

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.

Spring 2020

Volume 93

A Look Back at BellTel Shareowner Proxy Impact

By Jack Cohen

It took five years, but in 2003 your Association of BellTel Retirees made history. In the entire 100-plus year history of what had been the Bell System, a shareholder proxy proposal, not supported by the company board of directors, had never won until WE DID IT, by achieving over 59% of the shareholder vote.

Ordinarily, that would be a perfect setting for celebration. We won a very important proxy campaign designed to give shareholders an advisory vote on "Golden Parachute" severance packages for senior executives, worth more than 2.99 times their base pay plus bonus.

That shareowner proxy loss was not palatable to senior management at Verizon.

Any euphoria we experienced did not last long. When the company failed to take action and implement this rule, your Association filed a new shareholder proposal, this one to require Verizon to adopt this policy demanded by its shareholders less than a year before.

Clearly, since our very early days as a formal retiree association, limiting

executive compensation has become an ongoing challenge.

Years ago I began using the term: "Accounting Gymnastics." That term grew out of the evolution of healthcare, when a massive shock of realization hit home with major corporations: long-term employees were actually living long enough to collect the promised healthcare they were told to expect in retirement.

After WW II and Korea, when major corporations had recruited talented returning warriors, they and their families by extension were enticed with promises of healthcare for life. Corporate leaders evidently never expected so many of them to actually live long enough to reap this reward.

The fiscal liability of this became costly to their bottom lines.

Of course, senior executive compensation awards in America are predicated upon a corporation's strong financial statements, so something seriously needed to be changed, to better insulate and protect inhabitants in the C-Suite.

(Continued to page 5)

**PROXY
2020**

Frontier Communications Goes Bankrupt

This past January, Frontier Communications, informed its creditors that it will be filling for bankruptcy on March 15th, when a \$356 million bond payment is due. According to Bloomberg News, Frontier will file for Chapter 11, which allows the company to continue operations.

Frontier Communications has an approximated debt load of \$17.5 billion. Over the last four years, Frontier Communications has gone through multiple rounds of layoffs, leaving thousands of employees without a job.

In May 2019, it announced a sale of the operations in Washington, Idaho, Oregon, and Montana to WaveDivision Capital LLC for \$1.3 billion. However,



this sale is not yet finalized and won't be until it's cleared by regulators.

Right before the company declared bankruptcy, Frontier Communications' CEO Daniel McCarthy resigned, and the board of directors appointed Bernard L.Han as the replacement.

(Continued to page 2)

PBGC Annual Report = Rocky Road

In November 2019, the federal Pension Benefits Guarantee Corporation (PBGC) released its annual report and it's not looking so good.

According to the PBGC, in 2019, there was a \$65.2 billion fiscal deficit in its Multi-employer Pension Insurance Program. In 2018, this figure was \$53.9 billion, revealing a \$11.3 billion increase in just one year.

It is important to note that the agency is directed by Congress and backed by the U.S. Treasury.

This deficit is a result of high liability rates and a much smaller number of assets flowing in. The program has \$68 Billion worth of liabilities that its responsible for, with only \$2.9 billion in assets, it awash in red ink.

PBGC director, Gordon Hartogensis, best explains why this is so concerning. "The multi-employer pension system faces a crisis that threatens the retirement security of millions of American workers, retirees, and their families."

"Without reforms, PBGC's Multiemployer Insurance Program will run out of money. That will leave about 1.5 million participants and beneficiaries in already-failing plans with much less than the PBGC's guaranteed level of benefits. The alarm bells are ringing, and legislative changes are necessary."

Without intervention from Congress, the PBGC expects funding to run out for its multi-employer pension program by 2025. You can count those remaining years on only one hand, so this issue is exceptionally dire. In 2019, the agency paid \$160 million to 89 multiemployer programs, which is an increasing from the \$153 million, it gave to 81 plans in 2018.

In a 2016 meeting, the Association warned that de-risking was likely to increase for healthy plans, leaving the PBGC exposed to the weaker plans - something the Association referred to as "anti-selection." Increasing PBGC premiums would only make this "anti-selection" more acute.

Our Spring 2019 newsletter article "Pension Agency Releases Part 2 of De-Risking Study," referred to a Mercer Consulting study which supports exactly the points we raised years earlier.

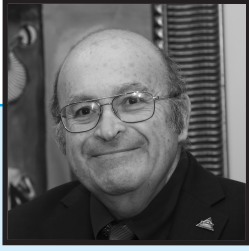
In contrast, the PBGC Single Employer Insurance Program has improved over the past year. Its net worth has increased from \$ 2.4 Billion to \$8.7 billion during 2019.

Through this program, the PBGC paid out \$6 billion to over 932,000 retiree benefits in 2019. It also provides coverage for 51 single employer plans that were discontinued lacking a way to maintain retiree benefits.

For those with pensions backstopped by the PBGC, those benefit protections are at risk.

This Association has had numerous meetings with the PBGC leaders and, in years past, even provided them guidance, when the storm clouds were merely forming on the horizon. We remain greatly concerned about this annual report from PBGC and its continued underfunding status.

ACTION PACKED 2020



Chairman's Report

By Jack Cohen

Here we are embarking upon another decade. Last year was eventful and constructive and we are well prepared for 2020.

