

AT&T Dumps 96,000 Retiree Pensions



Chairman's Report

By Thomas Steed

In a disturbing development, on May 3, 2023, AT&T announced that it had closed a \$7.7 billion deal to spin off nearly 100,000 retiree pensions to Athene, the insurance firm owned and controlled by the private equity firm Apollo Global Management.

The news is unsettling for the 96,000 impacted AT&T retirees who, effective in August 2023, will have their pension payments instead come from Athene, in the form of a group pension annuity.

When the company broke the news, they had the audacity to spin it as if AT&T was doing the retirees a good deed, when in fact they absolutely are not. State Street Global Advisors, the firm that directed IBM's September 2022 spinoff of \$16 billion in pension assets, brokered this transaction.

To measure the magnitude of AT&T's actions, this results in roughly one-quarter of all AT&T's existing pensioners being kicked out of the company's defined benefit plan.

The current rising interest rates have made it more expensive for corporations to maintain their defined benefit plans, together with rising PBGC insurance

costs charged by the federal government. It gives corporate bean counters a greater incentive to de-risk pensions.

That said, it is very likely that lots more companies that still have defined benefit plans are likely to follow suit.

For many Verizon management retirees, this news brings a sense of déjà vu. We have, as the saying goes, been there and done that as in 2012, 41,000 of Verizon's management retirees were kicked out of their defined benefit plan and into a Prudential group annuity.

BellTel, always aggressive advocates for our fellow retirees, conducted a significant analysis at the time, with top legal, financial and pension experts. Based on that examination, we decided to file a federal litigation that rose as high as the U.S. Supreme Court. Few other groups have taken this fight to such a level.

According to preliminary information, those impacted by this latest pension spin off were mostly lower management and union members at AT&T receiving less than \$2,200 a month (\$26,400 per year) in pension payments.

AT&T retirees living in New York State will have their benefits transferred to Athene Annuity & Life Assurance Company of New York, and retirees in all other states will have their benefits transferred to Athene Annuity & Life Company. Why this loophole was necessary, we are not yet certain.

For those impacted retirees currently receiving health coverage or making payments for Medicare Part B, Athene will not continue with that healthcare coverage. Those retirees will need to obtain their own private insurance and submit reimbursement claims for Medicare Part B.

(Continued on page 2)

A Win for Retirees & Shareowners

Association Chairman Tommy Steed, with our Chief Financial Officer Frank Bruzek, made what turned out to be a victorious trip to Salt Lake City for this year's Verizon Annual Meeting as company leadership proactively adopted a bylaw change inspired by your Association's proxy proposal to limit Golden Parachutes (Item #8).



Our 2023 "Golden Parachute" proposal recommended that shareholders get to pre-approve any new and renewed senior executive severance or termination packages that include payments exceeding 2.99X base salary plus target short-term bonus.

A nearly identical proposal we led last year garnered 44%, leaving company leadership so uncomfortable that they acted and changed the bylaw in advance of the vote.

To illustrate why it is needed, CEO Hans Vestberg could receive \$31.6 million, or more than six (6) times his 2022 base salary plus a short-term bonus, upon termination, following ANY change in company control.



BellTel Chair Tom Steed & CFO Frank Bruzek Attend 2023 VZ Annual Meeting in Salt Lake City.

The change took place after our proxy was received in early December 2022, but before the company sent the shareowner ballot on March 27, 2023.

At the meeting, Chairman Steed congratulated Bill Horton, Deputy General Counsel at Verizon, for proactively implementing that bylaw change brought about by our proposal. With this shareholder concern over the current era Golden Parachutes addressed in the bylaws – at least for now – positive change was brought about.

(Continued on page 2)

2023 BellTel Annual Member Meeting

The Bear Mountain Inn, high above New York's Hudson River, served as the setting for our Association's 2023 Annual Member Meeting together with the Retirees for Justice Retiree Roundtable Summit.

The historic inn has a rich history hosting prominent events and speakers including Presidents Dwight D. Eisenhower, Harry S. Truman, Richard Nixon, and Franklin D. and First Lady Eleanor Roosevelt, and even the First Lady of China, Madame Chiang Kai-shek.

The Retiree Summit was produced in a partnership between Retirees for Justice and your Association of BellTel Retirees.



The event brought together a diversity of speakers representing retiree leaders from DuPont, Dow Chemical, Corteva, General Electric, IBM, Verizon, AT&T, BellTel Retirees, the labor union, Unite Here!, the Pension Rights Center, and many more offering sage insights.

(Continued on page 4)

Look Back at Wins in Connecticut & Virginia

Over the years, the BellTel Retirees—along with partners Retirees for Justice and the former ProtectSeniors.org—have achieved numerous legislative and regulatory successes. Perhaps some of the most significant of these occurred in Virginia and Connecticut.

In July 2015, then-CT Governor Dannel Malloy signed a vital pension de-risking protection act into law – Public Act 15-167.

Retirees For Justice Executive Director and BellTel special counsel Edward Stone led that effort with a group of BellTel retirees from Connecticut to lobby and testify in favor of legal fixes, in a state once recognized as the insurance capital.

Prior to the passage, many members expressed concerns about their pensions being vulnerable to creditors' claims post-de-risking.

This was necessary after the horrific pension transfer of 41,000 retiree pensions to Prudential from Verizon.

Now, all retirees in Connecticut no longer need to worry about creditors making claims on their pension annuity payments.

