BELLTEL RETIREE

The Official Newsletter for Retirees and Employees of Bell Atlantic, GTE, NYNEX, Verizon and Its Subsidiaries
Paid for by contributions from Verizon retirees

Fall 2007 Volume 43

FIVE Wins in the Last FIVE Years

All-Volunteer BellTel Defeats Verizon Again in Proxy

In what the financial media have touted as the latest jaw-dropping victory for the Association, shareowners of Verizon Communications supported retirees' latest proxy proposal to give company shareowners an Advisory Vote on Executive Compensation with a majority vote of 50.18%.

The successful proxy proposal says the Verizon Board of Directors must include, as a voting item at future annual meetings, an advisory resolution allowing shareowners to approve or disapprove the executive compensation package of the company's senior executive officers.

Preliminary results at the May 3 shareowners meeting in Pittsburgh were too close to call, requiring a recount. The company has 2.92 billion shares outstanding.

This is the tenth year that members of the Association, led by president Bill Jones, have proposed shareowner proxies to force corporate governance changes at their former employer resulting in four significant changes to the company's corporate bylaws.

Over the last decade the Association has served up shareowner victories or negotiated corporate bylaw reforms with Verizon in 2003, 2004, 2005 and now 2007. It is the Association's 5th proxy win in the last 5 years, including negotiated victories in 2003 (Calculation of Executive Incentive Pay), 2004 (Executive Severance Agreements), 2005 (Supplemental Executive Retirement Plan) and in 2007 the company changed its policy to substantially agree with our proposal that would limit the number of boards on which a Director can serve.

"While other major corporations are steamrolling over their retirees," said BellTel president Bill Jones, "this effort has demonstrated to Verizon that its own retirees are organized and mobilized to protect our own economic futures."

AP reports say that according to a company filing, Verizon Chairman and CEO Ivan Seidenberg's 2006 compensation was valued at $20.2 million, including salary, bonus, incentives, perks, above-market returns on deferred compensation and the estimated value of stock options and awards granted during the year. Over the five fiscal years through 2005, Mr. Seidenberg received $75.1 million in total expected compensation, while total shareholder return was negative 26.8%, according to the Corporate Library.

According to Institutional Shareholder Services, in the U.K. the required shareholder advisory vote on compensation policies, "has proven a valuable tool in encouraging companies to improve their practices...[and] has contributed to a significant increase in constructive dialogue between companies and directors."

Federal Commission and Courts Say It's OK to Terminate Retiree Health Benefits

Recently, the Federal 3rd Circuit Court of Appeals ruled to uphold the Equal Employment Opportunity Commission's regulation that would allow employers to alter or terminate retiree health benefits when the retiree reaches the age of 65, and becomes eligible for Medicare benefits.

In the 2004 case of AARP, et al vs. EEOC, the retiree group, along with other appellants, argued that the new EEOC regulation was discriminatory and, therefore, was prohibited under the Age Discrimination in Employment Act of 1967 (ADEA). While the courts initially found for the AARP, it later vacated its initial ruling and found that the EEOC did have the authority to issue the regulation.

While under appeal, the court did prevent the EEOC from enacting the regulation, pending the results of the appeal.

Judge Jane A. Restani, Chief of the U.S. Court of International Trade, along with the court of appeals panel, also ruled in favor of the EEOC.

In the 18-page decision, Judge Restani found that the EEOC regulation, which allows for reduction or termination of retiree health benefits when a retiree becomes eligible for Medicare (known as Medicare coordination) does not violate the ADEA. The reasoning is that the EEOC has the authority to grant exemptions, as long as the exemptions are reasonable and are in the "public interest."

The final regulation by the EEOC reads:

> Some employee benefit plans provide health benefits for retired participants that are altered,

(Continued on page 2)

Special Section on Membership Participation – *Pages 5-8*

Bankruptcy Agreement a Blow to Retired Auto and Steel Workers

After filing for bankruptcy in March 2007, the Dana Corporation, supplier for major auto manufacturers, has settled on an agreement with Steel and Auto workers in plants located in Indiana, Michigan, Missouri, Texas, Ohio, Pennsylvania and Kentucky, ensuring that contracts and employee benefits would remain in tact throughout the company's Chapter 11 filings.

After the union negotiations were accepted by the bankruptcy courts, Dana received $750 million from Centerbridge Capital Partners, a private equity firm, which will allow the company to put money in a trust for the wages and benefits of its UAW and USW union workers.

The agreement also states that after the company emerges from bankruptcy and upon reorganization, Dana will no longer be obligated to provide retiree benefits to USW and UAW union retirees, and long-term medical benefits to USW union retirees, instead contributing $700 million to the Voluntary Employees' Beneficiary Association (VEBAs).

