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2014 Negotiations

AGREEMENT

between



VERIZON SUPPLY CHAIN SERVICES

and



COMMUNICATIONS WORKERS OF AMERICA

2014 Company Proposal

June 13, 2014

Verizon Supply Chain Services

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AGREEMENT

This Agreement made and entered into this ~~19th day of June, 2011~~ 13th day of June, 2014, by and between Verizon Supply Chain Services, hereinafter called the "Company" and the Communications Workers of America, hereinafter called the "Union".

Neither the Company nor the Union shall in any manner discriminate against, interfere with, restrain, or coerce employees because of sex, sexual orientation, race, creed, color, age, religion, national origin, qualified physical or mental impairment, being Vietnam era veterans or disabled veterans, union membership or non-membership or because of participation or non-participation in activities on behalf of the Union.

The employer may take all reasonable actions necessary to comply with Americans with Disabilities Act (ADA) which are neither in conflict with provisions of this Agreement or with rights established by the National Labor Relations Act.

Nothing in these Agreements shall be construed to require either of the parties hereto to act contrary to any State or Federal law or regulation. In the event that any such condition arises, it is agreed that these Agreements shall be deemed to be modified in respect to either or both parties to the extent necessary to comply with such law or regulation.

These Agreements shall be binding upon the successors and assigns of the Company and no provisions, terms or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, sale, transfer, reorganization, or assignment of the Company or by any change in the legal status, ownership, or management thereof.

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ARTICLE 9

9. FRINGE BENEFITS

- 9.1 During the term of this Agreement, the plans for employees' Pensions, Life Insurance, Dental, **and Sponsored Medical Plan** ~~Basic Hospital and extraordinary expense~~ will remain in full force and effect as amended. The Company agrees to negotiate with the Union any changes in such plans which would decrease the benefits therein. Employees will become eligible for Medical, Dental, Life Insurance and the Flexible Reimbursement Plan after ninety (90) days of employment.
- 9.2 The selection of the insurance carrier and administration of the Benefit Plan shall be the responsibility of the Company. In the event of a dispute concerning an employee's eligibility for coverage under any benefit plan matters, it will be handled in accordance with Article 5 and 6 in this Agreement.
- 9.3 The following ~~premium payments for Group Health Plan and Dental Insurance~~ will apply for all regular, full time employees who have at least ninety (90) days of employment and who are enrolled in the health insurance plan:
- 9.3-1 The Company will pay the total premiums for single and family health insurance for full time employees, through ~~August 31~~ **September 30**, 2014.
- 9.3-1.1 For each Plan Year beginning on and after ~~September~~ **October** 1, 2014, an employee who enrolls in the Sponsored Plan, or, in the alternative, an HMO, EPO, or any other medical option (collectively "Other Medical Option") offered by the Company, will pay a Monthly contribution on a before-tax basis towards the cost of coverage for the medical coverage category elected by such employee ("Monthly Employee Contribution").
- 9.3-1.2 The Monthly Employee Contribution for the Sponsored Plan is set forth below. With respect to the Monthly Employee Contribution for any Other Medical Option offered by the Company, the Monthly Employee Contribution for the medical coverage category elected by such employee under such Other Medical Option will be no greater than 150% of the Monthly Employee Contribution for a Sponsored Plan (except as set forth in paragraph 9.3-1.7 below). Although pursuant to the preceding sentence the Monthly Employee Contribution for the medical coverage category elected by such employee under such Other Medical Option will be no greater than 150% of the Monthly Employee Contribution for a Sponsored Plan (except as set forth

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in paragraph 9.3-1.7 below), the Company reserves the right, after consulting with the CWA, to add, modify or discontinue such Other Medical Options, in its sole discretion and without bargaining, and no matter concerning any Other Medical Option or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.

- 9.3-1.3 All employees and eligible dependents who receive Medical Coverage and contribute on a before-tax basis, will be subject to the mid-year change rules applicable to Internal Revenue Code section 125 cafeteria plans.
- 9.3-1.4 With respect to the Monthly Employee Contributions in 2015, 2016 and 2017, an employee will be eligible for the non-tobacco user contribution rates (set forth below) for medical coverage if such employee and his or her covered dependents do not use tobacco products or satisfy a reasonable alternative standard as determined by the Company (e.g., complete an annual smoking cessation program).
- 9.3-1.5 An employee will also be eligible to receive an annual credit of \$100 in each of the years, 2015, 2016 and 2017, prorated based on when during the year the employee completes an annual health risk assessment provided by the Company, and prorated on a pay-period basis toward the employee's contribution for healthcare.
- 9.3-1.6 For 2014 only, the Monthly Employee Contribution will be the same rate for all options, regardless of whether the employee is a tobacco user or has completed the health assessment, and there will be no health risk assessment credit. The Monthly Employee Contributions that appear in the charts below for 2015, 2016 and 2017 already account for the annual credit set forth in paragraph 9.3-1.5 above.
- 9.3-1.7 Notwithstanding anything to the contrary in this MOA, contingent upon ratification on or before June 30, 2014 of the 2014 Proposal for Settlement, the Monthly Employee Contribution for:
- a. Kaiser will be no more than 100 percent of the Monthly Employee Contribution for the Sponsored Plan.
 - b. Healthnet will be no more than 125 percent of the Monthly Employee Contribution for the Sponsored Plan for 2015, and no more than 130 percent of the Monthly Employee Contribution for the Sponsored Plan for 2016 and in the years thereafter.

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9.3-1.8 The Monthly Employee Contribution will be deducted from the employees' bi-weekly pay. However, in those circumstances where an employee is not receiving pay or sufficient pay the employee will be billed for the contribution amount(s) or the contribution amount(s) will be applied to subsequent pay.

Effective ~~September~~ **October** 1, 2014, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Monthly Employee Contribution
Employee Only	\$60 50
Employee + 1 or more	\$120 100

Effective January 1, 2015, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Sponsored Plan Monthly Employee Contribution (Tobacco User Rate)	Sponsored Plan Monthly Employee Contribution (Non-Tobacco User Rate)
Employee Only	\$115 105	\$65 55
Employee + 1 or more	\$180 160	\$130 110

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Effective January 1, 2016, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Sponsored Plan Monthly Employee Contribution (Tobacco User Rate)	Sponsored Plan Monthly Employee Contribution (Non-Tobacco User Rate)
Employee Only	\$130 120	\$80 70
Employee + 1 or more	\$210 190	\$160 140

Effective January 1, 2017, the Monthly Employee Contribution required by associates will be:

Coverage Category Elected	Sponsored Plan Monthly Employee Contribution (Tobacco User Rate)	Sponsored Plan Monthly Employee Contribution (Non-Tobacco User Rate)
Employee Only	\$150 140	\$100 90
Employee + 1 or more	\$250 230	\$200 180

9.3-2 The Company will pay the total premium for employee dental insurance and eighty (80) percent of the premium for dependent dental insurance for full time employees.

9.4 The following will apply for all regular, part time employees who have at least ninety (90) days of employment and who are enrolled in the health insurance plan:

9.4-1 The Company premium contribution for regular part-time employees for health insurance will be paid based on the following schedule, for employee and dependent coverage:

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<u>Hours Scheduled per week</u>	<u>Company pays</u>
Less than 17 hours	0% of premium
17-24 hours	50% of premium
25+ hours	Same as Regular Full Time monthly contributions as set forth above

- 9.4-2 The Company premium contribution for regular part-time employees dental insurance will be paid based on the following schedule for employee and dependent coverage:

<u>Hours Scheduled Per Week</u>	<u>Employee Only</u>	<u>Employee +1/Family</u>
<17 hours	0% of premium	0% of premium
17-24 hours	50% of premium	50% of premium
25+ hours	100% of premium	80% of premium

- ~~9.3.4 The amount paid by the employee will not be increased during the life of this contract regardless of any increase in the premium.~~

- ~~9.3.5 If an employee elects an alternative medical plan option which has a greater cost than that of the Comprehensive Medical Plan, the employee will be required to pay the difference in cost between the two plans.~~

- 9.54 Eligible employees may participate in the Verizon GTE Supply Chain Services, Inc. Pension Plan for Union-Represented Employees ("Pension Plan"), which is a component of the Verizon Pension Plan for Mid-Atlantic and South Associates. Participation is subject to necessary government approvals.

- 9.65 The Administration of these plans, as provided for by the Company, shall not be subject to Article 5 of this Agreement.

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ARTICLE 10

10. SICKNESS AND ACCIDENT BENEFITS

10.1 Active employees who, during their active employment, are forced to be absent from work because of their own illness or their own injury, will receive the benefits described in the following paragraphs. Employees whose service with the Company is terminated for any reason whatsoever shall have no claim against the Company or any benefits provided in the following paragraphs and the accumulated sick leave described hereinafter shall not be considered to constitute any liability on the part of the Company, to such employees, provided, however, that this rule will not be used to discriminate against employees to the extent that they might be dismissed at a time when they might be eligible to apply for such benefits.

10.1-1 The term "benefits" shall mean seventy-five percent of the employees stated wage in all cases where the employee does not receive compensation as defined in Subsection 10.2 below and shall mean one-hundred percent of the employee's net pay after application of taxes in all cases where he/she does receive compensation, as defined in said Subsection 10.2.

10.1-1.1 At such time an employee is eligible for State Disability Insurance benefits and sickness and accident benefits, his/her compensation for Company provided benefits will be computed at seventy-five percent of his/her stated wage after deducting his/her State Disability Insurance benefits from the gross wage payable had he/she worked.

In no event, after application of taxes and State Disability Insurance benefits, will an employee's combined benefits exceed or be less than the net amount payable had he/she worked.

10.1-1.2 In no event during an absence due to occupational injury will an employee's combined benefits be greater than the net amount which would have been payable had the employee worked. Additionally, if the employee is otherwise eligible, the net amount payable will not be less than the net amount payable had such employee worked.

