



## Q & A WITH PRUDENTIAL & RGA ABOUT 2024 PENSION TRANSFER

Dear BellTel members,

We wanted to provide you our members with some thoughts on the recent Verizon pension transfer.

As you are likely aware, Verizon announced in March that it had completed a \$5.9 billion transfer of 56,000 union and management retirees' pensions to Prudential Insurance Company of America (PICA) and the Reinsurance Group of America (RGA).

This affects the pension payments for many management and associate retirees who had previously been receiving pensions from Verizon. For those affected, PICA and RGA will be responsible for making your pension payments starting in July of this year.

Retirees living in Connecticut, Maine, New Hampshire, New York, or any U.S. territory will receive 100% of their payment from PICA since RGA is not authorized to do business in those areas.

It is our understanding that retirees who had their pensions transferred in 2012 will not be impacted by this transaction, unless they were entitled to a death benefit (often called the sickness-death benefit) that was assumed by PICA and RGA in this transaction. The money transferred by Verizon in 2012 remains in a dedicated separate account and it is backed up by PICA's general accounts if the separate account runs out of assets.

It appears that any Verizon retiree who qualified to receive a pension death benefit (also called the sickness death pension) will have PICA and RGA become responsible for the payments. We do not believe there will be any change in the amount of the payment available to your beneficiary or any change to the beneficiary qualifications. Remember, your beneficiary needs to call Verizon following your death to qualify, and we expect the need for them to contact Prudential/RGA to remain the same.

**We have asked Prudential to meet with us so that we can hopefully ask several questions pertaining to the transfers. We will be reaching out to RGA to do the same. Here are some of the questions we intend to ask them:**

1. Will the reserves maintained to meet pension obligations of retirees impacted by this transaction be held and managed separately from the reserves of those impacted by the 2012 transfer?
2. Will the reserves maintained to meet future pension obligations of any former Verizon employee be mingled with the reserves maintained to meet obligations of any other clients of Prudential Financial, PICA, or any other Prudential entity or affiliate?
3. Will Prudential Financial Inc. provide a guarantee of the transferred liabilities, should PICA become insolvent for any reason? If not, which entity within Prudential Financial Inc. will provide this guarantee?
4. Will beneficiaries entitled to the sickness death benefit be contacted by PICA and/or RGA?

5. Who will be responsible for communicating with retirees?

6. What should beneficiaries do to make sure the insurance companies have up-to-date information?

7. If RGA fails, will PICA continue to make pension payments? What will happen if PICA goes under?

8. It is our understanding that PICA will be making all the payments regardless of which entity is financially responsible for the obligation. Is this correct?

Your Association is actively engaged to achieve greater insights and clarity for every member impacted by this current and future pension transfer activities.

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