Your Pension Plan Benefits

Contents

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Your Pension Plan Benefits

The Verizon Pension Plan for New York and New England Associates (the Plan) is designed to provide you with a financial resource for your retirement. Combined with your Social Security benefit and your retirement savings, the Plan can help provide the security of a steady source of income for your retirement years. In general, the longer you work as an eligible associate, the higher the benefit you can receive based on your pension band and the length of your service.

Verizon pays the entire cost of providing your pension benefits from the Plan. The participating companies make contributions to a trust fund. There's no cost to you.

About This SPD

This document is the summary plan description (SPD) for the Verizon Pension Plan for New York and New England Associates, a defined benefit pension plan subject to federal law under the Employee Retirement Income Security Act of 1974 (ERISA) and its subsequent amendments. This document meets ERISA's requirements for an SPD and is based on Plan provisions effective January 1, 2007 (and reflecting amendments through December 31, 2006) for eligible associates employed on or after that date. It updates and replaces all previous SPDs and other descriptions of the Verizon Pension Plan for New York and New England Associates.

Every effort has been made to ensure the accuracy of the information included in this SPD, which is based on the Plan document. If, however, there is a discrepancy between the information contained in this SPD and the official Plan document, the Plan document will govern. Copies of Plan documents are available by contacting the Plan administrator in writing at the address provided in the "Additional Information" section.

This SPD is divided into the following major sections:

- **Participation and Service.** This section describes when your participation begins and how service is counted.
- **How Your Benefit Is Determined.** Here you'll learn how much you can expect to receive.
- **Receiving Your Benefit.** This section explains when you can start receiving your benefit.
- **How Your Benefit Is Paid.** You have choices available in the form of payment you receive. This section describes your choices.
- **Benefits for Survivors.** If you die, your survivors may be eligible to receive a benefit from the Plan.
- **Additional Information.** This section provides additional details about the administrative provisions of the Plan and your legal rights.
- **Glossary.** Certain terms used in this SPD are defined in the glossary.

Important Note:

The Plan administrator and the Plan's claims and appeals administrators have the discretionary authority to interpret the terms of the Plan, including this SPD, and determine your eligibility for benefits under Plan terms.

Accessing Your Benefits Information

This summary plan description (SPD) is available online on Your Benefits Resources Web site. Generally, the SPD on Your Benefits Resources Web site is the most up to date. To access it, go to:

- The Internet at www.verizon.com/benefits.
- Verizon's eWeb on About You at http://myeweb.verizon.com/eweb/myportal/AboutYou where you can link to Your Benefits Resources.

Once you have logged on to Your Benefits Resources, from the "Health, Insurance…" or "Pension" tab, select "Summary Plan Descriptions" from the right-hand navigation bar.

You also can access your personalized benefits information:

- On Your Benefits Resources Web site.
- By speaking with a Verizon Benefits Center representative.

You will need your Verizon Benefits Center User ID and password to access Your Benefits Resources and the Verizon Benefits Center.

If you want to change your User ID or password or if you have forgotten them and want to request a new User ID or password, you can do so on Your Benefits Resources Web site or by calling the Verizon Benefits Center.

For free printed copies of your SPD, contact the Verizon Benefits Center.

Changes to the Plan

While Verizon expects to continue the Plan indefinitely, Verizon, by action of the board of directors of Verizon Communications Inc. or its delegates, reserves the right to amend, modify, suspend, terminate or partially terminate the Plan at any time, at its discretion, with or without advance notice to participants, subject to any duty to bargain collectively.

Upon termination or partial termination of the Plan, the accrued benefits of each participant affected by the termination or partial termination (as determined by the Plan administrator) shall become fully vested to the extent funded. Upon termination of the Plan, no further benefits are earned and no increases in previously earned benefits will occur by reason of future service or compensation.

In the event the Plan is terminated in full, Plan assets will be allocated, after payment of Plan expenses for administration or liquidation, to pay benefits accrued to the date of termination, to the extent and in the order required by section 4044 of ERISA and the terms of the Plan. If the Plan is terminated, you generally will receive benefits at retirement age or, if appropriate, by an earlier distribution, with benefits distributed either in the form of cash or in the form of an annuity contract issued by an insurance company. (See the "Additional Information" section for a discussion of the Pension Benefit Guaranty Corporation [PBGC] benefit guarantees that may apply if the Plan is terminated.)

Decisions regarding changes to, or terminations of, benefits are made at the highest levels of management. Verizon employees below those levels do not know whether Verizon will adopt any particular change and are not in a position to speculate about such changes. Unless and until changes formally are adopted and officially are announced, no one is authorized to assure that any particular change will or will not occur.

Participation and Service

Eligibility

You are eligible to participate in the Plan if you're an associate (non-management employee) on the payroll of a participating company that has co-sponsored this plan on behalf of those employees whose bargaining agreement has provided for participation in this plan. (See the "Administrative Information" section for more information.) You will continue to be eligible to participate during any temporary promotion to management that lasts less than one year.

You are **not** eligible for the Plan if you are:

- An individual working under an independent contracting agreement or an agreement for leasing of services and not treated as an employee for purposes of withholding federal employment taxes
- An individual who provides services to a participating company but who is paid by a temporary service agency
- A retiree covered by a Working Retiree Program for non-management retirees as agreed to between a participating company and the International Brotherhood of Electrical Workers (IBEW) or the Communications Workers of America (CWA)
- A nonresident alien employed outside of the United States
- An occasional employee.

Note: If a court, the Internal Revenue Service (IRS) or any other enforcement authority or agency finds that an independent contractor or leased employee should be treated as a regular employee of a participating company for example, for purposes of W-2 income reporting or tax withholding, such individual is nonetheless expressly excluded from the definition of eligible employee and is expressly ineligible for benefits under the Plan.

When Participation Begins

As an eligible associate, your participation begins automatically on the **later** of:

- The day you reach age 21
- The date you complete one year of ERISA service after reaching age 18.

You earn one year of ERISA service for participation in the Plan when you have completed one year of employment in which you're credited with at least 1,000 hours of service. If you are not credited with 1,000 hours of service as of the first anniversary of your employment, you can receive credit for one year of service on any subsequent anniversary of your employment date or based on a calendar year in which you're credited with at least 1,000 hours of service. See "How Service Is Counted" for information on how you earn hours of service.

Automatic Participation

You do not have to enroll to participate. However, you will have to request a Pension Plan Preretirement Beneficiary Authorization Form by contacting the Verizon Benefits Center (see your Important Benefits Contacts insert for the telephone number) or by going online on Your Benefits Resources Web site. It is important to complete this form so that your beneficiary receives a benefit if you should die after earning the right to a vested benefit (see "Preretirement Survivor Death Benefit" in the "Benefits for Survivors" section for more information).

If You're Reemployed or Transferred to this Plan

If you are reemployed in or transferred to a position as an eligible associate of a participating company, you're immediately eligible to participate in the Plan if you are at least age 21 and you had at least one year of ERISA service at any Affiliate Company at the time you're reemployed or transferred, and:

- You transferred directly from another Affiliate Company.
- You had an interruption of employment, but you still completed more than 500 hours of service during each calendar year affected by the interruption.
- You are reinstated to employment as a result of a settlement of grievance or arbitration of your dismissal, unless the settlement or arbitration award provides otherwise.

If the above criteria are not met, you must complete one year of ERISA service (measured from your reemployment or transfer date or a subsequent calendar year) before participation resumes.

For example, assume you are age 25 and worked at a Verizon company for one year and six months when you terminated employment. Then, you are reemployed by Verizon two years later as an eligible associate at a participating company. You will meet the eligibility requirement to participate in the Plan after you complete one year of ERISA service following your return.

Important Note

Rules in effect for Plan periods prior to January 1, 2007 may differ and affect how your service is counted for certain prior periods. Call the Verizon Benefits Center with any questions about the service you have accumulated. (See your Important Benefits Contacts insert for the telephone number.)

How Service Is Counted

Once you earn one year of ERISA service for participation in the Plan, you continue to earn service during your continuous participation for purposes of determining the amount of your benefit (pension accrual service), during your continuous employment for your eligibility for a service pension (net credited service) and service for vesting in your benefit if you leave before you're eligible for a service pension (ERISA service). A general description of each type of service follows. (See the "Effect of Break in Service" section for additional information.)

Type of Service	General Purpose	How It's Counted
Net Credited Service	Used to determine service pension eligibility	In general, net credited service is your total years, months and days of continuous employment as an eligible associate with a participating company(ies). If your service is interrupted by a non-credited period of service, your net credited service may be affected. See the “Service ‘Bridging’ Rules” section for more information.
Pension Accrual Service	Used to determine amount of pension benefit	In general, pension accrual service is the same as net credited service with any fractional month rounded up to a whole month. However, there are periods for which you may receive net credited service – for example, due to a transfer – but may not receive pension accrual service.
ERISA Service	Used to determine eligibility to participate and vesting	You become eligible to participate, as explained in the “When Participation Begins” section. You “vest” or gain ownership in your Plan benefit after you complete 5 years of ERISA service with Verizon. For purposes of vesting, ERISA service is counted in the same way as service for participation, but on a calendar-year basis only. That is, you earn 1 year of ERISA service toward vesting for each calendar year you are credited with at least 1,000 hours of service after reaching age 18.
Hours of Service	Used to determine ERISA service and whether a break-in-service has occurred	Hours of service are hours you’re paid by a participating company or an Affiliate Company (including vacation, holidays, sick days and other days for which you are entitled to receive pay) up to the date you terminate employment. The following rules are used for counting your hours of service: • If you’re a full-time employee or while you are under a surplus reduction job sharing arrangement, you’ll be credited with 45 hours of service for each week you complete 1 hour of service or more • If you’re a part-time employee or you’re employed 30 days or less in a calendar year and work no more than 3 consecutive weeks, you'll be credited with 10 hours of service for each day you work 1 hour or more

Effect of Part-Time Service

If you have worked part-time during your career (with the exception of part-time work under a Gradual Return to Work arrangement after January 1, 1995 – see below), your total ERISA service and net credited service – part-time and full-time service combined – will be used to determine whether or not you're eligible for a pension benefit. However, in determining your basic pension (see "Basic Benefit Formula" and "Pension Band Basic Monthly Benefit" in the "How Your Benefit Is Determined" section for more information), pension accrual service will be prorated and adjusted accordingly to reflect your part-time service. (Any supplemental pension benefit is determined without an adjustment for part-time service.)

If you worked part-time under a Gradual Return to Work arrangement during your career, you will continue to have the same status, for purposes of determining service, that you had prior to going on leave. For instance, if you worked full-time prior to your Gradual Return to Work arrangement, you will earn service as a full-time employee – even though you may be working fewer hours.

Service During an Absence

You continue to earn service (net credited service, pension accrual service and ERISA service) during certain credited periods of approved absence. You earn ERISA service at the rate of 45 hours for each week of the absence up to a maximum credit of 501 hours for any single continuous absence (unless a longer period is credited under the rules described below). However, note that an absence from work without pay can affect your service.

While you are on a Company-approved leave of absence, you earn service for the first 30 days of the leave if you return to work when your leave ends. In addition, you continue to earn service beyond 30 days for the following types of approved absences and leaves.

- **Sickness and Accident Disability Absence.** You continue to earn service for the entire period you receive Sickness and Accident Disability Benefit Plan payments.

- **Care for Newborn Children Leave.** You continue to earn service (up to 12 months) whether or not you return to work at the end of your leave.

- **Family Care Leave.** You continue to earn service (up to 24 months in a 10-year period) whether or not you return to work at the end of your leave.

- **Educational Leave.** For an Enhanced Educational Leave, you continue to earn service for the entire period up to 24 months. For other Educational Leaves, you earn service for the first 30 days of your first leave only. (No service is credited for subsequent Educational Leaves.) You must return to work at the end of your leave to receive the service credit.

- **Military Leave.** You continue to earn service for the leave to the full extent required by law. You must return to work for Verizon at the end of your leave to receive the service credit.

- **Settlement, Award or Order.** A former associate who is reemployed by a participating company due to a settlement, award or order involving either litigation, arbitration or a grievance under the applicable collective bargaining agreement relating to the associate's earlier termination may receive none, some or all of the period of time the employee is not on the payroll for net credited service, pension accrual service and ERISA service based on the terms of the Plan, your bargaining agreement, and the settlement, award or order.

Call the Verizon Benefits Center for more information about each type of absence. (See your Important Benefits Contacts insert for the telephone number.)

Effect of a Layoff

If you temporarily are laid off but later are rehired, you may receive service credit of up to six months if you're absent during any consecutive 12-month period. If you're re-employed as a regular employee after an absence of six months or less, net credited service for your earlier period of employment, as well as for the layoff period, will be restored immediately. If you're re-employed as a regular employee after an absence greater than six months but less than two years, prior service immediately will be bridged, but no service will be granted for the layoff period. If you're rehired as a temporary employee, you do not receive service credit for the layoff period.

Service "Bridging" Rules

In general, following a non-credited period of absence of six months or less, your net credited service and pension accrual service earned before and after the period of absence are counted. However, if you have a period of absence longer than six months during which you are not entitled to credit for service, you must qualify for "bridging" of your net credited service and pension accrual service in order for it to be accumulated. Otherwise, your eligibility for a service or disability pension and the amount of your benefit will be based on separate periods of net credited service.

To qualify for bridging of your net credited service and pension accrual service following a period of absence of more than six months during which you do not earn credit for service, you must have at least six months of continuous net credited service before the non-credited period of absence begins and you must complete one year of continuous net credited service after you return to work. Also, bridging of net credited service immediately will occur if you previously retired with a service or disability pension, although one year of net credited service still will be needed to bridge pension accrual service.

Your prior net credited service and pension accrual service will not be bridged if you received a cashout of your pension benefit. However, if you were laid off in 2002 or 2003 and returned to work under an arbitration agreement after receiving a lump-sum cashout of your pension, your prior service will be included in your pension calculation. In this case, your subsequent pension amount will be reduced by the amount of the single-life annuity on which your lump-sum cashout was based.

Note: There are some special situations that may affect how bridging provisions apply to you – for example, after you have a break in service (see below), if you have a change in employment, such as management to associate or if you transfer or are rehired from another associate plan. These are addressed in the more detailed service rules included in the Appendix to the Verizon Pension Plan for New York and New England Associates legal document. Call the Verizon Benefits Center (see your Important Benefits Contacts insert for the telephone number) if you wish to obtain a copy. There may be a cost associated with this request.

Important Note:

If you meet the bridging requirement eligibility, all periods of your net credited service and pension accrual service will be added together for purposes of your eligibility for a service or disability pension and for calculating the amount of your benefit. If your service ends before you meet the bridging requirement or before your ERISA service is restored, you may lose benefits. Call the Verizon Benefits Center for more information about bridging. (See your Important Benefits Contacts insert for the telephone number.)

