

Your Income Security Plan Benefits

Contents

Your Income Security Plan Benefits	1
About This SPD	1
Getting More Information	2
Changes to the Plan	2
Participating in the Plan	4
Eligibility	4
Conditions for Benefit Eligibility	4
When Eligibility Ends	5
Receiving Plan Benefits	6
When Benefits Are Paid	6
Applying for Plan Benefits	7
How Benefits Are Determined	8
Termination Allowance	8
ISP Expense Allowance	8
How Your ISP Payments Are Paid	9
Situations That May Affect Your Benefits	9
Continuation of Other Benefits	10
Additional Information	14
Other Circumstances in Which Benefits Could Be Paid	14
Claims and Appeals Procedures	14
Rights of Participants Under ERISA	17
Administrative Information	18
Participating Companies	20
Glossary	21

Your Income Security Plan Benefits

While it is Verizon's desire to provide secure employment for all associates, the Company cannot guarantee it. In the event that the Company determines that certain jobs must be reduced or eliminated, the Verizon Income Security Plan for Mid-Atlantic Associates (the Plan) is designed to provide payments to eligible employees who accept a voluntary offer to separate from service. These benefits provide a measure of financial protection to help ease the transition to another job.

About This SPD

This document is the summary plan description (SPD) for the Income Security Plan, a 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, 2004, including legislative and administrative updates through December 31, 2006. It updates and replaces all previous SPDs and other descriptions of the benefits provided by this Plan. This SPD is a summary of this Plan.

Every effort has been made to ensure the accuracy of the information included in this SPD. Copies of Plan documents are available by contacting the Plan administrator in writing at the address provided in the "Administrative Information" subsection, within the "Additional Information" section.

This SPD is divided into the following major sections:

- **Participating in the ISP.** This section explains eligibility for the Plan and when eligibility begins and ends.
- **Receiving Plan Benefits.** This section describes the circumstances under which you can receive Plan benefits, the amounts you are eligible to receive and the application process.
- **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:

Verizon and its claims and appeals administrators have the discretionary authority to interpret the terms of the Plan and this SPD and determine your eligibility for benefits under their terms.

Getting More Information

If you have questions about how the ISP works, call 1-877-4VzBens and select option 5 (voluntary separations). Representatives are available from 8 a.m. to 6 p.m., Eastern time, Monday through Friday.

If you have questions about how other benefits are affected by the Income Security Plan ISP, refer to the SPD for the individual benefit. If you have questions after reading the SPDs, call the claims administrator at the telephone number listed on your Important Benefits Contact insert.

Verizon Benefits Center

The Verizon Benefits Center offers a Web site called Your Benefits Resources™ (www.verizon.com/benefits) where you'll find tools to help you manage your benefits. The Web site makes finding information fast and easy as it guides you through your benefits transactions, including benefits renewal. In addition to enrolling on the site, you can:

- Hotlink to other provider sites.
- Review details about your health care, insurance and pension plans.
- Verify your Verizon elections that are on file at the Verizon Benefits Center.
- Select and update your beneficiary designations.
- Change Your Benefits Resources password.
- Give yourself a helpful "hint" in case you forget your password.
- Model future pension benefits.

From time to time, additional tools will be added to Your Benefits Resources Web site to help you better manage your benefits.

Benefits representatives are available should you have questions about your benefits. To reach the Verizon Benefits Center, see your Important Benefits Contacts insert for the telephone number. Via this toll-free telephone number, you also can connect with other Verizon benefit providers.

Your Benefits Resources™ is a trademark of Hewitt Management Company LLC.

Changes to the Plan

While Verizon expects to continue the Plan indefinitely, Verizon also reserves the right to amend, modify, suspend or terminate the Plan at any time, at its discretion, with or without advance notice to participants, subject to any duty to bargain collectively. The Plan may be amended by publication of any SPD, summary of material modification, enrollment materials or other communication relating to the Plan, as approved by Verizon.

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 the Company 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.

