BELLTEL RETIREE

The Official Newsletter for all Union & Management Retirees and Employees of the successor companies and subsidiaries of the Bell System. Your newsletter is paid for by your contributions.

Winter 2024 Volume 112

Prudential Officials Respond to BellTel Questions

We wanted to provide our members with some further insights on the 2024 Verizon pension transfer. As you are likely aware, Verizon recently concluded another very large pension risk transfer. Pension liabilities worth $5.9 billion were transferred to two companies: Prudential Insurance Company of America ("PICA," a subsidiary of Prudential Financial Inc.) and Reinsurance Group of America ("RGA").

First, it affects the pension payments for many management and associate retirees who had previously been receiving pensions from Verizon. Prudential and RGA are now the responsible parties for making your pension payments, starting in July of 2024.

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

Our preliminary indication is that retirees who had their pensions transferred in 2012 will not be impacted by this transaction, unless they were entitled to a death benefit (also called the sickness death benefit) that was assumed by Prudential and RGA in this transaction.

The money transferred by Verizon in 2012 remains in a dedicated separate account and is backed by Prudential's general account if the separate account were to run out of assets.

It appears that any Verizon retiree who qualified to receive a pension death benefit (also called the sickness death benefit) will have Prudential 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.

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Successful Mini Meeting in Yonkers

Your Association held a highly productive member gathering in Yonkers, N.Y., on Sept. 16. It marked your Association's return to organizing regional mini meetings, something that has not regularly occurred since 2020 because of the pandemic.

Chairman Tommy Steed led the day's discussion about a wide range of important retirement topics with a highly engaged audience of retirees who traveled from various parts of New York, New Jersey, and Connecticut.

Among the topics Steed discussed during his presentation were your Association's recent meeting with Prudential executives, the Verizon death benefit transfer, AT&T retirees' pension risk transfer lawsuit, the Department of Labor's shameful inaction on Interpretive Bulletin 95-1, Verizon's pending purchase of Frontier Communications, preserving landlines in California, and AT&T workers' successful CWA strike in the Southeast.

At the end of his presentation, Steed talked about his old friend and Bell Telephone colleague Jack Kirkland, then surprised his widow, Veronica "Deedee" Kirkland, with a bouquet of flowers as a tribute to Jack.

Steed's presentation was followed by a lively Q&A session with audience members. Many came prepared with excellent questions about the many implications

of Verizon's 2024 transfer of 56,000 retiree pensions to Prudential and RGA.

Some of the retirees in attendance also reminisced about their roles responding to the 1975 New York Telephone Company fire on Second Avenue and 13th Street.

The 13th Street Central Office is now adorned with a bronze plaque that bears permanent remembrance of the Bell Telephone employees who swiftly rebuilt the area's damaged infrastructure and restored service to hundreds of thousands of New York residents and businesses.

Member gatherings like this are valuable as your board works to protect your earned retirement benefits. We need your active involvement so that we can host more such events in the future and ensure that all our members are adequately informed on critical retirement issues.

If you would like to be involved with assembling a mini meeting in your area, please contact us. Or if you have an upcoming event and need a speaker, please let us know.

U.S. Retirement, Healthcare Systems Lag Behind

Recent assessments do not look kindly upon our country's retirement and healthcare systems.

The United States earned just a C+ for its retirement system in the 16th annual Mercer CFA Institute Global Pension Index, coming in 29th out of 48 countries.

Since the index's inception in 2009, the U.S. retirement system has never surpassed a C+.

Only four countries — the Netherlands, Iceland, Denmark, and Israel — earned an A ranking for their retirement systems.

Provisions from the Secure 2.0 Act that go into effect next year could address some of our shortcomings, but we will likely need to draw deeper lessons from those other countries to truly elevate our system. Your Association, working alongside Retirees For Justice, has spent much of the last two years advocating for the Secure 2.0 Act.

This year, the index score for the U.S. decreased to 60.4 from 63.0, putting it in the same grade tier as the United Arab Emirates, Kazakhstan, Hong Kong, Spain, Colombia, and Saudi Arabia, though each of those countries had a higher overall score.

The U.S. earned a C+ for adequacy and a C each for the sustainability and integrity of its retirement system.

According to the index, the biggest dilemmas for the U.S. are concerns over pension funding and shortfalls in private retirement savings.

Pensions are not nearly as prevalent as they used to be, as only 21% of U.S. workers have one through their employer. Because people are living longer, those receiving benefits will be getting that money for significantly longer than initially forecast. Moreover, declining birth rates mean there are fewer workers contributing to these pension systems, leading to funding shortfalls.

Many Americans these days rely on employer-sponsored plans like 401(k) s. But based on recent research, Americans are soon expected to outlive those savings by about 10 years, according to Mercer Consulting.

Meanwhile, Social Security is facing a funding problem because of the growing worker-to-retiree imbalance, with fewer people in the workplace.

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Chairman's Report

By Thomas Steed

I want to begin by thanking all BellTel members who heard our appeal and decided to donate to our cause this year. Those contributions are what keep our nonprofit fighting to defend the rights and benefits of all retirees.

We hope that everyone will consider further contributions during this "Season of Giving," when we all reflect on the mission of this organization to protect what's rightfully ours.

The fact is that retiree rights are under siege. Verizon proved as much earlier this year, when the company kicked 56,000 retirees to the curb by transferring their pensions to Prudential and RGA without their prior knowledge or consent.

Without organizations like ours fighting to counter these infringements, who knows what other indignities these corporate executives would throw our way in the coming years?

