

2013 Negotiations



Verizon California Inc.

and

Communications Workers of America



2013 Proposal for Settlement

November 1, 2013

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AGREEMENT RECOGNITION AND DURATION

This Agreement is made and entered into this 44th 10th day of March, 2010 **2013**, by and between Verizon California Inc., hereinafter referred to as "Company," and the Communications Workers of America, hereinafter referred to as "Union." It is agreed that:

1. The Company recognizes the Union as the collective bargaining agent for all hourly-paid employees, excluding all other employees (professional employees, managerial employees, guards, supervisors as defined in the Act, and confidential employees as agreed to by the parties), during the life of this Agreement for purposes of collective bargaining with respect to rates of pay, wages, hours of employment, and other terms and conditions of employment pursuant to National Labor Relations Board Certification, dated September 13, 1967.
 - 1.1 The Company agrees to provide in the contract of sale or assignment of its business or any portion thereof, should this occur, that the purchaser or assignee shall be bound by all of the contract rights under this collective bargaining Agreement.
2. Should any valid Federal or State law or final determination of any board or court of competent jurisdiction affect any provision of this Agreement, the provision or provisions so affected shall be made to conform to the law or determination and otherwise this Agreement shall continue in full force and effect.
3. This Agreement (hereafter referred to as "Primary Agreement"), wage schedules, and job classifications listed in Appendix A shall take effect on ~~March 14, 2010~~ **the date of ratification unless otherwise specified March 10, 2013, however, there will be no retroactivity of any contractual provision, Memorandum of Agreement or Letter of Understanding prior to the date of ratification of the 2013 Proposal for Settlement,** and shall remain in full force and effect until midnight **11:59 p.m.,** ~~March 9, 2013~~ **March 4, 2017,** and shall automatically continue in full force and effect thereafter until terminated or amended, in accordance with the following procedures:
 - 3.1 If this Agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to the termination date set forth above, or not less than sixty (60) days prior to any date thereafter on which such termination is to become effective.
 - 3.2 This Agreement may be amended or modified by either party giving

written notice to the other of such desire to so amend or modify sixty (60) days prior to the termination date set forth above, or sixty (60) days prior to the 1st or 16th day of any month thereafter.

- 3.3 Addendum One, Group Life Insurance, shall be made a part of this Agreement and shall have the same effective date and termination date as this Primary Agreement.
- 3.4 Addendum Two, Medical Plan, shall be made a part of this Agreement and shall have the same effective dates **up to and including March 31, 2014** ~~and termination dates as this Primary Agreement.~~

ARTICLE 12 GRIEVANCE PROCEDURE

1. The term "grievance" as used in this contract shall mean any grievance made either by an individual employee or group of employees contending that he or they are being prejudiced as a result of misinterpretation or misapplication of any of the terms of this contract or wage schedules from time to time in effect. The above definition shall be grievances subject to arbitration provided the procedures as set forth within this Article are followed.
2. Nothing shall prevent the presentation of grievances not falling within the above said definition except grievances of this nature shall not be subject to arbitration.
3. Grievances of any employee or group of employees shall receive fair, just and speedy consideration and shall be handled without prejudice.
4. A grievance that is to be recognized by either the Company or the Union must be presented within thirty (30) days after the alleged violation occurs except as provided under Article 10, Section 2.
5. Prior to the first step grievance meeting, **at the discretion of the union**, an informal resolution meeting between the supervisor and the union representative ~~will~~ **may** take place. However, the informal resolution step will be waived for grievances which fall under Article 10, Discharges and Suspensions. If applicable, the aggrieved employee may attend the meeting at the Union's request. Pay shall be allowed for the Union representative and the aggrieved employee, if present. If the issue is not resolved at the informal meeting and the Union chooses to proceed to file a formal grievance, the grievance(s) shall be presented and processed only in the following manner, except as outlined in Article 27, Section 3
 - 5.1 Step 1
 - A. The grievance shall be presented in writing, on Form 90005674, to the aggrieved employee's immediate supervisor.
 - B. The form shall be prepared and submitted in duplicate. The supervisor will assign a grievance report number, and return one (1) copy to the Union by 5:00 p.m. of the next normal workday.
 - C. The grievance shall contain a statement of facts in sufficient detail to set forth the nature of the grievance, date or dates involved, times, occurrences, circumstances, and a reference to the applicable Contract Article and Section or company practice.
 - D. The Company and the Union agree to meet within (10) working days after the return of the grievance form to the Union to explore solutions to the problems.