Participating in the Plan

Eligibility

You are covered under the Plan if you are employed by a participating company (see the “Additional Information” section) and:

- You are a regular full-time or part-time associate who has at least one year of net credited service
- You are covered by a CWA or IBEW collective bargaining agreement.

“Service” means net credited as defined by the Verizon Pension Plan for Mid-Atlantic Associates. In general, it is the entire period of your continuous employment with the Company counted in years, months and days. In addition to eligibility, a factor is used to determine the amount of any Plan benefits you are eligible to receive. If you are a part-time associate, your years of net credited service are prorated according to the provisions stated in the Verizon Pension Plan for Mid-Atlantic Associates.

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.

Conditions for Benefit Eligibility

Acceptance of Applications

A participating company will, under the circumstances described in the “Force Surplus” section below, accept an eligible employee’s application to voluntarily separate from service in exchange for benefits under this Plan. In such a case, the participating company will accept only the number of applications which the Company determines is necessary to relieve a declared force surplus condition. Applications will be accepted in seniority order.

Force Surplus

To be eligible to apply for benefits under the Plan, the circumstances for benefits described either in the “Technological Change” or “Other Force Surplus” (see below) must occur prior to your termination date.

- **Technological Change:** Your Company must provide advance written notice based on provisions of the applicable bargaining agreement to the IBEW or CWA of a planned major “technological change” (defined as changes in equipment or methods of operation) that may create a surplus in your job title and work location. Also, the notice must have stated that the purpose is to satisfy the surplus.

OR

- **Other Force Surplus:** The Company must have determined that a force surplus exists which necessitates any of the actions described above for your job title and work location, for reasons other than technological change; and the Company must have decided that it is appropriate to offer benefits under this Plan to eligible employees with a job title and a work location that are the subject of the declared force surplus.

Note: The Company has the sole discretion to determine the one or more job titles and work locations in which a surplus exists, the number of employees in each title and location who are considered to be surplus and the period during which any eligible employee may, if he or she so elects, separate from service with benefits under this Plan. The number of eligible employees whose applications to separate and qualify for benefits under this Plan may be accepted by the Company shall not exceed the number of employees determined by the Company to be surplus.

When Eligibility Ends

Coverage ends under the following circumstances:

- You terminate employment, including retirement
- You change to an ineligible job status, for example, you are assigned to a management position.

Receiving Plan Benefits

When Benefits Are Paid

You will be notified in advance if the Company determines that business needs warrant a reduction in force or reassignment of jobs that results in the elimination or change in your job.

Your application to voluntarily leave the service of the Company and receive benefits under a Plan offer must be accepted by the Company.

You can receive a benefit under the Plan if you accept an offer to voluntarily separate from service because:

- Your job loss or reassignment is related to technological changes (see “Conditions for Benefit Eligibility” in the “Participating in the Plan” section).

OR

- Your job loss is due to other declared force surplus conditions under which Verizon deems it appropriate to offer Plan benefits (see “Conditions for Benefit Eligibility” in the “Participating in the Plan” section).

In all cases, Verizon and its participating companies have the sole discretion to determine the following:

- The job titles and work locations where a surplus exists
- The number of associates in each job title and location who are considered to meet surplus conditions
- The period during which an eligible associate can separate from service with Plan benefits.

Important Point:

The number of associates who volunteer and are accepted for separation and receipt of Plan benefits cannot exceed the number of associates who are determined to warrant a reduction in force.

Applying for Plan Benefits

When the Company makes you a written offer to voluntarily leave the service of the Company and receive Plan benefits, you must notify the Company in writing of your intent to do so within 30 calendar days of the date the Company makes you the offer. Applications are accepted based on associate seniority. Your application for benefits – and the Company's offer – cannot be revoked after the 30-day period.

However, if your application has been received and accepted, and you fail to terminate employment on the date you have agreed to or in the manner outlined in the written offer from the Company, you can be denied Plan benefits.