Effect of Break in Service

A one-year break in service occurs if you receive credit for 500 hours of service or less in a calendar year (see above for an explanation of how hours are credited). If you return to work for a participating company or an Affiliate Company following one or more one-year breaks in service, your prior years of ERISA service will be restored after you complete one year of ERISA service following your return to work. If you leave again before your prior ERISA service is restored, you will not vest in any benefit you earn during your period of reemployment.

ERISA service immediately is restored if you previously retired with a service or disability pension.

Note: Under government rules for crediting service, if you receive credit for more than 500 hours of service but less than 1,000 hours in a calendar year, you do not receive credit for one year of ERISA service for the year. Further, there's no effect on your prior ERISA service.

Care for Newborn Children Leave (CNC) Rules

If you're absent from work due to your pregnancy, birth of your child or care for your child following birth, adoption or placement of your child, you will receive credit for up to 501 hours of service in a calendar year to prevent a break in service. If you've already earned 501 hours or more for the calendar year in which your leave begins, credit can be given to you in the following calendar year, if needed, to prevent a break in service.

Transfers Between Verizon Pension Plans

If you transfer to an ineligible job classification, so that you become eligible for another pension plan sponsored by an Affiliate Company, or you are a newly transferred associate who becomes eligible for this Plan, ERISA service under both plans generally will be used to determine whether you're eligible for a benefit from this Plan or any other pension plan sponsored by an Affiliate Company.

How your benefit will be calculated after a transfer is addressed in the more detailed service rules included in the Appendix to the Verizon Pension Plan for New York and New England Associates and in the provisions of the plan in which you were participating prior to the transfer or the plan you will be participating in after the transfer.

If you have questions about the effect of a transfer on your Plan benefits, call the Verizon Benefits Center. (See your Important Benefits Contacts insert for the telephone number.)

Interchange or Portability Agreements and Related Rules

If You Are Hired by an Interchange Company

Verizon has interchange agreements with certain prior Bell System companies. These agreements provide for the portability of service and benefits between pension plans. Companies that are covered by such agreements are known as interchange or portability companies. Please note that former GTE companies and former MCI companies are not interchange or portability companies.

The agreement generally provides that if you are a covered employee who works at any Verizon subsidiary that is a portability company and you are hired by a different portability company and certain conditions are met, your new employer must recognize your prior net credited service, pension accrual service and ERISA service under the Verizon Pension Plan for New York and New England Associates and pay you any future pension benefit.

The exceptions are as follows:

- If you sign a Waiver of Portability when you join a new company or have a previously signed Waiver of Portability, you cannot transfer prior net credited service, pension accrual service or ERISA service under the Plan to your new employer's plan. Instead, you will continue to receive a pension benefit under the Plan and you will begin work at the new portability company with the status of a new hire. If you sign a Waiver of Portability, this applies for any portability company you may work for in the future.

- If you received a lump-sum distribution of your pension benefit, special rules apply. (Check with your new employer.)

If you plan to take a job with an interchange or portability company, you always should check with the receiving company to make certain it is, in fact, an interchange or portability company.

If You Are Hired From an Interchange Company

For an employee who leaves a prior portability company and accepts employment with Verizon in a position that makes the employee eligible for portability, the employee may waive portability treatment. If portability is waived, any prior pension that is in pay status continues, and any prior right to receive retiree health or insurance benefits from the prior portability company continues during employment with Verizon. If portability is not waived and prior pension benefits were not cashed out, the service is transferred, but prior pension and retirement benefits cease, and the employee agrees that eligibility for pension and retirement benefits will depend on the terms of Verizon's plans.

Under special rules, if you took a lump-sum cashout of your benefit from the prior portability company and you repay the prior cashout to the plan of the prior portability company, prior service may be credited as net credited service and pension accrual service under the Plan as well. For further information, contact the Verizon Benefits Center. (See your Important Benefits Contacts insert for the telephone number.)

Essential Conditions That Must Be Met to Be Eligible For Portability

You must meet all of the following conditions to be eligible for portability of your service to or from another portability company's plan:

1. On December 31, 1983, you must have been employed by a portability company in a covered position or on a leave of absence or in a layoff status with recall rights from a covered position provided that you were reinstated or recalled to that position before the leave expired.

2. On the date of your termination from a portability company after December 31, 1983, you must have been employed in a covered position with that participating company.

3. On the date of your employment with a new portability company, you must be employed in a covered position with the new participating company.

A "covered position" includes any non-supervisory position. If you were a supervisory employee on December 31, 1983, upon leaving a prior portability company, and/or when hired by the new portability company, your pay must not be higher than certain limits (amounts available on request).

What Is a Portability Company?

Pre-1/1/84 Bell System companies, and certain of their affiliated companies formed at or after the 1/1/84 breakup of the Bell System, are treated as portability companies. If you are considering employment with a company, you may contact the Verizon Benefits Center to find out whether the company you are considering is a portability company. Please note that former GTE companies and former MCI companies are not interchange or portability companies.

How Your Benefit Is Determined

The amount of your pension is the total of your basic monthly pension and your supplemental monthly pension (if applicable). This section describes how these benefits are calculated using specific Plan formulas, as well as special situations that can affect how your benefit is determined.

Basic Benefit Formula

Your basic Plan benefit is determined using a formula that uses your pension accrual service and the benefit amount tied to your pension band number. You also may qualify for a supplemental benefit or the minimum benefit provisions may apply for you.

Your basic retirement benefit is calculated using the following formula:

Basic monthly pension benefit in effect for
your pension band on the determination date

× Your pension accrual service

Your basic monthly pension benefit payable
at normal retirement (generally, age 65)

Note: In general, your pension benefit payable as a monthly annuity starting at normal retirement age (without regard to any temporary pension incentive offer) will increase over time, and at retirement or termination, never will be less than the normal retirement benefit that would have been payable if you had retired or terminated at any earlier date. Your benefit as a lump sum may increase or decrease from time to time.

Pension Band Basic Monthly Benefit

These are the pension band basic monthly benefit amounts in effect beginning on October 1, 2006 and apply if you are an eligible associate with a "pension effective date" (i.e., the first day following the last day on the payroll) on or after the applicable dates shown in the table below.

To find out your pension band, please refer to the most current collective bargaining agreement.

Pension Band Number	Monthly Benefit (Effective for Pension Effective Dates on or after October 1, 2006 and before October 1, 2007)	Monthly Benefit (Effective for Pension Effective Dates on or after October 1, 2007)
101	$37.19	$38.31
102	$38.78	$39.94
103	$40.40	$41.61
104	$41.92	$43.18
105	$43.49	$44.79
106	$45.05	$46.40

Pension Band Number	Monthly Benefit (Effective for Pension Effective Dates on or after October 1, 2006 and before October 1, 2007)	Monthly Benefit (Effective for Pension Effective Dates on or after October 1, 2007)
107	$46.66	$48.06
108	$48.22	$49.67
109	$49.82	$51.31
110	$51.36	$52.90
111	$52.94	$54.53
112	$54.53	$56.17
113	$56.08	$57.76
114	$57.65	$59.38
115	$59.19	$60.97
116	$60.79	$62.61
117	$62.36	$64.23
118	$63.93	$65.85
119	$65.50	$67.47
120	$67.07	$69.08
121	$68.62	$70.68
122	$70.23	$72.34
123	$71.78	$73.93
124	$73.34	$75.54
125	$74.91	$77.16
126	$76.48	$78.77
127	$78.06	$80.40
128	$79.63	$82.02
129	$81.21	$83.65
130	$82.76	$85.24
131	$84.38	$86.91
132	$85.91	$88.49

Pension Band Number	Monthly Benefit (Effective for Pension Effective Dates on or after October 1, 2006 and before October 1, 2007)	Monthly Benefit (Effective for Pension Effective Dates on or after October 1, 2007)
133	$87.49	$90.11
134	$89.07	$91.74
135	$90.58	$93.30

Pension Promotion and Pension Demotion

If your pension band changes due to a promotion and you have been in your new pension band for less than 18 months, your pension will be calculated using:

- The pension accrual service you earned prior to your promotion and the greatest pension band amount since the promotion based on your pension band prior to the promotion, **plus**

- The pension accrual service you earned after your promotion and the greatest pension band amount since the promotion based on your pension band after the promotion.

If your pension band changes due to a demotion, your pension will be calculated based on the greater of:

- Your pension band amount in effect immediately prior to the demotion, **or**

- The greatest pension band amount since the demotion based on your pension band following the demotion.

Special rules apply if you have both a pension promotion and a pension demotion, multiple pension promotions and/or demotions, a temporary pension promotion, or a pension demotion after becoming eligible for a service pension and while under medical work restrictions or on account of a force surplus situation. Special rules also apply if you are a New York Telecommunications Technical Associate covered by an agreement with the Communications Workers of America. Contact the Verizon Benefits Center for more information (see your Important Benefits Contacts insert for the telephone number).

Your Supplemental Benefit

If you received supplemental payments (see below) in the three years prior to your benefit determination date, you also may be eligible to receive a supplemental benefit. Your supplemental benefit is calculated using this formula:

Average annual supplemental payments you received in the 36 months prior to your benefit determination date

× .001

× Your pension accrual service

Your supplemental monthly benefit payable at normal retirement (generally age 65)

Supplemental payments include:

- Special city allowances.
- In charge allowances.
- Management team awards that are paid while you are eligible to participate in the Plan (see “Special Situations That Can Affect Your Benefit Calculation” in the “How Your Benefit Is Determined” section), if received while on a temporary management assignment.
- Extra payments for temporary assignments or temporary promotions of less than one year to higher-graded or supervisory positions. For any period where the higher pension band (related to your acting promotion) is used in computing your basic benefit, your temporary increase payments are not used in computing your supplemental benefit.
- Evening and night differential payments to all eligible employees, including traffic employees whose work hours fall within the stated differential period, in whole or in part.
- Job differentials, with the exception of amounts included as part of base pay and for assigning pension band numbers, as well as amounts related to pension promotions if you’re in the higher band for 18 months or more.
- Corporate Profit Sharing (CPS) award (if any) paid in 2003 through 2008 (and for earlier years to the extent provided in your collective bargaining agreement). Note that your CPS award will be included in your supplemental payments regardless of your decision to receive the payment or contribute it to your Verizon Savings Plan.
- The three percent lump-sum wage payment, if any, paid to you in 2003.
- Effective March 28, 2004, island allowances paid to IBEW plant associates permanently assigned to the Massachusetts islands of Martha’s Vineyard and Nantucket.
- If a benefit was transferred to this Plan from another plan sponsored by an Affiliate Company (but not an interchange company pension plan), pension bearing pay under that other plan other than base salary or wages.

An Example: Normal Retirement Benefit

Here is an example of how a normal retirement benefit payable at age 65 is calculated, assuming retirement on May 1, 2007 and:

- Your pension band number is 116. According to the table, your monthly benefit is $60.79.
- You had 20 years and three months (or 20.25 years) of pension accrual service when you retired.
- Your average amount of supplemental monthly payments during the last 36 months is $1,000.

Your pension benefit would be calculated like this:

Step 1
  $ 60.79 pension band monthly benefit
× 20.25 years of pension accrual service
= $1231.00 basic monthly benefit

Step 2
  $1,000 average annual amount of supplemental payments during the 36 months prior to retirement
× .001
× 20.25 years of pension accrual service
= $20.25 supplemental monthly benefit

Step 3
$1231.00 + $20.25 = $1,251.25 monthly benefit payable as a single life annuity starting on your normal retirement date (or if earlier, your unreduced early retirement date).

Note: See "Early Retirement with a Service Pension" and "If you Leave Before Retirement" in the "Receiving Your Benefit" section for information about receiving your pension before normal retirement age.

2001 Incentive Benefit

If you are eligible for the 2001 Incentive Benefit and you separate from service on or after January 1, 2001, you can receive your benefit based on the greater of a calculation using your actual age and service at retirement or the "frozen" benefit calculated under the 1998-1999 6 & 6 Special Incentive Pension as of August 8, 1998. Eligible participants include associates who were eligible for the 6 & 6 Special Incentive Pension under the 1998 Labor Agreement, but did not retire under that program and continued as eligible associates from August 8, 1998 until January 1, 2001.

In determining your "frozen" benefit, six years were added to both your age and length of service as of August 8, 1998, for purposes of determining the following:

- Your eligibility for a service pension
- Your service pension benefit based on your pension band and rate in effect on August 8, 1998
- Any early retirement reduction that may apply to your service pension benefit.

Also, if your actual age is less than age 62 when you terminate employment, you will be eligible to receive the Social Security Supplement described in the next section. This supplement is paid until you reach age 62 (your actual age 62).

Social Security Supplement Under the 2001 Incentive

If you're eligible for the 2001 Incentive Benefit and you're less than age 62 when your benefit begins, you'll receive a monthly Social Security Supplement added to the greater of (i) your benefit under the Plan without the additional six years in age and service or (ii) your "frozen" 2001 incentive benefit. The Social Security Supplement is equal to the greater of:

- 30 percent of the monthly pension benefit that is determined for you as of August 8, 1998 (after any applicable early retirement reductions have been made) and determined without the six years in age and service increase, **or**

- $500.

This additional benefit is paid monthly until you reach age 62. (It cannot be paid as a lump sum if you elect a lump-sum distribution during the Cashout Window – see "Early Retirement With a Service Pension.") Payments will stop, however, if you die before age 62. The monthly supplement does not continue to your spouse or other beneficiary. Payment also will be suspended if you are reemployed before age 62 and further, the amount cannot exceed your expected Social Security benefit at age 62.

Minimum Pension Benefits

If you're an eligible associate when you leave Verizon and you're eligible for a service or disability pension, your minimum monthly pension benefit (which will be prorated if you have less than 30 years of net credited service [not counting any service enhancements]) and adjusted for part-time service) will be at least $700 per month. The minimum is not reduced for early retirement. However, the benefit is reduced if you choose either a joint and survivor annuity or a period certain and life annuity as your payment form.

If the minimum benefit is paid as a preretirement survivor benefit or a survivor benefit that is payable after you retire, it will be adjusted to reflect the percentage payable to your survivor.

Special Situations That Can Affect Your Benefit Calculation

Important: Certain situations can affect how your benefit is determined. You can call the Verizon Benefits Center with any questions about how your benefit may be affected. (See your Important Benefits Contacts insert for the telephone number.)

If You Have Service in More Than One Pension Band

If you have service in more than one pension band within the 18 months prior to your benefit determination date, the different pension band benefit amounts will be taken into account when your basic monthly pension benefit is calculated. Any supplemental benefits you're entitled to receive will be calculated normally.