In Virginia, BellTel retiree Dave Edmunds was one of the 41,000 who had his pension transferred to Prudential. Spurred on by the callous nature of the transfer Edmunds, a Virginia resident, joined Stone and former BellTel board member Jim Casey to champion pension de-risking protections in the commonwealth.

Meeting with state representatives, it became clear to Edmunds that public officials were only hearing the side of insurance companies and their interests in taking over and controlling pension plan assets.

After numerous visits to the state capital, the pension de-risking protection bill unanimously passed in the Virginia Senate and House in 2018.

This law says pension assets that have been de-risked cannot be subject to creditor claims. Additionally, the Virginia



Late BellTel Chair Jack Cohen, with BellTel member Ed Chromczak testifying in Hartford in 2015.

Bureau of Insurance must give its approval to any insurance company seeking to subsequently transfer pension assets in the future.

Now that pension de-risking is a massive asset class, generating more than \$250 billion and growing for insurance and private equity firms, perhaps it's time for our fellow retirees and other retiree organizations to join us in advocating similar measures in the other 48 states.

We can't do it alone.

AT&T Dumps 96,000

(Continued from page 1)

With de risking, retirees lose the uniform protections and safety net of the Pension Benefit Guaranty Corporation (PBGC). Should Athene ever fail to fulfill its payment obligations, retirees' only alternative will be the 50-different and unfunded state guaranty associations, which generally backstop a maximum of \$250,000 to \$500,000 per person – lifetime – depending on your state of residence.

On the day of the announcement, I spoke to BellTel co-founder and former CFO Bob Rehm to do some back of the envelope math.

In 2012, Verizon sent Prudential \$7.1 billion. Via our litigation and due diligence, we learned that some \$1 billion of that was profit margin for Prudential for doing the transaction. The rest, about \$6.1 billion, was to fund the group pension annuity for the 41,000 retirees.

Adjusting for inflation, that \$7.1 billion is equivalent to just shy of \$9.2 billion in 2023. That transfer affected six levels of management pensions. Verizon union retirees from the CWA and IBEW have so far survived such similar spinoffs, remaining within the defined benefit plan, but for how much longer, who can say.

This tragedy is yet another reminder of why we must continue to fight to protect our earned pensions and benefits and take our message to elected leaders at the federal and state level. BellTel continuously advocates for our retirees but can't win any battles without your committed support and contributions.

A Win for Retirees & Shareowners

(Continued from page 1)

Your Association submitted two important proposals this year, the second of which was designed to strengthen the Senior Executive Clawback policy (Item #7). This proposal, which received the endorsement of the influential investor advisory service, Institutional Shareholder Services (ISS), was the highest vote getter of all proposals, with 37.9%.

BellTel leaders continue to believe that the current company policy is simply too vague and lenient on corporate malfeasance. Current policy calls for cancellation or recoupment of cash and equity compensation only when an executive engages only in "willful misconduct" resulting in a material restatement of VZ's financial results.

BellTel has sought to make this standard more stringent, with Steed saying, "The current executive clawback reflects an absolute double standard that should not be permitted, given that regular employees can be disciplined or fired for failing to execute their duties."

The 2023 proxy season is another success in our long running shareowner advocacy efforts, now resulting in 13 changes to enhance corporate bylaws because of the Association of BellTel Retirees' aggressive advocacy.

In late 2022, when all proxy proposals must be finalized, our team set out to initiate our first such campaign at AT&T.

A proxy was submitted by former BellTel board member and CFO Robert

Gaglione, nicknamed the "Golden Coffin." It called for a new policy ensuring the AT&T board obtains shareholder ratification for any future agreements that oblige the company to make payments or awards to the family or estate of a senior executive who dies.

Beneficiaries of such Golden Coffin agreements are the same AT&T executives who reduced retirees life insurance.

AT&T sent an army of SEC attorneys to keep this and three other proposals off of the 2023 shareholder ballot.

Our Goldin Coffin proposal was one of the four different shareowner proposals the SEC selected to omit from this year's AT&T proxy.

Despite being removed from this year's proxy, BellTel's commitment to shareholder advocacy has not diminished. We plan to be back next year.

OUR MISSION:

The Association of BellTel Retirees is dedicated to promoting the protection and enhancement of the pensions and benefits for all retirees and for the current and future beneficiaries of the companies derived and evolving from the original Bell System.

Since 1996, the Association has worked to convince the companies to protect and guarantee, rather than raid or erode, the hard-earned retirement security for hundreds of thousands of dedicated current and former union and management personnel and their families.

Pension De-Risking Behavior Growing in 2023

Across multiple U.S. industries, companies are facing massive increases in their pension costs.

Delta Airlines reported noncash pension expenses increased \$550 million. 3M Co. disclosed a \$125 million increase year-over-year.

Sysco Foods estimated a \$26 million increase due to higher pension costs and interest rates.

In this unsettling time for financial markets and high inflation, no company has been able to escape the rising interest rates. As bank interest rates go up, so does cost to companies. Maintaining defined benefit pensions gets more expensive due to interest costs.

Those interest rate hikes could actually be a good thing for pension holders, on one hand, because higher rates decrease liabilities and increase pension funding.

According to Michael Moran, senior pension strategist at Goldman Sachs, in 2022, the average rate of return for a corporation's defined benefit plan declined by 18% and some saw declines of as much as 25%. As of January 31, 2023, defined-benefit pension plans sponsored by the S&P 1500 had an average of 103% funding – up 6% from the year before, and reaching a 20-year high.