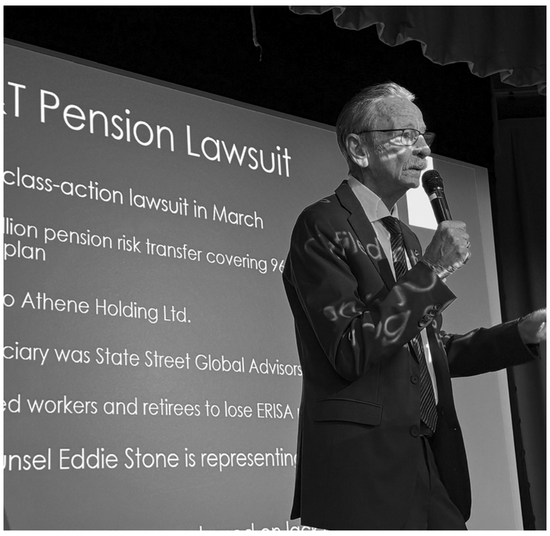
For so many of us, we dedicated our lives to these companies under the assumption that they would do right by us during our golden years. We are not about to let them forget their past commitments.

That's why we were out front and center after Verizon announced its pension-stripping transaction back in March.

Following Don Kaufmann's MarketWatch op-ed earlier in the year — titled "Pension Stripping Threatens America's Retirees" — fellow board member Frank Bruzek wrote an op-ed for The Trentonian called "Don't Throw Retirees to the Wolves of Wall Street."

We also spoke with reporters writing about this issue for Forbes, Yahoo Finance, Pensions & Investments, and PlanSponsor Magazine.

Shifting gears, your Association also trained its focus on the AT&T landlines issue in California. We recognized that AT&T's petition to abandon landline



phone service in the state likely would have created a rapid domino effect across the country, which is why I wrote a letter to the California utility commissioners asking them to deny AT&T's request.

I did a TV interview on ABC7 San Francisco and spoke with reporters from the New York Times, USA Today and MarketWatch, repeating the point that landlines remain lifelines for so many. I also spoke in defense of landlines at the California Public Utilities Commission's virtual public hearing on March 19.

As I said at that meeting, your Association stands in solidarity with communications workers across the country fighting to preserve a telephone network that remains accessible and affordable for all.

Fortunately, a few months later, the commissioners denied AT&T's cost-cutting attempt to abandon those landlines.

Being active, engaged, and visible in the news is one of the key strategies your Association deploys to keep Verizon and AT&T on their toes and to help educate the public on our critical points of view.

We haven't forgotten about the COLA fight either. I recently wrote a letter to Verizon CEO Hans Vestberg asking him to provide a long-overdue cost-of-living adjustment to the monthly pension payments issued to all former employees.

I also requested that, as a measure of goodwill, Verizon grant a special lump sum to the combined 97,000 retirees whose pensions were transferred to group annuities in 2012 and 2024. Those two transactions, which totaled over $14.3 billion, have collectively saved Verizon untold tens of millions of dollars in premiums that it would have otherwise paid to the federal Pension Benefit Guaranty Corporation.

It's only fair that retirees get a slice of the pie, especially with consumer price levels significantly higher today than in years past.

As a new year approaches, we can't get complacent. We must stand up for what we are owed and, more importantly, what we earned over many decades.

Call to Action

We need active employees who are concerned about their retirement benefits to join our cause. The number of retirees in this country is going up every day, so we must make them aware of the staunch advocacy and retiree representation that we have built over the course of nearly 29 years.

For my wife and me, joining the Association was a minor, but critical, investment to protect ourselves and, yes, our children and grandchildren in case the worst were to happen.

I spent decades working my tail off and there was no chance in hell that I was going to lay down and let some new corporate leader or a high-priced outside consultant make moves to erode my financial protections.

I also encourage everyone to remain vigilant about their pension payments in the coming months. If you notice your payment changing by any amount — I don't care if it's as little as 10 cents — please contact our office.

In the meantime, your Association will continue to work alongside Retirees for Justice to push state and federal legislators to amend ERISA and enact state legislation protecting retirees impacted by pension-stripping transactions.

I wish all BellTel members and their families a joyful holiday season. See you in 2025.

— GETTING THE LEAD OUT —

In a victory for environmentalists, and supported with advocacy by your Association, a settlement has been reached to force AT&T to remove 8 miles of lead-encased copper cables from the bottom of Lake Tahoe.

This announcement was the latest development in the national drive to get legacy communications companies to remove thousands of miles of toxic lead from rivers, lakes, and land throughout the United States.

The Lake Tahoe case was brought three years ago by the California Sportfishing Protection Alliance (CSPA). Their studies found high levels of lead in water and sediment near the cables and in algae, which form the base of the food chain for fish, clams, and crayfish in the lake.

"CSPA's investigation revealed the abandoned cables were discharging lead. Due to wind-caused currents, anchor strikes, and deterioration over time, the cables have become damaged and degraded," the CSPA said in a statement.

AT&T disputed the safety risks but nevertheless agreed to the settlement once it was determined the cables could be removed safely. The old lead-encased cables were used prior to plastic and fiber optics and were installed in the late 1800s through the 1960s.

The Association of BellTel Retirees and many members worked closely with a Wall Street Journal investigation last year which found that AT&T, Verizon, and other telecom giants left behind a sprawling network of cables covered in toxic lead that stretches across the country.

The majority of our members worked with these lead lines during parts of their careers. In fact, many of our members were the ones who laid the cabling or maintained them for years.

