletter is available to you on-line. If you wish to receive **ONLY** an on-line copy, please email us at association@belltelretirees.org and put in the Subject line of the email –GO GREEN. Please give us your name, mailing address and email address so we can make the change