The infusion of money from Centerbridge is expected to help lower Dana's labor costs while not reducing or eliminating workers or their benefits. It also asks for the creation of VEBA trusts. These special tax-deductible trusts allow for benefits like medical cost reimbursements to plan participants.

"This agreement creates a path to success for Dana, Dana workers and the communities where we live and work" said UAW Vice President Bob King. "It protects our members and retirees, and for the first time we negotiated a commitment from the company to source work to UAW- and USW-represented plants."

"We were facing a world of hurt," said Local 644 Plant Chairman Tom Alderfer, who also served on the bargaining committee. "When we went into this, the company wanted to cut our pay by $5 an hour and we were told we would lose our health care and most of our pension. "Considering where we were and where we ended up, it's nothing short of a miracle," said Alderfer. "This agreement maintains our pay and benefits. Now our members have piece of mind knowing that they can continue to provide for their families."

Based in Toledo, Ohio, the company has approximately 35,000 workers around the world, and reportedly earned $8.5 billion in 2006, the majority of that revenue earned outside the United States.

New contracts at all UAW-Dana and USW-Dana locations will expire on June 1, 2011. The company expects that the agreement with the unions will save Dana over $100 million a year.

Federal Commission and Courts

(Continued from page 1)

reduced or eliminated when the participant is eligible for Medicare health benefits or for health benefits under a comparable State health benefit plan. Pursuant to the authority contained in section 9 of the [ADEA], and in accordance with the procedures provided therein . . . it is hereby found necessary and proper in the public interest to exempt from all prohibitions of the Act such coordination of retiree health benefits with Medicare or a comparable State health benefit plan.

The court's decision states, "The EEOC recognized that 'many retirees in this age group rely on employer-sponsored benefits,' and that such programs are 'valuable benefit[s] for older persons [and] should be protected and preserved.'"

The EEOC determined that the proposed exemption would be in the interests of all retirees, "...permit[ting] employers to provide a valuable benefit to early retirees who otherwise might not be able to afford health insurance coverage and allow[ing] employers to provide valuable supplemental health benefits to retirees who are eligible for Medicare."

What this will mean for retirees in the long run remains to be seen. In the meantime, the EEOC under the ADEA umbrella maintains that the new regulation is designed to help, not hinder older retirees.

To read the court's decision online, visit www.ca3.uscourts.gov/opinarch/054594p.pdf

Association of BellTell Retirees Inc.

UNITED, TO PROTECT OUR FUTURE

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Association Participates in Verizon Analyst Workshop

On July 18, Association president and executive director, Bill Jones, participated in the first of a series of "forum" programs for Verizon shareholders. These meetings are open to investment analysts involved in the research recommendations and fund management decisions that influence the market value of our company's stock.

The objective of the forum is to better understand the reasons for the depressed state of Verizon shares compared to its competitors. The hope is that the investment community can be better informed as to the business strategies, how well the company is doing in achieving the corporate goals and how the executive team's incentive pay is linked to the achievement of those goals.

Given that information, forum participants hope that the market place perception of a business "risk factor" that is depressing the price of the stock will be reduced and the price will rise.

At the July meeting, it was determined that the Verizon Forum should first determine which company business strategies are viewed as having the greatest variations in valuation or risk, and then focus on those key issues for an examination of management's financial commitments to goals.

As an example of a likely key issue, there is reportedly considerable controversy among professional securities analysts about the prospects for Verizon's fiber-optic ("FiOS") strategy, with a very wide range of investment valuations. Finding out how executive bonuses are tied to the progress of that strategy could therefore influence investor confidence in it, resulting in a significant adjustment of the entire company's valuation.

An upcoming workshop for analysts is designed to develop a proposed definition of key Verizon strategy issues, present it to forum participants and eventually approach Verizon about providing the information to investors and shareholders in order to understand how management is betting on the key strategies.

Qwest's Nacchio Gets Six Years in Prison

Joseph Nacchio

At his July 27th hearing, Joseph Nacchio, former CEO of Qwest Communications International, was sentenced to six years for illegally selling $52 million in stock, causing thousands of investors to lose money when stocks plummeted from $60 to $2 a share in 2000.

On April 19, he was found guilty of 19 counts of insider trading. Mr. Nacchio, along with other Qwest executives, was accused by the Securities Exchange Commission (SEC) of making "...false and misleading statements about Qwest's financial condition in annual, quarterly, and current reports, in registration statements that incorporated Qwest's financial statements, and in other public statements, including earnings releases and investor calls." Their actions resulted in the cover-up of $52 million in stock sales.

In addition to the jail sentence, Nacchio was ordered to hand over the ill-gotten $52 million within 15 days of the sentence hearing, received the maximum $19 million in fines and two years' probation after he serves his time.