Chairman Tommy Steed conducted a 30-minute audio podcast interview with the Wall Street Journal. He spoke about his own personal experiences following his significant lead exposure and ensuing serious illness, along with the experiences of his fellow workers.

This issue also led to one of our two proxy proposals that we presented at the 2024 Verizon annual shareowner meeting.

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COLA REQUEST TO VERIZON

For many decades, a cost-of-living adjustment (COLA) was a customary part of managing a robust and well-invested pension portfolio for the economic protection of plan beneficiaries, the loyal retirees of Verizon.

Association Chairman Tommy Steed recently wrote and mailed a letter to Verizon CEO Hans Vestberg urging him to institute a COLA increase to the monthly pension payments of all the company's former employees.

Verizon retirees have not had a COLA increase in over two decades, despite price levels being significantly elevated compared to past years.

Prior to 1999 the minimum monthly pension benefit issued to certain company retirees was $400 per month, impossible for anyone to survive on. At the suggestion of your Association, Verizon leadership saw the corporate and moral imperative to act and do better.

Over the ensuing three years minimum pensioners saw increases of $100 per month, eventually raising their minimum pension payment to $700 per month by 2001. The company also granted a special lump sum payment to countless other retirees who had waited so patiently, although those payment amounts varied unfairly depending on one's year of retirement.

While inflation has slowed in recent months of 2024, overall consumer prices are 22.6% higher today than in 2019.

For many Americans, those price increases have been offset by corresponding wage increases, but Verizon retirees do not have that luxury. We survive on fixed incomes and are finding it harder to afford groceries, medications, home repairs, and other everyday needs.

Steed suggested that, as a measure of goodwill, Verizon grant a special lump sum to the combined 97,000 retirees whose pensions were transferred to group annuities in 2012 and 2024.

Those two transactions, which totaled over $14.3 billion, have collectively saved Verizon untold tens of millions of dollars in premiums that it would have otherwise paid to the federal Pension Benefit Guaranty Corporation.

Steed wrote: "Our Association strongly believes that Verizon can afford to and should grant these retirees some form of special lump sum payments to address the lack of recent COLA increases."

BellTel retirees remain an important and loyal constituent of the Verizon workforce. We devoted our prime working years to building Verizon into what it is today, and we certainly expect some consideration for being such essential long-term stakeholders in the company's growth and success.

Prudential Responds to BellTel Questions

(Continued from page 1)

Remember, your beneficiary must call Verizon within 12 months following your death to qualify; and the need for them to contact Prudential/RGA remains the same.

Your Association recently met with a Prudential leadership team and asked multiple questions pertaining to the transfers. Several of these items are of a technical nature, but we feel each is important to understand the commitments.

Our questions and Prudential's responses are as follows:

BELLTEL: Will the reserves maintained to meet pension obligations of retirees impacted by this transaction be held and managed separately from the reserves maintained to meet pension obligations of the retirees impacted in the 2012 transfer of Verizon pension obligations to Prudential?

PRUDENTIAL: Yes. These liabilities are maintained in distinct insulated separate accounts.

BELLTEL: 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, Inc., The Prudential Insurance Company of America or any other Prudential entity or affiliate?

PRUDENTIAL: The reserves for the 2012 and 2024 transactions are not commingled with the reserves maintained to meet Prudential's obligations to other customers.

BELLTEL: Will Prudential Financial, Inc. provide a guarantee of the transferred liabilities, should Prudential become insolvent for any reason? If not, which entity within Prudential Financial, Inc. will provide this guarantee?

PRUDENTIAL: Prudential Financial, Inc. is a holding company and the parent of The Prudential Insurance Company of America which provides the guarantee. If the separate account becomes deficient, it is backed by the general account of Prudential. In the event of an insolvency of Prudential, coverage would be provided by state guaranty associations in accordance with state laws.

BELLTEL: Will beneficiaries entitled to the sickness death benefit be contacted by Prudential and/or RGA, the issuer of the other group annuity contract?

PRUDENTIAL: Prudential will administer the death benefit on behalf of both itself and RGA. Prudential will continue to administer the death benefit in a manner substantially consistent with how it previously has been administered. There are no changes to beneficiary rules. In accordance with the rules, the annuitant's beneficiary must contact Prudential within 12 months of the date of death of the annuitant. Prudential and RGA's contact information have been provided in the welcome kit and will also be included in the annuity certificate.

Group life insurance coverage is provided under a separate contract and not the group annuity contract with Prudential and RGA.

BELLTEL: Who will be responsible for communicating with retirees?

PRUDENTIAL: Prudential.

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

PRUDENTIAL: Annuitants should review the recent Welcome Kit sent to them by Prudential and make note of the contact information that is included in the kit and should register for the Prudential website. Annuitants and beneficiaries should also save their annuity certificate package, once issued, which provides contact information for both Prudential and RGA. Annuitants and beneficiaries should contact Prudential when there is any change in relevant information, e.g., a death, an address change, etc.

BELLTEL: If RGA fails, will Prudential continue to make pension payments? What will happen if Prudential goes under?

PRUDENTIAL: The guarantees made by RGA are separate and distinct from those of Prudential. In the event of an insolvency of RGA, Prudential would continue to pay the benefits for which it is responsible. In the event of an insolvency of either insurer, coverage would be provided by state guaranty associations in accordance with state laws.

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

PRUDENTIAL: Yes. Prudential is the paying agent on behalf of RGA with respect to the benefits for which RGA is responsible.

BELLTEL: Please provide us with asset, liability, and surplus information as of the end of 2023 for The Prudential Insurance Company of America. Please contact RGA and, with RGA's consent, provide us with similar information for RGA.