If you are rehired and subsequently terminate after prior ERISA service is restored but before qualifying for bridging of your prior pension accrual service and you are vested, your two periods of service will be considered separately for purposes of calculating your benefit, using the pension band amount in effect for each period of service and adding the two benefit amounts together.

If you have part-time service, it will be prorated against the equivalent full-time schedule for calculation purposes.

If You Have Commission Directory Advertising Sales Service Plus Other Service

If you changed jobs during your career at Verizon and have service as a Commission Directory Advertising Salesperson, the different benefit formulas used for your jobs may be taken into account when your basic monthly pension benefit is calculated. Any supplemental benefits you're entitled to receive will be calculated normally.

If You Participate in More Than One Verizon Pension Plan

Special rules apply for determining the amount of your benefit if a change in your employment classification, status or location results in a transfer that affects your eligibility to participate in this Plan or another pension plan sponsored by an Affiliate Company. In general, ERISA service, subject to break in service rules (see the "Effect of Break in Service" section), will be accumulated among plans. However, net credited service, pension accrual service and how your benefit is calculated may be subject to special rules based on your particular situation. For example:

- If you participated in the Verizon Management Pension Plan as a management employee of a former Bell Atlantic company and change status ("retreat") to an associate position so that you become eligible for this Plan, your management benefit will be transferred to this Plan. After transfer to this Plan, your management cash balance benefit will continue to receive interest credits and you will be able to earn service pension eligibility with respect to your management annuity formula benefit, if any, under management plan terms. If you participated in the Verizon Enterprises Management Pension Plan (or in the Verizon Management Pension Plan as a management employee of a former GTE company), your management benefit will remain in the management plan. Your benefit earned while an eligible associate in this Plan will be based on your pension accrual service earned while an eligible associate, but retirement eligibility will be based on your combined net credited service (subject to bridging rules described under "Service 'Bridging' Rules," if applicable). If your management benefit was transferred to this Plan, once you have completed three years of service as an associate, you are entitled to a "greater of" calculation under the Plan's benefit formula that takes into consideration service earned under both Plans (subject to bridging). In no case will you receive pension accrual service for any period during which you did not receive a benefit accrual under the management plan.

- If you temporarily are transferred to a management position, you will remain a participant in this Plan until the one-year anniversary of your transfer. At that point in time, if you continue in a management position, the value of your benefit earned under this Plan will remain in this Plan. The benefit you ultimately receive for associate Plan participation will be based on the pension band you were in at the time of transfer to management and the monthly pension amount in effect for that band at the time your active participation in this Plan ends. Your pension accrual service is measured to the date of your termination as an active Plan participant, but your ERISA service and net credited service generally include all your Verizon service. (If you become a manager, contact the Verizon Benefits Center for information on how that affects your associate plan benefits.)

- If you permanently are transferred to a management position, your benefit will remain in this Plan. Your benefit will be calculated based on the pension accrual service that you earned before your transfer to management and on the monthly pension amount in effect for the pension band at the time your active participation in this Plan ends. Your ERISA service and net credited service generally include all your Verizon service. (If you become a manager, contact the Verizon Benefits Center for information on how that affects your associate plan benefits.)

- If you participated in the Verizon Pension Plan for Mid-Atlantic Associates (Mid-Atlantic Plan), your pension benefit will be transferred to this Plan. Your benefit under this plan will be the greater of the benefit transferred from the Mid-Atlantic Plan plus the benefit earned under this Plan based on pension accrual service after your transfer, or the benefit calculated under this Plan using all of your pension accrual service earned under both plans. Your ERISA service and net credited service generally include all your Verizon service.

- If you transfer to a position that is covered by the Mid-Atlantic Plan, your pension benefit will be transferred to the Mid-Atlantic Plan. Your benefit under the Mid-Atlantic Plan will be the greater of the benefit transferred from this Plan to the Mid-Atlantic Plan plus the benefit earned under the Mid-Atlantic Plan based on your pension accrual service after your transfer, or the benefit calculated under the Mid-Atlantic Plan using all of your pension accrual service earned under both plans. Your ERISA service and net credited service generally include all your Verizon service.

- If you participated in a West hourly pension plan, your pension benefit will remain in the West hourly pension plan. Your retirement eligibility under this Plan will be based on your combined net credited service (subject to bridging rules described under "Service 'Bridging' Rules," if applicable). Your benefit under this Plan will be based on your pension accrual service earned as an eligible employee under this Plan only.

- If you transfer to a West hourly pension plan, your pension benefit will remain in this Plan, and the benefit you ultimately receive from this Plan will be based on the pension band you were in and the monthly pension amount in effect for that band at the time of your transfer. Your pension accrual service is measured to the date of your termination as an active Plan participant, but your ERISA service and net credited service generally include all your Verizon service.

If you are transferred or have a change in status, call the Verizon Benefits Center with any questions about the effect on your pension benefits. (See your Important Benefits Contacts insert for the telephone number.) Keep in mind, your accrued benefit payable at normal retirement never can be decreased from the amount you had earned up to the date you are transferred or have a change in status.

If You Are Hired By or From Idearc Inc.

Following the spin-off of certain Verizon companies to form Idearc Inc. and its subsidiary companies, the assets and liabilities for pension obligations for associates employed by the spun-off companies, or whose last employment with Verizon was with a spun-off company, was transferred to Idearc Inc. Therefore, any net credited service and pension accrual service, and any right to the restoration of such service, also was transferred to Idearc Inc. Furthermore, on the effective date of the spin-off, Idearc companies no longer are affiliates of Verizon.

- If you leave Verizon and are hired by Idearc Inc. or one of its subsidiary companies, you are a terminated employee under this Plan, and your benefit under this Plan will be calculated as of your termination date.

- If your benefit was transferred to Idearc Inc. and you later are rehired by a participating company as an eligible employee, your service with a Verizon company prior to the spin-off will be recognized for ERISA service, but your net credited service and your pension accrual service will be counted only from the date of your rehire with Verizon.

Please note that, if you meet the conditions to be eligible for portability, your net credited service and pension accrual service may be recognized under the Interchange Agreement (see “Interchange or Portability Agreements and Related Rules”).

Receiving Your Benefit

Service Pension Eligibility

Your eligibility to retire and start receiving a service pension depends on your age and net credited service when you terminate employment.

If you meet any of the following age and net credited service requirements, you may retire on or after that age and receive a service pension.

Service Pension Eligibility Requirements

Your Age	Net Credited Service
Any age	30 years or more
At least age 50	25 years or more
At least age 55	20 years or more
At least age 60	15 years or more
Age 65 or older	10 years or more

Early Retirement With a Service Pension

If you qualify for a service pension, you can retire and start receiving your pension benefit right away. Payments may or may not be reduced for early retirement depending on your age and net credited service as described below.

Unreduced Pension

If you retire with 30 or more years of net credited service, your service pension can be paid in full without reduction for early payment, regardless of your age when you terminate employment.

If you qualify for a service pension and retire because you are totally disabled (as described under "If You Become Disabled"), your service pension will be paid without reduction for early payment.

If you qualify for a service pension and retire when you're age 55 or older, you also can receive your benefit without reduction for early payment.

Reduced Pension

If you retire before age 55 and have less than 30 years of net credited service, your benefit permanently will be reduced by 1/2 percent a month (or six percent a year) for each full or partial month that you elect payments to begin before you reach age 55.

Example: Here's an example of how a service pension is reduced for early payment. Assume:

- You retire at age 53.
- You have 25 years of net credited service.
- Your unreduced service pension is $1,000 a month.

Since you have less than 30 years of net credited service and you are retiring 24 months before age 55, your early payment reduction is 12 percent (1/2 percent × 24 months = 12 percent).

So, your reduced early retirement benefit would be calculated like this:

Step 1: $1,000 × 12 percent (.12) reduction = $120 early retirement reduction

Step 2: $1,000 • $120 = **$880 reduced early retirement monthly benefit.**

Important Note:

If you retire with a service pension, you also may be eligible for retiree medical, dental and life insurance coverage, as well as other benefits for service pension eligible retirees. Call the Verizon Benefits Center for additional information. (See your Important Benefits Contacts insert for the telephone number.)

Normal Retirement or Later

You can retire any time after your normal retirement age and receive an unreduced benefit regardless of the length of your service. In most cases, your normal retirement age is 65, and your normal retirement date is the day you turn age 65.

Note: If you become an eligible associate after your 60th birthday, your normal retirement age is five years after you become eligible to participate in the Plan. For example, if you are age 62 when you begin participating in the Plan, your normal retirement will be at age 67.

If you continue working until April 1 of the year after you reach age 70-1/2, your monthly pension benefit automatically will begin and will continue until your actual retirement. Your benefit will be redetermined each year to reflect the additional benefit value you've earned from continued employment, reduced by the value of the payments you've already received during the previous year.

If You Leave Before Retirement

Deferred Vested Pension

If you leave Verizon with at least five years of ERISA service, you are eligible for a deferred vested pension. (See “How Service Is Counted” in the “Participation and Service” section for details on ERISA service.)

If you terminate employment with Verizon before completing five years of ERISA service and before your normal retirement age, you are not entitled to a benefit from the Plan, unless you were affected by special vesting during the years 1990, 1991 and 1992. Participants with less than five years of ERISA service automatically were vested in their accrued benefit. This special vesting applies to Plan participants who were employed on the date assets were transferred to the Plan’s health benefits account or were former employees employed at any time during the one-year period ending on the transfer date and to the benefits accrued by those participants as of the transfer date.

After you leave the Company with the right to a deferred vested pension, you’ll receive a statement showing the amount of your deferred vested pension benefit based on your pension band monthly benefit and pension accrual service, as well as any supplemental monthly benefit for which you are eligible at the time you terminate employment. You are not eligible for any other benefits Verizon provides to those participants who are eligible for a service or disability pension.

Your full, unreduced deferred vested pension would begin when you reach age 65 (or your normal retirement age, if later). However, you can elect to have your benefit start:

- At or after age 60, if you have at least 15 years of net credited service
- At or after age 55, if you have at least 20 years of net credited service
- At or after age 50, if you have at least 25 years of net credited service.

If you decide to have your deferred vested pension start before your normal retirement age, the monthly amount will be reduced, since the pension will be paid over a longer period of time. The amount of the reduction is based on your age in years and months when payments begin. The table below reflects the percentage of the pension payable as a single life annuity if you terminate employment and begin receiving deferred vested pension payments prior to age 65. Please note that this table is based on your age, in complete years and months, at the time pension payments begin (for example, at 50 years and three months, 25 percent of your pension is payable). (Note that if you terminate during the Cashout Window, you can receive your pension at any age.)

Your Age in Completed Years...	**...And Any Completed Months in Addition to Years**											
	0	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
25	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.4%	3.4%	3.4%	3.4%	3.5%	3.5%
26	3.5	3.5	3.6	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.8
27	3.8	3.8	3.8	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.0	4.1
28	4.1	4.1	4.2	4.2	4.2	4.2	4.3	4.3	4.3	4.3	4.4	4.4

Your Age in Completed Years...	...And Any Completed Months in Addition to Years											
	0	1	2	3	4	5	6	7	8	9	10	11
29	4.4	4.5	4.5	4.5	4.5	4.6	4.6	4.6	4.7	4.7	4.7	4.8
30	4.8	4.8	4.8	4.9	4.9	4.9	5.0	5.0	5.0	5.1	5.1	5.1
31	5.2	5.2	5.2	5.3	5.3	5.3	5.4	5.4	5.5	5.5	5.5	5.6
32	5.6	5.6	5.7	5.7	5.7	5.8	5.8	5.9	5.9	5.9	6.0	6.0
33	6.0	6.1	6.1	6.2	6.2	6.3	6.3	6.3	6.4	6.4	6.5	6.5
34	6.5	6.6	6.6	6.7	6.7	6.8	6.8	6.9	6.9	6.9	7.0	7.0
35	7.1	7.1	7.2	7.2	7.3	7.3	7.4	7.4	7.5	7.5	7.6	7.6
36	7.7	7.7	7.8	7.8	7.9	7.9	8.0	8.0	8.1	8.1	8.2	8.2
37	8.3	8.3	8.4	8.5	8.5	8.6	8.6	8.7	8.7	8.8	8.9	8.9
38	9.0	9.0	9.1	9.2	9.2	9.3	9.3	9.4	9.5	9.5	9.6	9.7
39	9.7	9.8	9.9	9.9	10.0	10.1	10.1	10.2	10.3	10.3	10.4	10.5
40	10.5	10.6	10.7	10.8	10.8	10.9	11.0	11.1	11.1	11.2	11.3	11.3
41	11.4	11.5	11.6	11.7	11.7	11.8	11.9	12.0	12.1	12.1	12.2	12.3
42	12.4	12.5	12.6	12.7	12.7	12.8	12.9	13.0	13.1	13.2	13.3	13.4
43	13.4	13.5	13.6	13.7	13.8	13.9	14.0	14.1	14.2	14.3	14.4	14.5
44	14.6	14.7	14.8	14.9	15.0	15.1	15.2	15.3	15.4	15.5	15.6	15.7
45	15.9	16.0	16.1	16.2	16.3	16.4	16.5	16.7	16.8	16.9	17.0	17.1
46	17.2	17.4	17.5	17.6	17.7	17.9	18.0	18.1	18.2	18.4	18.5	18.6
47	18.7	18.9	19.0	19.1	19.3	19.4	19.6	19.7	19.8	20.0	20.1	20.2
48	20.4	20.5	20.7	20.8	21.0	21.1	21.3	21.4	21.6	21.7	21.9	22.0
49	22.2	22.4	22.5	22.7	22.9	23.0	23.2	23.4	23.5	23.7	23.9	24.0
50	24.0	24.0	24.0	25.0	25.0	25.0	25.0	25.0	25.0	26.0	26.0	26.0
51	26.0	26.0	26.0	27.0	27.0	27.0	27.0	27.0	27.0	28.0	28.0	28.0
52	28.0	28.0	29.0	29.0	29.0	29.0	30.0	30.0	30.0	30.0	31.0	31.0
53	31.0	31.0	32.0	32.0	32.0	32.0	33.0	33.0	33.0	33.0	34.0	34.0

Your Age in Completed Years...	...And Any Completed Months in Addition to Years											
	0	1	2	3	4	5	6	7	8	9	10	11
54	34.0	34.0	35.0	35.0	35.0	35.0	36.0	36.0	36.0	36.0	37.0	37.0
55	37.0	37.0	38.0	38.0	38.0	38.0	39.0	39.0	39.0	39.0	40.0	40.0
56	40.0	40.0	41.0	41.0	41.0	42.0	42.0	42.0	43.0	43.0	43.0	44.0
57	44.0	44.0	45.0	45.0	45.0	46.0	46.0	46.0	47.0	47.0	47.0	48.0
58	48.0	48.0	49.0	49.0	50.0	50.0	51.0	51.0	51.0	52.0	52.0	53.0
59	53.0	53.0	54.0	54.0	55.0	55.0	56.0	56.0	56.0	57.0	57.0	58.0
60	58.0	59.0	59.0	60.0	60.0	61.0	62.0	62.0	63.0	63.0	64.0	64.0
61	65.0	66.0	66.0	67.0	67.0	68.0	69.0	69.0	70.0	70.0	71.0	71.0
62	72.0	73.0	73.0	74.0	75.0	75.0	76.0	77.0	77.0	78.0	79.0	79.0
63	80.0	81.0	82.0	82.0	83.0	84.0	85.0	85.0	86.0	87.0	88.0	88.0
64	89.0	90.0	91.0	92.0	93.0	94.0	95.0	95.0	96.0	97.0	98.0	99.0
65	100.0	—	—	—	—	—	—	—	—	—	—	—

Special Early Payment Rule During Cashout Window Through August 2, 2008

If you terminate employment during the Cashout Window (see “Optional Methods of Payment” in the “How Your Benefit Is Paid” section) and you are eligible for a deferred vested benefit, you have the option to elect an immediate reduced monthly benefit or a lump-sum distribution, regardless of your age and years of net credited service at the time your employment ends.