How Benefits Are Determined

Termination Allowance

A termination allowance provides you with a benefit based on your years of net credited service. Depending on the circumstances, the Company may offer you a “regular” allowance or an “enhanced” allowance:

- Under provisions for a regular allowance, you will receive \$1,100 for each complete year of net credited service, up to and including 30 years of service. The maximum regular allowance you can receive is \$33,000.
- Under provisions for an enhanced allowance, you will receive \$2,200 for each completed year of net credited service, up to and including 30 years of service. The maximum enhanced allowance you can receive is \$66,000.

Tax Fact

All Plan payments are taxable and subject to withholding taxes.

ISP Expense Allowance

An Income Security Plan (ISP) Expense Allowance may be paid **in addition to** the ISP termination allowance based on reimbursement of actual expenses you incur as a result of your efforts to seek other employment. This allowance provides reimbursements to associates for eligible relocation, tuition or training costs, as well as job placement expenses. You can receive reimbursements totaling up to \$750 for each completed year of net credited service, up to a maximum benefit payable of \$3,750.

Except for tuition or training costs, you cannot receive reimbursement for any expenses incurred after your first anniversary of separation from the Company. You can continue to receive benefits for tuition and training-related costs through your second year of separation; no benefits will be paid after the second anniversary of your separation.

Voluntary Termination Bonus

As a result of the 2003 Collective Bargaining Agreement, employees who volunteer and are accepted for an ISP or an EISP during the term of the 2003 MOU will also receive a voluntary termination bonus of \$10,000, less taxes and withholding. This voluntary termination bonus is separate from the ISP and EISP provisions.

How Your ISP Payments Are Paid

How and when you can receive your ISP payments (whether it is a regular or enhanced benefit) depends on the amount you are eligible to receive:

- **If you are eligible to receive \$10,000 or less prior to any applicable taxes**, you automatically will receive your payment in a single lump-sum payment within 30 days of leaving the Company.
- **If you are eligible to receive more than \$10,000 prior to any applicable taxes**, you will have two options for receiving your payment:
 - **Monthly payments for four years.** Under this option, you receive 48 monthly payments, beginning with the month following the one in which you terminate employment with the Company. There are two exceptions. If you are within forty-eight (48) months of your 67th birthday, then the total amount of your monthly ISP payments will be paid to you over the number of months remaining until your 67th birthday. If you are age 67 or older, you will receive your ISP payment in 24 monthly payments.

OR

- **50 percent payment immediately and the remainder monthly over four years.** This payment option allows you to receive half of your ISP termination allowance in a single payment within 30 days after you leave the Company. Then, you receive the remainder of your benefit in 48 monthly payments, in a number of payments equal to the number of months remaining until your 67th birthday or in 24 monthly payments, if you are older than age 67.

If your total allowance is greater than \$10,000, you will make your election of a payment option at the time you agree to accept the 'Company's offer through a signed agreement that indicates your irrevocable election for payment of your benefits.

Situations That May Affect Your Benefits

Certain circumstances could affect your benefits under the Plan. Here is a summary of the situations in which your benefits could be affected:

- If you die before receiving all of your payments under the Plan, the balance will be paid in a lump sum to your estate.
- If you are rehired by Verizon (including any subsidiary or affiliate) within 48 months, your Plan payments will stop and any unpaid allowances permanently will be forfeited. If you were receiving 48 monthly payments with no lump sum, no repayment is required. If you received a full lump sum or a partial lump sum and monthly payments, you must repay the excess of the amount you already received over the amount you would have received as monthly payments. Repayments will be made through payroll deductions in each payroll period at the rate of 10 percent of your basic weekly pay.

Continuation of Other Benefits

Continuation of other benefits is affected by whether or not you are service pension eligible under the Verizon Pension Plan for Mid Atlantic Associates at the time of your separation from service (summaries are available in the “If You’re Service Pension Eligible” and “If You’re Not Pension Service Eligible” sections). Refer to the appropriate benefit book for details.