"The conviction of Joseph Nacchio is the latest success in our crackdown on corporate fraud and our effort to restore integrity to America's financial markets," said Deputy Attorney General Paul J. McNulty, chairman of the President's Corporate Fraud Task Force. "When the CEO of a major U.S. corporation abuses his position and illegally uses inside information to make millions of dollars, the American people have a right to expect accountability. Justice has been served in this case."

Government Retirees Recent Additions in the Struggle to Keep Benefits

Retirees from Corporate America and municipalities are finding that the employment benefits that appeared attractive during their working years are now being threatened because of under-funded pensions. First on the chopping block are the health care benefits, which are often reduced or rescinded.

In the case of New Jersey's state employees, their employment contracts promised nearly free medical coverage upon retirement as long as they gave 25 years of their working life to the state. But in 1994, the state, like many major corporations, used a loophole in the law to stop paying into the health care fund. The state now finds itself needing $58 billion in today's dollars to cover all of its current obligations. This amounts to double the annual state budget and double New Jersey's outstanding debt.

This, added to the recent revelations that New Jersey's pension fund is also in trouble, requiring about $2.2 billion a year to balance the books, does not bode well for state workers who believed what was promised to them.

California state retirees are feeling a similar burn. According to recent reports, the state would need to contribute about $6 billion a year for 30 years to cover its healthcare obligations to retirees. The other option would be to invest $49 billion to an immediate investment fund.

In response to his state's pension troubles, Governor Arnold Schwarzenegger established the Public Employee Post-Employment Benefits Commission to analyze and address the growing problem. Sounding much like the CEO of a corporation, planning to slice retiree benefits, the governor said, "We must seek ways to meet these obligations while not harming other government programs and taxpayers or handing invoices to future generations."

California's pension issues also stems from previous periods of under-funding, with its cost going from $160 million in 2000 to $2.6 billion in 2006 as a result.

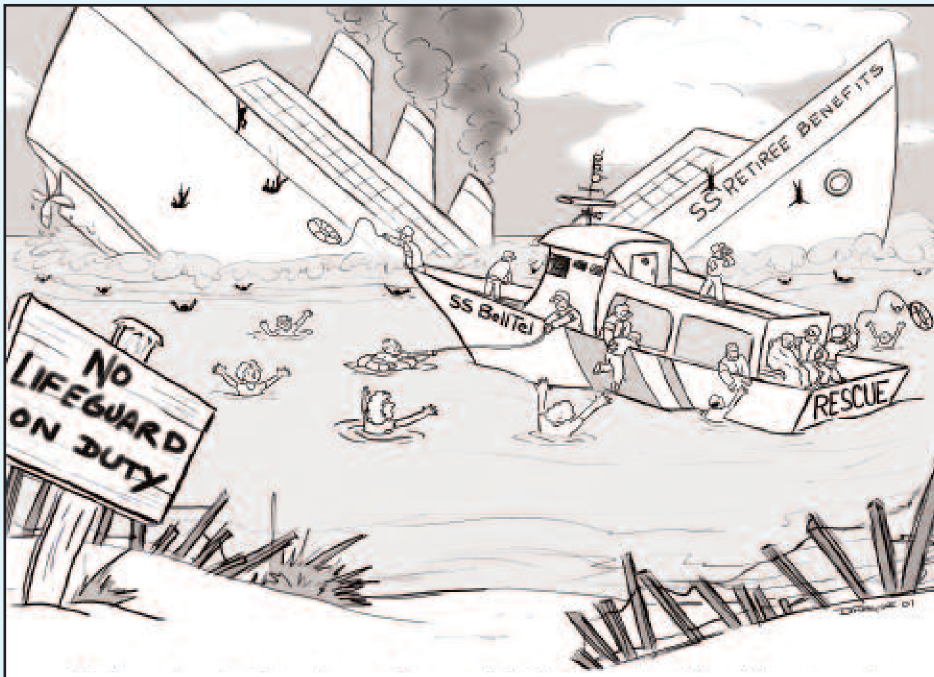
All of this information came to light as a result of mandates by the Government Accounting Standards Board requiring full disclosure of monies owed to government pension funds by 2009.

The actions by these state governments, resulting in the loss of these benefits, would come as no surprise to GE retiree Jim Foley, who sat in on contract negotiations at the company and states that the retirees are not the company's priority. "I sat at the end of the table and they said, 'Why do we care about retirees, they don't work here anymore.'"

Special Report: The Association Addresses Membership Participation

President's Message

by C. William Jones



"Help us help you. Come aboard and contribute today!"