If You Become Disabled

If You Are Not Eligible For a Service Pension

If you become totally disabled due to a sickness or injury (other than an on-the-job accident) while you are an eligible associate, and you are not yet eligible for a service pension, you will be eligible for a disability pension if:

- You have not reached normal retirement age.
- You have at least 15 years of net credited service.
- You remain totally disabled after receiving 52 weeks of sickness disability benefits under the Verizon Sickness and Accident Disability Benefit Plan for New York and New England Associates (the “Sickness and Accident Plan”).

You will be considered totally disabled if, by reason of disability, you are unable to perform any job that is offered to you by your participating company. Disability pensions are calculated using the same formula as service pensions. However, there is no reduction for early payment regardless of your age when you become disabled. Your disability pension will be offset by any Workers' Compensation benefits that are paid to you at the same time.

Your disability pension benefits will be paid as long as you remain unable to resume active employment with the Company. In order to continue your disability pension payments prior to normal retirement age, you may be asked to submit to periodic medical examinations or to cooperate with a recommended rehabilitation program.

If you terminate employment during a Cashout Window due to the expiration of 52 weeks of sickness disability benefits, you may elect a lump sum calculated based on the value of the deferred vested pension or service pension that you otherwise would have been eligible to receive if not for your disability. If you elect a lump-sum distribution, you will not be eligible to receive a disability pension.

If you're still receiving a monthly disability pension when you reach your normal retirement age, the disability pension will be changed to a service pension in the same monthly amount and in the same form of payment that you elected when your disability pension began. If you die while receiving a disability pension, any death benefit will be based on the form of payment in effect for your disability pension at the time of your death.

Special Situation: If you become totally disabled due to an on-the-job accident, you will continue to earn net credited service and pension accrual service while you are receiving accident disability benefits under the Sickness and Accident Plan. You may receive accident disability benefits under the Sickness and Accident Plan for more than 52 weeks as long as you continue to be totally disabled and have not commenced payment of your pension.

If You Are Eligible For a Service Pension
If you remain disabled after receiving 52 weeks of sickness disability benefits under the Sickness and Accident Plan and you are eligible for a service pension, you will receive a service pension that's not reduced for early retirement instead of a disability pension. You also will be entitled to the same benefits as any other individual who receives a service pension.

If you Recover From Your Disability
If you recover from your disability sufficiently to resume active service with a participating company, your disability pension benefit will stop. If you are reemployed, your service earned before you received the disability pension will be bridged according to the service bridging rules described in the "How Service Is Counted" section. However, no service will be credited for the period you received a disability pension. If you do not return to work, you will be entitled to the deferred vested pension you had earned as of the date you terminated employment due to disability.

If You Leave or Retire and Return to Work
If You Were Receiving a Monthly Benefit
In general, if you retire and start to receive a monthly pension benefit from this Plan but later return to work as an associate participating in this Plan, your pension benefits will stop while you continue to work.

Exception: Pension benefits will continue if you're working 40 or fewer hours in a calendar month, if you're over age 70-1/2 or if you're rehired under the working retiree program.

How Your Benefit Is Determined Upon Subsequent Termination

The determination of your benefit from the Plan when you subsequently terminate employment will be affected based on your benefit payment status when you returned and the length of time you were gone:

- In general, if you started monthly benefit payments or postponed payment and, in either case, are rehired within six months of your prior termination date, your benefit upon subsequent termination will be based on your total net credited and pension accrual service from both periods of employment and the pension band rate or rates in effect when you leave.

- If you started monthly benefit payments or postponed payment and, in either case, are rehired after a period of more than six months, then your net credited service and pension accrual service will be "bridged" only if you meet the requirements as described under "Service 'Bridging' Rules." If you do not meet the bridging requirement, your benefit from your prior period of service will not be increased to reflect any change in your pension band rate.

- If you received a lump-sum distribution of your prior service benefit, regardless of how long you were gone, your benefit upon subsequent termination will be based only on net credited service and pension accrual service after you are rehired. However, if you were laid off in 2002 or 2003 and returned to work under an arbitration agreement after receiving a lump-sum cashout of your pension, your prior service will be included in your pension calculation. In this case, your subsequent pension amount will be reduced by the amount of the single-life annuity on which your lump-sum cashout was based.

If you participated in a plan sponsored by an Affiliate Company other than this Plan during your prior period of employment, please call the Verizon Benefits Center for more information (see your Important Benefits Contacts insert for the telephone number).

While You Are on the Active Payroll

At the time your pension payments are suspended, your prior payment election becomes invalid. However, the Plan provides a pension benefit to your spouse or other beneficiary if you die before pension payments resume (see "Preretirement Survivor Death Benefit" in the "Benefits for Survivors" section for more information).

When pension payments resume, you will be asked to elect a new form of payment (see "How Your Benefit Is Paid") for your entire benefit, including amounts earned before and after you returned to work. Your old form of payment election becomes invalid on the date your benefit is suspended due to your rehire.

Adjustment For Prior Monthly Benefit Payments If Service Is Bridged

If you were receiving monthly deferred vested benefit payments before you were rehired, your subsequent benefit will be adjusted for the value of the prior payments you received. The adjustment is made by determining your full service benefit based on pension accrual service for both eligible periods of employment and subtracting the amount earned during the prior period of service after applying an adjustment ratio. The adjustment ratio is one minus the fraction determined by dividing the monthly benefit amount you were previously receiving by the monthly amount you would have received if your annuity starting date was the date you were reemployed as an eligible employee. Note that this adjustment does not apply if you were receiving monthly service pension payments before you were rehired.

If You Are Receiving a Social Security Supplement

If you are receiving a Social Security Supplement benefit at the time you are rehired, these payments will stop but may resume upon your subsequent termination of employment, provided you still are under the age of 62. If you have questions after you are rehired, call the Verizon Benefits Center and speak with a representative.

How Your Benefit Is Paid

Automatic Method of Payment

Single Life Annuity

If you are single at the time payment begins, the standard form of payment is a single-life annuity. Your benefit will be paid as regular monthly income for as long as you live. Payments are not continued to a beneficiary. You will receive this method of payment, unless you elect an optional method.

Joint and Survivor Annuity

If you're married at the time payment begins, the standard form of payment is a 50 percent joint and survivor annuity. Under this payment method, you receive a reduced monthly pension benefit (see "Joint and Survivor Annuity Option Reductions" under the "Optional Methods of Payment" section for an example). Your monthly benefit is reduced, because payments are expected to be made over two lifetimes. If you die before your spouse to whom you were married when your benefit began, your spouse starts receiving 50 percent of your monthly pension benefit for the remainder of his or her lifetime. On the other hand, if your spouse dies before you, your monthly benefit increases to the original single life annuity amount and no additional benefits are paid after your death. The increase to the original benefit amount will be effective in the month following your spouse's death. However, if you notify the Verizon Benefits Center of your spouse's death more than one year after death occurs, the increase will apply only to months after your notification is received.

Note: If you terminate employment during the Cashout Window (See "Special Early Payment During Cashout Window Through August 2, 2008") and you're eligible to receive a service or deferred vested pension benefit, you're eligible to receive your benefit immediately in a reduced monthly benefit under any of the annuity forms described in this section or as an immediate lump-sum distribution.

Important Note

Unless you elect an optional method of payment, the Plan pays your benefit in the automatic form based on your marital status at the time payment begins. However, if your benefit value is small ($3,500 or less), payment automatically will be made in a lump-sum distribution (cashout). (See "Automatic Cashout of Small Benefit Amount" under the "Optional Methods of Payment" section.)

Optional Methods of Payment

You may decline the automatic form of payment in writing and elect one of the optional methods described below. Note that if you're married, the single life annuity is an optional method of payment for you as well, provided your spouse's written and notarized consent is obtained.

You will receive written notification prior to the starting date of your benefit with an explanation of the methods of payment available to you and timing requirements for your election.

Joint and Survivor Annuity Option

You have three joint and survivor annuity payment options from which to choose: The 50 percent survivor annuity, the 75 percent survivor annuity and the 100 percent survivor annuity. All three payment options pay you a monthly pension benefit for as long as you live. In the event that you die before your beneficiary, each option pays a different percentage of your monthly pension benefit to your beneficiary. For example, if you choose the 50 percent survivor annuity option, your beneficiary will receive 50 percent of your monthly pension benefit (after the cost of this option is applied) if you should die. This also applies to the 75 percent and 100 percent joint and survivor annuity options.

If you choose any of the joint and survivor annuity options, your monthly pension benefit will be reduced for the cost of the option, because the payments are expected to be made over two lifetimes. The reduction charges depend on the difference between your age and your beneficiary's age in whole years at the end of the year in which you retire. (For example, if the age difference between you and your beneficiary is 12 years and four months, the Company uses 12 years to determine a reduction.)

Use the following chart to determine what your reduction charge will be under each of the joint and survivor annuity options:

Joint and Survivor Annuity Option Reductions

If Your Beneficiary Is...	Your Reduction Under the 50% Survivor Annuity Is...	Your Reduction Under the 75% Survivor Annuity Is...	Your Reduction Under the 100% Survivor Annuity Is...
13 or more years older than you	4.00%	6.00%	8.00%
10 to 12 years older than you	4.50%	6.75%	9.00%
7 to 9 years older than you	5.00%	7.50%	10.00%
4 to 6 years older than you	6.00%	9.00%	12.00%
Within 3 years of your age (younger or older)	7.00%	10.50%	14.00%
4 to 6 years younger than you	8.00%	12.00%	16.00%
7 to 9 years younger than you	9.00%	13.50%	18.00%
10 to 12 years younger than you	9.50%	14.25%	19.00% Not available for a non-spouse beneficiary over 10 years younger than you
13 to 24 years younger than you	10.00%	15.00% Not available for a non-spouse beneficiary over 19 years younger than you	20.00% Not available for a non-spouse beneficiary
25 or more years younger than you • If spouse is beneficiary • If non-spouse is beneficiary	 10.00% 16.00%	 15.00% Not available	 20.00% Not available

Note:

- You cannot name a non-spouse beneficiary under the 75 percent joint and survivor option who is more than 19 years younger than you; or under the 100 percent joint and survivor option who is more than 10 years younger than you.

- You can name a non-spouse beneficiary (with your spouse's written and notarized consent if you are married) for the 50 percent joint and survivor option who is 25 or more years younger than you. A 10 percent factor instead of 16 percent will apply if he or she is a dependent you claim on your tax return, lives with you or in a home that's supported by you at least six months out of the year and is:

  — Your parent or grandparent

  — Your spouse's parent or grandparent

  — Your brother or sister

  — Your unmarried child of any age who is fully dependent on you for support due to a mental or physical disability.

Example

Here's a step-by-step example to help you compare your monthly pension benefit – and the amount continued to your beneficiary if you die – under all three joint and survivor annuity options. Assume you are age 58 and six months, and your beneficiary is age 55 and three months at the end of the year in which you retire and your monthly pension benefit is $1,182.

Step 1: Determine the difference between your age and the age of your beneficiary **in whole years** at the end of the year in which you retire:

58 years, 6 months **-** 55 years, 3 months = 3 years, 3 months (your beneficiary is three **whole** years younger).

Step 2: Using the chart on the previous page, determine the reduction that will be applied to your monthly pension benefit under each of the options. For instance, if your beneficiary is three years younger than you under the 75 percent survivor annuity, your reduction is 10.50 percent.

Step 3: Calculate the monthly pension payable for your lifetime, as well as the pension amount continued to your beneficiary if you die, under all three annuity options, as shown below.

	50% Survivor Annuity	75% Survivor Annuity	100% Survivor Annuity
Gross monthly pension	$1,182.00	$1,182.00	$1,182.00
Reduction for the cost of the option	• 82.74 (7%)	• 124.11 (10.50%)	• 165.48 (14%)
Monthly pension amount paid for your lifetime	$1,099.26	$1,057.89	$1,016.52
Monthly pension paid to your beneficiary if you die	$ 549.63 50% of your monthly pension amount	$ 793.42 75% of your monthly pension amount	$ 1,016.52 100% of your monthly pension amount

Note: For the joint and survivor annuity options, if your beneficiary dies before you, your monthly pension will be increased by the amount it had been reduced for the original cost of the option. The increase will go into effect the month following your beneficiary's death. However, if you notify the Verizon Benefits Center of your beneficiary's death more than one year after death occurs, the increase will apply only to months after your notification is received.

You can choose any living individual as your beneficiary under any of the three joint and survivor annuity options. If you're married, however, your spouse must be your beneficiary, unless you obtain your spouse's notarized, written consent to another beneficiary. Your spouse's written consent with respect to a change in beneficiary is irrevocable upon the annuity starting date.

Also, as noted on the table above titled, "Joint and Survivor Annuity Option Reductions", there is an age requirement that limits the joint and survivor annuity options available to certain non-spouse beneficiaries. If your non-spouse beneficiary is up to 19 years younger than you, you may choose the 50 percent joint and survivor annuity or the 75 percent joint and survivor annuity. If your non-spouse beneficiary is more than 19 years younger than you, you may choose only the 50 percent survivor annuity.

Period Certain and Life Annuity Options: Five-Year or 10-Year

This option pays you a fixed monthly pension for your lifetime and guarantees that if you die before you receive five or 10 years of payments, any remaining payments for the five- or 10-year period will be made to your beneficiary(ies). If you're married, your beneficiary under the five-year or 10-year certain and life annuity options can be either your spouse or a non-spouse beneficiary if your spouse consents to the designated beneficiary with his or her notarized signature.