10.2 "Compensation" shall mean the payments made to an employee from any source under the provisions of the Workers' Compensation Insurance and Safety Act, or any other Federal or State law or regulation now in effect or hereinafter enacted, provided, however, that if any such law or regulation shall require the collection of taxes or contributions from the employee and the Company, only that portion of

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such payments as is represented by the Company's tax or contribution will be considered as compensation.

10.2-1 "Injury" shall mean an injury not arising out of and during the course of an employee's occupation.

10.2-2 "Occupational injury" shall mean an injury arising out of and during the course of an employee's occupation.

10.2-3 In the event an employee shall experience an injury or an occupational injury on which the employee makes a recovery from a third party (other than the compensation insurance carrier of the Company) for damages resulting from the injury, it is agreed that the employee will reimburse the Company to the extent of the amount of such recovery of any sick benefit payments received from the Company in connection with such injury and an appropriate restoration of time shall be made to the employee's sick leave entitlement.

10.3 Employees will accumulate sick leave at the rate of one and one-half workdays for each month of credited service up to a maximum of two hundred and seventy (270) workdays, provided, however, that after fifteen (15) years of credited service such portions of this sick leave as may have been expended by absences for which benefits have been paid, will be restored at the rate of one and one-half workdays for each additional month of credited service until the maximum of two hundred and seventy (270) workdays is accumulated again.

10.3-1 After they have completed twelve months of credited service, regular employees will be eligible for sick leave with benefits as provided hereinafter if they are forced to be absent from work because of illness or injury. Employees will be eligible for sick leave with benefits as provided in Subsection 4-1 of this Article 10 when they are forced to be absent from work because of occupational injury.

10.3-2 Each workday for which benefits are paid because of absences due to illness or injury will be deducted from the accumulated sick leave; however, absences because of occupational injury will not be deducted from their sick leave accumulation.

10.4 Regular employees who at the start of their absence have accumulated balance of less than one hundred eighty (180) days of sick leave are eligible and apply for benefits due to illness or injury will be subject to a two-three (3) day waiting period. Those who have an accumulated balance of one hundred and eighty (180) days or more of sick leave and apply for benefits due to illness or injury will be subject to a two (2) day waiting period. The two-day waiting period will be waived for:
a. If the employee is admitted to a hospital.

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b. For those regular employees who at the start of their absence have an accumulated balance of one hundred eighty (180) days of sick leave.

c. For those regular employees who at the start of their absence have an accumulated balance of between ninety-one (91) and one hundred seventy-nine (179) days of sick leave and who have received no benefits due to illness or injury during their last twelve (12) months of credited service.

- A. ~~Those regular employees with an accumulated balance of 90 or less days of sick leave at the start of their absence who have received no benefits due to illness or injury during their last twelve months of credited service.~~
- B. ~~Those regular employees with an accumulated balance of 91 to 179 days of sick leave at the start of their absence who have received no benefits due to illness or injury during their last six months of credited service.~~
- C. ~~Those regular employees who at the start of their absence have an accumulated balance of 180 days of sick leave.~~

~~Lost time due to occupational injury will not be considered in determining a waiting period for subsequent absences due to illness. A second period of two workdays absence will not be required if a regular employee is again forced because of illness or injury to leave work on or before his tenth normal workday following the end of a prior absence for which benefits were paid.~~

10.4-1 All regular employees will be eligible to receive the excess of benefits over compensation for each workday absent because of occupational injury, beginning with the first workday of absence (without a waiting period), to the extent of their accumulated sick leave, or for the first five workdays of absence, whichever is the greater.

10.5 Employees who are required to be absent from work or who find it necessary to leave their work and who contemplate applying for sickness and accident benefits will be required to report to their immediate supervisors at the beginning of such absence. Benefits will not be granted to employees after they have commenced a vacation or a leave of absence and for this purpose a vacation or a leave of absence will be considered to have commenced immediately after the close of business on the last day actually worked, or immediately after the end of the last shift actually worked. An employee who has returned to active employment after a leave of absence or who has returned to work after a vacation will not be permitted to apply for benefits for an illness or injury occurring during such leave of absence or during such vacation, except that an employee who is unable to return to work because of an illness or an injury suffered during his/her vacation will be eligible to

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apply for benefits beginning after his/her vacation, subject to the two-day applicable waiting period described above.

10.5-1 ~~If an employee who is eligible to receive benefits and has worked all of the first session is required to leave work because of illness or injury prior to completion of the greater portion of the employee's second session, he/she will be eligible to receive benefits after observance of the two-day waiting period described above. If an employee has worked the greater portion of his/her second session and is required to leave work because of illness or injury, he/she will receive the regular wage which he/she would have received had he/she worked his/her entire shift, and will be eligible to receive benefits after observance of the two-day waiting period described above.~~ **If an employee is required to leave work because of occupational injury, he/she will be paid the excess of benefits over compensation in accordance with the foregoing except that the two-day waiting period will be waived. If an employee is required to leave work prior to the completion of his shift because of illness or injury, he will be paid for hours worked. If applicable, benefits will commence after observance of the applicable waiting periods described above.**

10.5-2 Employees will not be permitted to exchange days for which they would be eligible to receive benefits for days when they are scheduled to be absent from work.

10.5-3 Management will reserve the right to investigate any case of disability due to illness, injury or other cause, for which benefits are requested, and in its sole discretion may require an opinion from a physician other than the one in regular attendance, or a statement from the physician in regular attendance and the payment of benefits will be governed by such investigation and opinion. Benefits will not be paid in cases of absence caused by nervous disorders unless a physician, selected and paid by the Company, shall deliver to the Company a statement in writing to the effect that such nervous disorder is sufficiently serious to make it essential that the employee be relieved from work for a definite period of time.

In any event the determination of the payment of benefits shall rest solely with Management which fairly shall consider, but shall not necessarily be bound by, doctor's reports and all other pertinent information.

10.6 Employees who are found to be guilty of abusing the foregoing provisions for sickness and accident benefits may be subject to dismissal or to forfeiture of any privileges relating thereto.

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ARTICLE 11

11. BEREAVEMENT LEAVE

11.1 In the event of a death in the immediate family of an employee who has one or more years of continuous service with his Employer, he/she shall, upon request, be granted such time off with pay as necessary, not to exceed three (3) regularly scheduled working days. However, when lengthy travel is required an employee shall be granted additional time off with pay as is necessary not to exceed two (2) days.

11.1-1 This provision does not apply if the death occurs while the employee is on leave of absence, layoff, or sick leave.

11.1-2 For the purpose of this provision, the immediate family shall be defined as the parents, stepparents, adoptive parents, children, stepchildren, adopted children, brothers, stepbrothers, sisters, stepsisters, husband, wife, grandparents, great grandparents, step-grandparents, grandchildren, mother-in-law, father-in-law, ~~aunts, uncles~~ and guardian (with justification).

11.2 At the request of the Employer the employee shall furnish a death certificate and proof of relationship. Bereavement leave is not applicable for other purposes such as settling the estate of the deceased.

11.3 Employees who can justify such need may be permitted to take vacation, personal holiday time or excused time for deaths of family members which are not stated in subsection 11 1-2.

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ARTICLE 15

15. VACATIONS

15.4 Employees who qualify for up to three (3) weeks or more of vacation may carry over up to five (5) days of vacation into the next year. Vacation days can only be carried over on an eight (8) hour basis. A notification of intent to carry over vacation must be submitted in writing by the employee to his/her supervisor no later than November 15 of each year.

15.4-1 Carry over vacation must be taken ~~all at one time~~ by June 30 of each year.

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ARTICLE 24

24. PREMIUM PAYMENTS

24.1 Night Premium

24.1-1 A premium of ~~\$.80~~1.00 per hour shall be paid for any scheduled hour or portion thereof between 8:00 p.m. and 5:59 a.m.

24.2-3 All employees placed "on call" shall receive ~~\$10.00~~11.00 pay for each twenty-four (24) hour period, Monday through Friday, and \$20.00 pay for each Saturday, Sunday, or authorized holiday.

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ARTICLE 25

25. WORK AWAY FROM HEADQUARTERS

25.1 Employees will be subject to work assignments at other than their normally assigned locations. The Company will determine the location from which the temporary assignment will be made and will solicit qualified volunteers. Should there be no qualified volunteers, the least senior qualified employee in the designated location/classification will be assigned to the temporary assignment. Those selected must be capable of meeting all job requirements. Options involving Involuntary job assignments lasting longer than six months will be discussed with management and the union.

25.1-1 An employee assigned to work and remain overnight, away from his/her normal location will be allowed to travel on Company time and expense on the first trip to and the last trip from the assignment and be paid per diem as follows:

Per diem ~~\$95.50~~ \$94.50 per day to include all meals and lodging,

OR

Per diem ~~\$33.50~~ \$32.50 per day for meals, plus clean comfortable lodging provided by the Company.

The last day of the assignment will be considered a partial day and meals will be paid accordingly.

25.1-1.1 Breakfast will not be paid on the first day out nor dinner on the last day back of any overnight assignment.

Meals will be reimbursed as follows for partial days:

Breakfast	\$ 6.90 <u>7.10</u>
Lunch	\$ 8.30 <u>8.55</u>
Dinner	\$ 17.30 <u>17.85</u>

One of the above options shall be selected prior to the start of each assignment and used for the duration of the assignment.

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ARTICLE 31

31. TERMS OF AGREEMENT

- 31.1 This Agreement shall remain in full force and effect from the ~~19th day of June, 2011~~ **15th day of June, 2014 contingent upon a tentative agreement on the 2014 Proposal for Settlement on June 13, 2014 and ratification on or before June 30, 2014**, until either (a) the employer ceases to operate the facility or (b) until **11:59 p.m. 12:00 a.m. on June 10, 2017** ~~June 14, 2014~~, whichever is sooner and shall continue in full force from year-to-year thereafter unless either party gives written notice to the other at least sixty (60) days prior to any termination date of intent to terminate or modify the Agreement. In the event such a notice is given, the parties shall promptly begin the negotiation of a new contract. Unless a contract is entered into prior thereto, the Agreement shall terminate at the end of the sixty (60) day period.

