



Krosnowski & Scott LLC
Investment & Retirement Planning Specialists

**RETIREMENT PROCESS FOR
VERIZON MANAGEMENT EMPLOYEES**

We feel that it is important for you to be aware of the Verizon retirement process. It is our aim to assist you in making the transition of your retirement plan balances as simple and easy as possible. In order to start this process you will need to:

I. Pension Transition Process –

1. Verify under what conditions you are separating service from Verizon (i.e. reduction in force (RIF), normal retirement or termination).
2. Contact Hewitt & Associates at: **(877) 489-2367** or online at www.resources.hewitt.com/verizon to initiate your retirement. You will need to provide them with your last day on the payroll and your benefit commencement date (BCD).
3. There is not a deadline for selecting when you plan to begin receiving your pension benefits (annuity or lump sum), however your pension balance will be determined by the most favorable pension calculation interest rate (GATT, PBGC, T-Bond) that applies to your BCD. The quarterly rates for the next quarter are determined on the dates as follows: 1/17, 4/17, 7/17, 10/17.
4. After you have initiated your retirement, you will receive your retirement package which contains information about your pension and elections needed. You will be asked to choose whether to take your pension as an annuity, lump sum or combination. You will need to provide Hewitt & Associates with your pension elections. If you elect to receive your pension in the form of a lump sum payment, it is highly recommended to directly rollover your total balance to an IRA. This will enable you to defer taxes and avoid premature withdrawal penalties. You can elect to have a check mailed to you or have your pension funds wired directly into your IRA. If you choose to receive your pension as a lump sum you will need to provide Hewitt & Associates with the following information if you wish to have your pension balance wired into your IRA:

FINANCIAL INSTITUTION:	WELLS FARGO (for American Funds)*	BANK OF NEW YORK/MELLON (for Pershing)
Financial Institution Account Number	4600-076178	890-051238-5
Financial Institution Routing Number	121000248	021000018
IRA Account No.		

* The IRA custodian for the American Funds is Capital Bank & Trust (CB&T)

To expedite the process you can set up a secure mailbox to receive all benefit documentation including your pension authorization forms. You can set up a secure mailbox by executing the following steps. 1) Go to the website ([resource.Hewitt.com/ Verizon](http://resource.Hewitt.com/Verizon)) 2) Change your preferences under “My profile” tab to have all correspondence go to the secure mailbox 3) Verify all other personal information is correct and change if necessary.

5. Pension Authorization Forms - These forms can also be printed off the Hewitt resources website via the secure mailbox or by contacting them by phone. The forms will be sent to your secure mailbox within 24 hours of making your pension elections. If you are married, your spouse will be required to have their signature notarized on the spousal election page. You will also need to sign a waiver stating that you agree to remain off of Verizon’s payroll for a specific length of time (normally 6 months). All of these forms are required to be mailed back or faxed back (**FAX # (847) 883-8245 or 8247**) to Hewitt & Associates to finalize the process. The fax option is not available if notarized spousal consent is required to process your distribution
6. Monthly Pension Processing Cut-off Date. Hewitt processes all pensions on the 15th day of each month with the funds being distributed by wire or mail on the 1st day of the following month (i.e., if your forms are received by Hewitt & Associates by November 15th processing cut-off date, your funds will be distributed on December 1st).

II. Verizon 401(K) Savings Plan Transition Process and Distribution Alternatives -

A. Verizon 401(k) Savings Plan Age 55 Rule - If you turn age 55 or are older than 55 during the year that you retire, you will be eligible to receive up to twelve distributions per calendar year free of the 10% premature retirement plan distribution penalty. However, pre-tax retirement distributions are subject to ordinary income taxation.

B. In order to roll over your assets, you will need to contact Fidelity Investments at: **(888) 457-9333**. Prior to contacting Fidelity you will need to review the special tax notice (go to www.fidelity.com and type **402F** in the search function). Fidelity will require you to read this notice prior to authorizing them to rollover your Savings Plan balance to an IRA. We can assist you by conference calling Fidelity and guiding you and Fidelity through the Savings Plan/IRA process.

C. Paperwork is not required to rollover your Savings Plan to an IRA. The only requirement is to call Fidelity and authorize the distribution.

D. Any after-tax assets distributed from the Savings Plan will be made payable directly to you. Depending on your individual circumstances, you may want to review the pros and cons of transferring these assets into a Roth IRA.

E. You have the choice to distribute the Verizon shares from the Savings Plan in cash or stock to your IRA or regular brokerage account (if after-tax).

F. Please feel free to contact us if you have any questions, would like us to generate free, initial retirement planning reports or would like further explanation of the Verizon retirement process.

Sincerely,

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