The continuation of our successful "mini-meetings" is high on our agenda beginning with our trip to Florida with meetings at The Villages and Delray Beach. I personally love that these meetings give us an opportunity to meet our members face-to-face in a completely relaxed and informal setting.

More than a speaking engagement, these are large discussions where important matters are dissected and you (our members) have an opportunity to express constructive opinions. The feedback we get from our members is encouraging and energizing!

We have a number of local meetings already booked and we need to hear from our members who have suggestions for additional locations and venues. I've been on the C&P Telephone/Bell Atlantic Facebook pages asking for input and eagerly await a response.

We've been to MA, NJ, upstate NY, PA and Florida, Long Island, Staten Island to name a few.

Some will remember that TV show during the early 1960's called "Have Gun - Will Travel," starring Richard Boone. Perhaps our slogan should be: "Have Members - Will Travel."

We are prepared for the 2020 Verizon Shareholder Meeting on May 7, 2020. We beseech our members who are shareholders to vote!

There is also the reality that half of our members will be transitioned to a new Aetna Medicare Advantage Plan, while the other half continue with UnitedHealth Care plan. We will be closely monitoring our members' experience with Aetna and count on you to keep us informed. As always, we are tuned in to our members with UHC to ensure we are in position to assist as needed. We continue to monitor the issue with UMass Memorial Health-care.

Our legislative efforts within the states continue to be overseen by our champion Ed Stone. Success achieved in Virginia and Connecticut is the starting point. We will continue to ride point in a tough political atmosphere. To quote Bill Jones, board member emeritus and a very wise mentor, "Getting old is not for sissies."

NYNEX people formed our organization, but our membership has a mix of cousins, all related by the common thread of the "Old Bell System." We are called "BellTel" retirees for a very good reason.

Usually, as has been my experience, in a crowded room we can generally find each other whether our roots are in Southern Bell, Southwestern Bell,

AT&T, Bell Labs, Western Electric, NYNEX, Bell Atlantic, Lucent or others. We actually have some members who are not yet retirees. One of our board members joined the Association while still an active associate employee. Everyone with "BellTel" blood in their veins is welcome to join the Association!

The Association is ready, willing and able to be your advocate and speak loudly for you with a clear and concise voice. We need your participation. We need your financial support. We need you!

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.

Frontier Communications

(Continued from page 1)

When Frontier first acquired Verizon's assets in 2009, the chairwoman Maggie Wilderotter said, "This is a truly transformational transaction for Frontier. With more than 7 million access lines in 27 states. We are confident that we can dramatically accelerate the penetration of broadband in these new markets."

However, following their last purchase of Verizon copper line assets in 2015, the company has done just the opposite. It is billions of dollars in debt, with a dwindling revenue stream and subscribers base.

In a statement about the bankruptcy, Javier Mendoza, Frontier Spokesperson, said "Frontier's business and operations are solid and serving our customers remains our top priority. Frontier is evaluating its capital structure with an eye to reducing debt and interest expense so as to be able to better serve our customers. Our customers should expect no changes as we remain focused on providing quality communications services."

In 2009, Verizon sold 7 million of its access lines, across 14 states, to Frontier Communications for \$8.6 billion dollars. We wrote about it in a 2010 edition of the BellTel Newsletter. Then, in 2015, Frontier acquired even more of, Verizon land line assets, in Texas, California, and Florida for \$10.54 billion.

As a result of these sales, Frontier Communications primarily owned a significant percentage of assets Verizon divested itself of, focused on copper and wire lines. Additionally, over 20,000 Verizon employees were transferred to Frontier. Now it looks like many of their futures, or retirement security could be in jeopardy.

Back in 2010, we informed you that many in labor opposed the sale, fearing that Frontier was too small a fish to manage these assets, and would put job and retirement in danger. With this recent news, it seems that these concerns were justified.

Many of those originally from the Verizon workforce, never intended to work for, let alone may have not previously

heard of, Frontier. After the merger, they simply had no choice. Now, as Frontier Communications' decline occurs, they have less options than ever.

In early 2019 the company laid off 735 workers and also lost 76,000 customers, translating to an \$87 million economic hit, it could barely afford. With this bankruptcy expected, the further decline of the corporation, 18,000 more Frontier employees, across 29 states, are endangered.

The ripple effects have not only affected the active workers, but the company's retirees. The Wall Street Journal reported in November 2019, that Frontier was discontinuing the health benefits for some of its retired workers, due to an inability to maintain them.

Apparently, Frontier bit off more than they can chew, and its workforce and retirees will suffer. Already thousands have been laid off and retirees have lost their health benefits.

If you are and/or know of a Frontier employee or retiree concerned about how this will affect their retirement future, tell them to contact the Association of BellTel Retirees.

The Secure Act & Your Retirement Savings RMD

In December 2019, federal legislation, the Secure Act was signed into law by the President.

The legislation, which stand for “Setting Every Community Up for Retirement Enhancement”, makes some serious changes to the future of retirement.

The result is that the Required Minimum Distribution (RMD) age for retirees has been shifted from 70 ½ to 72.

As you likely know, when a retiree turns 70 ½, they are legally required to make withdrawals from their Individual Retirement Account (IRA), causing it to decrease in value and its results in a taxable event for retirees.