If You’re Service Pension Eligible

Benefit	Coverage continuation
Medical	You and your eligible Class I and Class II Dependents can continue coverage under the Verizon Medical Expense Plan for Mid-Atlantic Associates, Managed Care Network for Mid-Atlantic Associates or a Health Maintenance organization at no cost to you. As a retiree, when you become eligible for Medicare, Medicare becomes your primary plan while Verizon coverage is secondary. Claims are submitted to Medicare first and the Verizon Plan will supplement Medicare to the extent Verizon would have paid more than Medicare as your only source of coverage. In addition, Verizon will reimburse you \$29.90 per month toward the premium you pay for Medicare Part B coverage for you and your other Medicare Eligible Dependents covered under your medical plan.
Dental	You and your eligible Class I and Class II Dependents can continue coverage under the Verizon Dental Expense Plan for Mid-Atlantic Associates at no cost to you.
Vision	Active employee Vision Plan benefits discontinue at the end of the month in which you retire. You and your eligible dependents can continue vision coverage under Consolidated Omnibus Budget Reconciliation Act (COBRA) rules for up to 18 months.
Health Care Account	Your active employee contributions will discontinue with your last paycheck. You can continue to contribute on an after-tax basis under COBRA rules. You have until May 31 of the next calendar year to submit eligible expenses for reimbursement.
Dependent Care Account	Your contributions stop with your last paycheck. You have until May 31 of the next calendar year to submit eligible expenses for reimbursement.
Survivor Benefits Program	<p>Basic Life Insurance coverage continues for your lifetime (subject to annual 10% reductions in coverage starting at age 66 until through age 70). You may choose to continue Supplemental Life Insurance coverage up to age 65. When Basic Life Insurance is reduced or Supplemental Life Insurance ends, you will be eligible to convert coverage to an individual policy without proof of good health. A conversion information package will be provided.</p> <p>Dependent Life Insurance may also be continued for your spouse until he or she reaches age 65 and for eligible children up to age 19 or age 25 while a full-time student.</p> <p>If you were hired before August 10, 1986, you currently have Sickness Death Benefit and Accident Death Benefit coverage under the Verizon Pension Plan for Mid-Atlantic Associates. Accident Death Benefit coverage ends when your employment ends but Sickness Death Benefit coverage equal to your annual base pay capped at \$39,000 continues. The benefit is payable to your mandatory beneficiary when you die.</p> <p>Special Accident and Accidental Death and Dismemberment Insurance end on the last day of the month in which you separate from the Company payroll. No conversion to an individual policy is available.</p>

Benefit	Coverage continuation
Disability Benefits	If you are receiving disability benefits and have 15 or more years of net credited service, you may be eligible for a disability pension from the Verizon Pension Plan for Mid-Atlantic Associates. In general, coverage under Verizon disability benefit plans ends on your last day of employment. However, if you are still disabled on the ISP off-payroll date, your disability benefits will continue until you are no longer disabled or you exhaust disability benefits, whichever occurs first.
Pension Plan Pension Plan (cont.)	Your Service Pension is effective your first day off the active payroll. You should start receiving your annuity or receive your lump sum within 60 days of your retirement date, provided all paperwork is submitted on time. If you have a Qualified Domestic Relations Order on file, the payment may take a little longer. Payment options will be explained at the time you retire. You are service pension eligible if you meet these requirements: <ul style="list-style-type: none"> • Any age with 30 years or more of net credited service • At least age 50 with 25 years or more of net credited service • At least 55 with 20 years or more of net credited service • At least age 60 with 15 years or more of net credited service • Age 65 or older with 10 years or more of net credited service
Savings Plan	Employee and Company contributions to your Savings Plan account stop with your last paycheck. At retirement, you are fully vested in your entire account balance and are eligible to receive a full distribution of your account. Payment options will be explained at the time you retire. Note that if you have an outstanding loan balance and defer distribution of your account, you can continue to repay your loan monthly by requesting a coupon repayment booklet from the benefits administrator. If you elect a distribution of your Plan account and do not repay your outstanding loan, any remaining balance becomes a taxable event and is satisfied as part of your distribution. In addition, special tax rules apply. You will receive additional information at the time you become eligible to receive payment. If you die before receiving your vested account value, your beneficiary will receive the remaining value.
Tuition Assistance	If you're taking a pre-approved course at the time of your separation from service, you will continue to be eligible for reimbursement of expenses based on the Verizon Tuition Assistance Plan for Mid-Atlantic Associates.
Concession Telephone Service	You will receive information on concession telephone service with your retirement package.

