

MEMORANDUM OF UNDERSTANDING  
CONCERNING WORKING RETIREES

This Memorandum of Understanding by and between Verizon Maryland Inc., Verizon Washington, D.C. Inc., Verizon Virginia Inc., Verizon Corporate Services Corp., and Verizon Services Corp. (hereinafter "the Companies") and Communications Workers of America, AFL-CIO (hereinafter, "CWA"), sets forth the terms of the agreement between the Companies and CWA regarding "Working Retirees." This agreement is effective upon execution of the Business Service Agreement in the Potomac Region and will continue in effect for eighteen months following the date that the first Working Retiree starts performing productive work after being hired pursuant to this Agreement.

The purpose of this Memorandum is to provide for a new employee category known as "Working Retiree" under the appropriate provisions of the collective bargaining agreements in effect between the Companies and CWA and to identify the wage rates, employee benefits and terms and conditions of employment which will apply to Working Retirees reemployed to perform bargaining unit work.

The employee category of Working Retiree is defined as follows: A former associate employee who retired, without a promise for reemployment on a service pension or with an elected service pension cash-out under the provisions of the Bell Atlantic/Verizon Pension Plan at least six months prior to reemployment as a Working Retiree. During the term of this Agreement, no more than 200 Working Retirees may be working at the same time. Working Retirees may be retained as Cable Splicing Technicians and Outside Plant Technicians.

The Companies may at their discretion employ Working Retirees which they consider qualified for a maximum of three hundred eighty (380) days during an 18-month period. The Working Retirees will perform construction work and construction splicing work associated with the fiber to the cell site project, and construction work and construction splicing work associated with the FTTP build. This does not exclude limited copper construction work and limited copper construction splicing work.

Union security clauses, including provisions for payments of Union dues or Agency Shop fees, will apply to Working Retirees as provided for under applicable provisions of the collective bargaining agreement.

During their reemployment, Working Retirees will accrue no service credit, seniority nor additional benefits under any active employee benefit plan. Previous net credited service will not be recognized or bridged during such reemployment. Employment is terminable at the request of the Working Retiree or at the

discretion of the Companies. Termination of a Working Retiree shall not be arbitrable or subject to challenge in court or any other forum.

Working Retirees will continue to receive pension and other retirement benefits (e.g., medical, dental, group life insurance, concession telephone service where applicable, etc.) based upon eligibility prior to such reemployment, subject to plan amendment or termination by the Companies in accordance with plan provisions and applicable law. Working Retirees are ineligible to participate in, accrue service credit or additional benefits under or receive any benefits as may currently be provided to active employees under Company plans for medical, dental, vision, group life insurance, concession telephone service, savings, pensions including death benefits, sickness and accident disability, long term disability, anticipated disability, flexible spending accounts, tuition aid or any other such benefits. However, during such periods of active reemployment the Company medical plan again becomes primary for Medicare eligible Working Retirees as a matter of law.

The Bell Atlantic Pension Plan, the Bell Atlantic Savings and Security Plan and all other applicable Company sponsored employee benefit plans will be amended to exclude Working Retirees from plan participation, service and benefit accruals and benefit entitlements as active employees for the period their active reemployment and in the case of the Pension Plan to eliminate the suspension provisions.

The Companies will determine available job opportunities and the qualifications for Working Retirees.

Working Retirees may be reemployed on an hourly, daily, weekly or other basis and no period of reemployment is guaranteed. Regardless of the number of hours worked in a day, each day that any time is worked under the program counts as one day toward the three hundred eighty (380) day limit.

The Companies reserve the right during the period of such reemployment to assign and/or change at any time the hours, job assignment or work location of a Working Retiree without incurring any penalty as may exist in the collective bargaining agreement.

Hourly wage rates for Working Retirees will be established based upon the applicable wage rates in the collective bargaining agreement, as follows:

- If retired less than 3 years - the hourly rate of pay will be based on the top rate of the wage schedule

- If retired between 3 years and 5 years - the hourly rate of pay will be based on 12 months below the top rate of wage schedule
- If retired over 5 years - the hourly rate of pay will be based on the start rate of the wage schedule

All hours worked in a "normal work week" as defined in the collective bargaining agreement will be paid at the established basic hourly rate except that all hours worked beyond the "normal work week" will be paid at one and one-half (1.5) times the basic hourly rate.