However, now, retirees will have a little more breathing room. Instead of being forced to take money out of their savings, at 70 ½. Seniors have some extra time to let their savings go untouched.

The Secure Act also erases the age cap which a retiree can contribute to their IRA. Seniors, who choose to work into their seventies and beyond, can grow their IRA as long as they keep working.

While the Secure Act does have some good news, there is also some not so good.

For beneficiaries of an IRA, who are not married to the account owner, they

no longer have extended time before they take distributions of funds from an inherited account.

Now, all funds must be distributed to non-spouse beneficiaries within 10 years after the account holders’ death.

The Secure Act also makes some changes to the Qualified Automatic Contribution Arrangement (QACA). In 2006, QACA was passed by Congress, to establish an automatic contribution to an employees 401k plan, with a cap of 10% of their paycheck. The Secure Act now boosts that to 15%.

Additionally, part-time employees no longer need work at a company for 1,000 hours before they can invest in a 401k. Now part-time workers can contribute to their retirement savings after only 500 hours of employment.

Small Businesses will also be affected by the Secure Act. A 50% tax credit will be available for small businesses for employee retirement plan costs, with a limit of \$5,000. An additional \$500 credit is available for start up costs for 401k and IRA plans, including automatic enrollment. Finally, multi-employer plans are now available to all employees under a small business, no matter their role.

While most of this news effects seniors and active employees, it could

impact your grandchildren as well. Through a 529, a tax advantaged educational savings plan, you can help your grandchildren pay off up, to \$10,000 of their student loan debt.

For retirees who are already over the age of 72, most of these items will not affect you.

If you have any concerns about how this will impact your retirement, please contact the Association of BellTel Retirees.

PSO Closes its Doors

Some of our members have received notification that ProtectSeniors.Org has ceased operations after many years of service.

Over the years, our two organizations had worked toward a common goal: protecting the retirement security of millions of people across the country.

Please know that your Association of BellTel Retirees Inc. remains ready, willing and able to continue our mission to protect & enhance retirement benefits for all our members and all retirees!

As we are already moving full steam ahead into 2020, the Association looks forward to working with all our members to make sure we continue the work we started together so long ago.

Treasurer’s Report: Thank You for Your Support & Optimism for Our Future

Congratulations to all our supporting members and non-members! Your generosity throughout 2019 has allowed your Association to continue our fight to protect your pension rights and benefits, as is our primary mission and promise.

Our work and success ultimately benefit all workers and retirees.

Your board of directors has always unanimously agreed to control expenses at every reasonable opportunity. This is one of our top priorities.

You can be completely confident that, literally and without exception, we squeeze every single dollar you donate,

and every penny is spent wisely. I am pleased to report that we have significantly reduced 2019 expenses compared to 2018.

Alas, our total 2019 membership contribution revenue decreased by 4% compared with 2018. Your Association appeals for your continued generous financial support during 2020.

I am optimistic that together, as I am a donor too, we can increase our 2020 revenue by a conservative 5% over 2019.

Please help prove me wrong and let’s strive for 10% increase!

Here’s another way you can help. In the near future, you will have the option

to add \$1.00 extra (or more) when you make a donation using your credit card. We beseech you to select this option because it will help reduce our transaction fee expenses AND increase our net operating income! It is truly a win-win when you take advantage of this affordable opportunity to help your Association. More information will be provided when the option is activated.

“We must remember that a right lost to one is lost to all.” —William Reece Smith, a socially conscious lawyer who always strived to help the less fortunate.

Yours in Solidarity,
Una Kelly - Treasurer

ASSOCIATION OF BELLTEL RETIREES INC.

P.O. Box 61, Glen Head, NY 11545-0061

Yes, I want to support the Association of BellTel Retirees Inc. in our fight to protect the 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.

Spring 2020

Have Members, Will Travel:

Regional BellTel Meetings Coming Near Your Hometown

The Association is coming soon to a town or city close to you. Over the coming months we have plenty of meetings scheduled, to follow two February meetings that took place in The Villages and Delray Beach, Florida. We want you to be a part of the lively discussion that happens at each event.

Throughout 2018 and 2019 we began ramping up our schedule of regional member mini meetings, to see and speak to members, at small venues – church halls, library and community meeting rooms – above and beyond our traditional spring annual member meeting.

In 2018 we held 12 mini meeting events, attracting a few hundred retirees. As we continued the effort in 2019, we were happily met with a growing interest and attendance. Your enthusiastic participation has been tremendous, so let's do even more and better in 2020!

On March 19 we will be holding a membership event at the Yonkers Public Library, in Yonkers, NY. This is in easy proximity to anyone living throughout the 5-boroughs of New York City, Westchester County or even those just across the George Washington or Gov. Mario Cuomo Bridges in Hudson and Bergen Counties of New Jersey.

On April 14 we will be in King of Prussia, PA, at the Upper Marion Township Building. If you reside in Pennsylvania, Delaware, Maryland or New Jersey, we would love you to make the trip to connect with us and some former work colleagues. April just might be a great time for a mini reunion with the work family you have not seen in some time.

Then a week later, on April 21, we will travel to Mahopac, NY, in Putnam County, just a short driving distance

from Dutchess and Westchester Counties, as well as Fairfield County, CT and the city of Danbury, CT.