If You're Not Service Pension Eligible

Benefit	Coverage continuation
Medical	<p>Active employee medical benefits stop at the end of the month following your last day of active service. You and your eligible Class I and Class II Dependents can continue coverage for a period of time under the Verizon Medical Expense Plan for Mid Atlantic Associates, the Managed Care Network for Mid-Atlantic Associates or a Health Maintenance Organization at no cost to you. The length of time coverage is continued depends on your net credited service under the Verizon Pension Plan for Mid Atlantic Associates:</p> <ul style="list-style-type: none"> • If you have one or more years of net credited service, medical coverage is continued by Verizon for six months. After the Company-paid continuation period ends, you and your eligible dependents can continue coverage based on Consolidated Omnibus Budget Reconciliation Act(COBRA) rules for up to an additional 12 months. • If you have less than one year of net credited service, medical coverage stops at the end of the month in which you separate from service. You and your eligible dependents can continue coverage based on COBRA rules for up to an additional 18 months. <p>If you do not elect COBRA continuation, your coverage stops at the end of the Company-paid continuation period, if applicable.</p>
Dental	<p>Active employee dental coverage stops at the end of the month in which you separate from service. You and your eligible dependents can continue coverage under the Verizon Dental Expense Plan for Mid-Atlantic Associates based on COBRA rules for up to 18 months. If you do not elect COBRA continuation coverage, your coverage stops on the last day of the month in which you separate from service.</p>
Vision	<p>Active employee vision coverage stops at the end of the month in which you separate from service. You and your eligible dependents can continue vision coverage based on COBRA rules for up to 18 months. If you do not elect COBRA continuation coverage, your coverage stops on the last day of the month in which you separate from service.</p>
Health Care Account	<p>Active employee contributions will discontinue with your last paycheck. You can continue to contribute on an after-tax basis under COBRA rules. You have until May 31 of the next calendar year to submit eligible expenses for reimbursement. If you do not elect COBRA continuation coverage, your coverage stops on the last day of the month in which you separate from service.</p>
Dependent Care Account	<p>Your contributions stop with your last paycheck. You have until May 31 of the next calendar year to submit eligible expenses for reimbursement.</p>
Survivor Benefits Program	<p>If you have 1 or more years of net credited service, Basic Life Insurance coverage continues for six months after your separation from service. You may choose to continue Supplemental Life Insurance and/or Dependent Life Insurance coverage during this period as well by continuing to pay the premiums. After six months, coverage stops but your Basic Life Insurance, Supplemental Life Insurance and Dependent Life Insurance coverage can be converted to an individual policy.</p> <p>Accidental Death and Dismemberment Insurance and Special Accident Insurance coverage end on the last day of the month in which you separate from the Company payroll. If you were hired before August 10, 1986, Sickness Death Benefit coverage ends on the last day of employment. These coverages cannot be converted to individual policies.</p> <p>If you have less than 1 year of net credited service, all Life Insurance coverage ends on the last day of the month in which you separate from the Company payroll, but your Basic Life Insurance, Supplemental Life Insurance, and Dependent Life Insurance coverage can be converted to an individual policy.</p>