With regard to the distribution of overtime, the intent of this Memorandum is generally to limit overtime for the Working Retiree to conditions of unusual circumstances that involve service emergencies or other unique situations. In that regard and with respect to assigned, scheduled or emergency call-outs, Working Retirees will be utilized after other qualified regular and temporary employees in the job title and work group of the Working Retiree have first been given the overtime work opportunity and/or assignment unless the needs of the business dictate otherwise. Overtime balancing or equalization requirements, where they exist, do not apply for Working Retirees.

Working Retirees are ineligible for vacation, paid holidays, paid personal or excused work days, sickness or accident absence pay, Corporate Profit Sharing Plan, premium pay treatment other than overtime and Sunday or Holiday premiums. Working Retirees are also ineligible for shift or other wage differentials, excused absence pay, tuition reimbursement, leaves of absence, or any other such active employee benefit as currently provided under the collective bargaining agreement.

Contractual provisions requiring certain cessation and/or repayment of Income Security Plan and Enhanced Income Security Plan benefits are not applicable to individuals reemployed as a Working Retiree.

All safety related and other Company policies and practices are applicable to Working Retirees.

If Working Retiree job assignments require overnight lodging or reassignments to other work locations during a work day, related contractual provisions concerning employee time and expense reimbursement will be applicable.

Retirees accepted for reemployment as a Working Retiree must sign a reemployment agreement acknowledging the continuation of their retiree pension and other benefits and the waiving of any

eligibility for additional active employee service credit and benefits during such period of reemployment.

Working Retirees may participate in the grievance process, but mediation (where it exists) and arbitration will not apply to Working Retirees, notwithstanding the Union's right to arbitrate the interpretation and application of this Memorandum of Understanding.

Except as specifically identified in this Memorandum, other provisions of the collective bargaining agreement are not applicable to Working Retirees.

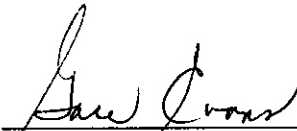
The Companies recognize Working Retirees have the same Union membership rights and obligations as all other categories of the bargaining unit employees under the collective bargaining agreements, including during any period of Union authorized work stoppage. Any such period of work stoppage shall extend the duration of this Agreement.

For the Companies:

For the Union:



Mr. James R. Davis, Jr.  
Director - Labor Relations  
District 2



Ms. Gail Evans  
Administrative Director,  
Communications Workers of  
America, AFL-CIO

Dated: 03-11-2011

Dated: March 7, 2011

## WORKING RETIREE AGREEMENT

I understand that I am being hired as a Working Retiree by the Company and I affirm that:

I was not promised re-employment by the Company before I retired.

I understand the following and knowingly waive any rights that I may have:

1) I will pay union dues or their equivalent pursuant to the existing agreement between CWA and the Company. However, I will be covered only by those provisions of the collective bargaining agreement which are listed below.

2) I will not accrue service credit, have seniority status or be eligible for benefits under any active employee Company benefit plan. Therefore, I waive any eligibility that I may have to participate in, accrue service credit or additional benefits under any Company benefit plans. However, in the event that I am or become Medicare eligible during such reemployment, the Company Medical Plan for active employees becomes primary as a matter of law. Furthermore, I will retain all applicable rights, if any, as a retiree under the terms of the Company benefit or pension plans, including, the right to continue to receive my pension and other retirement benefits.

3) My employment as a Working Retiree may be terminated at any time, without notice, by me or by the Company at its discretion.

4) I may be employed up to 380 days in an eighteen month period. If I work any part of a day it will be counted as a whole day in calculating the 380 day limit.

5) The Company may assign and/or change at any time the hours, job assignment or work location given to me without incurring any penalty as may exist in the collective bargaining agreement.

6) My basic hourly rate will be \_\_\_\_\_, except that hours worked in excess of a normal work week will be paid at one and one-half (1.5) times the basic hourly rate. If my job assignment requires overnight lodging or temporary reassignments during a work day, related contractual provisions concerning time and expense reimbursement will be applicable.

7) Overtime will be given or assigned to other qualified regular and temporary employees in the job title and work group first. Overtime balancing requirements, where they exist, do not apply to me.

8) I recognize that I am not eligible for vacation, paid holidays, paid personal or excused work days, meal allowances,

sickness or accident pay, Corporate Profit Sharing Plan, premium pay treatment other than overtime and Sunday or Holiday premiums. Working Retirees are also ineligible for shift or other wage differentials, excused absence pay, tuition reimbursements, leaves of absence, or any other such active employee benefit as currently provided under the collective bargaining agreement.

9) All safety and other Company policies and practices will apply to me.

10) I may participate in the grievance procedure, but, my grievances are not subject to mediation, where it exists, or arbitration.

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Working Retiree signature

(Date)