To all of our retired colleagues living in the former C&P territories, we would very much like to hold a mini meeting somewhere across the Maryland to Washington, DC to Virginia corridor this May. If you can help us arrange a location, we are anxious to hear more from you. Please make our phone ring with ideas for great locations and some local members who can help with organization.

On June 3, we are expecting to see many of our wonderful members from throughout the Long Island and New York City region, when we bring our 2020 annual membership meeting to Woodbury, which is perfectly located on the border shared between Nassau and Suffolk County.

What could be nicer than a visit to New England in July. Your Association will be traveling to Northborough, Massachusetts for a July 15 member gathering, that we hope will attract lively participation from members across many of the New England states. Come and see us at the Northborough Free Library.

As you can see, we are doing a great deal to bring the message of our Association and advocacy to communities where our members reside.

Don't see a location close to your hometown? You can help fix that! If you would like to propose or help host an Association of BellTel Retirees mini meeting in a community that you know contains many of our fellow retirees, we are all ears. Give us a ring.

Date		Location
3/19/2020 10:00am-12:00pm	Yonkers, NY In close proximity to 5 boroughs of NY City, Westchester County, Hudson & Bergen County, NJ	Riverfront Library Yonkers Room - 4th floor One Larkin Center Yonkers, NY 10701
4/14/2020 1:00-3:00pm	King of Prussia, PA In close proximity to PA, DE, NJ & MD	Upper Merion Township Building Freedom Hall Room 175 West Valley Forge Rd King of Prussia, PA 19406
4/21/2020 1:00-3:00pm	Mahopac, NY In close proximity to Westchester, Putnam & Dutchess Counties, NY; Fairfield County, CT	Mahopac Public Library 3rd floor Community Room 668 Route Six (US-6) Mahopac, NY 10541
May	Seeking Locations in MD & D.C. & VA	Chesapeake & Potomac Territory
6/3/2020 10:00am-12:00pm	Long Island, NY Annual Membership Meeting	Fox Hollow Inn 7725 Jericho Tpke (Rt 25) Woodbury, NY 11797
7/15/2020 1:00-3:00pm	Northborough, MA In proximity to all New England states	Northborough Free Library 34 Main Street Northborough, MA 01532

Contagion: The Hidden Risk of De-Risking

By Edward S. Stone

Pension de-risking is of paramount concern to retirees, because retirees lose all of the uniform protections intended by Congress under the federal ERISA Law, and then instead, their rights become subject to non-uniform state laws.

State legislation that provides protections to retirees in pension de-risking transfers including (i) full protections of annuity benefits from creditors, (ii) basic financial disclosures, and (iii) reasonable restrictions on subsequent transfers is critical to fully protect Retirees.

This should make sense to folks who are fearful about their retirement and worried that they might lose their



earned benefits.

However, there is another risk that is not often spoken about and its really important. Its called contagion.

In a world that has become more and more inter-connected, the looming pension crisis is scary.

We already know that the PBGC multi-employer plans are looking at insolvency. We also know that since 2012 when Verizon unceremoniously booted 41,000 retirees from its pension plan more than \$141 Billion dollars has flowed into the coffers of an exceptionally small number of life insurance companies which are not required to disclose critical information to Retirees.

(Continued on page 8)

Pension De-Risking - Via Annuity Contract Totals Reported by LIMRA Secure Retirement Institute		
2012		
Qtr 1 - 2012		\$238,000,000.00
Qtr 2 - 2012		\$527,000,000.00
Qtr 3 - 2012		\$657,000,000.00
Qtr 4 - 2012		\$34,582,000,000.00
2012 Totals		\$36,004,000,000.00
2013		
Qtr 1 - 2013		\$273,000,000.00
Qtr 2 - 2013		\$573,000,000.00
Qtr 3 - 2013		\$591,000,000.00
Qtr 4 - 2013		\$2,406,000,000.00
2013 Totals		\$3,843,000,000.00
2014		
Qtr 1 - 2014		\$207,000,000.00
Qtr 2 - 2014		\$437,000,000.00
Qtr 3 - 2014		\$886,000,000.00
Qtr 4 - 2014		\$6,940,000,000.00
2014 Totals		\$8,470,000,000.00
2015		
Qtr 1 - 2015		\$890,000,000.00
Qtr 2 - 2015		\$3,828,000,000.00
Qtr 3 - 2015		\$3,285,000,000.00
Qtr 4 - 2015		\$5,630,000,000.00
2015 Totals		\$13,633,000,000.00
2016		
Qtr 1 - 2016		\$1,084,000,000.00
Qtr 2 - 2016		\$1,035,000,000.00
Qtr 3 - 2016		\$5,938,000,000.00
Qtr 4 - 2016		\$5,675,000,000.00
2016 Totals		\$13,732,000,000.00
2017		
Qtr 1 - 2017		\$1,415,000,000.00
Qtr 2 - 2017		\$4,099,000,000.00
Qtr 3 - 2017		\$6,376,000,000.00
Qtr 4 - 2017		\$11,100,000,000.00
2017 Totals		\$22,990,000,000.00
2018		
Qtr 1 - 2018		\$1,378,000,000.00
Qtr 2 - 2018		\$8,238,000,000.00
Qtr 3 - 2018		\$6,286,000,000.00
Qtr 4 - 2018		\$10,491,000,000.00
2018 Totals		\$26,393,000,000.00
2019		
Qtr 1 - 2019		\$4,757,000,000.00
Qtr 2 - 2019		\$4,166,000,000.00
Qtr 3 - 2019		\$7,732,000,000.00
Qtr 4 - 2019		not yet released
2019 Q1-Q3		\$16,655,000,000.00
Cumulative Total		\$141,720,000,000.00

Verizon Shareholder Proxy Season Is Upon Us

This year, as in years past, our retiree shareholder proxy proposals will seek important corporate governance reforms at Verizon, continuing our aggressive advocacy.