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ARTICLE 37

37. DEFINITIONS

- 37.1 Accredited Service - The aggregate of the years, months and days of active employment in the service of the Company, its predecessors, its associated companies or companies affiliated with the Corporation that are recognized for service purposes. It shall include time for which the employee actually receives wages, workers compensation benefits, sick benefits, military leaves of absence **(in accordance with the requirements of applicable law)**, and any approved excused absent time up to thirty (30) days in a single calendar year.

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MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA
COMPREHENSIVE MEDICAL PLAN

1. Verizon Supply Chain Services and Communications Workers of America agree to the provisions of the Comprehensive Medical Plan benefits set forth in this Memorandum of Agreement.
2. For a summary of details refer to the attachment entitled Comprehensive Medical Plan Highlights.
3. Some of the major provisions include:
 - A. For all regular full time and part time employees, coverage under the Comprehensive Medical Plan begins ninety (90) days from date of hire or the date which the employee enrolls, whichever is later.
 - B. Maintenance of Benefits permitted to the level of benefits provided in the Comprehensive Medical Plan.
 - C. The following options defined in this section 3C 1-4 will continue through ~~August 31~~ **September 30**, 2014. Employees and their eligible dependents may enroll in the Verizon company-sponsored medical plan or any other Verizon-offered alternative medical plan:
 1. In situations where employees elect to cover their spouse where the spouse is eligible for medical coverage from another employer, the spouse's medical plan is considered primary and the employee's plan is considered secondary. In this situation no additional employee contribution is applicable.
 2. In situations where employees elect not to enroll themselves and their eligible dependents in the Verizon company-sponsored medical plan or any other Verizon-offered alternative medical plan, the employee is eligible for an annual "opt out" credit of seven hundred dollars (\$700).

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3. In situations where employees elect not to enroll their spouse in the Verizon company-sponsored medical plan or any other Verizon-offered alternative medical plan, the employee is eligible for an annual opt out credit of three hundred fifty dollars (\$350). Other eligible dependents may continue to be enrolled in the plan. There is no additional opt out credit if other eligible dependents are not enrolled.

Note: The credits described in paragraphs 2 and 3 may be prorated and will be given to the employee over twelve (12) months on his/her bi-weekly paycheck. In order to be eligible for this credit, the employee may be required to provide satisfactory evidence of medical coverage upon request.

4. In situations where employees elect to cover their spouse where the spouse is also eligible for medical coverage from his/her employer and does not enroll in that medical plan, a "spousal surcharge" shall apply.
 - a. The spousal surcharge shall apply to all Verizon medical plan options.
 - b. The spousal surcharge of \$40 per month will be deducted from the employee's bi-weekly paycheck.
 - c. The spousal surcharge shall not apply:
 - In a plan year in which the spouse's gross base wage rate on an annualized basis as of the previous July 1 from his/her employer who provides such medical coverage is \$25,000 or less, or
 - if the spouse's annual individual premium contributions would be \$900 or more under his/her employer's plan.
 - d. In situations where both the employee and the spouse are eligible for enrollment in a Verizon medical plan based upon their employment status:
 - The spousal surcharge shall not apply if both spouses are Verizon associates.


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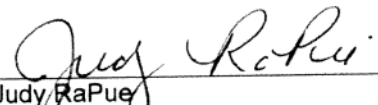
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- The spousal surcharge shall apply if one spouse is an associate and one spouse is eligible for Verizon management medical options and coverage under the associate medical option is elected for the spouse who is eligible for Verizon management medical options.
4. The Comprehensive Medical Plan will be administered solely in accordance with its provisions, and no matter concerning the Comprehensive Medical Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement.
 5. The selection of the Health Care Plan Administrator, the administration of the Comprehensive Medical Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Company.
 6. This Memorandum of Agreement is effective on **June 15, 2014**, and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Comprehensive Medical Plan, shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Supply Chain Services

Communications Workers of America


Beverly Baird
Sr. Consultant Labor Relations


Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

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COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
Effective – January 1, 2015

Benefits	In-Network	Out-of-Network
General		
Calendar Year Deductible (No carry over) combined in- and out-of-network	January 1, 2015	January 1, 2015
	Employee Only	Employee Only
	\$600 475	\$850 725
	Employee + 1	Employee + 1
	\$1,200 950	\$1,700 1,450
	Employee + 2 or more	Employee + 2 or more
	\$1,500 1,187.50	\$2,125 1,812.50
	January 1, 2016	January 1, 2016
	Employee Only	Employee Only
	\$650 525	\$875 750
	Employee + 1	Employee + 1
	\$1,300 1,050	\$1,750 1,500
	Employee + 2 or more	Employee + 2 or more
	\$1,625 1,312.50	\$2,187.50 1,875
	January 1, 2017	January 1, 2017
	Employee Only	Employee Only
	\$700 575	\$950 825
	Employee + 1	Employee + 1
	\$1,400 1,150	\$1,900 1,650
	Employee + 2 or more	Employee + 2 or more
	\$1,750 1,437.50	\$2,375 2,062.50
Out of Pocket Maximums combined in-and out-of-network	January 1, 2015	January 1, 2015
	Employee Only	Employee Only
	\$1,700 1,500	\$2,100 1,900
	Employee + 1	Employee + 1
	\$3,400 3,000	\$4,200 3,800
	Employee + 2 or more	Employee + 2 or more
	\$4,250 3,750	\$5,250 4,750
	January 1, 2016	January 1, 2016
	Employee Only	Employee Only
	\$1,700 1,500	\$2,200 2,000
	Employee + 1	Employee + 1
	\$3,400 3,000	\$4,400 4,000
	Employee + 2 or more	Employee + 2 or more
	\$4,250 3,750	\$5,500 5,000
	January 1, 2017	January 1, 2017
	Employee Only	Employee Only
	\$1,700 1,500	\$2,300 2,100
	Employee + 1	Employee + 1
	\$3,400 3,000	\$4,600 4,200
	Employee + 2 or more	Employee + 2 or more
	\$4,250 3,750	\$5,750 5,250
Coordination of Benefits	Non-duplication of benefits. Cross coordination applies. Birthday rule applies.	Non-duplication of benefits. Cross coordination applies. Birthday rule applies.
Pre-existing Conditions	None	None

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Hospital Services

Room and Board (Subject to Care Coordination)	80% of Network Negotiated Fee ("NNF") after deductible satisfied. <ul style="list-style-type: none"> Semi Private Room Intensive & Cardiac Care Units 	70% of Maximum Allowable Amount ("MAA") after deductible satisfied. <ul style="list-style-type: none"> Semi Private Room Intensive & Cardiac Care Units
Emergency Outpatient for Accidents	\$75 copay (Waived if admitted.)	\$75 copay (Waived if admitted.)
Preadmission Tests	100% of NNF after deductible satisfied. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)	70% of MAA after deductible satisfied. (Outpatient tests and x-rays for a proposed surgery as long as the resulting hospital admission is scheduled within 7 days of the tests and x-rays are performed at the facility in which the surgery is to take place.)
Inpatient Services and Supplies	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.

Professional Services

Doctor's Surgical Charges	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Outpatient Surgery	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Doctor's Office Visits	\$20 per office visit (PCP/OBGYN) \$25 per office visit (Specialist)	70% of MAA after deductible satisfied.
Diagnostic Lab and X-ray in Doctor's Office	\$20 copay	70% of MAA after deductible satisfied.
Doctor's Home Visits	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Allergy Shots	\$10 copay for injection only if not billed for any other office visit services	70% of MAA after deductible satisfied.
Maternity	\$20 office visit copay, first visit only. Covered the same as any other illness or injury.	70% of MAA after deductible satisfied.

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High Risk Maternity (If Care Coordination recommends special care because pregnancy is considered high risk)	100% of NNF outpatient, no deductible. Physician and hospital charges are paid at 100% of NNF, no deductible.	70% of MAA after deductible satisfied.
Nurse/Midwife	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Birthing Center	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Artificial Insemination & In Vitro Fertilization (Subject to Care Coordination)	Limited to 50% of NNF after deductible satisfied to a maximum of \$15,000 per lifetime.	Limited to 50% of MAA after deductible satisfied to a maximum of \$15,000 per lifetime.
<u>Other Services</u> Acupuncture; limits combined in- and out-of-network	80% of NNF after deductible satisfied. (Limited to 20 visits per year. Additional services are covered if approved by Care Coordination. Cover MD, DO, DC or Acupuncturist licensed by the state or certified by the National Commission of Acupuncturists.)	70% of MAA after deductible satisfied. (Limited to 20 visits per year. Additional services are covered if approved by Care Coordination. Cover MD, DO, DC or Acupuncturist licensed by the state or certified by the National Commission of Acupuncturists.)
Chiropractor Services; limits combined in- and out-of-network	\$25 office visit copay (12 visits per year threshold. Additional services may be covered if approved by Care Coordination.)	70% of MAA after deductible satisfied. (12 visits per year threshold. Additional services may be covered if approved by Care Coordination.)
Diagnostic X-ray & Lab Tests	\$20 copay	70% of MAA after deductible satisfied.
Physical & Occupational Therapy; limits combined in- and out-of-network	\$25 copay (number of visits based on medical necessity)	70% of MAA after deductible satisfied. (number of visits based on medical necessity)
Radiation Therapy	80% of NNF after deductible satisfied if performed in a facility \$25 copay per visit if performed in a physician's office.	70% of MAA after deductible satisfied.
Speech Therapy; limits combined in- and out-of-network	\$25 copay Expanded speech therapy benefit for children under age 3. (20 visit limit per calendar year.)	70% of MAA after deductible satisfied. Expanded speech therapy benefit for children under age 3 (20 visit limit per calendar year.)