What is great for pension plan holders is clearly not as advantageous for

corporations looking out for their bottom line, not yours.

Companies are hinting at potential changes to their employee pension plans, as they grapple with rapidly rising costs of maintaining them. Sysco Corp. Interim CFO Neil Russell said, "This increase in expense was primarily due to increased pension expenses, which were a result of higher interest rates."

In the quarter ending December 31, Sysco de-risked nearly \$700 million of its pension liabilities to Mass Mutual.

Moran warned that "higher interest rates, and therefore higher funded levels, have made it easier for sponsors to effectuate a pension risk transfer... We saw a record year for pension risk transfer activity in 2022 and expect 2023 to be another robust year."

In an advisory, Goldman Sachs encouraged plan sponsors to "consider prudent risk management actions" that may include transferring retiree health-care plans to fund liabilities. Such risk management actions protect plan sponsors, but put retiree pensions at greater risk.

While the future can't be known for certain, these companies may eventually be following Verizon, AT&T and other companies' lead by opting to spin off pensions in an effort to mitigate future pension related costs and responsibility.

Peril of Losing Company Sponsored Life Insurance

On January 1, 2022, retirees at AT&T had their company sponsored life insurance radically reduced. That very same day, 120,000 Dupont retirees had their life insurance completely cancelled. It's a horrific scenario for anyone to experience.

Over 220,000 retirees who had given their entire professional lives to AT&T were left with drastically reduced life insurance – with payouts capped at \$15,000 and death benefits at \$25,000.



Retiree Roundtable Summit - Insurance experts panel addressed what to do when retirees have their guaranteed life insurance policies taken away.

For Dupont retirees, all life insurance policies guaranteed by or acquired through the company, were terminated at the end of 2021. Each Dupont retiree

(Continued on page 7)

U.S. Treasury Finally Unveils Its De-Risking Strategy

It looks like the federal government is finally paying attention to the multi-billions being shifted from defined benefit pensions to insurance companies and private equity investors, which has affected so many retirees, including many from the Bell System.

In April of 2023, the U.S. Treasury published a fact sheet outlining their 2023 de-risking strategy.

One of the primary reasons that Treasury found companies engaging in de-risking was for profitability.

What constitutes profitability for any given company is based on varying factors.

The fact sheet confirmed many different challenges that de-risked retirees face, including that organizations managing their retirement assets are being operated outside of the U.S., often in jurisdictions with little to no regulatory or legal guardrails.

While the report clearly outlined the issues with de-risking, it also laid out multiple different actions that the federal government can do to protect

retirees who have already experienced de-risking.

Pension de-risking has moved at warp speed in the U.S., with over \$250 billion in assets transferred, according to Retirees for Justice. Unfortunately, no one singular government or regulatory action will be beneficial enough to stop this, which is why any solutions must be a multifaceted process.

The Association applauds this small first step to protect those who have been de-risked.

"Retirees need to speak up in support of any responsible legislation or Treasury regulation that forces Plan Sponsors and insurance companies to be more transparent and accountable when it comes to the risk of de-risking from the retiree perspective," says Bell-Tel Special Counsel Edward Stone. "Retirees should not have to wait until the tide goes out to see who is swimming naked."

If you would like to read the report in full, it is available on the U.S. Department of the Treasury website.



UNITED, TO PROTECT OUR FUTURE

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2023 BellTel Annual Member Meeting

(Continued from page 1)

Hundreds participated both in person and online via Zoom.

The full day's events included engaging and informative panels that addressed topics ranging from pension de-risking to insurance protections for retirees who have lost theirs. There were panels on what happens to retirees when companies merge or get spun off, along with how our pension assets can be held captive along the way. Speakers spotlighted workplace health and safety issues from our working years that still having lingering impacts on retirees' health to this very day.

These informative panels will be made available for members to view on YouTube.

In the midst of these engaging panel discussions, the Association of BellTel Retirees held our 2023 Annual Membership Meeting, with board leaders both present and virtually over Zoom. Participants heard from Association Chairman Thomas Steed, Secretary Pamela Harrison, CFO Frank Bruzek, and Treasurer Una Kelly.

Steed spoke on the recent activities of the Association, including our 2023 proxy efforts at both Verizon and AT&T, and the increasing advocacy the Association is pursuing in relation to OSHA workplace health and safety issues. He urged members to volunteer and become more engaged in our advocacy efforts.



"A lot of times, we didn't even know we were exposed to toxins," Steed said of workplace safety issues from his working years. "If you ever climbed a pole, your head is less than 30 inches from that electromagnetic field of power above you and you never think of it!"

Treasurer Una Kelly, and CFO Frank Bruzek provided a 2022 financial analysis and outlook.

2023 National Retiree Summit



BellTel special counsel speaking with CWA member representing New Jersey retirees.

As a volunteer driven nonprofit, we are unable to make great progress without the commitment and support of our members and active volunteers. Every dollar is appreciated and spent with the utmost care. You can read a more detailed financial report on page six.

For those who missed the meeting live, you can view the meeting in full on the Association's YouTube Channel right now.

Scan QR Code to View the Meetings on YouTube



Pension De-Risking, the \$250 Billion Problem

During the April Retiree Roundtable Summit at Bear Mountain, labor, retiree advocacy leaders, and insurance industry providers got down to business with a discussion about the growing American crisis of de-risking.