PRUDENTIAL: Below are the values for total Prudential assets, liabilities, and surplus, as reported in the 4Q23 Annual Statutory Statement:

- Net Admitted Assets: $299,674,182,384
- Liabilities: $283,588,808,737
- Surplus: $16,085,373,647

RGA RESPONSE: Below are the values for total RGA assets, liabilities, and surplus, as reported in the 4Q23 Annual Statutory Statement:

- Net Admitted Assets: $51,877,563,252
- Liabilities: $49,440,856,223
- Surplus: $2,436,707,029

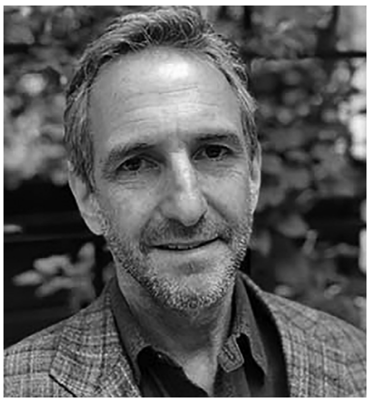
Pension Risk Transfer 2024

By Edward Stone

The subject of pension risk transfers is a hot topic in the insurance industry. And while we are talking about it, I'd like everyone to call it PENSION RISK TRANSFER, PRT, or PENSION STRIPPING and not pension de-risking.

For retirees it is not "de-risking" at all. It is a transfer or stripping of risk from the well-established defined benefit pension plan sponsored by your former employer, complete with uniform federal law ERISA protections and backstopped by the Pension Benefit Guaranty Corporation (PBGC), to an insurance company.

When pensions are transferred from a corporation to an insurance company, all ERISA protections are lost because insurance companies are regulated by state law and not federal law. The only oversight is a patchwork of state insurance laws and the backstop of an illusory guaranty association safety net. Your former employer gets off risk-free — but you, the retiree, do not.



Association Special Counsel Edward Stone

Pensions have been funded with annuities for many years. MetLife is credited with creating the first group annuity contract in the

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U.S. Retirement, Healthcare Systems Lag Behind

(Continued from page 1)

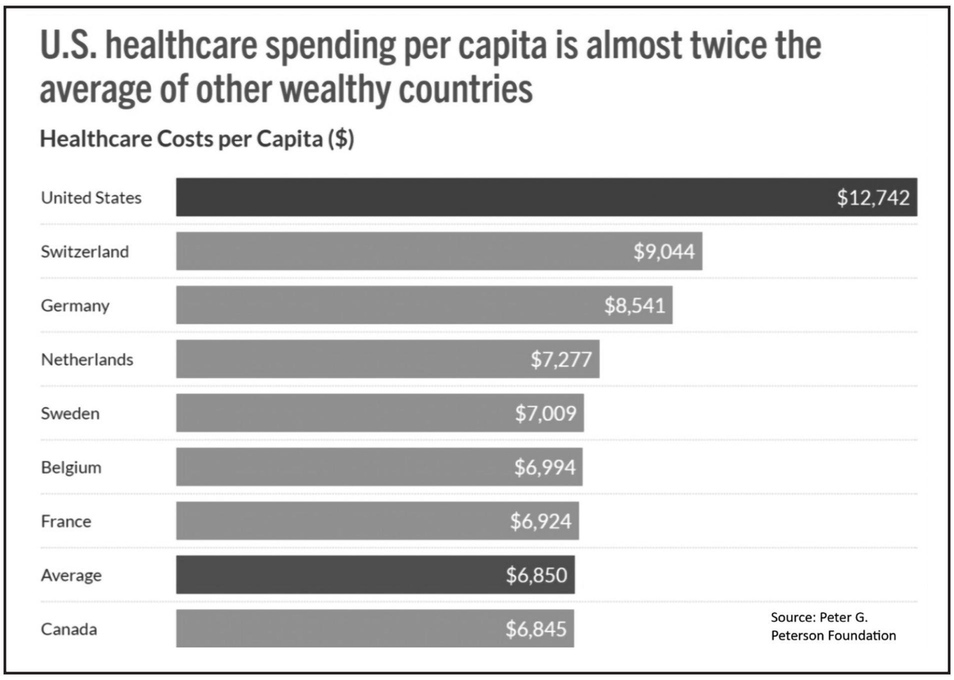
The Social Security Administration's reserve fund is projected to run out in 2033, at which point the social welfare program will only be able to pay out 79% of benefits, a costly cut for many seniors.

Maybe the U.S. could take some best practices from the No. 1 retirement system in the world — the Netherlands.

According to Holly Verdeyen, Mercer's U.S. defined contribution leader, all U.S. employers should incorporate the best features of a private retirement system, which include automatic enrollment, automatic escalation of a worker's savings rate that would provide adequate income at retirement, and better education.

In the Netherlands, it's "quasi-mandatory" for employers to provide retirement plans. While the government doesn't mandate it, industry unions do through collective bargaining agreements. All companies in an industry must abide by those agreements.

In the U.S., a third of private industry workers don't have access to an employer-sponsored retirement plan.



The Secure 2.0 Act, legislation President Joe Biden signed into law in 2023, aims to boost participation in the U.S. by requiring employers with new 401(k) and 403(b) plans to automatically enroll their workers, starting in 2025. The law also includes auto-escalation of contributions.

The final fix, according to Verdeyen, would be for employers to provide easy-to-implement ways to turn worker savings into a reliable stream of income. That could be as simple as embedding a payment feature into a retirement plan that pays out a monthly sum starting at a certain age to help people delay taking Social Security.