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Transplants (Subject to Care Coordination)	<p>Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay.</p> <p>When a designated facility is not used, benefits are payable the same as any other illness.</p> <ul style="list-style-type: none"> • Travel & Lodging lifetime maximum of \$10,000. • Lodging & Meal Allowance of \$50 individual / \$100 family per day. <p>Organ Search & Procurement - when a designated facility is not used, benefits are payable up to the medical plan maximum except bone marrow is limited to \$25,000.</p>	<p>Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay.</p> <p>When a designated facility is not used, benefits are payable the same as any other illness.</p> <ul style="list-style-type: none"> • Travel & Lodging lifetime maximum of \$10,000. • Lodging & Meal Allowance of \$50 individual / \$100 family per day. <p>Organ Search & Procurement - when a designated facility is not used, benefits are payable up to the medical plan maximum except bone marrow is limited to \$25,000.</p>
Corrective Appliances & Artificial Limbs	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Home Rental of Durable Medical Equipment (Subject to Care Coordination if amounts exceeds \$1,000)	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Oral Surgeries	80% of NNF after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)	70% of MAA after deductible satisfied. (Surgery meeting medical necessity guidelines covered.)
Voluntary Sterilization	80% of NNF after deductible satisfied.	70% of MAA after deductible satisfied.
Home Health Care; limits combined in- and out-of-network (Subject to Care Coordination)	100% of NNF (52 visit limit per year.)	70% of MAA after deductible satisfied. (52 visit limit per year.)
Skilled Nursing Facility; limits combined in- and out-of-network (Subject to Care Coordination, in lieu of hospitalization)	80% of NNF after deductible satisfied; Semi-private rate. (up to 120 days per calendar year)	70% of MAA after deductible satisfied; Semi-private rate. (up to 120 days per calendar year)
Hospice Care (Subject to Care Coordination)	<p>Hospice Facility – 100% of NNF, no deductible.</p> <p>At Home Hospice (if life expectancy is less than 6 months) – 100% of NNF, no deductible.</p>	<p>Hospice Facility – 100% of MAA, no deductible.</p> <p>At Home Hospice (if life expectancy is less than 6 months) – 100% of MAA, no deductible.</p>

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	Bereavement Counseling - 100% of NNF, no deductible (While patient is in Hospice care, plan covers reasonable expenses for an unlimited number of counseling services for the patient and covered family members.)	Bereavement Counseling - 100% of MAA, no deductible (While patient is in Hospice care, plan covers reasonable expenses for an unlimited number of counseling services for the patient and covered family members.)
Second Surgical Opinion	100% of NNF, no deductible, voluntary.	70% of, MAA after deductible satisfied, voluntary.
Urgent Care	\$20 copay	\$20 copay
Emergency Room	\$75 copay (Waived if admitted.)	\$75 copay (Waived if admitted.)
<u>Preventive Care*</u>	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply
Well Woman Exam	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply (Additional Pap Smears covered at 80% of NNF after deductible satisfied if medically necessary.)	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply (Additional Pap Smears covered at 70% of MAA after deductible satisfied if medically necessary.)
Mammograms	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply (Additional mammograms covered at 80% of NNF after deductible satisfied if medically necessary.)	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply (Additional mammograms covered at 70% of MAA after deductible satisfied if medically necessary.)
Immunizations	One complete regimen of immunizations per lifetime for children and adults covered at 100% NNF, no deductible.	One complete regimen of immunizations per lifetime for children and adults covered at 100% MAA, no deductible.
Influenza Immunizations	One influenza immunization per year covered at 100% NNF, no deductible. (The office visit associated with immunizations is a covered expense.)	One influenza immunization per year covered at 100% MAA, no deductible. (The office visit associated with immunizations is a covered expense.)
Prostate Specific Antigen	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply (The office visit associated with the PSA test is a covered expense.)	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply (The office visit associated with the PSA test is a covered expense.)

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Sigmoidoscopy	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply (The office visit associated with sigmoidoscopy is a covered expense.)	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply (The office visit associated with sigmoidoscopy is a covered expense.)
Colonoscopy	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply (The office visit associated with colonoscopy is a covered expense.)	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply (The office visit associated with colonoscopy is a covered expense.)
Fecal Occult Blood Test	100% of NNF, no deductible; age and frequency provisions of the Affordable Care Act apply	100% of MAA, no deductible; age and frequency provisions of the Affordable Care Act apply
Care Coordination (Pre-notification Required)	<ul style="list-style-type: none">• Hospitalization• Admission to hospital through ER• In-patient services• Skilled Nursing Facility• Home Health Care• Hospice• Artificial Insemination• In-Vitro Fertilization• Durable Medical Equipment exceeding \$1000• Continued stay for Maternity• Private Duty Nursing• Organ Transplant	<ul style="list-style-type: none">• Hospitalization• Admission to hospital through ER• In-patient services• Skilled Nursing Facility• Home Health Care• Hospice• Artificial Insemination• In-Vitro Fertilization• Durable Medical Equipment exceeding \$1000• Continued stay for Maternity• Private Duty Nursing• Organ Transplant
	Non-notification penalty: Lessor of actual charge or \$200	Non-notification penalty: Lessor of actual charge or \$200

The benefits outlined herein are governed by the Summary Plan Description (SPD) and where conflicts exist, the SPD shall prevail.

*Preventive Care – Should the provisions of the Affordable Care Act permit a level of minimum preventive care that is lower than the frequency of screens/examination currently provided through the sponsored health plan included in the collective bargaining agreement dated June 19, 2011, then the Company will maintain the level of such preventive care benefits as set forth in the sponsored health plan included in the collective bargaining agreement dated June 19, 2011.

June 13, 2014

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MEDICAL PLAN HIGHLIGHTS
Effective – January 1, 2015

MENTAL HEALTH/SUBSTANCE ABUSE CARE

BENEFITS	IN-NETWORK	OUT-OF-NETWORK
Inpatient Hospital Room and Board (Subject to Care Coordination)	80% of NNF after deductible satisfied • Semi Private Room	70% of MAA after deductible satisfied • Semi Private Room
Inpatient Services and Supplies	80% of NNF after deductible satisfied	70% of MAA after deductible satisfied
Outpatient	\$20 per office visit.	70% of MAA after deductible satisfied

Note: Employees must call their Medical Plan within 48 hours of emergency care.

The benefits outlined herein are governed by the Summary Plan Description (SPD) and where conflicts exist, the SPD shall prevail.

June 13, 2014

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MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

FAMILY AND MEDICAL LEAVES OF ABSENCE (FMLA)

1. Verizon Supply Chain Services and Communications Workers of America agree to the provisions concerning Family and Medical Leaves of Absence as set forth in this Memorandum of Agreement.
2. The purpose of the leave shall be as follows:
 - a. For the birth and care of a newborn child of the employee, or the placement of a child with the employee for adoption or foster care.
 - b. To care for a spouse, a biological or adoptive parent, or person who has acted in role as parent with day-to-day responsibility, or a child (biological, adopted, foster or stepchild or legal ward or child for whom the employee has day-to-day parental responsibility) who has a "serious health condition".
 - c. For a serious health condition of the employee which makes the employee unable to perform the functions of the position of such employee. As with any absence for a serious health condition, the Company may require an employee to provide a "fitness for duty" certification to return to work after such leave.
3. The total period of this leave will be up to twelve (12) workweeks within a twelve (12) month period. Any leave of absence provided for in the Collective Bargaining Agreement (CBA), whether paid or without pay, that is qualified under the Family Medical Leave Act, shall run concurrently with the Family and Medical Leave of Absence under the Family and Medical Leave Act of 1993 (FMLA).
4. Employees who have completed at least twelve (12) months of accredited service at the beginning of the leave and worked at least 1,250 hours during such period may be eligible for leave.
5. The FMLA excludes employees where there are less than fifty (50) employees within seventy-five (75) miles of the employee's work site. The Company will attempt to accommodate requests for FMLA leave for employees at remote locations, however, such requests may be denied based on business necessity.

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6. Leave may be taken on an intermittent or reduced schedule basis for reasons specified in paragraphs 2.b and 2.c if determined to be "medically necessary" as defined in the Department of Labor Regulations 29 CFR Part 825. It may not be taken intermittently or on a reduced schedule basis for reasons specified in paragraph 2.a unless approved by the Company.
7. If an employee is granted intermittent or reduced schedule leave, the Company may require such an employee to transfer temporarily to an available alternative, equivalent position that better accommodates recurring periods of leave than the employee's regular position.
8. The Company may elect to replace any employees on leave with temporary employees or contract workers for the duration of the leave without affecting or being affected by Article 28 (Contracting Work) of the Collective Bargaining Agreement.
9. Employees shall be required to present, to the satisfaction of the Company's Human Resources Department, documentation concerning the basis for the requested leave-of-absence.
10. Employees shall provide the Company with at least thirty (30) days advance notice of intent to take leave when foreseeable.
11. In cases where both spouses are employed by the Company, and both spouses are eligible for FMLA leave, they will be permitted to take a total of 12 weeks of FMLA leave during the applicable 12-month period for any one qualifying circumstance. (birth of a child or to care for a child after birth; placement of a child in foster care or for adoption or to care for the child after placement; or to care for a parent with a serious health condition). Where the husband and wife both use a portion of the total 12 week FMLA leave entitlement for one qualifying circumstance, the husband and wife would each be entitled to the difference between the amount he or she took individually and 12 weeks for FMLA leave for a different purpose.
12. While on FMLA leave, eligible employees are entitled to maintain company-paid basic life insurance, medical and dental benefits to the extent provided to active employees.
13. Upon return to work, employees granted FMLA leave shall receive accredited service for the period of the leave. There is no break in service for purposes of vesting, eligibility to participate in pension plans and other types of benefits and seniority for employees eligible for such benefits.