Benefit	Coverage continuation
Disability Benefits	<p>If you are receiving disability benefits and have 15 or more years of net credited service, you may be eligible for a disability pension from the Verizon Pension Plan for Mid-Atlantic Associates. In general, coverage under Verizon disability benefit plans ends on your last day of employment. However, if you are still disabled on the ISP off-payroll date, you will continue receiving sickness disability benefits until you recover or exhaust short-term disability benefits, whichever occurs first.</p>
Pension Plan	<p>If you have five or more years of ERISA service when your employment ends, you're vested in your Pension Plan benefit payable at age 65 or earlier in a reduced amount as follows:</p> <ul style="list-style-type: none"> • At age 60 with 15 years of net credited service or more • At age 55 with 20 years of net credited service or more • At age 50 with 25 years of net credited service or more <p>You can elect to cash out your vested pension by calling the claims administrator and providing your ISP off-payroll date.</p> <p>However, if the lump sum value of your benefit is \$3,500 or less, it will automatically be paid as a lump sum.</p> <p>If you have at least 15 years of service when your employment ends and you are receiving sickness disability benefits, you can defer receiving your vested pension until you have exhausted your short-term disability benefits. If you do not defer receipt of your vested pension, you will waive your right to any future disability pension.</p>
Savings Plan	<p>Employee and Company contributions to your savings plan account stop with your last paycheck.</p> <ul style="list-style-type: none"> • If your vested account balance is \$3,500 or less, it will automatically be distributed to you in a lump sum, including the value of company contributions to your account. • If your vested account balance is more than \$3,500, you can choose to receive payment as soon as administratively possible or defer payment to a later date up to age 70-1/2. In either case, you will receive the full value of your account, including the value of company contributions. You'll receive additional information regarding distribution options at the time your employment ends. <p>Note that if you have an outstanding loan balance and defer distribution of your account, you can continue to repay your loan monthly by requesting a coupon repayment booklet from the benefits administrator. If you elect distribution of your Plan account and do not repay your outstanding loan, any remaining balance becomes a taxable event and is satisfied as part of your distribution.</p> <p>Also, special tax rules apply. You will receive additional information at the time you become eligible to receive payment.</p> <p>If you die before receiving your vested account value, your beneficiary will receive the remaining value.</p>
Tuition Assistance	<p>If you're taking a pre-approved course at the time of your separation from service, you will continue to be eligible for reimbursement of expenses based on the Verizon Tuition Assistance Plan for Mid-Atlantic Associates.</p>
Concession Telephone Service	<p>Concession telephone service ends as of the last day of the month in which you separate from the payroll.</p>

Additional Information

Other Circumstances in Which Benefits Could Be Paid

The terms of the Plan are supplemented by certain provisions of applicable collective bargaining agreements pertaining to force adjustment, layoff, part-timing, bumping and rehiring after layoff. Two examples of such provisions are:

- **Enhanced ISP (EISP):** Prior to proceeding to a layoff resulting from a surplus in any particular title, location and work group, the companies will offer an Enhanced Income Security Plan (EISP) termination allowance up to \$66,000 in the surplus title and location. The companies also may offer an EISP in other circumstances if they choose to do so (IBEW), or when the ISP may be offered (CWA). The companies may set limits on the number of ISP applications they are willing to accept, and this EISP offer would be in lieu of obligations, if any, the companies may have to offer regular ISP.
- An employee who declines a job reassignment, pursuant to Article 35, Section 4(C) of the contract (CWA contract for Verizon Maryland Inc., Verizon Washington, DC Inc., Verizon Virginia Inc. and Verizon West Virginia Inc.) and Verizon Services Corp., will be considered as voluntarily terminating or resigning employment and will receive the benefits of ISP as their termination allowance. In the CWA contracts for Verizon Pennsylvania Inc., Verizon Delaware Inc. and Verizon New Jersey Inc., an employee who declines a job reassignment due to the Technological Change provision will be considered as voluntarily terminating or resigning employment and may elect to receive the termination allowance in their contract or ISP, if eligible under the terms of ISP.

Claims and Appeals Procedures

You may file a written claim regarding your benefits at any time. If your claim for benefits is denied, you will have an opportunity to appeal. The claims administrator is appointed by the chairperson of the Verizon Claims Review Committee (VCRC). The appeals administrator for the Plan is the VCRC or a successor appeals administrator that may in the future be appointed by the VCRC (see "Filing an Appeal" below for the address).