Many of our members wrote to us following their reading of the last newsletter. We received various comments about our achievements and some even had suggestions as to other things that we might do. However, the subject that received the most number of comments was the fact that so many of our members did not make a contribution to the Association in 2007. Many were shocked by that news.

Our philosophy has been that as long as we could afford to, we wanted to provide the newsletter to everyone regardless if they contributed. We hoped that by reading about what we were doing to protect pensions and benefits, many of those people would be convinced that they should contribute.

As you know, the production and mailing of our newsletter are our largest single expenses. We have decided that the time has come to reconsider this policy. However, we will continue to offer complimentary memberships to people who have serious illness or other reasons they cannot afford to pay.

A very large number of non-paying members is receiving a much abbreviated newsletter at this time and they are being given the opportunity to contact us and make a contribution or be removed from our newsletter mailing list.

We regret having to do this, but, as I have reported in previous newsletters, our membership profile is changing and we can only afford to support those who will help to support our activities.

To all of you who have been long-term generous donors, we really appreciate your support. We know that there are many demands for your hard earned income so we are very careful how we use your contributions.

We will continue to do everything in our power to achieve our mission because we know that you are counting on us.

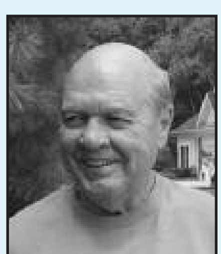
Thank you.

Members Have Their Say on Future of Association

The Association of BellTel Retirees frequently hears from many retirees who are confused as to why Verizon retirees are apathetic to the issues that affect their economic futures. The Association is the only group advocating for former Verizon workers, and its ability to do so is dependent on the financial contributions of its membership.

Here's what some contributing members had to say:

George Ford, Columbia, MD



George Ford worked for the Bell/Verizon companies for 32years at C&P Telephone, retiring as Director of Management and Organization Training Services. Ford started out in management-what is now called operator services- and 6 years later moved on to Human Resources as a Management Trainer.

Ford joined the Association out of pure self interest at a time when cost of living increases by the company had ceased. He received the Association's literature in the mail and has never regretted it.

"Older retirees were of the belief that management would take care of

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Members Have Their Say on Future of Association

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us," says Ford. "But it doesn't seem that way anymore."

He adds, "In order to hang on to what we've got, we need a group like [The Association]. I encourage my colleagues to send a contribution of some kind...like we send the Pioneers...imagine the Association's strength if they had our 100% financial support?"

Norm Cedarstrom, Norwell, MA

Retiree Norm Cedarstrom was a 24-year employee of New England Telephone and Telegraph in what was known as Switch Services. He joined the Association when they started and feels they are "doing a wonderful job."

"[The Association] helped preserve our interests; we had certain promises made to us and the company wants to take them away."

Cedarstrom recognizes that being a member of the Association is a matter of self-preservation. "[The Association] prevented erosion of some of our benefits."

Charlotte Miles, New York, NY

Charlotte Miles worked as a Human Resources professional for NYNEX for 37.5 years and enjoyed her time at the company as well as her colleagues.

At the time of her employment and subsequent retirement "we had really good benefits." However today, she is concerned about her pension and healthcare benefits, and the way the company is handling the finances.

"[I] resent [the company] paying out ridiculous, astronomical salaries," she says.

Miles heard about the Association through her sister and joined right away. "I feel the work they are doing is very important."

She expresses that she would like more people to join and contribute to the Association, noting, "We're all in the same boat [now], craft AND management."

"While reading the Summer 07 newsletter...I was surprised, no shocked, to learn that 72% of our membership made no financial contribution toward the support of our organization in 2006."
– J. Houston, Pittsburgh, PA

Charles Pendergast, Lafayette, NJ

Charles Pendergast retired in 1985 as a division engineer manager at AT&T after starting as a draftsman in the engineering department in 1947.

He came to join the Association from its inception and cannot comprehend why anybody retired from the Bell System is not helping out financially to support the organization's retiree protection advocacy.

"We couldn't find a better organization looking out for our rights if we tried to buy it!" says Pendergast.

Patsy Allensworth, Vienna, VA

"I thank God for you every day and for your efforts.

"My husband was a 'company man' just like [many of] you.... Buying stock was 'the future.' My efforts in behalf of 'the company' were to send him to work every day with his lunch in hand, dressed properly for his job at the time, fully rested and encouraged.

"When he died in 2005, I had to sell the stock and buy an annuity so that I could live decently. Yes, I got the half of his retirement that he provided for me.... the same amount as my Social Security at the time.

"The one bonus [lump sum pension payment in 2000] that he got...was thanks to [the Association's] efforts, and it remains to this day in some sort of 'incoming' process combined with other mutual investments."