June 13, 2014

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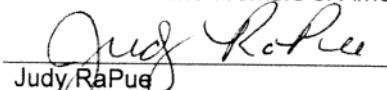
14. Subject to item 15 below, at the end of the approved leave (or each segment of the leave, as applicable), employees shall be guaranteed reinstatement to the same or equivalent job.
15. Reinstatement is subject to any contractual provisions of the Collective Bargaining Agreement which cover adjustments to the workforce that may have occurred during the leave of affected employees.
16. Employees who wish to change their projected return date, may request the change, in advance, and the Company will endeavor to accommodate such requests.
17. Employees, while on leave, shall be considered to have terminated employment if they accept employment with another employer, engage in business for profit, and/or apply for unemployment insurance benefits.
18. The provisions of this Memorandum of Agreement are not subject to the grievance or arbitration procedure of the Collective Bargaining Agreement except for the application for reinstatement by employees on leave
19. All terms herein shall be defined as set forth in the Department of Labor Regulations, 29 CFR 825.
20. The Company has the right to act in accordance with Family and Medical Leave Act of 1993 and to comply with the regulations provided by the Department of Labor.
21. This Memorandum of Agreement is effective on June 15, 2014 and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall also terminate at 11:59 PM on June 10, 2017, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Supply Chain Services



Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America



Judy RaPue
Staff Representative

Date

6/13/14

Date

6-13-14

June 13, 2014

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MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

MAIL ORDER PRESCRIPTION PLAN (MOPP)

1. Verizon Supply Chain Services and Communications Workers of America agree to continue the provisions of the Mail Order Prescription Plan (MOPP) to employees and their eligible dependents enrolled in the sponsored Medical Plan.
2. Employees and dependents currently covered under the sponsored medical plan will be eligible to participate in the Mail Order Prescription Plan. Once employees (who are covered under the sponsored medical plan) retire, they and their eligible dependents may continue to participate in this Mail Order Prescription Plan on the same basis as active employees. MOPP is not available for Eligible Participants in Other Medical Options (e.g., HMOs, EPOs).
3. MOPP will be administered solely in accordance with its provisions, and no matter concerning MOPP or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the MOPP carrier, the administration of MOPP and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.
4. The Company shall have the right to amend MOPP in any way, including the selection of the MOPP carrier. However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription to the employee/dependent will be limited to those changes applicable to salaried employees.
5. This Memorandum of Agreement is effective on **June 15, 2014**, and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Mail Order Prescription Plan, shall also terminate at 11:59 PM on June 10, 2017 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

June 13, 2014

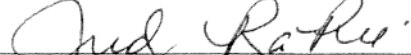


Verizon Supply Chain Services



Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America



Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

June 13, 2014

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MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

PENSION PLAN – PENSION MINIMUMS

1. Verizon Supply Chain Services and Communications Workers of America agree to the provisions of the GTE Supply Pension Plan for Union-Represented Employees, ("Pension Plan"), which is a component of the Verizon Pension Plan for Mid-Atlantic and South Associates.
2. Subject to the new Memorandum of Agreement entitled Pension Benefits, dated June 11~~13~~, 2014, the following continue to be in place:

Years of Accredited Service	Annual Minimum Pension
40 or more years	\$13,700
35 but less than 40 years	\$12,000
30 but less than 35 years	\$10,400
25 but less than 30 years	\$ 8,700
20 but less than 25 years	\$ 7,000
15 but less than 20 years	\$ 5,500

3. The parties specifically agree that the terms and conditions set forth in the Memorandum of Agreement shall terminate at 11:59 p.m. on June 10, 2017, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Supply Chain Services



Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America



Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

June 13, 2014

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MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

PENSION PLAN SURVIVOR BENEFITS

1. Verizon Supply Chain Services and Communications Workers of America agree to continue the Plan for Hourly Employees' Pensions. This MOA shall not apply to employees identified as Pension New Hires in the Pension Benefits MOA dated June 11, 2014.
2. The existing pre-retirement survivor pension benefit provisions of the Pension Plan provides a pre-retirement survivor pension benefit for an employee who dies, either during active service or prior to commencing a pension benefit, at a time when he or she is unmarried and has accrued at least five years of vesting service.
3. An unmarried employee may, at any time prior to commencing a pension benefit or dying, designate any living person as the designated beneficiary for the pre-retirement survivor pension benefit. The employee may likewise revise the beneficiary designation at any one or more times prior to commencing a pension benefit or dying. A valid beneficiary designation must be on file for the pre-retirement survivor benefit to be paid.
4. For married employees, the spouse will automatically be considered the beneficiary. However, subject to the requirements regarding non-spouse beneficiaries and with spousal consent, a married employee may name a beneficiary other than the spouse: A single individual must be named as beneficiary; an estate or trust may not be named, nor may multiple individuals.
5. Subject to the provisions of the Plan regarding when the benefit is payable, the pre-retirement survivor pension may be distributed as a 65% survivor annuity, or the lump sum equivalent, based upon the beneficiary's election. However, if the beneficiary is not the participant's spouse and is more than 25 years younger than the participant, the survivor benefit will be the 50% survivor annuity or the lump sum equivalent.
6. If a vested employee terminates employment on or after the effective date, the named survivor will be eligible for the survivor pension payable on the date the employee would have reached the age 65. An actuarially reduced benefit may be

June 13, 2014

payable before age 65 if the vested employee would have been eligible for an earlier commencement.

7. In addition, the Pension Plan shall be amended to allow an employee, at the time of commencing a pension benefit, to designate any living person as the beneficiary for any of the forms of joint and survivor annuity offered under the Pension Plan or any of the term-certain forms of benefit. In the case of an employee who is married at the time of commencing a pension, the employee may not designate any beneficiary other than the spouse without complying with the spousal consent rules of the Plan.
8. This Memorandum of Agreement is effective June 15, 2014 and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire at 11:59 PM on June 10, 2017, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Supply Chain Services

Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America

Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

June 13, 2014

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MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

PRESCRIPTION IDENTIFICATION CARD (PIC)

1. Verizon Supply Chain Services and Communications Workers of America agree to continue the Prescription Identification Card for employees and their eligible dependents enrolled in the sponsored medical plan.
2. Once employees who are covered by the sponsored medical plan retire, they and their eligible dependents may continue to participate in this PIC plan on the same basis as active employees. PIC is not available for Eligible Participants in Other Medical Options (e.g., HMOs, EPOs).
3. PIC will be administered solely in accordance with its provisions and no matter concerning PIC or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The selection of the PIC carrier, the administration of PIC and all of the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, or administration shall be determined by and at the sole discretion of the Company.
4. The Company shall have the right to amend PIC in any way, including the selection of the PIC carrier. However, any amendment diminishing the level of benefits contained in this Memorandum of Agreement or increasing the cost per prescription to the employee/dependent will be limited to those changes applicable to salaried employees.
5. This Memorandum of Agreement is effective on June 15, 2014 and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Prescription Identification Card, shall also terminate at 11:59 PM on June 10, 2017 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

June 13, 2014

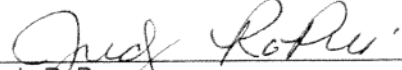
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Verizon Supply Chain Services



Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America



Judy RaPue
Staff Representative

6/13/14
Date

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Date

June 13, 2014


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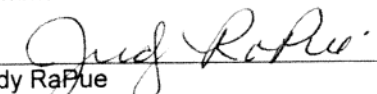
MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA
RETIREE LIFE INSURANCE

1. Verizon Supply Chain Services, Inc. and Communications Workers of America agree to continue to make available to employees who retire on or after June 15, 2003, with a service or disability pension under the Pension Plan, a \$5,000 retiree life insurance benefit.
2. Employees who retire on or after January 1, 2004 will have a \$10,000 retiree life insurance benefit.
3. This Memorandum of Agreement is effective on June 15, 2014 and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement, including the Retiree Life Insurance benefit, shall also terminate on at 11:59 PM on June 10, 2017 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Supply Chain Services

Communications Workers of America


Beverly Baird
Sr. Consultant Labor Relations


Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

June 13, 2014



MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

VISION PLAN

1. Verizon Supply Chain Services and Communications Workers of America agree to modify the provisions of the Vision Plan set forth in this Memorandum of Agreement.

2. For a summary of details, refer to the attachments entitled Vision Plan Highlights.

Some of the major provisions include:

- No annual deductible
- Eye exam every twelve (12) months
- One pair of prescription eyeglasses or contact lenses every twelve (12) months

4. Employees are automatically eligible for the Vision Plan after enrollment in any Verizon medical option. If the employee waives Verizon medical coverage, the employee will not be enrolled in the Vision Plan.
5. The cost of the Vision Plan coverage will be paid by the Company.
6. The amount and availability of benefits under the Vision Plan are governed by the provisions of the Plan and the insurance contract. Any benefits received will be determined under the terms of the Plan in effect at the time eligible employees receive the benefits in question. The operation and administration of the Vision Plan, selection of the insurance carrier, eligibility for the benefits, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving Vision Plan terms, conditions, interpretation, administration or benefits payable shall rest with the Company and shall not be subject to the

June 13, 2014

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grievance or arbitration procedures set forth in the Collective Bargaining Agreement.