Employers could also offer lifetime income features in target-date funds, which is the default investment for most retirement plan participants. That would also alleviate concerns over outliving one's retirement savings.

"The defined contribution system has really only focused on getting workers through to their point of retirement," Verdeyen told Yahoo Finance. "But it has fallen short in helping workers get all the way through retirement."

Healthcare Spending Woes

On the healthcare front, 2024 statistics from the Organisation for Economic Co-operation and Development (OECD) indicate that the U.S. spends far more per capita on healthcare than comparably wealthy countries.

In 2022, the United States spent an estimated $12,742 per person on healthcare — the highest healthcare costs per capita across similar countries.

Switzerland was the second highest-spending country with $9,044 in healthcare costs per capita, while the average for wealthy OECD countries, excluding the U.S., was only $6,850 per person. Our Canadian neighbors spend $6,845 per person.

The Peterson-Kaiser Health System Tracker notes that the U.S. has shorter hospital stays, fewer angioplasty surgeries, and more knee replacements than comparable countries, yet the prices for each are higher in the U.S.

There are many possible reasons for this. Administrative waste, corporate greed and price gouging, rising drug costs, and higher utilization of costly medical technology all play into those unsightly medical bills.

Higher healthcare spending can be beneficial if it results in better health outcomes. Yet the U.S. grades worse than other developed countries in life expectancy, infant mortality, unmanaged diabetes, and safety during childbirth.

NRLN NOT Affiliated with BellTel

We alert all our members about financial solicitations from a group using a variation of our Association's name and erroneously suggesting they provide service to our members.

The use of "BellTel Retirees" by National Retiree Legislative Network (NRLN) is misleading and confusing to our members at the Association of BellTel Retirees.

Please know that your Association of BellTel Retirees is wholly unaffiliated with the National Retiree Legislative Network (NRLN).

Know that your Association works in close coordination with Retirees for Justice, a non-profit lobbying organization led by our own Special Counsel Edward Stone.

Pension Risk Transfer 2024

(Continued from page 4)

1920s, writing small contracts to help companies manage corporate pension programs.

But it was not until 2012 that the pension risk transfer (PRT) market really took off with General Motors engaging in a $25.1 billion PRT, where Prudential took on the liabilities for pension payments to over 110,000 participants of the General Motors Retirement Program for Salaried Employees.

As you all know, Verizon followed suit with a PRT deal involving over 41,000 management retirees.

These 2012 transactions differed from most of the earlier PRT deals in that they did not terminate the defined benefit pension plans. In both the General Motors and Verizon transactions, only some retirees saw their pensions transferred. Other retirees remained participants in the defined benefit plans, and their benefits continue to be paid by their former employers.

These types of PRT transactions are called annuity lift-outs because the deals only involve some of the defined benefit plan participants and the plan itself is not terminated.

The 2012 lawsuit brought by the Association of BellTel Retirees through their attorney, the late Curtis Kennedy — Lee, et al. v. Verizon Communications, et al. — made it all the way to the Supreme Court of the United States, before the nation's highest court declined to revisit a lower court decision that allowed the transfer to proceed.

In a nutshell, the courts determined that the retirees could not show that they had experienced any concrete, current economic harm, and lacked standing to sue under Article III of the U.S. Constitution.

Does that sound discriminatory? It does to me, and it did to the Association of BellTel Retirees.

Fast forward 12 years, and the PRT market is huge!

More than $26 billion in PRT transactions took place in the first half of 2024, and 21 insurers are competing for this business. 2024 numbers are tracking to be at least 14% higher than they were in 2023.

Some analysts are predicting that 2024 will be the biggest year yet, with the predictions in the range of $40 - $50 billion of PRTs.

Data on PRT transactions is collected by a number of trade associations, and one of the most reliable is LIMRA (Life Insurance Marketing and Research Association). LIMRA recently reported that there were at least 327 PRT transactions in the first half of 2024.

Most of the PRT transactions done in 2024 are annuity lift-outs. This is because it allows companies to pick and choose which plan participants will be moved into a group annuity with an insurance company.

We don't expect pension risk transfers to stop. On the contrary, we believe they are going to continue at record-breaking volumes. In fact, MetLife estimates that 90% of all defined benefit plan sponsors will consider some form of PRT over the next decade.

So, what can we do? Raise awareness, fight for state law protections to replace the ERISA protections that are lost, and advocate for amendments to ERISA to restore its protective purpose!

Amendments to ERISA are needed to ensure that retirees' pensions are safeguarded as intended by Congress. Plan fiduciaries need to make sure that insurance companies chosen to safeguard retiree pensions do not engage in financial alchemy and transfer assets to affiliates in offshore or other secrecy jurisdictions.

Stay tuned as we continue this fight!

Celebrating 50 Years of ERISA!

By Edward Stone

On Oct. 16, 2024, your Chairman Tommy Steed, his wife Eileen, and I attended a celebration hosted by the Pension Rights Center to celebrate its 48th anniversary, and the 50th anniversary of ERISA — the Employee Retirement Income Security Act of 1974.

It was a wonderful opportunity to connect with many of the folks at the Pension Rights Centers, including Karen Friedman (Executive Director) and Norman Stein (Acting Legal Director).

This event was also the perfect opportunity for us to speak with many other advocates for pension security and the rights of retirees. We shared our concerns, ideas, and quite a few laughs as we listened to the Glenn Pearson Jazz Trio sing songs with lyrics written by Karen Friedman, advocating for amendments to ERISA!