- E. The Company will be represented by first and second level management. Second level managers that are located outside of the area can exercise their right to attend the meeting via phone or video conference. The Union will provide a committee of local Union representatives, including the grievant if desired. The Step 1 grievance meeting shall be attended by not more than three (3) representatives by either party, as noted in Article 11, Section 1, unless mutually agreed to when the Step 1 meeting is scheduled. Pay shall be allowed for not more than three (3) employees including the grievant.
- F. All issues resolved informally or at Step 1 will neither establish a precedent, nor be referred to in any future grievances, arbitrations, or litigation except on matters pertaining to the grievant in question.

5.2 Step 2

In the event a grievance is not resolved at Step 1, the local may within ten (10) days submit the grievance to the National Union.

5.2.1 The parties will meet within fifteen (15) days in a final effort to resolve the grievance.

5.2.2 The Company will be represented by the Labor Relations Director or his designated representative. The Union will be represented by a Staff Representative.

5.2.3 If this fails, the Union may proceed to arbitration under the terms of Article 13 of the agreement.

- 6. The parties involved in each step of the grievance procedure may, by mutual agreement, waive the time limits imposed in the specific step at which the grievance is being processed, or recess the grievance to obtain additional information. Any waiver agreed upon shall be either made in writing or confirmed in writing.
- 7. It is understood that every effort will be made by both parties to resolve the grievance in the meeting at the applicable Step. If unable to do so, the Company will give its answer in writing on the grievance form within three (3) days following the meeting.
- 8. If the employee, at his option, has the grievance presented by his local Union representatives, the Company shall not thereafter deal directly with the employee concerning the grievance, but shall deal only through appropriate Union representatives.
- 9. In the event that any individual employee or any group of employees chooses to present a grievance for themselves rather than through the Union, management

representatives will advise the local Union representative in writing of the fact that such grievance is being presented, and will give such Union representatives opportunity to be present during the presentation of such grievance.

10. Representatives of the Union or of any local thereof may confer with representatives of Management during working hours without loss of pay, provided the conference has previously been agreed to by Management.
11. In the event any grievance involves a question of wage status, any wage adjustment which arises out of the final solution of the grievance shall be made retroactive to the date on which the grievance was first presented to the immediate supervisor of the employee or employees affected; provided, however, that if the proposed wage adjustment involves a question of judgment as to the application of appropriate wage in the case of a transfer from one occupation to another or where other circumstances make the determination of an appropriate wage a matter of judgment, retroactive adjustment shall not be for more than three (3) months prior to the initial presentation of the grievance under Section 5, Step 1, of this Article and provided further, that if the wage adjustment involved has resulted from the correction of a mechanical or clerical error, the adjustment shall be made retroactive to the time the error commenced.
12. In the event any grievance involves a question of reinstatement of a released or discharged employee and it is determined that said employee is to be reinstated, the amount of back pay which can be awarded shall be determined by the Union and the Management grievance representatives, subject to the limitation that back pay will not be awarded for a period starting more than four (4) days before the initial presentation under Section 5, Step 1, of this Article.
13. The time periods referred to in this Article exclude Saturdays, Sundays and holidays recognized in the Contract.