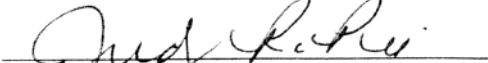
7. This Memorandum of Agreement is effective on **June 15, 2014** and shall expire at 11:59 PM on June 10, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Vision Plan, shall terminate at 11:59 PM on June 10, 2017, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

Verizon Supply Chain Services



Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America



Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

June 13, 2014

VISION PLAN HIGHLIGHTS

Feature	Participating Provider	Non-participating Provider
Annual Deductible	None	None
Eye Exam (Once every 12 months)	You pay the network provider a \$25 copay No claim filing is required.	You pay the expense in full and file a claim with EyeMed. The Plan reimburses you up to \$42.
Lenses* (Once every 12 months)*	You pay the network provider \$0 co-pay for just lenses.	You pay the expense in full and file a claim with EyeMed. The Plan reimburses you after copay as follows: Single vision – up to \$40 Bifocal – up to \$60 Trifocal – up to \$80 Lenticular – up to \$125
Standard Progressive Lens	\$65 co-pay	Plan reimburses up to \$60
Premium Progressive Lens	20% off retail price, then apply a \$55 allowance, and you pay the remaining amount.	Plan reimburses up to \$60
Frames* (Once every 12 months)*	\$0 copay, \$115 allowance, then 20% off balance over \$115, and you pay the remaining amount.	Reimbursement up to \$45. You pay the expense in full and file a claim with EyeMed.
Contact Lenses (Once every 12 months – allowances cover material only)*		You pay the expense in full and file a claim with EyeMed.
	Conventional: \$0 Co-pay, \$105 allowance, then 15% off balance over \$105 and you pay the remaining amount	The plan reimburses you up to \$105 after co-pay
	Disposable: \$0 Co-pay, \$105 allowance	The plan reimburses you up to \$105 after co-pay
	Medically Necessary: \$0 Co-pay, plan pays in full	The plan reimburses you up to \$210
Laser Vision Correction	Discounts available.	No discounts available.
* Limited to one pair of prescription eyeglasses or one pair of prescription contact lenses every twelve (12) months.		

June 13, 2014

MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA
VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

Verizon Supply Chain Services (hereinafter referred to as the Company) and the Communications Workers of America (hereinafter referred to as the Union), hereby mutually agree to the establishment of an Internal Revenue Code Section 501 (c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between January 1, 1993 and June 10, 2017 with a service or disability pension under the Plan for Hourly Employees' Pensions and their beneficiaries (hereinafter referred to as the Eligible Participants). This trust is being established to provide benefit security for the term of this Memorandum of Agreement.

1. The funding and operation of this trust will be determined by the Company based on reasonable financial standards (and, where applicable, regulatory approval for recovery).
2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs heretofore described below or for any other purpose permitted by law.
3. Effective January 1, 1996, the level and type of Retiree Medical Benefits for the Eligible Participants shall be governed by the Verizon RETIREE OPTIONS Summary Plan Description, which may be amended or discontinued by the Company at its discretion subject to paragraph 9 below.
4. For retirees not described in paragraph 5 below, in order to receive Retiree Medical Benefits, the retiree must pay a percentage/amount of the Retiree Medical premium ("Retiree Contribution Percentage/Amount"). Similarly, the Company will pay a percentage/amount of the premium ("Company Contribution Percentage/Amount"), subject to paragraph 6 below. During the term of this

June 13, 2014

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Memorandum of Agreement, the Company and Retiree Contribution Percentages/Amount will be based on the following contribution schedule(s):

- A. For eligible employees who retired between January 1, 1993, or December 31, 2003.

<u>Coverage Category</u>	<u>Company Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Retiree only (primary)	50%	50%
Retiree + one dependent	50%	50%
Family coverage	50%	50%
Medicare covered retiree (Per eligible life)	75%	25%

- B. For eligible employees who retire(d) between January 1, 2004 and June 10, 2017:

<u>Years of Accredited Service at Retirement</u>	<u>Company Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Less than 10	0	100
10 through 14	20	80
15 through 19	40	60
20 through 24	60	40
25 through 29	80	20
30 and over	90	10

The Company in its discretion may arrange for market based medical plan option(s) not offered by the Company to be made available as an alternative to Company retiree medical plan option(s) for Medicare-eligible participants. In such case, during annual enrollment, Medicare-eligible retirees may elect to obtain medical coverage under a non-Company market based medical plan option or under a Company medical plan option. If a Medicare-eligible retiree elects coverage under a non-Company option for a plan year, the Company Contribution schedule set forth above in this paragraph 4 does not apply to such retiree. Instead, the Company may, in its discretion, establish a Health Reimbursement Arrangement (HRA) for such retiree, and if so the amount of any HRA credit provided by the Company for such plan year will be determined at the discretion of the Company. If a Medicare-eligible retiree elects medical coverage under a non-Company market based medical plan option for a plan year, the retiree may elect medical coverage under a Company medical plan option for a

June 13, 2014

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subsequent plan year during the annual enrollment period for such subsequent plan year.

5. (a) Effective June 19, 2011, any employee whose date of hire or rehire is on or after June 19, 2011, and who otherwise did not qualify for any Company-subsidized retiree medical coverage upon his or her initial employment termination (a "New Hire"), shall be eligible for the benefit provisions described below in paragraphs 5(b) and 5(c) upon retirement from the Company.

(b) If a New Hire is eligible for retiree medical coverage under this provision, she or he shall receive upon retirement an annual benefit for medical coverage, for the rest of her or his life, of \$400 for each year of Accredited Service that the New Hire completes (up to a maximum of 30 years).

(c) Once a New Hire retiree becomes eligible for Medicare, the Company's contribution shall be adjusted to reflect the relative cost of such coverage as compared to that for pre-Medicare retirees. In no case, however, shall the amount paid to a Medicare-eligible retiree be less than 50% of the amount paid to a similarly situated pre-Medicare retiree with equal Accredited Service.

(d) The Company in its discretion may arrange for market based medical plan option(s) not offered by the Company to be made available as an alternative to Company retiree medical plan option(s) for Medicare-eligible participants. In such case, during annual enrollment, Medicare-eligible retirees may elect to obtain medical coverage under a non-Company market based medical plan option or under a Company medical plan option. If a Medicare-eligible retiree elects coverage under a non-Company option for a plan year, the annual benefit set forth above in 5(c) does not apply to such retiree. Instead, the Company may, in its discretion, establish a Health Reimbursement Arrangement (HRA) for such retiree, and if so the amount of any HRA credit provided by the Company for such plan year will be determined at the discretion of the Company. If a Medicare-eligible retiree elects medical coverage under a non-Company market based medical plan option for a plan year, the retiree may elect medical coverage under a Company medical plan option for a subsequent year during the annual enrollment period for such subsequent plan year.
6. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after January 1, 1996, and who are not retirees described in paragraph 5 above.

(b) When the Retiree Medical Benefits Premiums for the \$400 deductible coverage option reach the figures set forth in the chart below ("Capped Retiree Medical Benefits Premium"), the Company Contribution Amount shall be capped and the

June 13, 2014

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Company shall make no additional contributions toward Retiree Medical Benefits Premiums.

<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>
Retiree only (primary coverage)	\$11,500
Retiree plus one dependent coverage	\$23,000
Family Coverage	\$26,000
Medicare covered retiree (per eligible life)	\$ 4,900

(c) The Maximum Company Contribution Percentage Amount applicable to each Coverage Category shall be determined by multiplying the applicable Company Contribution Percentage times the Capped Retiree Medical Benefits Premium as set forth above for that coverage. The applicable Maximum Company Contribution Amount shall not increase when the Retiree Medical Benefits Premium exceeds the amount set forth in the chart above.

7. In order to receive Retiree Medical Benefits, for retirees not described in paragraph 5 above, the retiree must pay the Company the amount the Retiree Medical Premium exceeds the Company Contribution Amount as described in paragraphs 4 and 6 above ("Retiree Contribution Amount"). When the Retiree Medical Benefits Premium reaches or exceeds the Capped Retiree Medical Benefit premium, the retiree must pay the Company the amount the Retiree Medical Benefits Premium exceeds the Maximum Company Contribution Amount.
8. The Capped Retiree Medical Benefits Premium and the Maximum Company Contribution Amount set forth in paragraph 6 above is based upon the \$400 deductible coverage option. If the retiree elects the \$200 deductible coverage option, the Retiree Contribution Amount will increase by the amount the \$200 deductible coverage option exceeds the \$400 deductible coverage option. If the retiree elects the \$1,000 deductible coverage option, the Retiree contribution amount will decrease by the amount the \$1,000 deductible coverage option is less than the \$400 deductible coverage option. When the Retiree Medical Benefit Premiums for the \$400 deductible coverage option reach the amounts set forth in the chart in paragraph 6, the Company Contribution amount for all coverage options, including the \$200 deductible coverage option and the \$1,000 deductible coverage option, shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.
9. The Company agrees to notify the Union and to discuss its actions should the Company determine that the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, need to be modified or rescinded prior to the expiration of the Articles of Agreement. This notification will take place, in writing, within fifteen (15) calendar

June 13, 2014

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days prior to the date of modification or rescission. This notification will specify the cause for and effect of this action. If the parties are unable to reach agreement on such changes, the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, will be modified or rescinded at the Company's discretion.

10. The funding and operation of the trust, the level and administration of the Retiree Medical Benefits; amount or cost of premiums, premium pricing mechanisms; the attainment of the Maximum Company Contribution Amount; the selection of the claims administrator, alternate health carrier or insurance carrier; eligibility for the benefits; all terms and conditions related hereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.
11. This Memorandum of Agreement is effective on June 15, 2014 and shall be in effect for the duration of this Agreement. The parties specifically agree that this Memorandum of Agreement, the Retiree Medical Benefits described herein, and the terms and conditions set forth in this Memorandum of Agreement relating to Retiree Medical Benefits, including but not limited to the Maximum Company Contribution amount and the level and type of Retiree Medical Benefits shall terminate at 11:59 PM on June 10, 2017, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Supply Chain Services



Beverly Baird
Sr. Consultant Labor Relations

Communications Workers of America



Judy RaPue
Staff Representative

Date

6/13/14

Date

6-13-14

June 13, 2014

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****The following MOA applies ONLY to those specific employees involved in the 1997 transition from the GTE California Inc. Collective Bargaining Agreement into the GTE Supply Collective Bargaining Agreement.**

MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

****VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA) II****

Verizon Supply Chain Services (hereinafter referred to as the Company) and the Communications Workers of America (hereinafter referred to as the Union), hereby mutually agree to the establishment of an Internal Revenue Code Section 501 (c) (9) trust (also known as Voluntary Employees Beneficiary Association trust) to provide for the payment of medical or other permissible welfare benefits and administrative service costs ("Retiree Medical Benefits") for eligible employees who retire between July 31, 1991 and June 10, 2017 with a service or disability pension under the Plan for Hourly Employees' Pensions and their beneficiaries (hereinafter referred to as the Eligible Participants). This trust is being established to provide benefit security for the term of this Memorandum of Agreement.