Moderated by Edward Stone, Executive Director of Retirees For Justice, panelists included Marty Leary, Research Director and VP of the 300,000 member hospitality labor union Unite Here!; Karen Freidman, Executive Director of the Pension Rights Center; and Steve Pilger, Executive VP of Retirement for Ash Brokerage.

The group focused on the concern of private equity firms moving aggressively into the pension de-risking industry, and what can be done to protect our pension assets.

Pension de-risking occurs when a plan sponsor removes people from those plans, replaced by a group annuity contract. Stone expressed, "retirees can lose a lot when companies transfer pensions to an insurance company."

Leary, an expert in financial regulation, private equity, and de-risking, said de-risking is moving "the insurance industry to essentially becoming a private equity playground."

According to Stone, "Private equity firms are not known for looking after policyholder interests. They look at the rate of return differently than long term plan sponsors. They buy up pension assets, invest the money for a short period of time, and then harvest profits by selling or transferring."



Pilger, with a decade of experience in pension risk transfer scenarios, said, "There doesn't seem to be any shortage of transactions where private equity is now inserting themselves into the financial services marketplace and buying stakes in insurance companies."

A particularly devastating incidence of private equity firms dealing with group annuities, spotlighted by both Leary and Stone, was the case Executive Life of New York. Stone said, "Policy holders lost more than \$920 million when Executive Life of New York was finally taken from rehabilitation to liquidation."

The private equity model, Stone says, is regulatory arbitrage and puts pension holders at even greater risk. He highlighted that "80% of all pension liabilities are reinsured through a Bermuda affiliate that is not subject to U.S. regulation. Should something happen to

that Bermuda reinsurer, that could spell big problems for policyholders."

Leary explained, "They buy annuities from another company or get a pension risk transfer and immediately sell off the liquid assets and replace a portion of them with illiquid securities, most of which they have created themselves through subsidiaries – both U.S. and Bermuda based... They're the seller and the buyer in that transaction."

The current pension risk transfer business is massive. Stone pointed out, "Over \$250 billion in [corporate pensions] liabilities have been transferred to insurance companies. Pension transfers of this magnitude don't happen overnight, and the reinsurance doesn't happen in one deal either."

PRC leader Karen Friedman expressed, "There needs to be new regulation and potential legislation to protect participants in this because it hasn't

(Continued on page 6)

Toxic Exposure in Your Working Years

The 2023 Retiree Summit at Bear Mountain Inn included an engaging panel on the various workplace health and safety situations countless retirees faced during their working years.

The panel was moderated by BellTel Board member Tom Butler, with panelists including BellTel Chair Thomas Steed, DuPont Retiree Association's Carol Knotts, and GE Retirees Benefit Solutions President John Phelps.

Each panelist shared their unique industry and work experience with occupational health and safety (OSHA) concerns during their working years, as well as how, or even if, their former employers were proactive in protecting their employees from harm.

BellTel Chairman Thomas Steed spoke of being present at the 1975 NY Telephone Fire and his direct exposure to airborne PCBs released into the air from billions of feet of burnt telephone cabling.

Steed told of the fire burning for two days.

"The building smelled so toxic. [The melting plastic] was in your nostrils, when you left at the end of the day, I would blow my nose and two rivulets of black would come out into my handkerchief. That's how thick the soot and everything was in the building."

When asked what kind of personal safety gear he and other workers were provided for this urgent restoration work, dubbed the "Miracle on Second Avenue," Steed replied, "We had rubber manhole boots, rain jackets, hard hats, safety glasses, and gloves, but no respiratory protection."

He addressed the latency period on cancers and other illnesses that might not affect the workers until years after their exposure.



"The NY City Fire Department did their job, they put the fire out. The Ma Bell employees did their job for over a half a year rebuilding the switching station's infrastructure. The corporate and municipal lawyers did their job by ignoring our exposure."

Carol Knotts, who spent her career at DuPont, spoke of several toxic exposures she experienced.

Knotts worked in the Teflon and coatings division for over 20 years. Teflon coating is made of PFOAs, which are now linked to possible testicular, kidney, and thyroid cancers.

Her team was housed in a space called The Annex. Every day, for many months, a staff of over 50 DuPont employees would arrive in the office and each would have a fresh coating of black "soot" on their desks. The company informed them that it was black mold.

At age 35, she came down with a heart valve problem connected to exposure to mold. All her colleagues developed serious and permanent asthma and allergies, with regular nose bleeds, and Carol completely lost her sense of smell.

In response to staff concerns, the company moved them to a new building and only offered to pay for allergy medication.

"Many people are effected by what companies do, and it's not ethical, and it just hurts even more when they do things and don't take care of the employees, even after knowingly affecting their health."

John Phelps worked for four decades at a General Electric Silicone plant in Waterford, NY, and, along with over 1,000 others there, was exposed to

countless toxins, developing negative health effects including asbestos exposure.

Later, in 2006, the GE division was acquired by Apollo Global Management and renamed Momentive Performance Materials.

He told of a building at their worksite nicknamed the "Black Hole" because people would go in and never come out because the vinyl chlorides present inside would likely kill them. The site was eventually forced to shut down when OSHA began in the early 1970s.

"I used to jokingly say that the GE plant makes Love Canal look like a picnic," Phelps said. "When they dug up the ground, solvents would come out of the ground, and it was all over the place."