In each Spring newsletter, the board looks forward to presenting to you details of our annual proxy proposals. This year, we present two measures: an issue we have put forward in previous years regarding golden parachutes, while the other is something different that has to do with prohibiting executives being paid dividends on unvested performance-based equity awards, that they have yet to earn.

The first proposal, “Shareholder Ratification of Executive Severance Packages,” urges approval of any senior executive officer’s new or renewed compensation package that provides for severance or termination payments having a value exceeding 2.99 times the sum of the executive’s base salary plus target short-term bonus. We believe this aligns with shareholder interests by avoiding excessive expenditures on executives who are already walking out the door.

Last year, this achieved 27% of shareholder support.

“Golden Parachute Proposal” and **we urge you to VOTE FOR this proposal.**

The second proposal, “Accrued Dividends on Unvested Performance-Based Equity Awards,” asks the Board of

Directors to adopt a policy to prohibit paying senior executives dividends, or dividend equivalents, in relation to unvested portions of performance-based equity awards, that accrue during the period prior to the satisfaction of the performance conditions.

Actually, one significant component of the payout on equity awards consists of dividends that accrue each quarter on the outstanding awards during the period before the performance conditions are met and before the shares are vested and actually owned by the executive.

For example, we estimate that during 2019 alone CEO Hans Vestberg accrued at least \$1.3 million in “dividend equivalents” on the outstanding equity awards disclosed in the 2019 Proxy (“Outstanding Equity Awards” table, page 55).

The accrued dividends are paid out at the end of the performance cycle for the number of shares “actually” earned. As a result, Vestberg could ultimately receive substantially more than \$1.3 million for dividends accrued during 2019 if the underlying PSUs ultimately vest at the maximum number of shares (i.e., at 200% of target).

And because the quarterly “dividend equivalents” are accrued as stock units, executives earn dividends on these dividends over the remainder of the three-year performance cycle (or over five years

in the case of Vestberg’s special award in 2018).

A report in *Crain’s* – “Stealth Pay Fattening CEO’s Wallets: How Executives Reap Dividends on Shares They Don’t Own” (April 16, 2019) – notes that “many companies have done away with paying dividends on unearned shares, including Citigroup, General Electric and IBM.”

This policy should apply to all performance-based equity awards, including Performance Share Units (PSUs) and Restricted Share Units (RSUs), and should be implemented prospectively and apply only to senior executive officers in a manner that does not interfere with contractual rights. The annual awards typically vest at the end of a three-year performance cycle.

Year after year, the public consciousness becomes more aware of the massive disparity between upper management and rank-and-file employees when it comes to compensation and benefits. Executive pay is supposed to be based on how well a company is performing, and serious pay inequities raise questions as to whether the link between pay and performance has been broken. Such a disconnect can also damage morale, which can be bad not only for employees, but for the long-term value of a company’s stock.

With your help, we can leverage this energy and momentum and WIN! We’ve done it before, and we can do it again. **Make sure you vote FOR both of our proposals this year.**

**PROXY
2020**

A Look Back at BellTel Shareowner Proxy Impact

(Continued from page 1)

In 1990 The Financial Accounting Standards Board (FASB) adopted, after a meeting of major corporate executives, a solution for this dilemma, threatening the expansion of executive compensation.

It must be difficult to justify increasing executive compensation when corporate financial statements become “burdened” by ever expanding costs of retiree health benefits. Thus, the FASB developed a rule called FAS 106.

I will not put readers asleep describing the details. Accounting is not exactly exciting.

What is important was that this rule became a tool for manipulating a company’s liabilities for future retiree health benefits in a such a way that it enabled corporate leaders flexibility to manipulate earnings to their benefit. It became a tool to manipulate all corporate retirees’ economic future.

In times where companies owe heavy taxes, as result of having a fabulous year, a charge against earnings can be made, which reduces the tax burden during that particular year.

In a bad business and fiscal year, all the bean counters needed to do is reduce health benefits to retirees- a little nip and a tuck here or there- thereby reversing part of a financial shortcoming that year, to beef up the bottom line without selling a single widget or whatever product of service the company relies upon.

The FASB accounting result is obvious... retirees’ existence become more expensive while executive compensation increases due to “great results.”

Verizon figured out how get around our Association’s impactful 2003 proxy win through their own version of Accounting Gymnastics.

The recent decade’s phenomena – replacing stock options with loads of PSUs (Performance Stock Units) and RSUs (Restricted Stock Units) to the senior executive class – have formed the potential to escalate executive compensation circumventing the shareholder decision of 2003.