1. The funding and operation of this trust will be determined by the Company based on reasonable financial standards (and, where applicable, regulatory approval for recovery).
2. The Company agrees that funds placed into this trust will be used exclusively to pay for the benefits and administrative costs heretofore described below or for any other purpose permitted by law.
3. Effective January 1, 1997, the level and type of Retiree Medical Benefits for the Eligible Participants shall be governed by the Verizon RETIREE OPTIONS Summary Plan Description, which may be amended or discontinued by the Company at its discretion subject to paragraph 9 below.
4. For retirees not described in paragraph 5 below, in order to receive Retiree Medical Benefits, the retiree must pay a percentage/amount of the Retiree Medical premium ("Retiree Contribution Percentage/Amount"). Similarly, the Company will pay a percentage/amount of the premium ("Company Contribution

June 13, 2014

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Percentage/Amount"), subject to paragraph 6 below. During the term of this Memorandum of Agreement, the Company and Retiree Contribution Percentages/Amount will be based on the following contribution schedule(s):

- A. For eligible employees who retired between July 31, 1991 or and December 31, 2003.

Age at Retirement	Company Contribution % (Employee + 1)	Retiree Contribution % (Employee + 1)
Less than 60	0%	100%
Non-Medicare covered	100%	0%
Medicare covered Retiree (per eligible life)		\$15 per month

- B. For eligible employees who retire(d) between January 1, 2004 and June 10, 2017:

Years of Accredited Service at Retirement	Company Contribution Percentage	Retiree Contribution Percentage
Less than 10	0	100
10 through 14	20	80
15 through 19	40	60
20 through 24	60	40
25 through 29	80	20
30 and over	90	10

The Company in its discretion may arrange for market based medical plan option(s) not offered by the Company to be made available as an alternative to Company retiree medical plan option(s) for Medicare-eligible participants. In such case, during annual enrollment, Medicare-eligible retirees may elect to obtain medical coverage under a non-Company market based medical plan option or under a Company medical plan option. If a Medicare-eligible retiree elects coverage under a non-Company option for a plan year, the Company Contribution schedule set forth above in this paragraph 4 does not apply to such retiree. Instead, the Company may, in its discretion, establish a Health Reimbursement Arrangement (HRA) for such retiree, and if so the amount of any HRA credit provided by the Company for such plan year will be determined at the discretion of the Company. If a Medicare-eligible retiree elects medical coverage under a non-Company market based medical plan option for a plan year, the retiree may elect medical coverage under a Company medical plan option for a subsequent plan year during the annual enrollment period for such subsequent plan year.

June 13, 2014

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5. (a) Effective June 19, 2011, any employee whose date of rehire is on or after June 19, 2011, and who otherwise did not qualify for any Company-subsidized retiree medical coverage upon his or her initial employment termination (a "New Hire"), shall be eligible for the benefit provisions described below in paragraphs 5(b) and 5(c) upon retirement from the Company.

(b) If a New Hire is eligible for retiree medical coverage under this provision, she or he shall receive upon retirement an annual benefit for medical coverage, for the rest of her or his life, of \$400 for each year of Accredited Service that the New Hire completes (up to a maximum of 30 years).

(c) Once a New Hire retiree becomes eligible for Medicare, the Company's contribution shall be adjusted to reflect the relative cost of such coverage as compared to that for pre-Medicare retirees. In no case, however, shall the amount paid to a Medicare-eligible retiree be less than 50% of the amount paid to a similarly situated pre-Medicare retiree with equal Accredited Service.

(d) The Company in its discretion may arrange for market based medical plan option(s) not offered by the Company to be made available as an alternative to Company retiree medical plan option(s) for Medicare-eligible participants. In such case, during annual enrollment, Medicare-eligible retirees may elect to obtain medical coverage under a non-Company market based medical plan option or under a Company medical plan option. If a Medicare-eligible retiree elects coverage under a non-Company option for a plan year, the annual benefit set forth above in 5(c) does not apply to such retiree. Instead, the Company may, in its discretion, establish a Health Reimbursement Arrangement (HRA) for such retiree, and if so the amount of any HRA credit provided by the Company for such plan year will be determined at the discretion of the Company. If a Medicare-eligible retiree elects medical coverage under a non-Company market based medical plan option for a plan year, the retiree may elect medical coverage under a Company medical plan option for a subsequent year during the annual enrollment period for such subsequent plan year.

6. (a) The Company shall determine the cost of providing Retiree Medical Coverage ("Retiree Medical Benefits Premiums"). Further, it is the Company's intention to cap the amount it pays toward such Retiree Medical Benefits Premiums for employees who retire on or after January 1, 1997, and who are not retirees described in paragraph 5 above.

(b) When the Retiree Medical Benefits Premiums for the \$400 deductible coverage option reach the figures set forth in the chart below ("Capped Retiree Medical Benefits Premium"), the Company Contribution Amount shall be capped and the Company shall make no additional contributions toward Retiree Medical Benefits Premiums.

June 13, 2014

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<u>Coverage Category</u>	<u>Capped Retiree Medical Benefits Premium</u>
Retiree only (primary coverage)	\$11,500
Retiree plus one dependent coverage	\$23,000
Family Coverage	\$26,000
Medicare covered retiree (per eligible life)	\$ 4,900

(c) The Maximum Company Contribution Percentage Amount applicable to each Coverage Category shall be determined by multiplying the applicable Company Contribution Percentage times the Capped Retiree Medical Benefits Premium as set forth above for that coverage. The applicable Maximum Company Contribution Amount shall not increase when the Retiree Medical Benefits Premium exceeds the amount set forth in the chart above.

7. In order to receive Retiree Medical Benefits, for retirees not described in paragraph 5 above, the retiree must pay the Company the amount the Retiree Medical Premium exceeds the Company Contribution Amount as described in paragraphs 4 and 6 above ("Retiree Contribution Amount"). When the Retiree Medical Benefits Premium reaches or exceeds the Capped Retiree Medical Benefit premium, the retiree must pay the Company the amount the Retiree Medical Benefits Premium exceeds the Maximum Company Contribution Amount.
8. The Capped Retiree Medical Benefits Premium and the Maximum Company Contribution Amount set forth in paragraph 6 above is based upon the \$400 deductible coverage option. If the retiree elects the \$200 deductible coverage option, the Retiree Contribution Amount will increase by the amount the \$200 deductible coverage option exceeds the \$400 deductible coverage option. If the retiree elects the \$1,000 deductible coverage option, the Retiree contribution amount will decrease by the amount the \$1,000 deductible coverage option is less than the \$400 deductible coverage option. When the Retiree Medical Benefit Premiums for the \$400 deductible coverage option reach the amounts set forth in the chart in paragraph 6, the Company Contribution amount for all coverage options, including the \$200 deductible coverage option and the \$1,000 deductible coverage option, shall be capped at that time and the Company shall make no additional contributions toward Retiree Medical Benefits.
9. The Company agrees to notify the Union and to discuss its actions should the Company determine that the funding or operation of the trust and/or applicable sections of this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, need to be modified or rescinded prior to the expiration of the Articles of Agreement. This notification will take place, in writing, within fifteen (15) calendar days prior to the date of modification or rescission. This notification will specify the cause for and effect of this action. If the parties are unable to reach agreement on such changes, the funding or operation of the trust and/or applicable sections of

June 13, 2014


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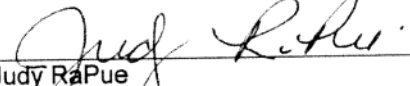
this Memorandum of Agreement, other than pooling of claims experience and those sections relating to the level and type of Retiree Medical Benefits, will be modified or rescinded at the Company's discretion.

10. The funding and operation of the trust, the level and administration of the Retiree Medical Benefits; amount or cost of premiums, premium pricing mechanisms; the attainment of the Maximum Company Contribution Amount; the selection of the claims administrator, alternate health carrier or insurance carrier; eligibility for the benefits; all terms and conditions related hereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.
11. This Memorandum of Agreement is effective on June 15, 2014 and shall be in effect for the duration of this Agreement. The parties specifically agree that this Memorandum of Agreement, the Retiree Medical Benefits described herein, and the terms and conditions set forth in this Memorandum of Agreement relating to Retiree Medical Benefits, including but not limited to the Maximum Company Contribution amount and the level and type of Retiree Medical Benefits shall terminate at 11:59 PM on June 10, 2017, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