The claims and appeals administrators have 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 the claims and appeals administrator.

The claims and appeals administrators have sole discretionary authority to decide claims under the Plan and review and resolve any appeal of a denied claim. In case of an appeal, the claims and appeals 'administrators' decisions are final and binding on all parties to the full extent permitted under applicable law, unless the participant or beneficiary later proves that a claims or appeals 'administrator's decision was an abuse of administrator discretion.

Filing a Claim

You have the right under the Employee Retirement Income Security Act of 1974 (ERISA) and its subsequent amendments to file a claim if you believe you are entitled to benefits and benefits have been denied or incorrectly determined under the Plan.

To submit a claim, put your concern in writing, explaining in your own words your understanding of your benefit issue and provide any supporting information in writing to the claims administrator at the address shown in the "Administrative Information" section.

Once you have documented your claim and submitted any necessary forms and any further information that you believe should be taken into account by the claims administrator, the claims administrator has 90 days (except as discussed below) to process your claim after receiving it.

If the claims administrator needs additional information from you in order to process your claim, you will be given 180 days to supply the needed information. In that case, the claims administrator will have no less than 45 days from the date you supply the additional information or your 180-day period expires to make a decision on your claim.

If there are special circumstances requiring longer review, the claims administrator may take up to an additional 90 days to make a decision on your claim. The claims administrator will notify you in writing if more time is needed and of the final decision.

If Your Claim is Denied

If your claim completely or partially is denied, a written notice of denial will tell you the specific reasons for the decision, the Plan provisions used to support the decision, a description of any outstanding materials needed to approve the claim and how you can appeal the decision.

Filing an Appeal

You may file an appeal if:

- You receive no reply to your original claim within the initial 90 days
- The time for a decision on your original claim was extended for an additional 90 days, and you receive no reply after the additional 90 days
- You receive written denial of all or part of the claim, and you want to appeal the denial.

You may appeal by submitting in writing a letter requesting an appeal and stating your concerns and any related facts to the following address:

Verizon Claims Review Committee
c/o the Verizon Benefits Center
100 Half Day Road
P.O. Box 1457
Lincolnshire, IL 60069-1457

Your appeal letter must be received within 60 days after you receive the denial of your claim or fail to receive timely notice of the decision.

If you submit an appeal, you have the right to:

- Review pertinent Plan documents, which you can obtain as described in the “Rights of Participants Under ERISA” section.
- Send a written statement of the issues and any other documents in support of your claim to the appeals administrator.
- Request copies of written documents that are relevant to the appeal. There typically will be a reasonable charge per page.

Review of Your Appeal

The VCRC, as appeals administrator, will review your appeal of the denied claim and will make a decision within 60 days after receiving your written request for review. Your appeal will be decided by a different committee than the committee that decided your initial claim. Your appeal will be decided within 60 days after being received by the appeals administrator. However, if there are special circumstances that require additional time, the appeals administrator may extend the review by an additional 60 days (for a total of 120 days from receiving your appeal).

Normally, the appeals administrator will notify you of the decision in writing. However, if you do not receive a decision or notification within the appropriate time span, you should consider the appeal denied.

In case of an appeal, the appeals administrator’s decision is final, conclusive and binding on all parties to the full extent permitted under applicable law, unless the participant or a beneficiary successfully proves that the appeals administrator’s decision was an abuse of discretion under the Plan. However, as a Plan participant, you may have further rights under ERISA after you have exhausted the claims and appeals process, as described in the next section.

Benefits under the Plan will be paid only if the claims and appeals administrators decide in their discretion that the participant or beneficiary is entitled to them.