Phelps said among the many toxic solvents his group worked with, one was Trichloroethylene (TCE) – which is used in many cleaning products, but long-term exposure to TCE can cause liver damage. They used it to make GE silicone products and were told it was safe to use to clean the control room



Carol Knotts,
DuPont Retiree Association

floors and for tools and equipment. While using TCE, workers did not have access to any personal protective gear.

Phelps said, "A lot of these people, they gave their lives to that plant and then [GE] took away that healthcare."

The common thread between all the stories was the utter lack of employer support and failure post-retirement to acknowledge the real and terrifying health effects on the workforce for simply and loyally doing their jobs.

The Texas Two Step

During the April Retiree Summit at Bear Mountain, one informative panel was called “The Texas Two-Step,” moderated by Retirees for Justice Executive Director, Edward Stone. The topic was corporate mergers, spinoffs, acquisitions, and their impact on pensioners.

Stone explained that the “Texas Two-Step” is the process of a company creating a subsidiary, either by choice or as compelled by the courts. The company then loads all their “toxic” or unwanted liabilities into that subsidiary, to eventually spinoff and cast that subsidiary off ahead of a likely bankruptcy declaration in the future.

This tactic has been deployed in corporate America for a long time.

For Verizon retirees, think back to the SpinCo in late 2006 when the directory operations business was made into IDE-ARC Media. Financially burdened from the start, years later it would go through bankruptcy and restructuring, coming out in a rebrand as SuperMedia. Continually burdened, the brand would finally merge to become Dex Media.

These elite corporations shuffled assets and liabilities. Things, intentionally or not, “fell through the cracks” and there was very often a lack of attention focused on what happens to the fate of employees and retirees.

Panelists, Pamela Harrison, BellTel board secretary; Carol Knotts, of the DuPont Retiree Association; and John Phelps, for the GE Retirees Association, shared how such mergers, spinoffs, and acquisitions negatively affected their companies and fellow retirees.

Harrison proudly calls herself a Bell Head as a third-generation phone company employee. She “graduated from high school on a Friday, and on Monday morning I was working for the phone company.”

Harrison’s grandfather’s brother began his career in 1897 with New York Telephone Company and was there for the merger of NY Tel and Rochester Telephone in 1927, rising to become Assistant to the President, and eventually was elected Corporate Secretary in 1927.

So, at the young age of 18, Harrison joined the company and signed on with a salary, benefits, and an iron-clad retirement plan. Harrison said she was told, “Not only will these benefits continue with you through your career, but when you leave, they will follow you for life.”

Unfortunately, she explained, “The benefits I was told I was earning in 1965 are not the benefits I have now.”

Her career at NY Tel, became NYNEX, next Bell Atlantic, and finally Verizon. The biggest change, Harrison said, “Healthcare. I feel like I can’t afford some of the things that I used to be able to.”

Knotts explained that she also joined her company, DuPont, right out of high school. “Everyone [in my town] worked for DuPont practically. It was a family business and they took care of employees. They were known for that.”

She worked at DuPont for 31 years, most of which was in the Teflon and coating division. During her working years, Knotts never thought she had to worry about her healthcare or benefits.

Then DuPont and Dow merged to become one company to create DowDuPont, then quickly split again to create three different companies Dow, DuPont, and Corteva, carving up the assets and liabilities.



BellTel Secretary Pamela Harrison

Now, Corteva, a company Knotts had never worked for and didn’t exist when she retired, is 100% responsible for her healthcare and retirement of 120,000 retirees. In fact, the first day her benefits shifted from DuPont to Corteva, they cancelled life insurance for the retirees.

“When the company decided to split up into the three entities, I decided to join the retirees association leadership because I was worried about my pension.”

Phelps worked for General Electric for the first 35 years of his career before moving to a successor employer, as a result of his division being sold off.

“I’ve been involved in defending the GE retiree benefits ... since 2014 when the salary people filed the lawsuit against GE over their taking away the healthcare and in 2015 when the unions filed a lawsuit on the same issue.”

When GE sold his division, it was acquired by Apollo, the private equity firm that also owns the insurance and annuity firm Athene, a major player in the group pension-annuity sector.

Phelps shared that GE is currently planning to spin off its existing the business into three companies: GE Healthcare, GE Aerospace – formerly GE Aviation, and GE Renewable – formerly GE Power and Renewable Energy.

He said, “When they spin them off, obviously there’s a lot of uncertainty about what’s going to happen to our benefits. Are they going to get worse?”

It’s clear across the board that retirees from many major U.S. corporations are being left out in the cold by the very companies to which they dedicated their lives.

As Carol Knotts sums it up, “No one cares. We are the only people who care, and we have to do something.”

Through all these different company changeovers, was anyone truly looking out for the employee or retiree to make sure their pensions and benefits were protected? It’s a classic example of the importance of advocacy and why BellTel is so deeply committed to this cause.

Pension De-Risking

(Continued from page 5)

been studied enough... certainly both Congress and the regulatory agencies are behind the ball on this.”

“Even the states that want to regulate this don’t really have the ability to do it” added Leary.

“The Department of Labor is helpful in providing some protections but is powerless to enact change in others.” Stone explained, “Under the McCarran Ferguson Act, the business of insurance is relegated to the states. If you have already been de-risked, you have to do something to change the law at the state level, but we can also amend ERISA and show people why it’s important to prevent this type of financial alchemy from taking away people’s retirement.”