**ARTICLE 25
LODGING, MEALS, AND TRAVEL
EXPENSE ALLOWANCE**

1. Employees will be, from time to time, temporarily assigned by the Company to another work location, either to perform work or to attend school. Temporary assignment means any assignment which is for a period of six (6) months or less.
 - 1.1 Employees may elect to stay at the temporary work location and be provided reasonable lodging designated and paid for by the Company for each day worked and/or night spent at the temporary work location if the one-way mileage is greater than forty (40) miles from the employee's normal work location and the temporary assignment is not closer to his residence than his normal location. Employees electing this option will be eligible to receive the applicable meal allowance as covered under Section 5 of this Article.
 - 1.1.1 Whenever an employee's temporary assignment is sixty (60) miles or less from his residence, management may approve lodging and meals for the weekend. Whenever an employee's temporary assignment is greater than sixty (60) miles from his residence, an employee may elect lodging and meals for the weekend unless he is scheduled off for more than two (2) consecutive days. If weekend lodging is not approved, an employee will receive round trip mileage between the temporary work location and his residence.
 - 1.2 In lieu of Subsection 1.1 above, an employee may elect to receive round trip mileage payment for each mile that exceeds the mileage he normally would have traveled round trip from his residence to his normal work location.
 - 1.3 Employees receiving mileage payment under Article 25 will be compensated at the Verizon Company policy rate. This rate shall not be less than thirty-two and a half cents (\$.325) per mile for this contract period.
2. Employees may elect in lieu of Subsection 1.1 or 1.2 above, the daily allowance as per schedule under 2.1 below will be paid for temporary assignments for periods of at least one (1) shift. However, in cases where a temporary assignment continues for two (2) or more consecutive shifts, and the employee has worked a part of his first shift at his normal work location, the employee is

eligible for the applicable daily allowance on the first day of the assignment and for the applicable mileage and meal allowance on the last day.

- 2.1 One-way highway distance by direct and reasonable route that exceeds an employee's normal commute to his normal work location:

Distance	Daily Allowance	
Over 0 and up to 20	\$ 8.00	<u>\$8.25</u>
Over 20 and up to 40	\$18.40	<u>\$19.00</u>
Over 40 and up to 60	\$28.75	<u>\$29.65</u>
Greater than 60	\$36.50	<u>\$37.60</u>

3. Employees will be, from time to time, assigned to work assignments designated by management as Project Assignments. Project Assignments are defined as work assignments expected to exceed six (6) months but lasting no longer than three (3) years. Such employees will be offered one (1) of the following:

- 3.1 Employees may elect to receive round trip mileage at the Verizon Company policy rate for each mile that exceeds the mileage he normally would have traveled round trip from his residence to his normal work location.

- 3.2 Employees may elect to stay at the project assignment and be provided reasonable lodging designated and paid for by the Company for each day worked and/or night spent at the project work location if the one-way mileage is greater than forty (40) miles from the employee's normal work location and the temporary assignment is not closer to his residence than his normal work location. Employees electing this option will be eligible to receive the applicable meal allowance as covered under Section 5 of this Article.

- 3.2.1 Whenever an employee's project location is sixty (60) miles or less from his residence, management may approve lodging and meals for the weekend. Whenever an employee's project location is greater than sixty (60) miles from his residence, an employee may elect lodging and meals for the weekend unless he is scheduled off for more than two (2) consecutive days. If weekend lodging is not approved, an employee will receive round trip mileage between the project location and his residence.

- 3.3 Daily allowance per Subsection 2.1.

4. An employee who is assigned to a temporary work location under this provision will be paid travel time on the first and last day of the temporary assignment. Travel time will be based on the time that exceeds an employee's normal

commute time from his residence to the normal work location. The Company reserves the right to specify the means of transportation; however, employees will not be required to use their personal car. If an employee requests and receives permission to use his personal car, he will be reimbursed for mileage as stated in Section 1.3.