If you choose a five-year period certain and life annuity, your monthly pension will be reduced by two percent for the cost of the option, because your monthly payments are guaranteed for a certain period of time. If you choose a 10-year period certain and life annuity, your monthly pension will be reduced by 6.5 percent for the cost of the option.

Example

Assuming your monthly pension benefit is $1,182 as shown in the previous example, and you elect a period certain and life annuity, your monthly pension benefit and the monthly amount continued to your beneficiary (if you die before the five- or 10-year period ends) are calculated as follows:

	5-Year Period Certain	**10-Year Period Certain**
Gross monthly pension	$ 1,182.00	$ 1,182.00
Reduction for cost of the option	• 23.64 (2%)	• 76.83 (6.5%)
Net monthly pension paid for your lifetime	$ 1,158.36	$ 1,105.17
Monthly pension paid to your beneficiary for the remainder of the term	$ 1,158.36	$ 1,105.17
Monthly pension paid to your beneficiary if you die **after** the 5- or 10-year period ends	$ 0.00	$ 0.00

Note: The reduction for the period certain and life annuity option stays in effect for as long as the benefit is paid – either to you or your beneficiary.

If you want to elect either the five- or 10-year period certain and life annuity, you may choose one or two primary beneficiaries who would receive any remaining monthly benefit payments if you die before receiving five or 10 years of payments. If you choose two beneficiaries, each would be entitled to half of your monthly benefit amount if you die before receiving five or 10 years of payments. If you are married, your spouse can be your beneficiary under these options. To elect either the five- or 10-year period certain and life annuity, your spouse must consent to the form of payment and the designated beneficiary(ies) with his or her notarized signature.

At the time that you choose your primary beneficiary(ies), you also can choose a contingent beneficiary(ies) who would receive any remaining monthly benefits if your primary beneficiary and you die, in that order, during the five- or 10-year period. Keep in mind, payments to your beneficiary(ies) stop at the end of the five- or 10-year period.

If a primary beneficiary(ies) dies and you have not elected a contingent beneficiary(ies), benefits are paid as follows:

- If, within the period selected, a primary beneficiary dies **before** you, any monthly benefits that person would have received for the remainder of the five- or 10-year period would be paid to **your estate** in a lump sum.

- If, within the period selected, a primary beneficiary dies **after** you, any monthly benefits that person otherwise would have received for the remainder of the five- or 10-year period would be paid to **his or her estate** in a lump sum.

Keep in mind, if you have two primary beneficiaries who are receiving benefits, the death of one does not increase or affect the pension benefit of the surviving beneficiary. The surviving beneficiary would continue to receive the same monthly benefit for the remainder of the five- or 10-year period.

Single Life Annuity (Optional Form For Married Participants)

Under this payment method, your benefit is paid as regular monthly income for as long as you live. Payments are not continued to a beneficiary. You'll need your spouse's written, notarized consent to choose this payment method.

Lump-Sum Distribution Option (Available During Cashout Window)

A lump-sum "cashout" distribution is available as an option for an eligible associate who terminates employment with the right to receive a service pension or deferred vested pension during the Cashout Window. (A disability pension cannot be paid in a lump sum.) In general, the Cashout Window applies for eligible associates who terminate employment on or after November 1, 2004 and on or before August 2, 2008.

You may choose to receive a lump-sum distribution on a commencement date you elect in advance following procedures set up by the pension plan administrator and that is either the day following termination of employment or the first day of any following calendar month.

If you're married, you'll need your spouse's signed and notarized consent to receive a lump-sum distribution (unless your cashout value is $3,500 or less).

A lump-sum distribution provides a single payment that's equivalent in value to the monthly pension benefit you otherwise would be entitled to receive over your lifetime. The equivalent value is based on the monthly pension benefit payable as of your commencement date for a service pension or your normal retirement age for a deferred vested pension. The lump-sum factor used to convert your single life annuity benefit into a lump-sum amount takes into account current interest rates and standard mortality tables. Three calculation methods are used:

- **30-Year Treasury Calculation.** The 30-Year Treasury method uses:
  - 100 percent of the annual interest rate on 30-year Treasury securities (published in the Federal Reserve Statistical Release) for the second month preceding the first day of the calendar quarter containing your benefit commencement date
  - The mortality table specified in the Internal Revenue Code
  - Your age in whole years and whole months, as of the 15th day of the second month in the calendar quarter that contains your benefit commencement date.

- **PBCG Calculation.** The PBGC method uses:

  — 120 percent (or 100 percent if your lump sum is not more than $25,000) of the Pension Benefit Guaranty Corporation (PBGC) interest rate in effect for the month prior to the first month in the calendar quarter that contains your termination date

  — The Non-Insured Unisex Pension 1984 (UP84) Mortality Table

  — Your age in whole years and whole months, as of the 15th day of the second month in the calendar quarter that contains your termination date.

- **Internal Revenue Code (IRC) Calculation.** The IRC method uses:

  — The interest rate specified in the Internal Revenue Code for the second month preceding the first day of the calendar quarter containing your benefit commencement date

  — The mortality table specified in the Internal Revenue Code

  — Your age in whole years and whole months, as of the 15th day of the second month in the calendar quarter that contains your benefit commencement date.

Your lump-sum distribution is determined by the lump-sum basis that produces the largest cashout value for you. Additional details will be provided at the time your lump-sum distribution is determined.

Important points:

- Interest rates on which lump-sum calculations are based change each quarter. Therefore, it is possible for the lump sum payable to you based on a termination date in an earlier calendar quarter to be more or less than the lump sum that would be payable to you if you delayed your termination to a later calendar quarter.

- If you are eligible for a disability pension, you may refuse your monthly disability pension and receive a lump-sum distribution of your deferred vested pension instead. However, if you take your deferred vested pension in a lump sum instead of receiving a monthly disability pension, you will forfeit your right to retiree health and insurance benefits that normally are paid to a disability pension retiree.

- If you elect a lump-sum distribution, no additional benefit is payable to you or your beneficiary in the future, including survivor benefits that otherwise might be payable if you were receiving a monthly benefit for your lifetime. However, the eligible survivor of a service pension retiree who otherwise is eligible for a Sickness Death Benefit still will qualify for the death benefit regardless of whether a lump-sum distribution is elected by the retiree.

- If you receive a lump-sum distribution and later are rehired, you will receive credit for prior ERISA service but will be treated like a new hire for purposes of net credited service and pension accrual service. However, if you were laid off in 2002 or 2003 and returned to work under an arbitration agreement after receiving a lump-sum cashout of your pension, your prior service will be included in your pension calculation. In this case, your subsequent pension amount will be reduced by the amount of the single-life annuity on which your lump-sum cashout was based.

Automatic Cashout of Small Benefit Amount

If the total cashout value of your vested pension benefit is $3,500 or less (whether or not you terminated during a Cashout Window), you will receive your benefit in a lump-sum distribution no later than July 1 of the year following the year you terminate. If you terminate during the Cashout Window, all three lump-sum calculation methods described above will be used; outside the Cashout Window, only the IRC method applies.

- If the present value of your vested pension is $1,000 or less, your pension automatically will be distributed to you in the form of a lump-sum cash payment unless you complete the necessary paperwork for a direct rollover to an eligible employer plan or IRA.

- If the present value of your vested pension is more than $1,000, but not more than $3,500, your pension automatically will be rolled over to an IRA with Fidelity Management Trust Company unless you complete the necessary paperwork for a direct rollover to an eligible employer plan or IRA or payment directly to you by check.

Distributions automatically rolled over to a Fidelity IRA will be invested in the Fidelity Cash Reserves Fund (FDRXX), a money market vehicle designed to preserve principal and provide a reasonable rate of return and liquidity. The Cash Reserves Fund investment management and other expense fees will be charged to your rollover IRA (the rate as of January 2007 is 0.45%) and will not be paid by Verizon or the Plan. Other fees may apply if funds are transferred from the Cash Reserves Fund to another Fidelity fund. The expenses and fees of the Fidelity IRA will not be any higher than the expenses and fees charged by Fidelity for other Fidelity IRAs. If a rollover IRA is set up for you, Fidelity will provide you with information about your IRA and how to access it.

Paying Taxes on Your Pension Benefit

In general, your pension payments are fully taxable in the tax year you receive them. If you're receiving monthly benefit payments, you can choose to have taxes withheld from your payments.

Special tax rules apply to a lump-sum distribution. For example, 20 percent of your payment automatically will be withheld as an advance estimated payment for federal income taxes, unless you request a direct rollover of your distribution into a traditional IRA, the Verizon Savings and Security Plan for New York and New England Associates, or an eligible employer plan that accepts rollovers. You also may owe a 10 percent additional tax if you terminate employment before the year you turn age 55 and receive a lump-sum distribution before age 59-1/2. Before your lump-sum distribution is processed, you will have the opportunity to elect a direct rollover. You are responsible for providing the name of the IRA or eligible employer plan to which the direct rollover will be made to the Verizon Benefits Center by completing the form to elect a direct rollover.

Note: You may roll over your pension lump sum into the Verizon Savings and Security Plan for New York and New England Associates as long as the rollover is completed before the first anniversary of your termination or retirement date. After that, the savings plan cannot accept rollovers from the pension plan.

If you have questions regarding tax issues on your pension benefits, you may want to consult a tax advisor. In particular, the tax rules related to a lump-sum distribution can be complicated and may change in the future. You also may request a copy of the "Special Tax Notice Regarding Plan Payments" from the Verizon Benefits Center.

Applying for Benefits

In general, your pension benefits will not be paid automatically after you separate from active service. Exceptions are if you are age 70-1/2 or older (whether or not you have separated from service), if you elected to defer payment of your benefit and you reach age 65 or if your benefit is subject to the small benefit amount cashout rule.

When you are ready to receive your pension, go to Your Benefits Resources Web site or call the Verizon Benefits Center and speak with a representative to request a pension distribution package. You may request that your pension distribution package be sent to you up to 90 days before your desired pension commencement date.

If you are eligible for a service pension, you may start a monthly service pension on the day following your last day of work or the first day of any following month up to your normal retirement age, even if that date has already passed when you request it. However, for a service pension lump sum or any deferred vested pension, you may not request a pension commencement date that is a date in the past. If you are eligible for and choose to take a disability pension, your pension commencement date will be the day after the date you leave Verizon due to your disability. You may not elect an alternate pension commencement date for a disability pension.

Your pension distribution package will contain an estimate of your benefit and will show the end results of the calculations, including the amounts you can receive in the various payment options if you choose the pension commencement date shown in the package. After reviewing your pension distribution package, you must go to Your Benefits Resources Web site or call the Verizon Benefits Center and select your preferred payment option in order to obtain your payment election forms.

Your payment election forms must be properly completed, signed and returned to the Verizon Benefits Center within 90 days after your pension distribution package was sent to you. If you do not return your payment election forms in a timely manner, then you must restart the pension payment process, i.e., request another pension distribution package and, if required, select a new future pension commencement date. Your pension payment election forms (and the commencement date and form of payment shown on those forms) are not valid until you (and your spouse if applicable) properly complete and sign the forms and return them in a timely manner to the Verizon Benefits Center.

If you terminate during the Cashout Window and elect to receive a lump sum, your lump sum will be calculated as of your pension commencement date and, if the actual payment occurs after your pension commencement date, you will receive interest after your pension commencement date. If you elect to receive a monthly pension, your payment will be retroactive to your pension commencement date. You will receive interest on back monthly payments relating to a “retroactive annuity starting date,” which is a pension commencement date on or before the date your pension distribution package is provided (e.g., if you make a late election of a monthly service pension or if an administrative delay causes your package to be mailed late). Interest also may be credited on late monthly payments not relating to a retroactive annuity starting date in accordance with plan procedures.

If your pension distribution package was sent to you before your pension commencement date, you generally may revoke your payment election (i.e., your pension commencement date and/or form of payment) by revoking your election online on Your Benefits Resources Web site or by calling the Verizon Benefits Center (see your Important Benefits Contacts insert for the telephone number) any time before your pension commencement date. Your payment election is irrevocable after your pension commencement date. If your pension distribution package is sent to you on or after your pension commencement date, generally you may revoke your payment election by calling the Verizon Benefits Center (see your Important Benefits Contacts insert for the telephone number) or revoking the election online on Your Benefits Resources Web site at any time before the date of your first pension payment.

If your pension is required to begin under Plan terms because you have reached age 70-1/2 while working, you will be contacted regarding the commencement of your pension. If you fail to complete and return your pension election forms before payments are required to begin, your pension will be paid in the automatic method of payment based on your marital status. (See “Automatic Method of Payment” under “How Your Benefit Is Paid.”) You will not be eligible to change your form of payment once payments have begun. If your pension is required to be paid in a lump-sum amount because the total value of your vested pension is $3,500 or less, you will be contacted regarding completing the necessary paperwork for a direct rollover to an eligible employer plan or IRA or payment directly to you by check. If you do not complete the necessary paperwork your lump-sum amount will be paid either directly to you by check or rolled over to an IRA with Fidelity Management Trust Company (see “Automatic Cashout of Small Benefit Amount”).

If You Want to Defer Your Benefit Payments

If you’re under age 65, you can defer receipt of your pension benefit up to age 65. If you choose to do this, your accrued pension benefit will be frozen as of your termination date and paid to you on the early payment date you choose. The Plan administrator will use your age at the time payments begin to determine any early retirement reduction.

Note: When you defer your pension beyond the earliest payment date, you permanently forfeit your pension benefit for the period of deferral. You also forfeit any special pension increases that may be granted during your deferral period.

If Your Benefits Are Denied

If your claim for a pension benefit is denied, you are entitled to a written explanation of the denial. You also may file a written request for review of the decision. For details, refer to “Claims and Appeals Procedures.”

Benefits for Survivors

Preretirement Survivor Death Benefit

The Plan provides a monthly pension survivor benefit to your spouse or other beneficiary (see "Beneficiary Designation and Eligibility Rules" below) if you die after you have a vested right to receive a pension benefit but before you start receiving payments (or while your pension payments are suspended during rehire – see "While You Are on the Active Payroll" under "If You Leave or Retire and Return to Work").

Important Note

Special rules apply for naming a beneficiary (see "Beneficiary Designation and Eligibility Rules" below). If you are not married, you must have a valid beneficiary designation in effect at the time of your death; otherwise, the benefit is forfeited.

- If your beneficiary is your spouse, the monthly benefit amount payable to your spouse is equal to the survivor portion of a 65 percent joint and survivor annuity determined based on the monthly pension payable to you under the Plan as of the date benefit payments begin to your spouse, but determined with no reduction for early commencement if you die while employed.

  Note: If you have elected another joint and survivor form of payment within the 90-day election period prior to your pension commencement date that provides a greater benefit to your spouse, then payment will be made based on the provisions that provide a greater benefit.