The SECURE 2.0 Act of 2022, which Retirees for Justice, Pension Rights Center and BellTel collectively advocated for, is a larger retirement law with clauses outlining how retirees can select the safest annuity provider.

Friedman cautioned, “Although insurance companies have to have a reasonably good rating from at least two or more separate insurance rating agencies, it doesn’t appear to be enough at protecting retiree pensions.”

Our Association, and its advocacy partners, have to take the fight to federal and state government simultaneously to get actionable results.

Stone echoed the sentiments of the panelists, “My concern is that if we don’t do something now, we’re going to find out when it’s too late, and what we learned during the financial crisis is that all this stuff is related.”

Freidman reassured audience members that the future of their pensions will be safe. “We know pension risk transfers are here to stay; we’re not trying to stop them. We just want folks to be transparent and accountable about what they do, and we want to make sure that it’s protected money from the standpoint of retirees.”

2023 National Retiree Summit

Peril of Losing Company Sponsored Life Insurance

(Continued from page 3)

who had their life insurance taken away, received \$10,000 towards buying a private life insurance policy.

This nightmare scenario was the jump off point to a lively debate on life insurance and long-term care policy protections, at the Bear Mountain Retiree Summit.

Moderator Don Trudeau, President of Benistar Administrative Services, was joined by wealth strategy expert Michael Roberts, elder law attorney David Dorfman, legal consultant Lori Epstein, and Eric St. Pierre, also of Benistar.

As panelists spotlighted, life insurance and estate planning are vital for everyone, but more critical as we age and face illness or long-term care scenarios.

“The rate of death is 100%,” said attorney Lori Epstein.

What happened to those 340,000 AT&T and Dupont retirees was abhorrent. They dedicated decades of their lives to those companies, believing that they would be taken care of, only to have the rug pulled out from under them when they are older with fewer replacement policy options.

Taking necessary steps to prevent being blindsided by a former employer concealing and how to replace those benefits was a core focus of the panel discussion.

In the coming weeks the BellTel Retiree YouTube channel will be posting video of this panel for our members to view.

2022 Financials & Call for Your Support

Dear Members,

I know that financial reports are not the most riveting read. However, I ask for your particular attention in understanding this report because our financial position is tenuous. This was true in 2022 and our current 2023 financial position is following the same worrisome trend.

Together, we can - indeed we must - increase revenue and decrease expenses. I have already increased my own monthly contributions and I will continue to encourage new members to join our Association. I hope and trust you will do the same.

Your board of directors constantly scrutinizes all expenditures and recommends expense cuts without sacrificing our mission. We promise to continually ensure that every dollar you donate is spent wisely. As a very recent example, our staff successfully disputed a \$233 expense. My dearly departed mother often said, “Pennies make dollars.”

The following details highlight our 2022 financials:

Revenue: Know that your contributions represent nearly 100% of our total revenue. Our revenue for 2022 was \$499,854, which is an overall **decrease of 5.4%** compared to 2021. This reflects a significant decrease of \$30K in contributions from our members. For your information, 2001 was the last year our annual revenue fell below \$500K.

Expenses: Our 2022 expenses total \$512,460, an **increase of 9.8%** (\$45,630) compared to 2021. Your Board controls expenses at every opportunity. They include, reformatting the newsletters to reduce paper/ink/postage costs; engaging new accountant & auditor; enhancing Zoom to reduce travel costs. In 2022 we resumed limited travel, held our annual meeting in New York, and we experienced your same struggles with higher costs related to inflation and supply chain disruptions.

Net Operating Revenue: The decrease in revenue and increase in expenses contributed to a negative 2022 net revenue balance of **-\$12,600**. It’s important to note that recurrent negative operating

revenue will jeopardize our ability to effectively advocate on your behalf.

Key expense categories:

Professional fees, including legal, accounting and costs for our long successful Verizon shareowner proxy campaign, were \$65K or 12.6% of 2022 expenses.

Our **lobbying** affiliation with the non-profit *Retirees for Justice* is vital to our advocacy for retirees on the state and federal levels. Our 2022 allocation to support this effort was \$44K or 8.6% of our expenses. Our legislative advocacy is necessary to counter corporate lobbying interests and strengthen ERISA pension protections.

Communications (media & publishing) were \$107K or 21% of 2022 expenses. In addition to publishing our quarterly newsletters, *Butler Associates*, maintains our web site, social media presence and broadcasting and media across key news outlets. This keeps the Association highly interactive and ensures our persistence is visible as we fight on your behalf.

Our total 2022 **printing, distribution and postage** cost was \$108K or 21% of expenses. The lion’s share of our printing and postage expenses is our newsletters and our annual appeal & proxy letters. I am pleased to report that your contributions consistently far exceed the cost of our newsletters and annual appeal letters. Thank you!

Staffing costs, including wages and payroll taxes, represent 21% of our 2022 expenses. Your staff (one full-time and one part-time employee) expertly conducts the critical business requirements and member support. Please know that salary expenses are significantly offset by the thousands of volunteer hours provided by your board of directors every year.

In closing, be confident that your board of directors is **always** working for you. As always, I remain optimistic and confident in our future. We will prevail when you join me in donating as much as able and encouraging **new members** to join our Association!