5. If it is necessary because of a work or school assignment for an employee to purchase an incidental meal, the employee will be reimbursed as follows:

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

- 5.1 Meals which are paid by the Company will be eaten on the employee's own time.
- 5.2 When an employee is assigned away from his normal work location and he normally eats his meal at home but he is unable to go home for the meal because of his temporary assignment, he is entitled to reimbursement for the incidental meal. If he normally purchases his meal in a restaurant or if he normally carries his meal, he would not be eligible for a meal reimbursement except in cases where the temporary assignment has prevented him from carrying his lunch.
6. When an employee works three (3) hours or more beyond his eight (8) hour shift as a result of scheduled overtime, he will receive a meal allowance of \$8.30. When an employee works two (2) hours or more beyond his eight (8) hour shift as a result of a shift extension, he will receive a meal allowance of ~~\$6.90~~ **\$7.10**.
7. Extension of shift meal allowance as outlined in Section 6 will not apply to those employees receiving dinner meal allowances under Section 5 of this Article.
8. When the Company elects to furnish transportation and employees travel to and from a temporary work location within the assigned shift, or extension thereof, no expense allowances will be paid as set forth in Subsection 2.1 above. Such employees may be eligible for incidental meal reimbursement if they meet the requirements for such payments as provided for under Subsection 5.2 and Section 6 of this Article.
9. Highway distances as used in this Article mean the most direct and reasonable route which the Company will determine and use for computing expense allowances and mileage reimbursements. If the highway distance is disputed, the mileage will be verified jointly by a representative of the Union and the Company.

10. An employee will not receive lodging as provided for under Subsection 1.1 or 3.2 and daily allowance as provided for under 2.1 for the same day.
11. Employees will not receive both daily allowances, as set forth in Subsection 2.1 above, and meal reimbursement, as set forth in Sections 5 and 6 above, for the same day.
12. Employees electing to receive round trip mileage as set forth in Subsections 1.2 and 3.1 of this Article will not be eligible for daily allowance as provided for in Subsection 2.1 or meal allowance as set forth in Section 5 above for the same day.

ARTICLE 29

DIFFERENTIALS

1. Hourly employees who are designated by management to be in-charge of other hourly employees or of a nonsupervisory managerial function will receive an incharge differential of seventy-five cents (\$.75) per hour, provided such in-charge assignment is for one (1) hour or more.
 - 1.1 Such employees may, as required, perform productive work of the same type and nature as normally assigned to employees included within the collective bargaining unit while they are acting in an in-charge capacity.
2. Shift differentials will be paid to employees who are required to work specified hours as a part of scheduled shifts as set forth in the wage schedules. Shift differential will be included as a part of the employee's rate for the purpose of calculating overtime. Shift differential will not be prorated. Shift differentials will not be paid on holidays not worked, nor during vacations, nor during periods covered by sick benefits, nor will it be paid for work falling within the specified hours as a result of overtime which is a continuance of a regularly assigned shift or if it is a result of an emergency call-out.

The following shift differential schedule applies to Operators, Operator IIs, and Traffic Clerks.

For Scheduled Work Periods Ending

	Hours Worked	Differential Amt.
6:30 P.M. and after to 8:00 P.M.	8	\$.75
8:01 P.M. and after to 9:29 P.M.	8	.95
9:30 P.M. and after to 10:59 P.M.	7	.65
11:00 P.M. and after, but not all night	6 ½	.55
All night tours	7	1.00
All night tours	8	1.75

OTHER DEPARTMENTS

For Regularly Scheduled Work Period Ending	Differential
6:30 P.M. and after to 8:00 P.M.	\$.75
8:01 P.M. and after to 9:30 P.M.	.95
9:31 P.M. and after, but not all night	1.90
All night (for regularly scheduled work periods beginning at or after 10:00 P.M. and before 6:00 A.M.)	2.35

3. Employees who hold themselves subject to call by Management during hours when they are off duty will be paid an on-call differential for the period during which they are subject to call. Employees who hold themselves subject to on-

call schedules will do so at their own option. In the absence of qualified volunteers, Management will designate qualified employees to be on-call in inverse order of seniority. Management will attempt to equally distribute such designated on-call assignments among qualified employees.