Indeed, Verizon and some other corporations have established a way of paying dividends to executives on PSUs and RSUs, that have not yet vested (AKA: Stealth Dividends).

Although the executives have not yet earned shares of the stock, when they do, their earnings are padded by the dividends that accumulated during the three-year performance period.

BellTel and its members’ two proxy proposals that will be on the shareholder ballot in 2020, attempt to convince shareowners that such financial and accounting gymnastics are not in the best interest of all shareowners meeting.

Corporate financial and executive compensation gymnastics are inconsistent with the intent of the proposal-created by our Association’s leaders and which won the support of nearly 60% of all shares voted during the 2003 shareowners.

We fought hard for shareowner rights in 2003, just as we continue do in 2020.

**PROXY
2020**

Members Speak on 36th Anniversary of AT&T Divestment

Back on January 31st, we turned to our retiree community online on the occasion of the 36th anniversary of the original American Telephone & Telegraph Company being mandated to divest of its 22 Bell System companies, as a result of the settlement of the 1974 United States Department of Justice antitrust suit.

We wanted to hear from you, a lot of you! Over 140 of our members shared their thoughts, that we wanted to share with you. Here goes:

Adrienne Beal: Forgot it was that long ago. I went from Illinois Bell to AT&T right after the announcement and was very unhappy, transferred to Bell Atlantic. Worked at HQ in Virginia until I retired. Loved living in Virginia. Often wonder what would have happened if I had stayed at IBT. Back in Illinois now and every time I have to talk to a customer service representative, I remind them about Judge Greene.

Bill R: The regulatory world got a lot more complicated! As Ricky said to Lucy, "we had a lot of explaining to do." The NYNEX Enterprises mess kept me busy on and off until retirement in 2000.

Ron J: I Started with NY Tel in 1982, went to AT&T in 1983, until I was laid off in 1989. Then NYNEX in 1990, back to AT&T in 1991, until the spinoff to Lucent Technologies in 1996. Bell Atlantic in 2000 until Verizon where I retired 2015. All time bridged thanks to CWA and Judge Greene. Bobbing and weaving for 32 years!

Mike L: Divestiture could have been avoided but AT&T got out of control trying to control things. The old Bell system was the one I started working for. It was great in the early 70's. We were all one big happy family and the customers mattered. Now the customer is no longer important.



Jim C: I was 15 when the breakup in 1984 started, but I remember my dad working a lot. He was a 2nd level in labor relations and he was NOT happy about Judge Greene and that guy who started the lawsuit.

He retired in 1995 from NYNEX and died in 2014, still hated the whole breakup. In March, I will be working 30 years. I started with NYNEX, then Bell Atlantic and now Verizon. Now I'm telling the new people about the old days and they have no idea about the Bell System.

Jim H: My souvenir clock still working. I spent months working out where the best place for AT&T to meet us for inter LATA traffic. A study which was completely ignored by Long Lines.

Larry M: In retrospect, I think it was exactly what AT&T wanted! Getting into the computer world.... Too bad the golden hand of AT&T did so poorly.

NCR-Lucent-Western.... Now they are alive and well in the Bell South Company! Who'd have thought? I have no complaints for AT&T, Bell Atlantic or Verizon.

I did well with them and have 17 years of retirement under my belt. Met many wonderful people over the years and keep in touch with many of them. Thanks to all of them!

Robert M: I remember the divestiture of all the phone companies at the beginning of 1984. I was a cable slicer now for Bell Atlantic and I retired under Bell Atlantic in 2000. I'm still a union man and loved CWA. I believe the judge who broke up MA Bell was judge Harold Greene. I like to add that I first worked under C&P which was Chesapeake and Potomac Telephone company.

John H: Paraphrasing one of our old slogans of the time, "One Bell System. It worked!"

Mary S: I was fortunate I stayed with New York Telephone. Was given a temporary job connected with company records and divestiture. Traveled the state and made some good friends.

Susan F: It was a nightmare every time the rules changed. I worked in customer service, so it was hard talking to business customers not knowing what you were talking about!

Celestine S: A great place to work then. After the name change to Bell Atlantic, people thought it was a different company people calling into complain kept telling me they liked the other company better when the only thing that happened was a name change.

Vivian B: My Mother was a telephone operator during WW 1. I worked for Western Electric Kearny, NJ and then was transferred and worked in Allentown Pa -retired from AT&T 25 years ago-worst thing that happened was the breakup of the Bell System.

Elva D.L.: I lost my job with divestiture because the company was not prepared how to handle it. I had 18 years of service at the time. Fortunately, our union was looking out for the locals that lost their jobs and then got us back in

with bridge service and I went on to retire after 35 years.

Lawrence B: Gastric distress! I worked for Western Electric at the time, which became Lucent Technologies and is now Nokia! I lost my job in 1992 after AT&T purchased NCR and my job was "redundant" with one in Dayton. Thanks Mr. Allen!

Mick F: The government fixed something that wasn't broken. The customers suffered.



Aetna and UHC Update

Jack Cohen

It has been well publicized that management and West associate (former GTE) retirees will transition to Aetna from United Healthcare (UHC). East associates (former Bell Atlantic and NYNEX) will stay with UHC.