John Houston, Pittsburgh, PA

"While reading the Summer 07 newsletter...I was surprised, no shocked, to learn that 72% of our membership made no financial contribution toward the support of our organization in 2006.

"I don't mean to preach, but remember [the Association] is dedicated to promote the protection and enhancement of the pensions and benefits for retirees and beneficiaries of the companies that make up the Verizon Corp.

"This organization is doing a great job for us and will continue if we support it. Personally I need this organization. And so do you.

"Let's all get behind [the Association] and give them the moral and financial support they need."

New York Times Editorial on Pension Concerns

"Pensions and the Mortgage Mess"

Even as the plunge continues in investments tied to dicey mortgages, government regulators remain skeptical of the need for new rules to cover these newfangled derivative products or the hedge funds that tend to buy them.

The Federal Reserve chairman, Ben Bernanke, rightly argues that these are important instruments, making credit more available and allowing risk to be spread broadly. But as the casualties mount to more than just a few buckled hedge funds, it is important to address the downsides.

<u>There is a real danger that the casualties to come will include a more vulnerable set of investors: the pension plans of working Americans.</u> Mr. Bernanke recently told Congress, "In most cases, I think that pension funds should probably not, you know, go

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APPEAL FROM YOUR TREASURER

Dear Members,

When I was first asked to share some thoughts with you on fundraising, I replied, "Sure. No problem."

As I sat down to write this, I discovered there is a problem: how do I capture the essence of what has transpired these past ten years, while also expressing our current financial needs?

At this point in 2007, our goal is to raise **$165,000** to meet the year-end revenue needed to continue our important work. **The contributions of Verizon retirees are our only source of revenue. We are not subsidized by any other organization**.

Ten years ago, we were naive enough to think that once our fellow retirees heard about us and what we were trying to accomplish everyone would beat a path to our door and want to financially support our efforts. We were volunteering many hours and it was very clear that we needed the strength of a united effort. And so in April of 1996, we began by writing to our personal retiree friends asking them to spread the word, and we began the task of raising money to protect our pensions and benefits.

By the end of 1996 we had gathered 10,544 names of retirees who became our first members. We received $43,345 from 2,737 of those first members: 26%. We were off to a good start.

Membership has grown steadily every year since 1996, but the percent of your fellow retirees who have contributed has not gone higher than 40% in any single year.

In 2006, we experienced our first year when contributions did not surpass the previous year. We ponder: is this an anomaly or a trend? We have the funds to meet our expense budget, but it is obvious that we must increase contributions and reduce expense.

Our newsletter is one of our best ways to communicate with you, and we have provided that to every member, without regard to whether or not they make a contribution. We may be forced to change that policy due to the newsletter's expenses: printing, postage, and professional services have all increased. Legal and accounting costs are also increasing.

The leadership of this association puts in 9000 hours of volunteer time each year, along with their own financial contributions, but it is not enough to cover our rising costs. In 1996, I don't think anyone anticipated that we would celebrate a 10th anniversary. But we did. **We are a solid organization** – one to be proud of – one that has been recognized nationally.

Together we can raise this money. We are the only organization dedicated to helping you, and what we are able to accomplish will impact retirees nationwide. You have every right to be proud of your association. We have not disappointed our contributors. And I must add that I, personally, am very proud to volunteer my time with my fellow Board members, and with Bill Jones and our Cold Spring Harbor staff.

And so we continue fundraising. Is it frustrating to keep asking for money? YOU BET! But there are many rewards ... the most important of which are the thousands of thank you messages we have received over the years from individuals whom we have helped.

So help us help you and all Verizon retirees: send in your contribution today. It's a great investment in your security.

Thank you,
Eileen Lawrence,
Treasurer

ASSOCIATION OF BELLTEL RETIREES INC.

PO BOX 61, Glen Head, NY 11545-0061

Yes! I want to support the Association of BellTel Retirees Inc. in our fight to protect the pension and benefit rights of all retirees and active employees. Enclosed is my tax-deductible contribution of:

❑ $75 ❑ $50 ❑ $36.50‡ ❑ $25 or Other $___________

Check Enclosed ❑ or Charge contribution to my ❑ Visa ❑ MasterCard

Credit Card Acct.# ____Exp. Date ______

Signature____

Name ____

Address __________________________________E-mail__________________________

City/State/Zip Code: ________________________________Telephone:______________________

❑ Craft ❑ Management I retired or expect to retire in (year) _____ from (Co.) ________________

* All names are kept strictly confidential ‡ Only 10¢ a day

The Association of BellTel Retirees is a 501 (c) (3) IRS • Tax-Exempt Corporation representing retirees and active employees of Verizon, all of its subsidiaries and all of the companies that were combined to form Verizon. 9/07

Lawsuits Surround Caterpillar, Inc

In what has become an all too common occurrence, retirees from Caterpillar, Inc were forced to bring a lawsuit against the heavy machinery manufacturer for the free lifetime health coverage promised in their working years.