- If your beneficiary is not your spouse, your beneficiary's benefit is based on the survivor portion of a 65 percent joint and survivor annuity, unless your beneficiary is more than 25 years younger than you; then, the survivor's benefit is based on the survivor portion of a 50 percent joint and survivor benefit.

See "When a Survivor Benefit Is Payable" below for more details regarding when a survivor benefit is payable and how the monthly amount of the survivor benefit is determined.

Lump-Sum Distribution Rules

An immediate or deferred lump-sum "cashout" distribution is available as an alternative to the monthly survivor benefit if your beneficiary is your surviving spouse and you die during the Cashout Window or you terminate employment during the Cashout Window and die before your pension commencement date. An immediate lump-sum distribution is the only form of payment available to your eligible non-spouse beneficiary if you die under the circumstances described in the preceding sentence.

Except as noted below, a lump-sum distribution provides a single payment that's equivalent in value to the monthly survivor benefit your beneficiary otherwise would have been entitled to receive over his or her lifetime. The equivalent value generally is determined in the same manner as described for associates (see "Lump-Sum Distribution Option" under "Optional Methods of Payment" in the "How Your Benefit Is Paid" section) who are eligible for a lump-sum distribution.

If you die after terminating employment, before your pension commencement date, and when you were eligible to elect a lump sum, the lump sum survivor benefit payable to your beneficiary will equal the larger of:

- The lump-sum value of the 65 percent preretirement survivor death benefit (or in the case of a non-spouse beneficiary who is more than 25 years younger, the 50 percent preretirement survivor death benefit) that is otherwise payable, or

- The lump-sum benefit you would have received on the commencement date for a lump sum elected by you prior to your death, or if no lump-sum election was in effect, the lump-sum benefit you would have received on your beneficiary's commencement date.

(**Note:** If your spouse beneficiary is eligible for the lump sum described in the bullets above but elects to receive a monthly benefit instead, your spouse will receive a monthly benefit that is equivalent in value to the lump sum your beneficiary is otherwise eligible to receive.)

Taxation will be based on rules in effect at the time the benefit is paid. Your survivor should contact a tax advisor if he or she has questions.

Automatic Cash Out of Small Benefit Amount

If the total cashout value of the preretirement survivor pension benefit is $3,500 or less at the time you die (whether or not in the cashout window), your beneficiary will receive the benefit in a lump-sum distribution. However, if your beneficiary is your spouse or a former spouse who is an alternate payee under a qualified domestic relations order:

- If the lump-sum value of your death benefit is $1,000 or less, the death benefit automatically will be distributed to your beneficiary in the form of a lump-sum cash payment unless your beneficiary completes the necessary paperwork for a direct rollover to an eligible employer plan or IRA.

  — If the lump-sum value of your death benefit is more than $1,000, but not more than $3,500, the death benefit automatically will be rolled over to an IRA with Fidelity Management Trust Company unless your beneficiary completes the necessary paperwork for (i) a direct rollover to an eligible employer plan or (ii) payment directly to your beneficiary by check. Distributions automatically rolled over to a Fidelity IRA will be invested in the Fidelity Cash Reserves Fund (FDRXX), a money market vehicle designed to preserve principal and provide a reasonable rate of return and liquidity. The Cash Reserves Fund investment management fee (the rate as of January, 2007 is 0.45%) will be charged to the IRA and will not be paid by the company or the plan. Other fees may apply if funds are transferred from the Cash Reserves Fund to another Fidelity fund. A distribution fee (currently $50) will be charged upon distribution from the Fidelity IRA. The expenses and fees of the Fidelity IRA will not be any higher than the expenses and fees charged by Fidelity for other Fidelity IRAs.

When a Survivor Benefit Is Payable

If you are eligible for a pension benefit, a preretirement survivor benefit may be available to your beneficiary if you die and:

- **You still were working and had at least five years of ERISA service or had reached normal retirement age.** Your pension benefit is calculated taking into account any minimum benefit as if you had retired with a service pension the day you died, electing a joint and survivor annuity (65 percent or 50 percent, as described above). The monthly payment is reduced for the cost of this survivor benefit. Your beneficiary receives 65 percent (50 percent, for a non-spouse beneficiary more than 25 years younger) of the benefit for his or her life – with no early retirement reduction – even if you were younger than the early retirement age when you died. The benefit is payable to your beneficiary immediately following your death. However, if your spouse is your beneficiary, he or she may defer payment to as late as the date you would have reached normal retirement age.

- **You terminated while eligible for a service pension and die before your benefit begins.** Your pension benefit is calculated, taking into account any minimum benefit as if you had elected to start payment on the day you died and elected a joint and survivor annuity (65 percent or 50 percent, as described above). The monthly payment is reduced for the cost of this survivor benefit and any applicable early retirement reduction will apply based on your age and service at the time you die. Your beneficiary receives 65 percent (50 percent, for a non-spouse beneficiary more than 25 years younger) of the reduced benefit for his or her life. The benefit is payable to your beneficiary immediately following your death. However, if your spouse is your beneficiary, your spouse may defer payment to as late as your normal retirement age, and possibly receive a larger monthly payment due to the later age upon which early retirement reductions will be based.

- **You terminated while eligible for a deferred vested pension benefit and die before your benefit begins.** Your pension benefit is calculated as if you had elected to start payment on the day you died and elected a joint and survivor annuity (65 percent or 50 percent, as described above). The monthly payment is reduced for the cost of this survivor benefit and any applicable early retirement reduction will apply (see “If You Leave Before Retirement”) based on your age at the time you die. Your beneficiary receives 65 percent (50 percent, for a non-spouse beneficiary more than 25 years younger) of the reduced benefit for his or her life. The benefit is payable to your beneficiary immediately following your death. However, if your spouse is your beneficiary, your spouse may elect either immediate or deferred payment within the 90-day election period indicated by the Verizon Benefits Center. If your spouse does not elect immediate payment within the election period, your spouse may start payments on or after the earliest date you could have retired, but not later than your normal retirement age, and receive a larger monthly payment due to the later age upon which early retirement reductions will be based. However, if you terminated employment during the Cashout Window, your spouse may elect any annuity starting date up to your normal retirement age.

Preretirement Survivor Death Benefit Annuity Factors

If your spouse or non-spouse beneficiary is eligible to receive a preretirement survivor death benefit based on a 65 percent joint and survivor annuity, the reduction factors below are applied to your benefits based on your beneficiary’s age in relation to your age. (If your non-spouse beneficiary is eligible to receive a preretirement survivor death benefit based on a 50 percent joint and survivor annuity, the reduction factors described in “Joint and Survivor Annuity Option Reductions” under “Optional Methods of Payment” in the “How Your Benefit Is Paid” section apply.)

65 Percent Joint and Survivor Annuity Factors

If Your Beneficiary Is...*	The Reduction Under the 65% Survivor Annuity Is...
13 or more years older than you	5.25%
10 to 12 years older than you	5.75%
7 to 9 years older than you	6.50%
4 to 6 years older than you	7.75%
Within 3 years of your age (younger or older)	9.00%
4 to 6 years younger than you	10.50%
7 to 9 years younger than you	11.75%
10 to 12 years younger than you	12.25%
13 to 24 years younger than you	13.00%
25 or more years younger than you • If spouse is beneficiary • If non-spouse is beneficiary	 20.75% Not available

*Age in whole years at the end of the calendar year in which you die.

Beneficiary Designation and Eligibility Rules

You should consider the following rules when you make your beneficiary designation for this benefit. Note that a preretirement survivor benefit will not be paid on your behalf if a valid beneficiary designation is not on file with the Verizon Benefits Center when you die and you do not have an eligible surviving spouse. It's your responsibility to keep the Verizon Benefits Center up-to-date regarding your marital status and beneficiary information. You may change your beneficiary at any time by submitting a new Beneficiary Authorization Form. Also, please note that the terms of a Qualified Domestic Relations Order (QDRO) issued upon divorce may require that your former spouse remain your beneficiary for some or all of the preretirement survivor benefit. In this case, your beneficiary designation choices may be limited based on the terms of the court order.

- **If you are married**, your spouse, at the time of your death, automatically is your primary beneficiary for any preretirement survivor benefit, unless you complete and return a Pension Plan Preretirement Beneficiary Authorization Form designating another living person as your primary beneficiary. (If you are eligible for a deferred vested pension when you leave employment, you must be married to your spouse for the 12 months prior to your death for him or her to be treated as a "spouse" for purposes of this benefit.) For your designation of another primary beneficiary to be valid, your spouse's irrevocable, written and notarized consent to the beneficiary you name must be provided in the Spouse's Consent section. Your spouse's consent is not necessary when you designate a contingent beneficiary to receive the benefit in the event that your spouse (who is your primary beneficiary) dies before you. Since no preretirement survivor benefit is payable without a valid beneficiary designation, designation of a contingent beneficiary is recommended in case your primary beneficiary predeceases you.

  — If you name a beneficiary other than your spouse and your beneficiary (including any contingent beneficiary) dies before you, the preretirement survivor benefit will be paid to your spouse. If your spouse also dies before you, no preretirement survivor benefit will be paid.

— After you die, a preretirement survivor benefit is payable to the individual who survives you who is determined to be your beneficiary (if any) for this benefit. However, if the individual who is identified as your beneficiary dies after you and before the preretirement survivor benefit is paid, no preretirement survivor benefit will be paid to your beneficiary's estate or to any other person or entity.

— If you divorce and remarry after making a beneficiary designation for the preretirement survivor benefit, your new spouse automatically will become the primary beneficiary and your prior designation will become null and void. If you would like to name a beneficiary other than your new spouse, you must complete a new form in which your new spouse consents to the beneficiary you name.

- **If you are not married (or if you're eligible for a deferred vested pension when you leave employment and have been married for less than 12 months)**, you **must** have a valid beneficiary designation on file with the Verizon Benefits Center indicating the individual you want to receive any preretirement survivor benefit that becomes payable. If you do not have a valid beneficiary designation on file, no preretirement survivor benefit will be paid on your behalf. If you are not married, the following additional rules apply to payment of the preretirement survivor benefit:

— You may name any living person you choose as your beneficiary; however, if your beneficiary is more than 25 years younger than you, the survivor's portion of the benefit is based on a 50 percent joint and survivor benefit (**not** a 65 percent joint and survivor benefit).

— If the beneficiary you name (including any contingent beneficiary) dies before you or if you have named no beneficiary, no preretirement survivor benefit will be paid.

— If your beneficiary (including any contingent beneficiary) dies before payment is made to that individual, no preretirement survivor benefit will be paid.

— If you marry after making a beneficiary designation for the preretirement survivor benefit, your new spouse automatically will become the primary beneficiary and your prior designation will become null and void. If you would like to name a beneficiary other than your new spouse, you must complete a new form in which your new spouse consents to the beneficiary you name.

Important Point If You Are Married and Under Age 35

If you are married and with your spouse's consent, name someone other than your spouse as primary beneficiary before January 1 of the year in which you reach age 35, the beneficiary designation will become invalid on that January 1 of the year in which you reach age 35. If you still wish to name a primary beneficiary other than your spouse at that time, you must submit a new Beneficiary Authorization Form. In all cases, if you wish to name a primary beneficiary other than your spouse, your spouse must consent by signing the Beneficiary Authorization Form in the presence of a Notary Public.

Special Note Regarding Separate Death Benefits Payable Under the Plan

Your designation of a beneficiary for the preretirement survivor benefit, as described in this section, will not affect the payment of any Sickness Death Benefit or Accident Death Benefit that may be payable under Plan provisions that specify mandatory beneficiary(ies) for these benefits. (See the "Sickness Death Benefit" section for more information.)

Sickness Death Benefit

If you were hired on or before December 31, 1986, are employed continuously by Verizon on and after this date and die from an illness or an off-duty accident (as defined in the Verizon disability program), your beneficiary may receive a sickness death benefit. This benefit is equal to one year of your basic rate of pay that was in effect on December 31, 1986, plus all differentials paid to you in the 12-month period ending on December 31, 1986. (If you were a part-time employee as of that date, the benefit is based on your normal part-time scheduled hours on December 31, 1986.)

You must remain employed continuously by Verizon. Employees who are hired or rehired after December 31, 1986 are not eligible even if they are covered under the Mandatory Portability Agreement and have a net credited service date prior to January 1, 1987. There are three exceptions to this rule:

- Eligible associates who left with a service pension before December 31, 1986 and are rehired after December 31, 1986

- Employees on rotational assignment at Bellcore on December 31, 1986 and who transferred back after December 31, 1986

- Shared Services employees who transferred back after December 31, 1986 and before the end date specified in Divestiture Interchange Agreement.

First Mandatory Beneficiaries

Your beneficiary for the death benefit is limited to one or more of the following:

- Your spouse, if he or she is living with you when you die

- Your unmarried, dependent children under age 23 (unmarried, dependent children age 23 or over qualify as beneficiaries if they are disabled and incapable of self-support)

- A dependent parent, if he or she is living with you or is living in a separate household you provide.

If you have more than one mandatory beneficiary at the time of your death, the Verizon Employee Benefits Committee (VEBC) will use its discretion in determining how to administer the benefit. Special rules apply to sickness death benefits provided for associates who transfer from the Verizon Pension Plan for Mid-Atlantic Associates. For more information on additional sickness death benefits for which you may qualify, you or your beneficiary should contact the Verizon Benefits Center. (See your Important Benefits Contacts insert for the telephone number.)

Second Mandatory Beneficiaries

If you die and no individual qualifies as a first mandatory beneficiary for you, a sickness death benefit may be paid to your spouse, dependent child or other dependent relative who is entitled to receive support from you at the time of your death. The VEBC determines when benefits will be paid and the amount.

If There Is No Beneficiary

In the event there is no beneficiary who is qualified to receive the sickness death benefit, the VEBC may authorize payments of up to $500 to cover burial costs, as long as the amount authorized is not higher than the maximum benefit payable to a beneficiary.

Accidental Death Benefit

If you die from an on-duty accident as a result of an accidental injury arising out of and in the course of employment by a participating company regardless of when you were hired, your first or second mandatory beneficiary (as defined above under "Sickness Death Benefit") may receive the greater of:

- The amount (if any) the Plan would have paid as a sickness death benefit
- The lesser of $50,000 or three years of pay.

In addition, the Plan pays the necessary burial expenses, up to $500.

Your pay for these purposes is defined as the annual basic rate of pay (in effect on the day of your death) plus all differentials paid in the 12-month period ending on the day you die. The accidental death benefit is subject to offsets for any Workers' Compensation death benefit that may be payable.

Other Information on Death Benefits

In certain emergencies, your beneficiary may request an advance on a sickness or accident death benefit of up to $1,500 to help meet urgent expenses related to your death. The advance would be deducted from the final benefit paid.