Verizon Supply Chain Services

Communications Workers of America


Beverly Baird
Sr. Consultant Labor Relations


Judy RaPue
Staff Representative

6/13/14
Date

6-13-14
Date

June 13, 2014

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MEMORANDUM OF AGREEMENT

between

VERIZON SUPPLY CHAIN SERVICES

and

COMMUNICATIONS WORKERS OF AMERICA

HEALTH REIMBURSEMENT ACCOUNT

1. Contingent upon ratification on or before June 30, 2014 of the 2014 Proposal for Settlement, effective January 1, 2015 the Company will establish a Health Reimbursement Account (HRA), within the meaning of IRS Notice 2002-45 and related guidance, on behalf of each regular, full-time employee (as such term is used in the applicable medical summary plan description which is incorporated into The Plan for Group Insurance ("SPD")) scheduled to work 25 or more hours per week ("Full-Time Employee") and each regular, part-time employee (as such term is used in the applicable medical SPD) who is scheduled to work at least 17 hours per week but fewer than 25 hours per week ("Part-Time Employee"), in each case who has at least 90 days of service and who is enrolled in a medical coverage option under The Plan for Group Insurance. Any such Full-Time Employee or Part-Time Employee who is not enrolled in a medical coverage option under The Plan for Group Insurance shall not be eligible for an HRA. During the 2015 plan year, the Company will allocate a credit of ~~\$500~~**\$50** to each HRA for eligible "Full-Time Employees" as of January 1, 2015, and a credit of ~~\$250~~**\$25** to each HRA for eligible "Part-Time Employees" as of January 1, 2015 to reimburse otherwise unreimbursed eligible medical expenses (as defined in IRC section 213(d)) for the associate and his or her eligible IRS tax dependents, provided that the HRA may not be used to reimburse the associate for any premium or contribution under The Plan for Group Insurance or otherwise, including any Monthly Employee Contributions. An associate who is hired after January 1, 2015 will not be eligible for an HRA for the remainder of the 2015 calendar year.
2. To the extent there is a positive balance in an associate's HRA after the 2015 plan year, the associate may continue to incur and receive reimbursement from the HRA until the balance in such notional account is zero.
3. If the associate terminates employment for any reason other than Retirement (as defined under the Pension Plan), claims incurred after the date of termination will not be eligible for reimbursement. Claims incurred before termination but not paid shall be eligible for reimbursement for three months following the date of termination. Any remaining balance after the run off period will be forfeited,

June 13, 2014

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unless the associate elects continued coverage under COBRA.

4. Upon the death of an associate, the remaining balance of his or her HRA account shall be used to reimburse claims incurred before the associate's death for eligible medical expenses of the associate or his or her IRS tax dependents. Claims incurred before the associate's death but not paid shall be eligible for reimbursement for three months following the date of death. Any remaining balance after the run off period will be forfeited, unless the surviving IRS tax dependent elects continued coverage under COBRA. In the event an associate is on a leave of absence, he or she shall continue to be eligible for credits to and reimbursements from the HRA in the same manner as an eligible associate who is not on a leave of absence.
5. The Company will have the sole and exclusive right to determine and implement applicable administrative details with respect to the HRAs, which include, without limitation, claims processing procedures, communications, and establishment of applicable COBRA rates. The HRAs will be established and operated in accordance with IRS guidance and applicable law.

Verizon Supply Chain Services

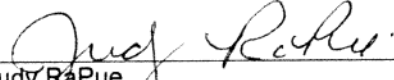


Beverly Baird
Sr. Consultant Labor Relations

Date

6/13/14

Communications Workers of America



Judy RaPue
Staff Representative

Date

6-13-14

June 13, 2014

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MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES
and
COMMUNICATIONS WORKERS OF AMERICA
PENSION BENEFITS

The GTE Supply Pension Plan for Union Represented Employees ("Pension Plan"), which is a component of the Verizon Pension Plan for Mid-Atlantic and South Associates ("Pension Plan") will be amended with respect to associates covered by this 2014 MOA, as follows:

1. Any associate who is first hired as a union-represented associate on or after August 1, 2014, ("Pension New Hire") will not be eligible to participate in the Pension Plan. Any associate who returns from layoff on or after August 1, 2014, pursuant to contractual recall rights, other than a Pension New Hire, will be eligible to continue participation in the Pension Plan as of the date of recall, subject to the Pension Plan changes described in this MOA.
2. Pension benefits will be subject to a transition on December 31, 2014, ("Transition Date"), as described below in paragraph a, **b (if applicable) and c (if applicable)**.
 - a. An associate's pension until the Transition Date will be referred to as the "A" benefit. The A benefit will be calculated and frozen based on the pension formula and the associate's service and compensation, all in effect as of the Transition Date. Immediately after the Transition Date, eligible associates will continue to earn pension benefits. The benefits earned after the Transition Date will be referred to as the "B" benefit. The B benefit will be calculated based on (i) an associate's eligible service after the Transition Date, and (ii) an associate's applicable compensation under the pension formula frozen as of the Transition Date. **The 2% increase in the basic wage rate scheduled for June 14, 2015 will be deemed to be in effect November 1, 2014 for the sole purpose of determining the basic wage rate component of an associate's applicable compensation under the pension formula frozen as of the Transition Date. This 2% adjustment will increase an associate's applicable compensation under the pension formula frozen as of the Transition Date with respect to both the "A" and the "B" benefit.** For promotions after the Transition Date, there will be a special rule for both the "A" and the "B" benefit. If an associate is promoted to a higher wage

June 13, 2014

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schedule after the Transition Date and during the remaining term of this Pension Benefits Memorandum of Agreement, then once the associate has remained in that higher wage schedule for 24 months following the effective date of the promotion, the associate's applicable compensation under the pension formula frozen as of the Transition Date will be increased by 6%.

- b. Special Rule for Associates with Fewer Than 60 Months of Pension Compensation as of the Transition Date.** For associates with fewer than 60 months of pension compensation as of the Transition Date, the calculation of the frozen compensation under the pension formula will be subject to a special rule for both "A" and "B" benefit. The frozen pension compensation will be calculated effective as of the Transition Date by recognizing (i) scheduled progression increases in the basic wage rate under the applicable wage progression schedule and (ii) the monthly average of the applicable pension compensation (exclusive of basic wages) as of the Transition Date. With respect to both (i) and (ii) in the preceding sentence this special rule will only apply for the period of time necessary to permit each associate covered by this special rule to have 60 months of pension compensation. Other than the adjustments in (i) and (ii), this calculation will not take into account scheduled annual general wage increases or any other items of actual compensation (e.g., sales bonuses and commissions, any before tax contributions made to a 401(k) plan and any team-oriented short-term incentives) on or after the Transition Date.
- c. Also contingent upon ratification on or before June 30, 2014 of the 2014 Proposal for Settlement the following will apply.** For associates eligible for awards under the Team Performance Award, actual awards under this plan after the Transition Date will be considered in determining an associate's frozen pension compensation amount as of the Transition Date, if any such actual award would increase that component of an associate's frozen pension compensation amount as of the Transition Date. Any adjustment under this paragraph (c) to an associate's frozen pension compensation amount as of the Transition Date will then be used for both the "A" and "B" benefit in paragraph 2(a) above.

Except as noted above, this Memorandum of Agreement is effective on **June 15, 2014** and shall expire at 11:59 PM on June 10, 2017, and shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

June 13, 2014

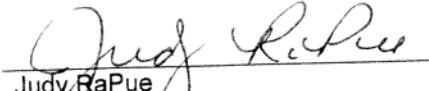
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Verizon Supply Chain Services

Communications Workers of America



Beverly Baird
Sr. Consultant Labor Relations



Judy RaPue
Staff Representative

6/13/14

Date

6-13-14

Date

June 13, 2014



Labor Relations – CAM22HL
851 Lawrence Drive
Newbury Park, CA 91320

June 13, 2014

Ms. Judy RaPue
Communications Workers of America
12215 Telegraph Road, Suite 210
Santa Fe Springs, CA 90670

Dear Judy,

Re: Supply Chain Services Transfer Consideration

In response to the union's request, the Company agrees to establish a staffing practice whereas the Supply Chain Services employees governed by this Agreement (CBA 9) will be afforded transfer consideration, as described below when pursuing job vacancies (via transfer) that exist within the CA CWA "core" (Operations/Service) contract (CBA 4).

After all relevant contractual obligations governing a vacancy have been met and prior to consideration of external applicants, employees covered by the CWA/Supply Chain Services (SCS) agreement who have applied for and submitted the appropriate documentation in pursuit of the vacancy will be afforded consideration. It is understood that in order to receive consideration the employee must be qualified for the vacancy as determined by the "core" Company.

A handwritten signature in dark ink, appearing to read "Beverly Baird".

Beverly Baird
Sr. Consultant – Labor Relations

Acknowledged and Agreed for CWA:

A handwritten signature in dark ink, appearing to read "Judy RaPue".

Judy RaPue
Staff Representative

June 13, 2014

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MEMORANDUM OF AGREEMENT
between
VERIZON SUPPLY CHAIN SERVICES, INC.
and
COMMUNICATIONS WORKERS OF AMERICA

LONG TERM CARE PLAN

1. ~~Verizon Supply Chain Services, Inc. agrees to continue to make available, without endorsement, the opportunity for employees to enroll in the Long Term Care Plan.~~
2. ~~For a summary of details refer to the Long Term Care Summary Plan Description (SPD).~~
3. ~~The Long Term Care Plan will be administered solely in accordance with its provisions, and no matter concerning the Long Term Care Plan or any difference arising thereunder shall be subject to the grievance or arbitration procedure of the Collective Bargaining Agreement. The administration of the Long Term Care Plan and all the terms and conditions relating thereto, and the resolution of any disputes involving the terms, conditions, interpretation, administration, or benefits payable shall be determined by and at the sole discretion of the Insurance Carrier.~~
3. ~~This Memorandum of Agreement is effective on June 19, 2011, and shall expire on June 14, 2014. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including Long Term Care Insurance, shall also terminate on June 14, 2014, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.~~

June 13, 2014

BB
JL

Proposed General Wage Increase (GWI)

<u>June 15, 2014</u>	<u>June 14, 2015</u>	<u>June 12, 2016</u>
<u>2.0%</u>	<u>2.0%</u>	<u>2.5%</u>

Ratification Bonus

Contingent upon ratification on or before June 30, 2014, of the 2014 Proposal for Settlement, a one-time, single Ratification Bonus payment of ~~\$700~~\$1,100 will be paid within thirty days after ratification to full-time and part-time Regular employees on payroll and not on leaves of absence as of the ratification date. Ratification Bonus payments will be subject to all applicable federal and local tax withholdings. Ratification Bonus payments will not be included in wages for computations of overtime, benefits or for any other purposes.