Our experience with Aetna is limited and the "jury is still out" relating to whether or not the change will ultimately be considered an improvement. We rely on feedback from our members and in the not to distant future we expect to conduct a survey and will provide further updates.

The issue involving our retired brothers and sisters being served by UMass Memorial Healthcare continues to simmer.

Those with the UnitedHealth Care Medicare Advantage Plan in 2020 will not be served. That affects our retired Associates and will be a factor in 2023, when the current contract expires.

On January 29, 2020 it was reported that Harrington HealthCare System has entered formal negotiations with UMass Memorial Health Care for a potential acquisition agreement. A successful acquisition will place Harrington under the UMass Memorial Healthcare umbrella. Harrington is a comprehensive regional healthcare system serving more than 25 communities across south central Massachusetts and northeastern Connecticut.

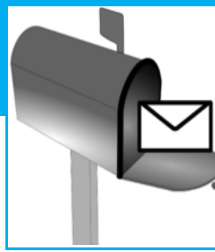
There are Harrington hospitals in Southbridge, Webster as well as three

additional major medical office buildings with two in Charlton, and another in Spencer. There is an Urgent Care Express at Harrington, Charton and Oxford and a major Cancer Center in Harrington at Southbridge.

Final approval of this acquisition is not expected for six to nine months. Completely understandable is the anxiety of those members who have no choice but to continue to keep UHC or drop Verizon coverage and forfeit dental and other coverage. The big question: Will Harrington stop taking UHC and when?

This Association wants to assure our Massachusetts and Connecticut members that we are closely monitoring this issue from all directions.

MEMBER MAILBAG



To Whom it My Concern,

35.5 years served, with a early “deal” in 1995, 41.5 years total credited. New England Telephone & NYNEX, Bell Atlantic, with 24 years worked in total of six different crafts. I worked in crew line trucks (before hydraulics), and as a foreman, to public communications.

I participated in several short contract “walk outs” and two 18 week strikes in 1968 and 1989. I like to think I had a wonderful career.

Your organization has saved it all for me – and to this point, my pension, healthcare (affordable) and with social security. There is no way I can thank your organization enough!

Once again, I will try to say thank you! May you all have a great 2020.

God Bless,
Gardner Phillips

Dear BellTel Association:

Thank you for your great work. It is greatly appreciated. Your organization is a benchmark for other organizations to strive for.

Kathy West and Jack McNally

Dear Association Friends:

Thank you for your hard work in getting Verizon to keep us at U. Mass Memorial Healthcare. Glad the Association jumped into the crisis and saved us again.

Thanks a lot,
Joseph S. – Grafton, MA

Dear Association,

I should have stayed connected with BellTel Retirees because if I had, I would have been better informed of changes in the Medicare Advantage Plan through UHC. In 2018, U. Mass Memorial Healthcare told me they dropped the plan. I was on my own trying to figure out what to do for 2019, so I purchased my own plans elsewhere and have been paying a premium over \$200/month.

Then I hear that Verizon switched to AETNA for 2019. UMass sent me a chart showing they exclude AETNA, but will accept Verizon AETNA plan. I must know this for sure so I can enroll. However, I hurt myself by ignoring the BellTel Retirees info. You provide an extremely valuable service to retirees. I am going to start contributing to our Association as soon as I am finally able to. Thank you for all you do!

Walter Koski

Annual Meeting 2020: Coming to Long Island, NY

Did you know that our meetings on Long Island have been among our most popular and highly attended? This Year’s special annual event is on Wednesday, June 3, 2020, at The Inn at Fox Hollow, Long Island’s premier boutique hotel, located in Woodbury, NY.

Woodbury, known for its nearby Gold Coast Mansions, has plenty of shopping, restaurants and parks within driving distance.

Continental breakfast will be available between 8:00 a.m. and 9:30 a.m.. The business portion of our meeting will begin at 10 a.m., with an information packed agenda and an engaging Q&A to follow.

Please join your Association for informative discussions on issues that are important to all of us and your retirement future. You can also take this opportunity to interact with your Association leadership directly, network with fellow members and reconnect with former colleagues.

We hope to see you there!

The Inn at Fox Hollow is conveniently located on Route 25 in Nassau County at 7725 Jericho Turnpike, Woodbury, NY, 11797.

Use our RSVP form below to hold your space.

Please mail it with your check for \$5 per person to our office as soon as you can. If you have any questions, please call the office at 1-800-261-9222 or email association@belltelretiree.org.

If you are traveling and would like to stay the night, call The Inn at Fox Hollow directly to book your room at 1-800-291-8090. Let them know you are booking under The Association of BellTel room block to get our reduced room rate of \$169/night plus fees and



tax. This includes complimentary dinner and breakfast buffets. Call for more information.

Reservations must be made no later than May 1, 2020, in order to be eligible for the discount and there is a limited number of rooms available so please book as soon as possible.

RSVP for 2020 Association of BellTel Retirees Annual Meeting

Wednesday, June 3, 2020 at The Inn at Fox Hollow (7725 Jericho Turnpike, Woodbury, NY, 11797)

A Ticket Is Required To Attend

Name: _____ # in party: _____

Address: _____

Phone Number: _____ Email Address: _____

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

Please list your guests’ names and addresses (you may use separate piece of paper if more than 2 are attending):

PLEASE PRINT CLEARLY

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 Stef Baker P.O. Box 33, Cold Spring Harbor, NY 11724

NEW INTERVIEW SERIES

The Association of BellTel Retirees is helping to launch “The Bell Effect”, a new audio podcast interview series that will tell the stories of the people who built our modern communications industry.