3.1 The on-call differential will be paid as follows:

- Scheduled Work Days - ~~\$44.00~~ **12.00**
- Non-scheduled Work Days - ~~\$17.50~~ **19.00**
- Work Week - ~~\$90.00~~ **98.00**

ARTICLE 32
SICKNESS AND ACCIDENT BENEFITS

1. Active employees who, during their active employment, are forced to be absent from work because of their own illness or their own injury, or death in their immediate families, will receive the benefits described in the following paragraphs. Employees whose services with the Company are terminated for any reason whatsoever shall have no claim against the Company for 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.

- 1.1 The term "benefits" shall mean seventy-five (75) percent of the employee's stated wage in all cases where the employee does not receive compensation as defined in Subsection 1.2 below and shall mean one-hundred (100) percent of the employee's net pay after application of taxes in all cases where he does receive compensation, as defined in said Subsection 1.2.

- 1.1.1 At such time an employee is eligible for State Disability Insurance benefits and sickness and accident benefits, his compensation for company provided benefits will be computed at seventy-five (75) percent of his stated wage after deducting his State Disability Insurance benefits from the gross wage payable had he 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 worked.

- 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.

- 1.2 "Compensation" shall mean the payments made to an employee from any source under the provisions of the Worker's 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 such payments as is represented by the Company's tax or contribution will be

considered as compensation.

- 1.3 "Injury" shall mean an injury not arising out of and during the course of an employee's occupation.
 - 1.4 "Occupational injury" shall mean an injury arising out of and during the course of an employee's occupation.
 - 1.5 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 for 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.
2. Employees will accumulate sick leave at the rate of one (1) **and one-half (1/2)** workdays for each month of credited service up to a maximum of two hundred ~~forty (240)~~ **seventy (270)** workdays, provided, however, that after ~~twenty (20)~~ **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 (1) **and one-half (1/2)** workdays for each additional month of credited service until the maximum of two hundred ~~forty (240)~~ **seventy (270)** workdays is accumulated again.
 - 2.1 After they have completed twelve (12) 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, or death in their immediate families. Employees will be eligible for sick leave with benefits as provided in Subsection 3.1 of this Article 32 when they are forced to be absent from work because of occupational injury.
 - 2.2 Each workday for which benefits are paid because of absences due to illness or injury or death in the immediate family (in accordance with Subsection 3.2 of this Article) will be deducted from the accumulated sick leave; however, absences because of occupational injury ~~or death in the immediate family (in accordance with Subsection 3.2 of this Article)~~ will not be deducted from their sick leave accumulation.
 3. Regular employees who are eligible and apply for benefits due to illness or injury will be subject to a two (2) day waiting period. **The two (2) day waiting period will be waived:**
 - a. If the employee is admitted to a hospital.

- 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. demonstrated perfect attendance over the preceding twelve (12) month period of active employment. For purposes of this perfect attendance incentive, only absences coded as: approved occupational injury; vacation; holiday; personal holiday time; jury duty; military leave; union excused time with and without pay, per Article 11 and Article 43, section 2; and bereavement leave covered by Subsection 3.2 of this Article will be excluded from the absences that negate perfect attendance status.
- A. ~~Those regular employees with an accumulated balance of ninety (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 (12) months of credited service.~~
 - B. ~~Those regular employees with an accumulated balance of ninety-one (91) to one hundred seventy-nine (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 (6) months of credited service.~~
 - C. ~~Those regular employees who at the start of their absence have an accumulated balance of one hundred eighty (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 (2) 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.~~

- 3.1 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 (5) workdays of absence, whichever is the greater. Temporary employees will be eligible to receive the excess of benefits over compensation for only the first five (5) workdays of absence due to occupational injury.
- 3.2 Regular employees who are eligible for benefits and are required to be

absent from work because of death in their immediate families will be eligible to receive benefits (without a waiting period) for three (3) days. ~~The use of benefits will not affect the waiting period for any subsequent illness benefits.~~ Employees who can justify such need to the satisfaction of Management, such as for travel, will be eligible to receive benefits for up to two (2) additional days.