Rights of Participants Under ERISA

Under ERISA, you have the following rights:

- You may examine all Plan documents without charge. These include annual financial reports, Plan descriptions, collective bargaining agreement provisions pertaining to the Plan and all other official Plan documents and reports, including a copy of the latest annual report (Form 5500 Series) filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. The Plan administrator makes these documents available for examination free of charge at specified sites, such as Verizon work locations. For information, write to the Plan administrator:

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

Also, you may obtain copies of all Plan documents and other Plan information upon written request to the Plan administrator at the above address. Please include the full name of the Plan in your written request along with your name, Social Security number, mailing address and telephone number. You may be charged 25 cents per page for documents that you request.

- You will receive a summary of the Plan's annual financial report. The Plan administrator is required by law to furnish you with a copy of this summary annual report.

In addition to creating rights for Plan participants, ERISA imposes duties upon the persons who are responsible for the operation of the Plan. The persons who operate your Plan, some of whom are named as "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 benefit or exercising your rights under ERISA. If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done and obtain copies of documents related to the decision without charge.

You have the right to have your claim reviewed and reconsidered on appeal, but your appeal must be timely. Under ERISA, there are steps you can take to enforce the above rights.

For instance, if you request materials from the Plan administrator that you have a right to receive and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan fiduciaries 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 Plan administrator.

If you have a claim for benefits that 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 to be frivolous).

If you have any questions about the Plan, you should contact the Verizon Benefits Center, which the Plan administrator has established for purposes of administering benefits and responding to questions of participants and beneficiaries. If you have any questions about this statement or about your rights under ERISA, you can contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries; Employee Benefits Security Administration; U.S. Department of Labor; 200 Constitution Avenue, N.W.; Washington, D.C. 20210.

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

Administrative Information

Administrative information about the Plan is provided in this section.

Important Telephone Numbers

See your Important Benefits Contacts insert for information.

Plan Sponsor/Employer

The Plan sponsor/employer 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

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 claims administrator (see your Important Benefits Contacts insert for the telephone number). The claims administrator administers benefits and handles participant questions, requests and certain benefits claims, but is not the Plan administrator.

Telephone number: 1-877-4VzBens and follow the instructions to reach the Verizon Benefits Center.

The Plan administrator or a person delegated by the administrator has the full and final discretionary authority to publish the Plan document and benefit Plan communication, to prepare reports and make filings for the Plan and to otherwise oversee the administration of the Plan.

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

Claims and Appeals Administrators

The claims administrator is:

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

The appeals administrator is:

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

Plan Funding

This Plan is unfunded. The claims and appeals administrator listed above does not insure or guarantee Plan benefits. Verizon pays all claims out of the general assets of the Company.

Plan Identification

The Plan is a welfare plan, listed with the Department of Labor under two numbers: The Employer Identification Number (EIN) is 23-2259884 and the Plan Number (PN) is 536.

Plan Year

Plan records are kept on a Plan-year basis, which is the same as the calendar-year basis.

Agent for Service of Legal Process

The agent for service of legal process is the Plan administrator. Legal process must be served in writing to the Plan administrator at the address stated above for the Plan administrator.

In addition, a copy of the legal process involving this Plan should be delivered to:

Verizon Legal Department
Employee Benefits Group
Verizon Communications Inc.
One Verizon Way
Basking Ridge, NJ 07920

Official Plan Document

This summary plan description (SPD) is a summary of the official Plan documents.

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.

- Verizon Advanced Data Inc.
- Verizon Delaware Inc.
- Verizon Maryland Inc.
- Verizon New Jersey Inc.
- Verizon Pennsylvania Inc.
- Verizon Services Corp.
- Verizon Virginia Inc.
- Verizon Washington D.C. Inc.
- Verizon West Virginia Inc.
- Verizon Avenue, Inc.
- Verizon Corporate Services Corp.

Glossary

C

Company

Company means participating companies of Verizon Communications Inc. (see “Participating Companies” in the “Additional Information” section).

N

Net Credited Service

In general, your years, months and days of continuous employment based on provisions of the Verizon Pension Plan for Mid-Atlantic Associates. If you were employed on a part-time basis, net credited service will be prorated based on part-time hours.

P

Participant

An eligible employee whose application for Plan benefits has been accepted and who has separated from service is referred to as a participant.

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