The telecommunications sector is ever-changing and evolving. Many of you are the reasons for its preeminence. Telegraph to wiring America with copper phone lines to overseas cables to innovations from some of the greatest scientists, engineers, and inventors to our modern internet. All these innovations come on the shoulder of the pioneers- like BellTel members- the people who made things happen.

To recognize this and share the rich history of your careers, we have developed The Bell Effect, a podcast designed to focus on the stories you tell.

For those of you who have not yet tuned in, a podcast is a digital audio recording that may be a part of a larger interview series. The audio, similar to a radio talk show interview, can be accessed from computers and mobile devices for free. After each recording

goes live, we can also share it across all of the Association’s various social media channels.

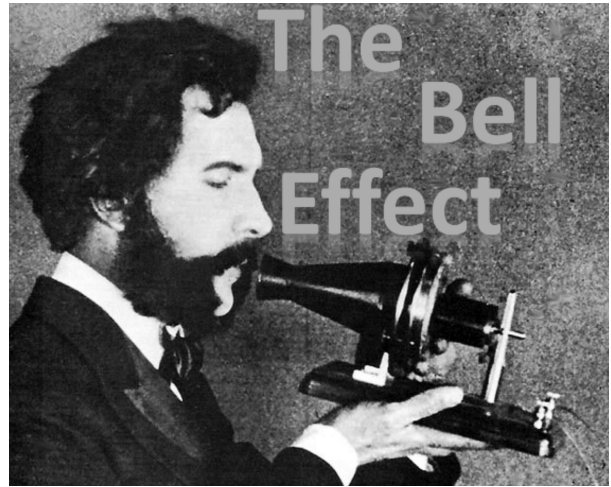
While some people listen to podcasts via their desktop computers, research and practicality shows that most listen via mobile devices. Interviews can be done live or over Skype from the convenience of your own home. That is right, your computer or smartphone can connect right into our recording studio.

We see the podcast as a way to allow the voices of many more current members and prospective member-cousins participating!

Why a podcast? The share of time that Americans spend listening to spoken-word audio has grown by 20%, over the last five years—with more than 120 million now listening each day, according to a November 2019 report by Edison Research and National Public Radio.

It also finds that there’s been a major increase in consumption on mobile devices—as well as general growth among younger listeners, ages 13-34. In fact, that group now spends almost one-fifth of its “audio time” with spoken-word audio—up more than 50 percent since 2014. According to Nielsen, about 90 percent of podcast listeners in the U.S.—and 92 percent of smart-speaker owners—are also weekly radio listeners.

In the first episode we introduced the series. Then our first guest was Jack Cohen, BellTel Chairman who looks ahead into their work in 2020. Next, Una Kelly talks about her career, work on FiOS, and the Association’s Florida mini meetings.



Be on the lookout for new episodes. You can find this podcast on Spotify, Sound Cloud, Apple Podcasts, and Google Podcasts. We will be posting new episodes regularly, so stay tuned and please share them on your social media.

The Hidden Risk of De-Risking

(Continued from page 4)

No matter how you slice it, \$141 Billion of retiree pension fund assets flowing out into a handful of insurers, is very real money! For your consideration about the seriousness of this matter for all retirees, we have included a chart tracking quarterly pension de-risking from 2012 through the third fiscal quarter of 2019. The hidden risk that I see is silence.

Retirees need to be vocal about their concerns for their own sake, for the sake of their families, and for the sake of the general public.

Contagion spreads. We saw it happen during the financial crisis that wiped Lehman Brothers off the face of the earth. Retirees need to be vocal and active about the risk of de-risking.

Silence is not an option. We want to hear from you, as we are always looking for members to become more active in their own home state, to rally and help protect what is yours.



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

Senior Staff Manager

Stef Baker (631) 367-3067

Board of Directors:

Jack K. Cohen, Chairman
(914) 245-3129

Lionel Brandon, Executive Vice President
(607) 656-7971

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

Una Kelly, Treasurer 516-729-5787

Thomas M. Steed, Assistant Treasurer

& VP of Union Relations (914) 213-5909

John Kolimaga, Secretary (215) 675-5992

Robert Gaglione, Director (516) 676-0937

Pamela M. Harrison, Director

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

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

Louis Miano,

Board Member Emeritus (781) 444-8080

Robert A. Rehm,

Board Member Emeritus (516) 827-0801

Eileen T. Lawrence,

Board Member, Emeritis (718) 229-6078

C. William Jones,

Board Member, Emeritis (410) 310-8533

Morgan Stanley



Robert F. Manning, Sr.

Executive Director

Financial Advisor

1 Liberty Place, 42nd Floor

1650 Market Street

Philadelphia, PA 19103

215-854-6271 • 800-233-1414

robert.f.manning@morganstanley.com

fa.morganstanley.com/philadelphialegacyteam

NMLS #1285350

© 2020 Morgan Stanley Smith Barney LLC. Member SIPC. CRC2639038 07/19