3.2.1 "Immediate Family" for the purpose of this Section shall mean parents, stepparents, adoptive parents, children, stepchildren, adopted children, brothers, stepbrothers, sisters, stepsisters, husband, wife, step-grandparents, great grandparents, grandparents, grandchildren, mother-in-law, father-in-law, ~~aunt, and uncle.~~

3.2.2 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 3.2.1.

4. 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 vacation will be eligible to apply for benefits beginning after his vacation, subject to the two (2) day waiting period described above.

- 4.1 ~~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 will be eligible to receive benefits after observance of the two (2) day waiting period described above. If an employee has worked the greater portion of his second session and is required to leave work because of illness or injury, he will receive the regular wage which he would have received had he worked his entire shift, and will be eligible to receive benefits after observance of the two (2) day waiting period described above.~~ **If an employee is required to leave work because of occupational injury, he will be paid the excess of benefits over compensation in accordance with the foregoing**

except that the two (2) 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.

- 4.2 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.
- 4.3 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.

- 5. 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.

ADDENDUM TWO TO COLLECTIVE BARGAINING AGREEMENT

1. MEDICAL PLAN

It is hereby agreed between Verizon California Inc. (hereinafter referred to as the "Company") and the Communications Workers of America (hereinafter referred to as the "Union"), through this Addendum to the Collective Bargaining Agreement between the parties dated ~~November 1, 2013~~ **March 10, 2013** (hereinafter referred to as the "Primary Agreement"), that the current Sponsored Plan remains in effect up to and including ~~December 31, 2013~~ **March 31, 2014**, and is replaced for all eligible employees effective ~~January 1, 2014~~ **April 1, 2014**, by the Comprehensive Medical Plan MOA provisions as agreed to on ~~November 1, 2013~~ **March 10, 2013**.

1. The regular full-time and regular part-time employees (as defined in Sections 9 and 10, Article 6, of the Primary Agreement) and their eligible dependents are eligible to be covered by the Sponsored Plan ninety (90) days from the date of hire or the date the employee enrolls, whichever is later.
2. The Sponsored Plan benefits will be provided in accordance with the provisions set forth as agreed to by the parties, which is made a part of this Agreement, to the extent that such provisions are in conformity with applicable Federal and State laws. If any such provisions require modification, such modification will be made by the Company.
3. The selection of the administrator shall rest solely with the Company, and the Company will continue to provide benefits of not less than those agreed upon.
4. The Sponsored Plan will be administered solely by the Company.
5. The administrator will make any supplementary provisions necessary to conform with applicable laws or codes, or at the direction of the Company to improve benefits or administrative procedures.
6. The Company and the employee will each pay a portion of the premium cost for active employees and their dependents who are covered under the Sponsored Plan. (Refer to Healthcare Contributions Memorandum of Agreement on page **34.**)

7. In the event of any dispute involving an employee's eligibility for Sponsored Plan coverage, the dispute, at the request of the Union, may be subject for grievance and/or arbitration under the procedure set forth for grievance and arbitration in the Primary Agreement. No other matters concerning the Sponsored Plan shall be subject to the grievance or arbitration procedure.
8. This Sponsored Plan shall not be reopened for negotiations during the period set forth in this Addendum.

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

COMPREHENSIVE MEDICAL PLAN

Verizon California Inc. and the Communications Workers of America agree to continue the provisions of the Comprehensive Medical Plan set forth in this Memorandum of Agreement.

For a summary of details refer to the attachment entitled Comprehensive Medical Plan Highlights.

Some of the major provisions include:

- A. For regular full time and part time employees of Verizon California Inc. and the National Buried Service Wire Group, coverage under the 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 Medical Plan.

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.

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.