A death benefit will not be paid if any of the following apply:

- In the case of a sickness death benefit, you were hired on or after January 1, 1987, or you were employed on December 31, 1986 but you have not been employed continuously since that date.
- A claim is received more than one year after your death.
- A claim other than a claim under this Plan is filed.

If You Are a Retiree, Former Vested Participant or Beneficiary

Your Benefit Amount

In general, this summary plan description (SPD) describes the Plan based on provisions effective January 1, 2007 for participants who are employed as eligible associates under the Plan on or after that date. If you are a retiree or a former associate entitled to a deferred vested benefit, your benefit amount generally is based on Plan provisions in effect when your employment as an eligible associate ended.

If you are entitled to a benefit because you are a surviving beneficiary, the determination of your benefit is based on Plan provisions in effect at the time the former participant's employment as an eligible associate ended. As a result, there are provisions described in this SPD that differ from those that apply to the determination of your benefit.

Some points to keep in mind:

- The lump-sum cashout provisions apply to participants whose employment ends while an eligible associate and during the Cashout Window. If your employment with Verizon ended before or after the Cashout Window or during the Cashout Window while you were working for Verizon as other than an eligible associate, you are not eligible to cash out your benefit.

- If you return to Verizon employment as an eligible associate in this Plan after January 1, 2007, the service rules (see "How Service Is Counted" and "Special Situations That Can Affect Your Benefit Calculation") and portability rules (see the "Interchange or Portability Agreements and Related Rules" section) apply in determining how your total period of service is counted.

- If you have not started receiving your benefit, the preretirement survivor benefit rules in effect at the time you left employment as an eligible associate apply.

Receiving Your Benefit

In general, if you are retired and receiving your monthly benefit or if you are receiving a surviving beneficiary benefit, the amount of your benefit will continue to be paid by the pension trust without change. If you are a deferred vested participant, payments can begin on the basis of Plan provisions in effect at the time your employment ended. Call the Verizon Benefits Center at the number provided in your Important Benefits Contacts insert for information or to elect payment.

If you are receiving a monthly benefit payment, your payments will continue for your lifetime, unless you are reemployed by Verizon Communications Inc. as an associate eligible for this Plan. In this case, payments are stopped while you are employed, unless you are working 40 or fewer hours per month (see "If You Leave or Retire and Return to Work" for more information). If you are receiving a disability pension, your payments may stop if prior to normal retirement age you recover from disability, fail to submit to periodic medical exams or fail to cooperate with a recommended rehabilitation program (see "If You Become Disabled" for more information).

If you have a change of address or any questions about your benefit, call the Verizon Benefits Center at the telephone number provided in your Important Benefits Contacts insert included with this SPD.

As a retiree, a former participant entitled to a deferred vested pension benefit or a surviving beneficiary, you have certain Plan rights provided under the Employee Retirement Income Security Act (ERISA) of 1974 and its subsequent amendments. See the “Administrative Information” section for details.

Additional Information

If You Divorce or Separate

Your Plan benefit belongs solely to you (or your beneficiary if survivor benefits apply when you die). In general, your benefit cannot be sold, assigned, transferred, pledged or garnished to anyone else. If you're divorced or separated, however, certain court orders – known as Qualified Domestic Relations Orders (QDROs) – could require part of your benefit to be paid to someone else, such as your former spouse or your child. You can obtain, without charge, a copy of the Plan's QDRO procedures by contacting the Plan administrator at the address listed in the "Administrative Information" section.

Maximum Benefit Levels

The Internal Revenue Service (IRS) imposes certain limitations on the amount of benefits that are paid under the Plan. There also are limits on the pay that can be recognized by the Plan each year. If you're affected by these limitations, you'll be notified.

How Benefits Could Be Reduced, Lost, Suspended or Delayed

Pension benefits under the Plan will be reduced, lost, suspended or delayed if one of the following conditions applies:

- Your employment with all Verizon companies terminates for any reason before you have earned at least five years of ERISA service and before reaching your normal retirement age.
- You are rehired after a break in employment and fail to complete the period of service necessary to bridge your prior service (see "Service 'Bridging' Rules").
- You are re-employed by a Verizon company or an interchange company and your benefits (including any Social Security Supplement) temporarily are suspended (see "Interchange or Portability Agreements and Related Rules").
- Your benefits are attached or otherwise assigned to someone else under a QDRO, in which case any portion of your benefits that are not attached or assigned will be paid to you. (See above.)
- Your benefits are subject to a federal tax levy.
- You do not provide the Verizon Benefits Center with your most recent address and you cannot be located.
- You fail to make proper application for benefits or fail to provide necessary information.
- You are rehired after receiving a lump sum cashout and you are treated like a new hire for purposes of net credited service and pension accrual service.

- Your benefit is reduced to reflect that you are receiving another Verizon pension for the same years of employment.
- Your disability pension or a death benefit payable to your beneficiary is reduced by Workers' Compensation benefits.
- You transfer to another Verizon company or to a portability company (see "Interchange or Portability Agreements and Related Rules") and your Plan benefit is transferred to and paid from another pension plan maintained by such other company.
- You transfer to another company as a result of a sale, spinoff or outsourcing arrangement and your benefit is transferred to and paid from another pension plan maintained by such other company.
- You are receiving a disability pension and your benefits are stopped prior to normal retirement age because you recover from disability, fail to submit to periodic medical examinations or fail to cooperate with a recommended rehabilitation program.
- You choose to forego receipt of a disability pension and elect to receive a lump-sum payment of your deferred vested pension.
- Your monthly benefit is reduced because you elect to retire with a service pension or start payment of a deferred pension before the age at which you are entitled to an unreduced benefit.
- Your monthly benefit is reduced because you receive payment in an annuity form of payment other than a single life annuity.
- You do not have a valid beneficiary designation for the preretirement survivor death benefit when you die prior to starting your pension.
- You die before your pension commencement date and the benefit payable to your beneficiary is less than the benefit that you would have been eligible to receive if you had lived until your pension commencement date.
- You have received your benefit as a lump sum cashout or a single life annuity and no death benefits are payable as a result. See "Optional Methods of Payment" in the "How Your Benefit Is Paid" section.
- Your prior net credited service and pension accrual service are bridged after a lump-sum cashout under the special rule (see "Effect of Break in Service") and the benefit you receive at your later termination is reduced for the benefit previously cashed out.
- You separate from service before age 65 but at a time when you are eligible to receive payment and you choose to defer receipt of your benefit.
- You fail to apply to start your benefit on the earliest date that you are eligible for an unreduced pension.
- Your benefit payments are suspended while you work after you reach normal retirement age.

- Your benefit is reduced to reflect payments that you previously received from the Plan (such as those received while working after age 70-1/2).

- Interest rates on which lump-sum calculations are based change periodically. Therefore, it is possible for the lump sum payable to you based on a later date to be less than the lump sum that would have been payable to you based on an earlier date.

- The mortality calculations on which lump-sum amounts are based change at different ages. Therefore, it is possible for the lump sum payable to you based on a date in a later month to be less than the lump sum that would have been payable to you based on an earlier month.

- You are receiving a joint and survivor annuity and you notify the Plan administrator of your beneficiary's death more than one year after the death occurs, causing the pop-up adjustment to apply to future payments only.

- Your benefit is reduced under Internal Revenue Code Section 415, which governs the maximum amount that can be paid to a participant from qualified pension plans.

- The actual amount of your benefit will be determined under the terms of the official plan document based on final data. If there is a difference between the amount of your benefit determined under the official Plan document and the amount described in any benefit estimate you are provided, the Plan will pay the amount determined under the Plan document, even if that is less. In addition, the Plan administrator reserves the right to take steps to correct or recover any erroneous benefit payments.

- The Plan is terminated before sufficient assets have been accumulated to pay all benefits. (In this case, you may be protected by the Pension Benefit Guaranty Corporation.)

If the Plan Becomes Top-Heavy

If more than 60% of the benefits from the Plan are payable to "key" employees, the Plan is "top-heavy." Both "key" employees and "top-heavy" are terms defined under the Internal Revenue Code. Certain rules apply while this situation exists:

- The schedule for earning a deferred vested pension is accelerated;

- The minimum pension payable to everyone except key employees is 2% of compensation times years of adjusted accredited service during which the plan is top-heavy (up to 10 years); and

- Benefits for key employees are restricted.

The Plan is unlikely to become top-heavy.

Pension Benefit Guaranty Corporation

Certain benefits under this Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits. The PBGC guarantee generally covers:

- Normal and early retirement benefits
- Disability benefits, if you become disabled before the Plan terminates
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for less than five years at the time the Plan terminates
- Benefits that are not vested because you have not worked long enough for the Company
- Benefits for which you have not met all of the requirements at the time the Plan terminates
- Certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan administrator, or write to the PBGC at:

Technical Assistance Division
PBGC
1200 K Street N.W., Suite 930
Washington, DC 20005-4026

The PBGC may also be reached by calling 1-800-400-7242. TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242.

Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at http://www.pbgc.gov.

Claims and Appeals Procedures

As claims administrator, Verizon's benefits administrator for the Plan has discretionary authority to determine claims for the Plan. The Verizon Claims Review Committee (VCRC) is the appeals administrator for the Plan. (See "Administrative Information" in the "Additional Information" section for the address of the claims and appeals administrator and refer to your Important Benefits Contacts insert for the telephone number.)

The Plan grants the claims and appeals administrators discretionary authority to:

- Interpret the Plan based on its provisions and applicable law and make factual determinations about claims arising under the Plan
- Determine whether a claimant is eligible for benefits
- Decide the amount, form and timing of benefits
- Resolve any other matter under the Plan that is raised by a participant or a beneficiary, or that is identified by either the claims or appeals administrator.

The appeals committee has the authority to resolve any other matter under the Plan that is raised by a participant or a beneficiary, or that is identified by the claims administrator.

The claims and appeals administrators have sole authority to decide claims under the Plan and review and resolve any appeal of a denied claim.

If you have an ERISA claim for a pension plan benefit, you need to follow the procedures outlined below.

	Non-disability pension claims	Disability pension claims
Step 1:		
How to file a claim	To file a claim, request a Claim Initiation Form by calling the Verizon Benefits Center at 1-877-4VzBens. You (or your authorized representative) must return the form to the: Verizon Benefits Center Claims Review Unit P.O. Box 1438 100 Half Day Road Lincolnshire, IL 60069-1438 You must include: • A description of the benefits for which you are applying. • The name of the plan to which your request relates. • The reason(s) for the request. • Relevant documentation.	To file a claim, request a disability kit from the Verizon Benefits Center at 1-877-4VzBens. You (or your authorized representative) must return the disability pension request form ("Disability Form") to the Verizon Benefits Center at the address on the form. You must include: • A description of the benefits for which you are applying. • The name of the plan to which your request relates. • The reason(s) for the request. • Relevant documentation. If you **do not** return the Disability Form within 90 days, your request expires. If you do return the Disability Form, the ERISA claims process for disability pension benefits begins; e.g., the ERISA claims time frames described in this chart commence upon the Verizon Benefits Center's receipt of your Disability Form. The Verizon Benefits Center forwards your Disability Form to the disability vendor for processing.
When you will be notified of the claim decision	You will be notified of the decision within 90 days of the Verizon Claims Review Unit's receipt of your properly completed Claim Initiation Form. If special circumstances apply, the Claims Review Unit may take up to an additional 90 days to make a decision on your claim. You will be notified in writing before the end of the initial review period if more time is needed.	You will be notified of the decision within 45 days of the Verizon Benefits Center's receipt of your properly completed Disability Form. If special circumstances apply, the disability vendor may take an additional 30 days to make a decision on your claim. You will be notified in writing before the end of the initial review period if more time is needed. If the disability vendor determines that a decision cannot be made in this 30-day extension period, the disability vendor will notify you before the end of the 30-day extension period in writing if more time is needed, and the disability vendor may extend the period for an additional 30 days.

<table>
<tr><th></th><th>Non-disability pension claims</th><th>Disability pension claims</th></tr>
<tr><td>Failure to provide sufficient information</td><td>If you fail to provide sufficient information, the claim may be decided based on the information provided.

However, the Verizon Claims Review Unit may notify you within the initial 90-day or 180-day extension period that additional information is needed.

You will have 45 days to provide the additional information. Otherwise, the claim will be decided based on the information originally provided within the initial 90-day period or, if special circumstances apply, within the 180-day extension period.

If you provide additional information, you will be notified of the decision by the Verizon Claims Review Unit no later than 180 days after the initial claim was submitted.</td><td>If you fail to provide sufficient information, the claim may be decided based on the information provided.

However, the Verizon Benefits Center or the disability vendor may notify you within the initial 45-day period or within either the 75- or 105-day extension period that additional information is needed. In some cases, you may be required to have an Independent Medical Examination.

You will have 45 days to provide the additional information. Otherwise, the claim will be decided based on the information originally provided.

If you provide additional information, you will be notified of the decision by the Verizon Benefits Center no later than 105 days after the initial claim was submitted, not including the time that it takes you to provide the additional information.</td></tr>
<tr><td>How you will be notified of the claim decision</td><td>If your claim is approved, the Verizon Claims Review Unit will provide you with a letter explaining the approval.

If your claim is denied, in whole or in part, the Verizon Claims Review Unit will provide you with a written denial notice that contains:
• The specific reason(s) for the denial.
• The plan provisions on which the denial was based.
• Any additional material or information you may need to submit to complete the claim and why that material is needed.
• The plan’s appeal procedures and a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of a benefit on appeal.</td><td>If your claim is approved, the Verizon Benefits Center will provide you with a letter explaining the approval.