Eternally yours in solidarity,
Una Kelly, Treasurer

ASSOCIATION OF BELLTEL RETIREES

Department 3170, PO Box 986500, Boston, MA 02298-6500

I want to support the Association of BellTel Retirees Inc. in the fight to protect the pensions and benefits of all retirees and active employees. Enclosed is my tax-deductible donation:

☐ \$100 ☐ \$50 ☐ \$40 ☐ OTHER _____ We appreciate any amount you can donate

Or use your credit card: VISA MASTERCARD DISC AMEX

Acct.# _____ / _____ / _____ Expiration Date _____ Zip Code: _____

Please consider adding \$1.00 or more to help offset costly transaction fees and ensuring your donation will fund the work we do on your behalf.

Name _____

Address _____

City/State/Zip Code _____

E-mail _____

Telephone # _____

I am a: Management retiree _____ Union retiree _____ Other _____ Company Retired from: _____ Year Retired: _____

You can also donate online by going to www.belltelretirees.org and click on the DONATE NOW button.

Consider a recurring donation – an easy and safe way to budget your contribution.

The Association of BellTel Retirees Inc is a 501(c)3 tax-exempt organization.

Excessive Exec Pay = 399 to 1

Year after year, senior corporate executives seem to grant themselves generous compensation packages that swamp even the highest paid salaried employee.

Much of this typically includes stock awards, diamond encrusted incentive plans, and exclusive pension terms.

In 2021, the average overall CEO to worker compensation ratio was 254 to 1; in 2022, that grew to a ridiculous 399 to 1.

AT&T CEO John Stankey took home \$22,915,526 in 2022. Verizon CEO Hans Vestberg earned \$19,832,750 in 2022. Frontier President and CEO Nick Jeffrey earned \$14,736,293. Prudential Chairman and CEO Charles Lowrey earned \$18,504,000 in 2022.

However, Frontier Executive Chairman John Stratton earned a Powerball jackpot sized \$34,523,484 in 2022 and \$48,462,494 in 2021; Stratton was the highest paid across AT&T, Verizon, Frontier, and Prudential Financial, which manages 41,000 Verizon retirees pension assets.

Other top executives at AT&T, Verizon, Frontier, and Prudential didn't fare so poorly either.



"We're in the Money," from the 1933 film Gold Diggers of 1933, is a tune that leaders of Frontier, AT&T, Verizon and Prudential must be constantly humming.

At AT&T, Senior Executive VP and CFO Pascal Desroches earned \$11,752,507 in 2022. AT&T COO Jeff McElfresh earned \$13,312,646.

Verizon Executive VP and CFO Matthew Ellis took home \$9,379,303 in 2022. Verizon Business Group CEO Kyle Malady earned \$8,771,116 in 2022.

In its proxy statement, Verizon included several former executives still receiving handsome golden payouts.

Those include Tami Erwin, former Verizon Business Group CEO leaving at the end of 2022, who took home \$13,870,203 in 2022 – a sizeable increase from the \$8,826,794 she received in 2021 – and Manon Brouillette, former Consumer CEO until December 5, 2022, who earned \$9,283,602.

Some Frontier execs took pay cuts in 2022 – which wasn't unexpected given

Frontier's emergence from Chapter 11 bankruptcy in early 2021. Somehow Chairman Stratton still had the hutzpah to take \$83 million over two years from a communications firm in bankruptcy.

Scott Beasely, their Executive VP and CFO, earned \$5,662,960 in 2022 compared to \$6,094,141 in 2021. Executive VP and Chief Legal & Regulatory Officer, Mark Nielsen, made \$4,314,291 in 2022, down from \$6,197,406 in 2021.

Prudential Executive VP and CFO Kenneth Tanji took home \$6,438,00 in 2022. Robert Falzon, Vice Chair of Prudential Financial, made \$14,803,000.

The Golden Parachute proposal from our Association of BellTel Retirees would seriously curtail ballooning executive comp practices. It is imperative that fellow retirees and all shareowners push back on such ridiculous self-dealing.

Passing of Two Retiree Champions

In recent months, our BellTel community has sadly lost two retiree leaders who played an integral role in making your Association a powerhouse.

Richard Knapp, former BellTel board member from 2003 and 2009 and devoted family man, sadly passed away at age 89. Knapp served as the Association's strategic planning chair and as corporate secretary.

Born in St. Louis, Knapp earned his master's degree from Rensselaer Polytechnic Institute, he served in the U.S. Navy, then joined New York Telephone as a student engineer, later becoming a Professional Engineer. He remained at NY Tel overseeing several departments until his retirement in 1989.



Richard Knapp

When reflecting on what led him to join the Association Board, Knapp recalled seeing large corporations like United Airlines default on their benefits plans. He said this encouraged him to take a more active role to ensure the same

didn't happen to his fellow telephone industry retirees.

He led the Association's 2005 master strategic plan, which set goals for the years ahead and developed a clear process to achieve key objectives for our nonprofit.

Knapp was a staunch defender of protecting earned retiree benefits that he described as "truly life support for many retirees." He is survived by his loving wife Carol, daughter Kate, step-daughters Jamie and Sheena, and stepson Andrew.

Our Association also mourns the loss of former Director David Simmonds, who served for over a decade, leading many efforts, including as fundraising chair.



David Simmonds

Simmonds spent 35 years in the industry, beginning with NY Tel in 1966, followed by a move to AT&T in 1984, after which he settled down with Lucent Technologies – where he worked until his 2001 retirement. Simmonds was active in the Staten Island Retiree Club.