In all seriousness, celebrating the 50th anniversary of ERISA reminded me of the events of 1963 that led to the enactment of ERISA.

In 1963, the Studebaker company, one of the oldest major auto producers in the United States, shut its doors, laying off all its workers just before Christmas. In doing so, it terminated its employee pension plan.

From left: Association Chairman Tommy Steed, Pension Rights Center Executive Director Karen Friedman, Special Counsel Eddie Stone, and Eileen Steed

Studebaker failed to fully recover after WWII, and despite a merger with Packard in 1954, its financial health was failing. The company borrowed money from its pension plan to keep the struggling company afloat. When Studebaker went under more than 8,500 auto workers in South Bend, Indiana lost some or all of their pension benefits.

The Studebaker crisis spurred Congress to take action.

In 1967, the late Senator Jacob Javits of New York introduced pension reform legislation to protect the benefits of millions of workers covered by private pension plans. On Sept. 2,1974, President Gerald Ford signed ERISA into law.

ERISA established the safety net of the Pension Benefit Guaranty Corporation (PBGC). The PBGC protects the retirement incomes of private sector retirees by collecting premiums from companies with defined benefit plans. If an ERISA-covered pension plan goes under, the PBGC steps in.

In celebrating ERISA's birthday, we are reminded that the law is long due for an overhaul. It offers no protection whatsoever to retirees impacted by pension risk transfers (PRTs) when a defined benefit plan transfers its pension liabilities to an insurance company by purchasing a group annuity contract.

Many Association members have been impacted by Verizon's two PRT deals, the first of which was done in 2012 and impacted 41,000 retirees, and the second which took place earlier this year and impacted another 56,000 retirees.

Let's move forward with act two of ERISA, and advocate for even better protections for retirees over the next 50 years!

Leave a Lasting Legacy with the Association of BellTel Retirees

By Laura Whitlock, Director

We're honored that you may be considering making a meaningful impact through your estate planning. By including the Association of BellTel Retirees in your will, you can create a legacy of support that will continue to provide a positive impact.

Why Make a Bequest?

Your bequest will help us continue providing essential services and resources for BellTel retirees, ensuring that our community thrives long after you're gone. It's a beautiful way to honor your connection with our organization and to support your fellow retirees.

How to Include Us in Your Will

Making a bequest is a wonderful way to ensure that your values live on. Here's how you can include the Association of BellTel Retirees in your will:

1. Simple Language: You can include a sentence in your will like: "I give, devise, and bequeath [specific amount or percentage] to the Association of BellTel Retirees, a nonprofit organization."

2. Consult Your Attorney: It's always a good idea to consult with a legal professional to ensure everything is set up correctly.

3. Inform Us: While it's not required, we would love to know if you've included us in your plans! This helps us recognize your generosity and allows us to plan for the future.

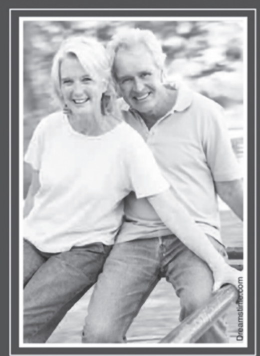
Required Minimum Distributions (RMDs)

If you're over 73, you're likely required to take minimum distributions from your retirement accounts. Here's a great way to make the most of that!

Directing RMDs to Charity

- Tax Benefits: You can choose to direct your RMD to a charitable organization like the Association of Belltel Retirees. This is known as a Qualified Charitable Distribution (QCD). By doing this, you won't have to pay income tax on that amount, which can lower your taxable income.
- Easy Steps: Just contact your retirement account administrator and ask to make a QCD to us. We're here to help if you need any paperwork or assistance!

Planned Giving Initiative



Leave a legacy to safeguard the pensions and benefits of your surviving spouse and fellow Verizon retirees

Beneficiary Designations

Not everyone wants to commit to making a gift in their wills or estates. Some prefer the increased flexibility that a beneficiary designation provides. Consider naming the Association on your:

- IRAs and retirement plans
- Life insurance policies
- Bank Accounts
- Certificate of Deposits (CDs)
- Brokerage Accounts

It is very simple to name the Association as a beneficiary. Start by requesting a change-of-beneficiary form from your policy administrator or download the form from your provider's website. Make your desired changes and return the form to establish your gift.

Your Support Matters

Whether through a bequest, beneficiary designation or directing your RMDs, your generosity will leave a lasting impact on our community. Every contribution helps us provide resources, programs, and support to BellTel retirees, ensuring that we remain a vibrant and connected community.

We must also stress that the Association is a nonprofit whose directors are all volunteers with no salary.

If you have any questions or would like to discuss your options further, please reach out! Together, we can create a brighter future for all BellTel retirees.

Thank you for considering a legacy that will support our mission for years to come!

ACTIVE EMPLOYEES:
If you can contribute to the Association of BellTel Retirees with matching funds, it could be doubled. We NEED your participation and support to propel this.

BELLTEL
Association of BellTel Retirees Inc.
UNITED, TO PROTECT OUR FUTURE

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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**

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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.

Winter 2024

Social Security COLA Increase

Your Social Security checks are about to get an upward bump starting in January.

The Social Security Administration (SSA) has set its 2025 cost-of-living increase (COLA) at 2.5%, an approximate $50 boost to each monthly paycheck. The $50 is prior to any deductions such as Medicare.

This increase is the smallest COLA hike since 2021, a reflection that inflation has fallen sharply since reaching a 40-year high in June 2022.