Caterpillar workers who retired on or after January 1, 1992 and before March 16, 1998, as well as the surviving spouses of retirees, brought suit against their former employer in March 2006 after the company began to charge them for health coverage that had been previously provided at no cost. The claims for the suit were brought under the Employee Retirement Income Security Act and the Labor Management Relations Act.

U.S. District Court Judge Aleta A. Trauger recently rejected the company's motion to dismiss, stating that the plaintiffs are entitled to proceed with the lawsuit. Judge Trauger wrote in her opinion:

"... the court finds evidence that Caterpillar intended to confer lifetime vested retiree medical benefits upon the plaintiffs."

As recently as July, the court also granted class action status to both the suit brought by the retirees and the suit seeking free lifetime health coverage for surviving spouses of Caterpillar retirees covered in the Winnett vs Caterpillar case. The outcome of both will affect roughly 4,000 retirees and surviving spouses.

The referenced 1970 employee contract including the company's medical plan summary stated that those retirees eligible for a pension would also be eligible for the retiree medical benefit plan at no cost, with the same deal in place for surviving spouses of retired workers.

However, during a 1992 strike at Caterpillar, the company capped retiree medical costs (to begin in 2000) without union consent.

In response to the lawsuits, Caterpillar has in turn sued the United Auto Workers for breach of contract. The company claims the union violated contracts from 1998 and 2004 by encouraging and helping to finance the retirees' and surviving spouses' lawsuits.

According to Caterpillar spokesman Rusty Dunn, "We think it's a breach of contract for the union to support a lawsuit that attacks the very term the union proposed, negotiated and ratified during bargaining."

The retirees' lawsuit is scheduled for October of 2008. The case for the surviving spouses will be heard in June 2008.

New York Times Editorial on Pension Concerns

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heavily into these types of instruments."

But faced with growing numbers of retirees, some pensions — including those for police and firefighters in Ohio and Dallas — have been unable to resist making these risky investments in an attempt to increase their returns. Public and private pension funds have also plowed tens of billions into hedge funds, which have been piling into mortgage-related securities.

Many pension plans lack the analytical skills needed to evaluate these investments, relying on outside advisers and rating agencies. But the stellar triple-A rating assigned to many of these bonds proved to be misleading — with the agencies now rushing to downgrade them.

<u>So far there have been no reports of pension plans in trouble because of the mess in the mortgage market, but we fear that it might only be a matter of time.</u> The fact that pension plans are insured — private plans by the Pension Benefits Guaranty Corporation, a federal agency; state and municipal plans by taxpayers — makes the case for enhanced regulation even stronger.

Protecting pensioners from bad investments will not be easy. A good place to start would be to make rating agencies more accountable, perhaps by asking regulators to monitor their quality. Pension law should also be changed to ensure that the premium that private pensions pay into the P.B.G.C. takes into account the risk of their investments.

What is crucial is to ensure that pension managers perform adequate due diligence to understand what it is that they are buying. Regulators must make sure of that.

MISSION STATEMENT

The Association of BellTel Retirees Inc. is dedicated to promote the protection and enhancement of the pensions and benefits for retirees and beneficiaries of the companies and subsidiaries that make up the Verizon Corporation.

The Association will convince the company to properly care for its thousands of dedicated retired employees.

The Association will conduct activities designed to educate elected federal, state and local representatives and promote the passage of legislation which will protect and guarantee, rather than invade, our hard-earned pension and benefits funds.

Survey Shows a Decrease in Pensions

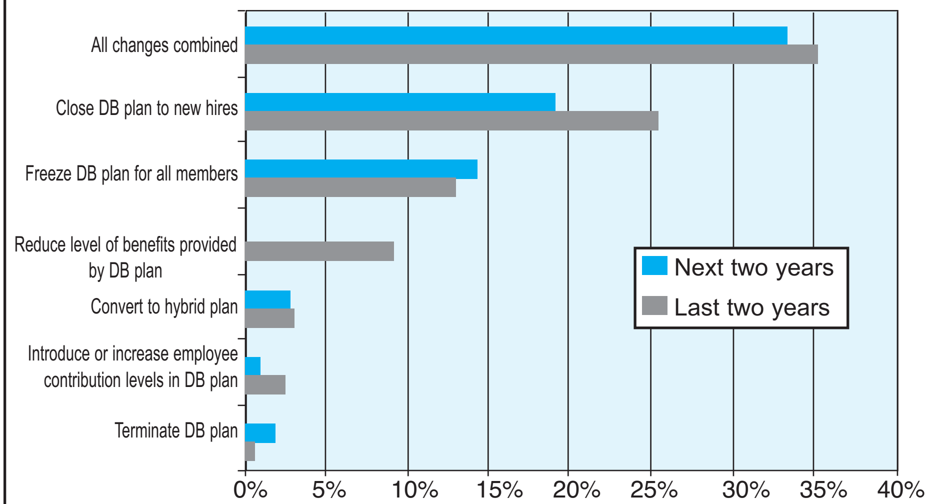
A recent survey of U.S. pension sponsors, conducted by Mercer Human Resource Consulting and the Employee Benefit Research Institute, showed a trend in the freezing or closing of employer sponsored pension plans by American corporations. The survey was used as a gauge of recent activities by benefit sponsors and a means to determine, "what, if any, increases in employer contributions..." were being offered in lieu of pension plan changes.