While at AT&T, Simmonds earned his Master's in Commercial Project Management from George Washington University. He also served for many years as our unofficial photographer, with many of the images he captured gracing the pages of our BellTel newsletter.

Simmonds took on the role to chair the Association's Planned Giving Program at its launch in 2009. This program provided members the opportunity to leave a legacy to continue support for the important advocacy work BellTel does for retirees and surviving spouses.

Despite having no direct ties to Verizon at retirement, Simmonds said that serving on the board taught him about the power of volunteering and harnessing collective action to invoke change. He is survived by his son Doug and grandson TJ.

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Verizon, T-Mobile Overstate Claims

Wireless providers Verizon and T-Mobile are being accused of fudging numbers, or boasting a bit too much, regarding their reach and speed of broadband internet access, according to the federal Broadband Equity, Access, and Deployment Program.

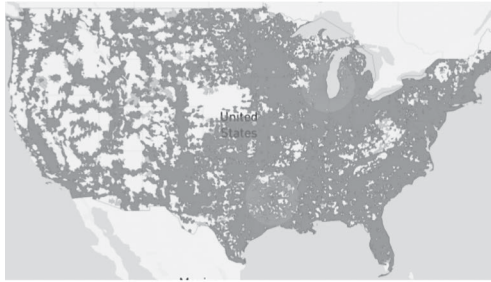
With this comes significant unintentional consequences for countless rural communities.

President Biden announced \$42.5 billion in federal funds through The Broadband Equity, Access and Deployment Program to expand internet access to previously neglected areas and narrow the digital divide.

This program will make high-speed internet affordable and available in America.

However, the overly optimistic coverage maps from Verizon and T-Mobile may be exceedingly problematic for many regions that seek to benefit from those federal funds. Regions seen as having strong coverage on providers' coverage maps won't benefit from any of the federal expansion program funds.

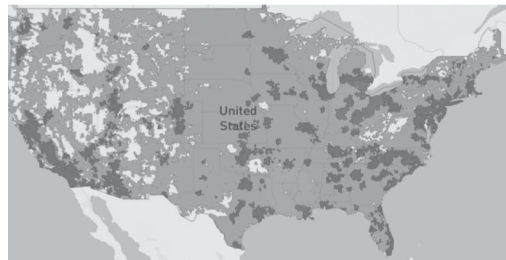
Roughly 30 million Americans live in areas in which service is spotty or non-existent, yet are still included on those providers' coverage maps.



T-Mobile's hypothetical coverage map

T-Mobile's coverage maps claim they serve 114 million addresses, while actual data shows the number of eligible addresses is roughly only 50 million. 64 million is a massive discrepancy.

There are also glaring disparities between what the service providers are reporting and what state governments report. In Virginia, more than 1.6 million households supposedly receive broadband that appear on provider's lists but not the state's.



Verizon's hypothetical coverage map

Lawmakers from vulnerable states including Nevada, Vermont, Texas, Maine, and Virginia are calling for service providers to conduct necessary reviews and immediately redraw their maps to reflect the true, actual coverage instead of hypothetical, before federal funds are distributed based upon those maps.

In Nevada alone, there were 20 thousand addresses that were falsely listed as receiving broadband internet.

Nevada Senator Jacky Rosen argued that "refusing to allow time to fix flawed maps will disproportionately impact funding that states like Nevada get for broadband infrastructure, and could result in our state losing out on millions of dollars."

As internet access becomes more of an everyday necessity, the accuracy coverage maps from wireless providers matters greatly.

MEMBER MAIL BAG



Our Association of BellTel Retirees in collaboration of Retirees for Justice, shows the diligent efforts being taken to protect our retirees from pension de-risking. God bless you all and thank you.

— Paul Talaska, CT

As always thank you for all you do for us old timers and young retirees! "God Bless" "Keep after them"

— Don Nickerson, retired 1995

Thanks for all you do for us! It is great knowing someone has our backs!

— Carol B. Kender

I am 94 years old, and I can't donate at this time, but keep up the good work.

— Ramona Gabriel, NY

We thank you for all that the Association has accomplished and all of your efforts to make life better for us. Wishing you much joy.

— Jackie and Bernie Seeko

Please keep fighting for those of us [whose pension assets were] transferred to Prudential!

— Joan Beall, NC

Continue your great work.

— Janice Jones, 1990 NYNEX Retiree

Thank you for a valuable service to Bell/AT&T Telco industry retirees. The info is greatly appreciated.

— Mr. Green on YouTube

Awesome proxy work. Thanks! Keep informing us of the choices, it's a great help!

Memorial Plaque at Site of NY Tel Co Fire

In 1975, 699 New York City Firefighters and thousands of telephone employees risked their lives by exposing themselves to the airborne toxins created by the NY Telephone Fire.

Many of the firefighters who extinguished the flames, which burned over two days, were marked by the FDNY with the "red star of death" on their medical and H.R. file.

It meant a higher likelihood of health problems due to the millions of pounds of toxic PCBs inhaled at the inferno at the Second Avenue Switching Station.

Many of the Telephone workers, who were present for the months-long restoration, similarly found themselves getting sick of the same diseases afflicting the firefighters. Sadly, little was ever said or reported about the occupational health and safety condition for the workforce."

Recently, Verizon with the New York Fire Bell Club erected a plaque on the switching station building where the fire occurred, to honor all workers. That building at 204 Second Avenue, between 12th and 13th Streets in Manhattan's East Village neighborhood, remains an operating Verizon facility.