The SSA sets COLA increases according to the Consumer Price Index for Urban Wage Earners and Clerical Workers, or CPI-W. That index is tied to an average change in prices for certain goods purchased by those still in the workforce. Some contend that this index is unfair to seniors faced with rising costs of other types of goods and services.

According to SSA, the average monthly benefit for retirees is about $1,927, and will rise to $1,976 under the new increase. Typical married couples receiving about $3,014 will see their monthly benefit rise to $3,089.

However, Medicare's trustees have projected that the standard Part B premium paid by most Medicare beneficiaries — $174.80 a month this year — will rise to $185 a month in 2025. That would effectively reduce the Social Security COLA by $10.20 a month for most recipients.

The new payments to approximately 68 million Social Security recipients will begin in January.

Here is a further breakdown of the payment schedule for SSA recipients:

- People born between the 1st and 10th of their birth month will get their first COLA increase on January 8
- Those born between the 11th to 20th of their birth month will receive the COLA bump on January 15
- Recipients born between the 21st and 31st of their birth month will get the new COLA on January 22

Meanwhile, people who started collecting Social Security before May 1997 or who receive both Social Security and SSI will get their new Social Security COLA on January 3.

— GETTING THE LEAD OUT —

(Continued from page 2)

Listed as "Item 9: Lead-sheathed cable report," it requested that Verizon "undertake a comprehensive independent study and publicly release an independent report by December 2024 that demonstrates the Company has assessed all potential sources of liability related to lead sheathed cables."

This proposal was voted down by the shareholders. However, your Association maintains that the potential scale, public health risks, and cost of this matter warrant a comprehensive and independent examination by Verizon.

The CSPA issued a statement calling the recent settlement "a monumental win for the environment, the communities who drink Lake Tahoe water, the people with lake-dependent livelihoods, and the millions of annual visitors."

The Journal investigation noted an ongoing Environmental Protection Agency investigation that discovered elevated levels of lead in more than 100 readings at some of the lead-cable sites in the U.S.

The lead cables in Lake Tahoe lie beneath the unique turquoise blue water, and near Emerald Bay, beaches, and tall trees. They had been placed on the bottom of the lake about 100 years ago by the Pacific Bell Telephone Company. After several mergers, AT&T of California acquired Pacific Bell. It is believed the cables have been leaking toxic chemicals for decades.

The settlement targets the removal of the cable to be completed no later than Memorial Day in 2025.

Abandoned lead cables are a national problem. A recent study from Oregon State University tested lead levels in moss in some Portland neighborhoods and found that lead levels are up to 600 times higher in places where the cables were once used than in other nearby areas.

The findings raise concerns about whether the cables could lead to increased risk of lead exposure for residents of older neighborhoods.

The study determined that lead cables are a likely source of new lead contamination that adds to the overall burden associated with these cables accumulated over many years. According to the Unleaded Kids website, the researchers used radioisotope analysis in urban moss samples collected in 2013 and 2023 to distinguish between the contribution of the telecom cables and leaded gasoline.

Because this urban moss grows in trees and receives all its moisture, nutrients, and metals from the air, precipitation, and dust, it is helpful for assessing the reach of metal emissions as well as changes over time. Each sample of moss is thought to "represent accumulation over several months to a maximum of three years."

The researchers found the highest lead levels, up to 590 times the rural background, in older residential neighborhoods where relic lead-sheathed telecommunication cables were found.

They found that the levels persist in moss 10 years after removal of the cables as the lead moves through the environment. While the study was done in Portland, Oregon, the findings are applicable broadly to anywhere the lead-sheathed telecom cables are found overhead.

MEMBER MAIL BAG

Below are some letters our office has recently received. Please keep them coming! We love hearing from you and enjoy when all of you stay engaged.

"Your Fall 2024 newsletter was full of good information, especially the article on the Verizon death benefit transfer on page 3. We are in that group. We wouldn't have known about the VDB without our attendance at one of your meetings in Sarasota, Florida in 2020. Thank you for all you do for all of us."

— Joan Graham

* * *

"Thank you so much for the outstanding work from your entire team. Without your performance, we retirees would not stand a chance to fight for our benefits with Verizon."

— Eleanor Stothers

* * *

"Both my wife Connie and I very much enjoyed the Fall 2024 newsletter. We have been with you since the beginning in 1996, one year after our retirement. We cannot thank you enough for all you do for us."

— Bob and Connie Couturie

* * *

"Thank you all for the work you are doing for all of us retirees. Your time and dedication are greatly appreciated."

— Regina Healy

* * *

"Thanks for all you're doing for us."

— Eileen Tassa

* * *

"Thanks for all your hard work!"

— Lucy Dlugos

* * *

"Thank you for all your help in obtaining the death benefit."

— Edye MacDonald

* * *

"Keep up the good work and God bless you all."

— Paul Petrowski

* * *

"Thank you for a great job."

— Patrick A. Fell

* * *

"I retired from Verizon 39 years ago, and your info and security helps me to continue to enjoy it. Thank you."

— Wilborne "Pete" Smithie

Verizon-Frontier Deal to Expand Fiber Networks

As this newsletter was going to publication, Verizon Communications Inc. had announced its intention to acquire Frontier Communications Parent, Inc., to take effect in 2025 pending shareholder approval.

The purchase offer of $20 billion would add Frontier's 2.2 million fiber subscribers across 25 states to Verizon's approximately 7.4 million Fios subscribers in nine states and Washington, D.C.