Of the 162 respondents, over half were comprised of companies with 5,000 or less domestic employees. According to the survey results, a little over 35 percent of those polled "made at least one change to their plan in the last two years." These changes including closing the pension plans to new hires (22.3%) and freezing the existing plan to all (12.9%).

"There are major structural changes under way in the American retirement system, driven mainly by cost and accounting pressures," said the study's author, Jack VanDerhei, Temple University and EBRI Fellow.

33 percent of the companies that had not already frozen or closed their pension options to employees or new hires, did state that they were heading in that direction within the next two years. "...the most common change was to close the plan to new hires (19%); those planning to freeze the defined benefit plan for all...rose to 14.2 percent."

Percentage of Defined Benefit Sponsors Having Made or Planning to Make a Change to Their Plan*



Source: EBRI/Mercer Survey of Retirement Program Changes After PPA and New Accounting Rules, April 2007.
*Percentage for next two years is conditional upon the plan sponsor not having made a change in the last two years.

78 percent of those employers that have already closed pension options to new hires stated their intention to increase contributions. Of the companies that plan to freeze pension plans in the next two years, 80.9 percent said they "would increase employer contributions to their defined contribution plan."

The survey found that changes to employee-sponsored pension plans were driven by the Pension Protection Act of 2006 as well as by the "new and pending accounting rules by the Financial Accounting Standards Board." Another factor was described as the "pressure of competition" in the market, which caused employers to change or eliminate benefits in order to improve their bottom line.

But Vanderhei added that changes were happening on both ends of the spectrum. "...workers' retirement wealth is being affected both negatively and positively at the same time."

Major Corporations Float Plan to Spin-Off Retiree Health Care Obligation

Some of the largest U.S. companies- Sears, CVS and the United Parcel Service, among others- announced the creation of Retiree Health Access- a program that they say would make health coverage available to its early retirees, former workers between the ages of 55 and 64.

Many former corporate employees not yet eligible for Medicare or a company sponsored health benefit package due to layoffs and employee buyouts are the targets of this new program sponsored by the HR Policy Association, a group made up of senior human resource executives representing nearly every major industry group in the U.S. economy.

This offering by the HR Policy group follows a trend towards health insurance privatization that extends to the public sector. Plans like Medicare Advantage and Medicare Part D are garnering interest from the corporate sector, with the different plan options mirroring premiums and deductibles similar to those of private insurance carriers.

The Retiree Health Access program aims to make the policies as affordable as possible, and promises that no one will be turned down, even if they have serious, chronic medical conditions. The annual deductibles, however, will be in the $500 - $1,100 range, with premiums for the coverage costing retirees from $400 - $1,200 a month.

As a means to entice retirees ages 65 and over, the program also offers this age group Medicare supplement options and Part D prescription drug options, and boasts not needing employer subsidies in order to offer the plans.

The costs, although significantly lower than what early retirees might find if they seek health coverage on their own from private insurance providers, could still prove more burdensome than it is beneficial to retirees.

The HR Policy group claims to seek to cover as many of the thousands of early retirees of its corporate partners, but recognize that only a small portion of those former employees will be able to receive the coverage.

The group does, however, hope that the creation of this new program will light a fire under the national health care reform issues that have been circulating in government for years without resolution.

Member Mailbag

Double Billing on Long Term Care

Dear Association,

As all of us sometimes do, I usually just file my pension payment statement without looking at it.

[Recently] I had some time and glanced at it (Verizon has recently given us a chance to switch to Met Life [from John Hancock] which I did).

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Retiree News & Notes - Speaking Engagements

At the request of the Staten Island Telco Retirees Club Board Member and Webmaster, Dave Simmonds, Association Board member Robert Rehm served as a speaker for the retiree club's May 8th Membership Meeting. Rehm spoke for 1 1/2 hours to a group of about 35-40 NYTEL/NYNEX/Verizon retirees, made up of former union (mostly) and former management. The meeting was held at All Saints Episcopal Church in Willowbrook, Staten Island, NY. "It was the best meeting I ever spoke at," said Rehm.