November 1, 2013

This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 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 CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS
Effective April 1, 2014

Benefits	In-Network		Out-of-Network	
<u>General</u>				
Calendar Year Deductible (No carry over); combined in- and out-of-network	April 1, 2014		April 1, 2014	
	Employee Only	\$450	Employee Only	\$700
	Employee + 1	\$900	Employee + 1	\$1,400
	Employee + 2 or more	\$1,125	Employee + 2 or more	\$1,750
	January 1, 2015		January 1, 2015	
	Employee Only	\$475	Employee Only	\$725
	Employee + 1	\$950	Employee + 1	\$1,450
	Employee + 2 or more	\$1,187.50	Employee + 2 more	\$1,812.50
	January 1, 2016		January 1, 2016	
	Employee Only	\$525	Employee Only	\$750
	Employee + 1	\$1,050	Employee + 1	\$1,500
	Employee + 2 or more	\$1,312.50	Employee + 2 or more	\$1,875
	January 1, 2017		January 1, 2017	
	Employee Only	\$575	Employee Only	\$825
	Employee + 1	\$1,150	Employee + 1	\$1,650
	Employee + 2 or more	\$1,437.50	Employee + 2 or more	\$2,062.50
Annual Out of Pocket Maximums; combined in- And out-of-network	April 1, 2014		April 1, 2014	
	Employee Only	\$1,500	Employee Only	\$1,800
	Employee + 1	\$3,000	Employee + 1	\$3,600
	Employee + 2 or more	\$3,750	Employee + 2 or more	\$4,500
	January 1, 2015		January 1, 2015	
	Employee Only	\$1,500	Employee Only	\$1,900
	Employee + 1	\$3,000	Employee + 1	\$3,800
	Employee + 2 or more	\$3,750	Employee + 2 or more	\$4,750

	January 1, 2016		January 1, 2016	
	Employee Only	\$1,500	Employee Only	\$2,000
	Employee + 1	\$3,000	Employee + 1	\$4,000
	Employee + 2	\$3,750	Employee + 2 or more	\$5,000
	or more			
	January 1, 2017		January 1, 2017	
	Employee Only	\$1,500	Employee Only	\$2,100
	Employee + 1	\$3,000	Employee + 1	\$4,200
	Employee + 2	\$3,750	Employee + 2 or more	\$5,250
	or more			
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	

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.
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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.
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 to a maximum of \$15,000 per lifetime.	Limited to 50% of MAA, after deductible 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 facility. \$25 copay per visit if performed in 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.)
Transplants (Subject to Care Coordination)	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay. When a designated facility is not used, benefits are payable the same as any other illness. <ul style="list-style-type: none"> • Travel & Lodging lifetime maximum of \$10,000. • Lodging & Meal Allowance of \$50 individual / \$100 family per day. 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.	Voluntary - when a designated transplant facility is used, benefits are payable at 100%, no deductible or copay. When a designated facility is not used, benefits are payable the same as any other illness. <ul style="list-style-type: none"> • Travel & Lodging lifetime maximum of \$10,000. • Lodging & Meal Allowance of \$50 individual / \$100 family per day. 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.

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 no deductible. (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)	Hospice Facility - 100% of NNF, no deductible	Hospice Facility - 100% of MAA, no deductible
	At Home Hospice (if life expectancy is less than 6 months) - 100% of NNF;	At Home Hospice (if life expectancy is less than 6 months) - 100% of MAA;
	Bereavement Counseling - 100% of NNF (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 (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 not subject to 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.)
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.
<u>Care Coordination</u> (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: Lesser of actual charge or \$200	Non-notification penalty: Lesser 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 March 14, 2010, 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 March 14, 2010.

COMPREHENSIVE MEDICAL PLAN HIGHLIGHTS

MENTAL HEALTH/SUBSTANCE ABUSE CARE – Effective April 1, 2014

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 (PCP) \$20 per office visit (specialist)	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.

MEMORANDUM OF AGREEMENT

Between

VERIZON CALIFORNIA INC.