Verizon announced that in addition to Frontier's 7.2 million fiber locations, the company was committed to build out an additional 2.8 million fiber locations by the end of 2026.

This came as interesting news to many as a sign that the competitive wireless market had slowed, and that along with the steady abandonment of conventional landlines, an expansion of fiber networks offering fast internet capability was still a major focus for the company.

Some resistance was reported from a group of shareholders on the Frontier side after the announcement demanding that Verizon increase its offer of $38.50 a share to $48.60. At the time, Frontier stock was trading between $35-$37 per share.

Verizon's news release regarding the purchase highlighted these points:

• Increases scale with 2.2 million fiber subscribers and will extend Verizon's network reach to 25 million premises across 31 states and Washington, D.C.

• Transaction valued at $20 billion, expected to be accretive to revenue and Adjusted EBITDA growth upon closing

• Verizon reaffirms full-year 2024 guidance

• Projected to generate at least $500 million in annual run-rate cost synergies

The company's news release stated: "This strategic acquisition of the largest pure-play fiber internet provider in the U.S. will significantly expand Verizon's fiber footprint across the nation, accelerating the company's delivery of premium mobility and broadband services to current and new customers. It will also expand Verizon's intelligent edge network for digital innovations like AI and IoT."

Analysts say Verizon's acquisition of Frontier will help the company compete against rivals such as AT&T and T-Mobile as they double down on unlimited plans and bundling options.

Verizon Chairman and CEO Hans Vestberg said: "The acquisition of Frontier is a strategic fit. It will build on Verizon's two decades of leadership at the forefront of fiber and is an opportunity to become more competitive in more markets throughout the United States, enhancing our ability to deliver premium offerings to millions more customers across a combined fiber network."

Nick Jeffrey, Frontier President and CEO, stated: "Less than four years ago, we set out an ambitious plan to Build Gigabit America, the digital infrastructure this country needs to thrive for generations to come. Today's announcement is recognition of our progress building a best-in-class fiber network and delivering reliable, high-speed broadband to millions of customers across the country. It's also a vote of confidence for the future of fiber. I am confident that this delivers a significant and certain cash premium to Frontier's shareholders, while creating exciting new opportunities for our employees and expanding access to reliable connectivity for more Americans."

Verizon touted the following customer and strategic benefits:

• **Extends Verizon premium offerings and experience to Frontier's consumer and small business customers.** Frontier customers and those previously outside Verizon's fiber footprint are expected to gain more choice and access to Verizon's premium mobility, home internet, streaming, and connected home offerings, alongside premium business products like Verizon Business Complete.

• **Unites Frontier's broadband with Verizon's mobile offering.** Combined Mobile and Home Internet customers show increased loyalty and have an improved rate of churn by approximately 50% for postpaid mobility, which is expected to improve Verizon's mobility economics.

• **Increases reach across more markets.** Verizon will gain access to Frontier's high-quality customer base in markets highly complementary to Verizon's core Northeast and Mid-Atlantic markets. Frontier's footprint offers substantial room for increased penetration in both fiber and mobility services and Verizon has stores throughout Frontier's territory.

• **Aligns with Verizon's long-term strategic plan.** The acquisition of Frontier is consistent with Verizon's core strategy of growing and strengthening customer relationships. This transaction is expected to expand Verizon's share of the nationwide broadband market.

AT&T PARTS WAYS WITH DIRECTV

AT&T recently agreed to sell its remaining 70% share of DirecTV to private-equity firm TPG for $7.6 billion in payments through 2029, completing the telecom giant's exit from the entertainment business.

This decision came 10 years after AT&T bought DirecTV for a whopping $48.5 billion.

AT&T expects its divestiture of this withering asset to close in the second half of 2025. The tally includes $1.7 billion in distributions AT&T will receive this year, plus $5.4 billion of after-tax payments in 2025 and $500 million in 2029.

The transaction would complete an exit that started in 2021 when AT&T sold a 30% stake in DirecTV's U.S. operations to create a joint venture with TPG. The venture has been paying out cash distributions to its owners. AT&T said it has received $19 billion in payments since 2021.

AT&T's exit from DirecTV fits the company's current strategy to pay down debt and refocus on its cellphone and broadband businesses, according to the Wall Street Journal. Chief Executive John Stankey once championed a move into entertainment offerings but opted to leave the sector soon after he took over in 2020, arguing that phone and internet business appealed more to the company's core investor base.

One thing is clear to us: This was a highly ill-advised deal that turned out badly for AT&T. The powers-that-be did not foresee the cord-cutting that would play out over the ensuing decade as customers bolted for streaming services like Netflix.

And that begs the question our organization keeps asking: Where is the accountability at the top?

Not only was the man responsible for this deal not fired; he was eventually promoted to CEO of the entire corporation.

Looking even closer, we see that AT&T CEO John Stankey's pay has risen significantly since he took the top job in 2020.

Earlier this year AT&T shareholders concluded that Stankey's total target compensation of $21.5 million that he agreed to in 2020 "was falling behind that of market peers," so they adjusted his long-term target compensation by $3 million.

Stankey's increased stock awards and bonus helped him reach a total of $26,450,157 for the year, an 18% increase from the prior year.

Verizon CEO Hans Vestberg got a similar boost that increased his pay to $24,129,317 for 2023.

According to AT&T's proxy statement, the median employee at AT&T earns $137,176 per year. That's 193 times less than that of Stankey's total compensation.

Let this be a reminder that the Association of BellTel Retirees will NEVER give up the fight against senior management compensation excesses and poor corporate governance from AT&T, Verizon, and other telecom giants.