If your claim is denied, in whole or in part, the Verizon Benefits Center will provide you with a written denial notice that contains:
• The specific reason(s) for the denial.
• The plan provisions on which the denial was based.
• Any additional material or information you may need to submit to complete the claim and why that material is needed.
• Any internal procedures or clinical information on which the denial was based.
• The plan’s appeal procedures and a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of a benefit on appeal.</td></tr>
<tr><td colspan="3">Step 2:</td></tr>
<tr><td>About appeals and the claims fiduciary</td><td colspan="2">Before you can bring any action at law or at equity to recover plan benefits, you must exhaust this process. Specifically, you must file an appeal as explained in this Step 2 and the appeal must be finally decided by the Claims Review Committee, the claims fiduciary. As such, the Claims Review Committee is authorized to finally determine appeals and interpret the terms of the plan in its sole discretion. All decisions by the Claims Review Committee are final and binding on all parties.</td></tr>
</table>

	Non-disability pension claims	Disability pension claims
How to file an appeal	If your claim is denied and you want to appeal it, you must file your appeal within 60 days from the date you receive written notice of your denied claim. You may request access to all documents relating to your appeal and copies free of charge. To file an appeal, write to the: Verizon Claims Review Committee c/o Verizon Benefits Center Claims Review Unit P.O. Box 1438 100 Half Day Road Lincolnshire, IL 60069-1438 You should include: • A copy of your claim denial notice. • The reason(s) for the appeal. • Relevant documentation. The review of your appeal will take into account all the related information you submit, whether or not you submitted that information for the initial determination.	If your claim is denied and you want to appeal it, you must file your appeal within 180 days from the date you receive written notice of your denied claim. You may request access to all documents relating to your appeal and copies free of charge. To file your appeal, write to the address specified on your claim denial notice. You should include: • A copy of your claim denial notice. • The reason(s) for the appeal. • Relevant documentation. The review of your appeal will take into account all the related information you submit, whether or not you submitted that information for the initial determination. The individual/committee (and any medical professional) reviewing your appeal will be independent from the individual/committee who reviewed your initial claim. In addition, if your appeal involves a medical judgment, the Claims Review Committee will consult with a healthcare professional who has appropriate experience. You are entitled to the identity of such a professional, upon request.
When you will be notified of the appeal decision	You will be notified of the decision within 60 days of the Claims Review Committee's receipt of your appeal. If special circumstances apply, the Claims Review Committee may take up to an additional 60 days to make a decision on your appeal. The Claims Review Committee will notify you in writing before the end of the initial review period if more time is needed. If the Claims Review Committee needs additional information from you in order to decide your appeal, and you receive a notice that the review period is extended because of the need for additional information, the period for making the final decision is delayed from the date of the notification that the Claims Review Committee sends to you until you provide the additional information.	You will be notified of the decision within 45 days of the Claims Review Committee's receipt of your appeal. If special circumstances apply, the Claims Review Committee may take up to an additional 45 days to make a decision on your appeal. The Claims Review Committee will notify you in writing before the end of the initial review period if more time is needed. If the Claims Review Committee needs additional information from you in order to decide your appeal, and you receive a notice that the review period is extended because of the need for additional information, the period for making the final decision is delayed from the date of the notification that the Claims Review Committee sends to you until you provide the additional information.

<table>
<tr><th></th><th>Non-disability pension claims</th><th>Disability pension claims</th></tr>
<tr><td>How you will be notified of the appeal decision</td><td>If your appeal is approved, the Claims Review Committee will notify you in writing.

If your claim is denied, in whole or in part, the Claims Review Committee will provide you with a written denial notice that contains:
The specific reason(s) for the denial.
The plan provisions on which the denial was based.
A statement regarding the documents that you are entitled to at no charge.
A description of any voluntary appeal procedures offered by the plan and a statement of your right to bring a civil action under Section 502(a) of ERISA.</td><td>If your appeal is approved, the Claims Review Committee will notify you in writing.

If your claim is denied, in whole or in part, the Claims Review Committee will provide you with a written denial notice that contains:
The specific reason(s) for the denial.
The plan provisions on which the denial was based.
Any internal procedures or clinical information on which the denial was based.
A statement regarding the documents that you are entitled to at no charge.
A description of any voluntary appeal procedures offered by the plan and a statement of your right to bring a civil action under Section 502(a) of ERISA.
The following statement: “You and your plan may have other voluntary resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency.”</td></tr>
<tr><td colspan="3">Step 3:</td></tr>
<tr><td>How to proceed if necessary</td><td colspan="2">The decision on your appeal is final. As a result, Verizon will not review your matter again, unless new facts are presented. You have a right to bring a civil action.</td></tr>
</table>

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

- Examine, without charge, at the Plan administrator’s office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the Plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description (SPD). The administrator may make a reasonable charge for the copies.

- Receive a summary of the Plan’s annual financial report. The Plan administrator is required by law to furnish each participant with a copy of this summary annual report.

- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age as defined in this SPD and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. You must request this statement in writing. It is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive it within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about the Plan, you should contact the Plan administrator.

If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or write to:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue N.W.
Washington, DC 20210

You also may obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Administrative Information

Administrative information about the Plan is provided in this section.

Important Telephone Numbers

You can connect to the Verizon Benefits Center by calling 1-877-4VzBens when you want to request a distribution, request information or if you have questions.

Plan Sponsor

The Plan sponsor is:

Verizon Communications Inc.
One Verizon Way
Basking Ridge, NJ 07920

Plan Administrator

The Plan administrator is:

Chairperson of the VEBC
c/o Verizon Benefits Center
100 Half Day Road
P.O. Box 1457
Lincolnshire, IL 60069-1457

The telephone number is 1-877-4VzBens.

You may communicate with the Plan administrator in writing at the address above. But, for questions about Plan benefits, you should write or call the Verizon Benefits Center. The Verizon Benefits Center administers benefits and handles participant questions, requests and certain benefits claims, but is not the Plan administrator.

The Plan administrator or a person delegated by the administrator has the full and final discretionary authority to interpret the Plan; resolve ambiguities, inconsistencies and omissions in the Plan document; develop rules and regulations to carry out the terms of the Plan; make factual determinations and resolve questions relating to the eligibility for and the amount of benefits; prepare reports and make filings for the Plan and to otherwise oversee the administration of the Plan. However, most of your day-to-day questions can be answered by the Verizon Benefits Center.

Do not send any benefit claims to the Plan administrator or to the Verizon legal department. Instead, submit it to the claims administrator for the Plan.

Benefits Administrator

The benefits administrator is:

Verizon Benefits Center
100 Half Day Road
P.O. Box 1457
Lincolnshire, IL 60069-1457

The telephone number is 1-877-4VzBens.

Claims and Appeals Administrators

The claims administrator is:

Verizon Claims Review Unit
P.O. Box 1438
Lincolnshire, IL 60069-1438

The appeals administrator is:

Verizon Claims Review Committee
c/o Verizon Claims Review Unit
P.O. Box 1438
Lincolnshire, IL 60069-1438

Plan Funding

The Plan is funded through Company contributions made to a trust. The Company's contributions are actuarially determined. The Plan trustee is:

Mellon Bank, N.A.
One Mellon Bank Center
Pittsburgh, PA 15258

Associates do not make any contributions to the fund.

Plan Identification

The Verizon Pension Plan for New York and New England Associates is a defined benefit plan, listed with the U.S. Department of Labor under two numbers: The Employer Identification Number (EIN) is 23 2259884 and the Plan Number (PN) is 012.

Plan Year

The Plan year is the calendar year – January 1 through December 31.

Agent for Service of Legal Process

Verizon Communications Inc.
Attn: Marc Schoenecker
Assistant General Counsel – Employee Benefits
600 Hidden Ridge, MC # HQE02J19
Irving, TX 75038-3809

Legal process may also be served on the plan administrator or the plan trustee.

Official Plan Document

This summary plan description (SPD) describes the main provisions of the Plan, but not every detail is included. Your rights and benefits are governed solely by the official Plan documents. It is important, therefore, to ask questions and get clarification on any matters about which you are uncertain.

Collective Bargaining Agreements

The terms of your benefits may also be governed by a collective bargaining agreement between Verizon and your union. You and your beneficiaries may review the collective bargaining agreement at your location and you also can request a copy by writing to the Plan administrator.

Participating Companies

The following is a list of participating companies as of January 1, 2007. The list may change from time to time.

- Empire City Subway Company (Limited)
- Telesector Resources Group, Inc.
- Verizon New England Inc.
- Verizon New York Inc.
- Verizon Corporate Services Corp.
- Verizon Services Corp.

Glossary

A

Affiliate Company

Any company that is 80 percent to 100 percent owned by the parent company (Verizon Communications Inc.).

B

Bridging Service

Bridging service (see “Service ‘Bridging’ Rules”) refers to rules used for linking periods of net credited service when service is interrupted by a non-credited period, or subject to a collective bargaining agreement where service is recognized from an Affiliate Company.

C

Cashout Window

The Cashout Window applies for eligible associates who terminate employment on or after November 1, 2004, and on or before August 2, 2008.

D

Deferred Vested Pension

You qualify for a deferred vested pension if you have at least five years of ERISA service after age 18 or have reached normal retirement age when your employment ends but you are not eligible for a service pension. In this case, your unreduced benefit can begin on your normal retirement date or you may qualify to receive a reduced benefit starting as early as age 50.

Determination Date

The date through which an employee’s pension benefits amount is calculated.

Disability Pension

You qualify for a disability pension if you meet all of the following:

- You become totally disabled due to sickness or injury other than one related to an on-the-job accident while participating in the Plan before you are eligible for a service pension or reach normal retirement age.
- You remain totally disabled after receiving 52 weeks of sickness benefits.
- You have at least 15 years of net credited service.

Your disability pension is paid without reduction for early payment, regardless of your age when you become disabled. (Your disability pension is offset by any eligible Workers’ Compensation payment.)

E

Early Retirement

You qualify for early retirement if you are eligible for a service pension before age 65. That means your monthly benefit payments can begin right away. Your benefit will not be reduced for early payment if you have at least 30 years of net credited service or retire when you become totally disabled or at age 55 or older. Otherwise, your benefit is reduced by half of one percent for each month payments begin before age 55.

ERISA Service

ERISA (Employee Retirement Security Act of 1974 and its subsequent amendments) service is used to determine your eligibility to participate and for vesting in your benefit. ERISA service, for purposes of eligibility to participate, is counted from your date of hire; vesting ERISA service is counted on a calendar-year basis. You earn one year of ERISA service for each year you are credited with at least 1,000 hours of service.

I

Interchange Company

A company that has entered into an interchange agreement with Verizon to provide for portability of service and benefits between pension plans for certain employees who were employed by a specified former affiliate when certain interchange or portability agreement criteria are met.

J

Joint and Survivor Annuity (50, 75 or 100 percent)

This form of benefit payment pays a reduced monthly benefit to you for your lifetime. When you die, a percentage of your monthly benefit (50, 75 or 100 percent depending on your election) continues to be paid to your beneficiary. If you're married at the time your benefit begins, the 50 percent joint and survivor annuity is the automatic form of payment. You'll need your spouse's consent to choose a form of payment other than a joint and survivor annuity with your spouse as beneficiary.

L

Lump-sum Cashout

Subject to your collective bargaining agreement, you may receive your benefit in the form of a lump-sum payment provided that you terminate employment as an eligible associate within the Cashout Window. This optional form of payment requires spousal consent and the lump sum amount equals the largest of the amounts determined by the interest rate and mortality table combinations provided for under the Plan.

M

Mortality Table

Insurance industry standard tables reflecting life expectancy and used in the Plan for the determination of the current lump-sum value of pension benefits during the Cashout Window and for the cashout of small benefits.

N

Net Credited Service

In general, net credited service is your total years, months and days of continuous employment while an eligible employee with a participating company and adjusted for any noncreditable periods of absence. It is used to determine your eligibility for a service pension and various other benefits.

Non-Management Employee

A regular or temporary employee who is any of these:

- In a bargaining unit that participates in the Plan under a collective bargaining agreement with a participating company, subject to any restrictions imposed by the agreement.

- A non-salaried employee not in a bargaining unit but who is in a position designated by a participating company as covered by the Plan, and whose terms and conditions of employment are based on a collective bargaining agreement described in the bullet above.

- A salaried employee for one year or less as the result of a temporary promotion from a prior non-salaried employee status in which the employee was participating in this Plan.

Normal Retirement Age

Your normal retirement age is age 65, unless you became a participant after age 60. In this case, normal retirement age is five years after you become eligible to participate in the Plan. You can retire any time on or after your normal retirement age and receive an unreduced benefit from the Plan.

O

One-Year Break in Service

You have a one-year break in service if you receive credit for less than 501 hours of service in a year.

P

PBGC Calculation

The Pension Benefit Guaranty Corporation publishes interest rates that are used to calculate the lump-sum value during the Cashout Window. The PBGC rate is determined in the month prior to the first calendar month in the calendar quarter that contains your termination date.

Pension Accrual Service

This is your eligible service used to determine your pension benefit. This service is adjusted for periods of part-time service, and generally excludes service with a nonparticipating company or as an ineligible employee of a participating company and prior service for a rehired employee who previously received a pension in the form of a lump-sum cashout.

Pension Band

This is the number assigned to your job classification based on your wage zone and schedule according to your bargaining agreement. Each pension band has a specific basic monthly benefit that is used to determine your monthly pension benefit.

Period Certain (Five- or 10-Year) and Life Annuity

This optional form of payment pays a reduced monthly benefit to you for your lifetime with a guaranteed payment period of at least five or 10 years, depending on your election. If you die before the guaranteed number of payments is made, your beneficiary receives the remaining payments. If you die after the guaranteed number of payments has been made, no payments are due to your beneficiary.

S

Service Pension

If you qualify for a service pension, you can retire and start receiving your benefit immediately. In addition, you also may be eligible for other retiree benefits in effect at the time you retire. You are eligible for a service pension if, when your employment ends, you have 30 years of net credited service (regardless of your age); or you're at least age 50 with 25 or more years of net credited service; at least age 55 with 20 or more years; at least age 60 with 15 or more years; or at least age 65 with 10 or more years of net credited service.

Single Life Annuity

This is the normal form of benefit payment if you are single when payments begin. A married employee may choose this form of payment with his or her spouse's consent. A single life annuity pays a monthly benefit to you for your lifetime; when you die, no further payments are made.

Social Security Supplement

An additional monthly amount payable to you until age 62 if you were eligible for the 2001 Incentive Benefit (see below). This supplement is based on the greater of $500 or 30 percent of your frozen 6 & 6 benefit determined after any early commencement reduction is applied and without the additional 6 years of age and 6 years of service.

Spouse

The terms "spouse" and "married" have the meaning assigned to those terms by the 1996 federal Defense of Marriage Act.

Supplemental Benefit

If you receive certain supplemental payments in the three years prior to your benefit determination date, you can qualify for a supplemental monthly benefit in addition to your basic monthly benefit. Supplemental payments generally include special city and in charge allowances, management team awards (where applicable), extra payments for certain temporary assignments or promotion, evening and night differential payments, certain job differentials and Corporate Profit Sharing (subject to the collective bargaining agreement.)

T

2001 Incentive Benefit

Retirement incentive that applies to you if you were eligible for a 6 & 6 special pension under the 1998 Labor Agreement but did not retire and remained with the Company as an eligible associate from August 8, 1998 to January 1, 2001. You would be entitled to receive, upon retirement, the greater of the frozen 6 & 6 benefit calculated as of August 8, 1998, or the benefit calculated using your actual age and service at termination under the existing terms of the Plan.

V

Vesting/Vested

Vesting occurs when you own the right to your pension benefit under the Plan. You vest when you have completed five years of ERISA service after age 18 with Verizon. If you leave before you have completed five years of ERISA service and before your normal retirement age, you are not entitled to a benefit from the Plan.

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