This was a younger group, on average, of very interested retirees who, according to one club Board member, were so attentive that you could hear a pin drop. Many questions were asked, and again, the Death Benefit/Group Insurance explanation was greatly appreciated.

Anyone interested in joining this retiree group can contact Dave Simmonds at (732) 636-4847.

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Association Board member Jack Brennan was a guest speaker at two recent Pioneer meetings, one in River Edge, New Jersey for the HKK-ENG-HUD Life Member Group and the other in Totowa, New Jersey for the PPR Life Member Group.

Brennan focused on explaining the Association's proxy proposal efforts and successes. "It's about good governance and getting our message across," he told the attendees.

Brennen chose to read Association president Bill Jones' presentation to the Verizon Annual Meeting to those attending, and at both meetings, the response from the groups were overwhelmingly positive.

The leadership at both meetings told their group if they didn't belong to the Association, or hadn't contributed to the Association's advocacy efforts, the time to do so was now.

Attention All Snowbirds

For those of you who temporarily relocate to warmer climates for the winter months, won't you please take the time to drop us a note or email with your main and "snowbird" address, so that we can update our records and forward all important retiree communications to you.

This helps your Association substantially by allowing the most direct and immediate correspondence with our members. It also eliminates substantial cost of return postage and clerical assistance needed to correct the errors in our database.

We would be more than happy to redirect your mail to your snowbird address in the colder months, and then revert to your main address for the remainder of the year.

Please send your information via email at: association@belltelretirees.org or mail to us at: P.O. Box 33, Cold Spring Harbor, New York 11724.

Mailbag

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Met Life sent me a bill for $175, and when I called to ask why, they said I had to pay it, and that in August the amount would start coming out of the pension check. I mailed them the money, since I did not want to lose this coverage.

When May's pension check came in, there should have been no charges taken out for long term care, but John Hancock was still receiving their money. I called the Verizon Benefit Office; they said they were checking on this.

Thought you should let the retirees know of this error. It's an additional $200 that someone has to pay in error. This could be someone's food allowance for the month.

Sincerely,
Ellen Golden

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Your Efforts are Appreciated

Dear BellTell Retirees,

I am neither a BellTell retiree nor an American citizen, but have just recently bought Verizon shares, so your organization and its history of seeking fair play, came to my attention.

I congratulate you for your work in protecting the interests of retirees and shareholders - especially in ensuring good corporate management and adequate, but not excessive, compensation for company executives and board members.

Generally speaking your SEC and Attorney Generals do a much better job of safeguarding the interests of shareholders than any of our similar bodies in Canada, but unless shareholders themselves take interest and propose remediation, their rights are subject to abuse.

Thank you for your good work.

Reg Garnett,
Comox, BC
Canada

P.S. I do have a link to Bell. My father-in-law was a Bell Pioneer in Montreal having worked for Bell from about 1920 to 1958.

401(k) Plan and Group Life Insurance Beneficiaries

By Robert Rehm

While most married retirees have their spouse named as beneficiary there are cases where children or someone other than the spouse may be designated. Starting in 2007, non-spouse beneficiaries may now roll over inherited workplace savings plan assets to an inherited IRA. It would be very wise to review your Beneficiary(s) designation(s) for your Verizon Savings Plan 401(k) account to ensure your elections and information is current and correct.

You may want to ensure that besides naming a **Primary Beneficiary(s)** you also designate **Secondary or Contingent Beneficiary(s)** in the event your spouse and/or primary beneficiary(s) pre-decease you.

Additional Verizon Savings Plan information, including instruction on changing of beneficiary(s), is available several ways. You can: log on to Fidelity's NetBenefits web site at http://netbenefits.fidelity.com;

call the Verizon Customer Service Center at Fidelity at 1-888-457-9333;

refer to the **Offering Statement** mailed to Plan participants; or

write to Fidelity Investments, 82 Devonshire Street, Boston, Massachusetts 02109.

Coincident with reviewing your VZ 401(k) Plan beneficiary(s) you should also review the beneficiary(s) information you previously elected for your Verizon Group Life Insurance to ensure it too is current and correct. To update beneficiary information for this benefit you can log on to the Your Benefits Resources web site at http://resources.hewitt.com/verizon or call the Verizon Benefits Center on 1-877-275-8947.

Only your personal advisor and/or attorney can provide financial and/or legal advice or direction, so **please do not call** the Association office for this purpose. For other questions and requests for additional information regarding your Verizon Benefits, please contact Fidelity and/or the Verizon Benefits Center as previously noted.