And

COMMUNICATIONS WORKERS OF AMERICA

FIOS JOBS OF THE FUTURE

Verizon California, Inc. and Communications Workers of America, recognizing the extreme importance of Verizon FiOS to the future of Verizon, and where both parties are equally committed to ensuring the continued growth and prosperity of Verizon and its employees, and in furtherance of the positive working relationship between the parties, agree to the following:

Article 7, Use of Contracting of Work, shall not apply to any work-related activities associated with FiOS work. FiOS work-related activities may include using contractors to backfill regular wireline employees who are in FiOS training or performing FiOS work. Nonetheless, **i) the use of contract labor to perform FiOS work-related activities shall not result in the lay off or part-timing of any regular employees who perform the same work-related activities associated with FiOS work and ii) contingent upon ratification of the 2013 Proposal for Settlement on or before November 20, 2013, the aggregate percentage of FiOS installation and repair dispatches that the Company may contract out on an average annual basis (based on SABIT or some successor tracking system) shall be capped to not exceed thirty-five percent (35%) per calendar year. For example, if there are 1,000 FiOS installation dispatches in a calendar year and 200 are performed by contractors and there are 1,000 FiOS repair dispatches in that calendar year and zero are performed by contractors, the average annual percentage contracted out for that calendar year would be ten percent (10%). The first year subject to the cap will be January 1, 2014 through December 31, 2014 and shall be in effect for each subsequent calendar year. The cap shall apply only to customer facing FiOS installation and repair dispatches which are currently performed by Fiber Network Field Technicians. All other FiOS related work shall not be affected by this cap.**

The Company and Union agree to meet and confer monthly to review the progress of the FiOS build-out and related matters at a time and place mutually agreed to by both parties.

It is the intent of the Company and Union to conduct these meetings in the spirit of the ongoing California Company/Labor Partnership in all matters of communication, involvement, adaptability, integrity, trust and respect, realizing that both parties are

November 1, 2013

responsible for promoting in a positive way the legacy of a viable and competitive future Verizon.

These meetings may be discontinued by mutual agreement between both parties.
This Memorandum of Agreement is effective on ~~March 14, 2010~~ **March 10, 2013** and shall expire on ~~March 9, 2013~~ **March 4, 2017**.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

HEALTHCARE CONTRIBUTIONS

With respect to Medical, the Company agrees to the following during the life of this Contract:

1. For each Plan Year beginning on and after January 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").
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, effective January 1, 2014 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 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 in paragraph 7 below)**, the Company reserves the right, after consulting with the CWA as provided in Paragraph 2 of the Other Medical Options MOA, 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.
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.
4. With respect to the Monthly Employee Contributions for years 2014, 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).

5. An employee will also be eligible to receive an annual credit of \$100 in each of the years 2014, 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.
6. The Monthly Employee Contributions that appear in the charts below for 2014, 2015, 2016 and 2017 already account for the annual \$100 credit set forth in paragraph 5 above.
7. Notwithstanding anything to the contrary in this MOA, contingent upon ratification on or before November 42 ~~20~~, 2013 of the 2013 Proposal for Settlement, ~~through February 28, 2017~~ 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 115 percent of the Monthly Employee Contribution for the Sponsored Plan for 2014, 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.**
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 January 1, 2014, 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	\$100	\$50
Employee + 1 or more	\$150	\$100

Operator IIs who select Kaiser HMO

Coverage Category Elected	Kaiser HMO Monthly Employee Contribution for Operator IIs (Tobacco User Rate)	Kaiser HMO Monthly Employee Contributions for Operator IIs (Non-Tobacco User Rate)
Employee Only	\$75	\$25
Employee + 1 or more	\$100	\$50

Notwithstanding the above, the Company will begin deducting the required contribution amount from the employees' bi-weekly paycheck in the first month in 2014 in which the Company determines it is administratively feasible to make such deductions. No employee contributions will be required for the month(s) prior to the date that it is administratively feasible to implement pre-tax deductions for employees. Once the Company implements pre-tax deductions for employees, the amount that will be deducted from the employees' bi-weekly paychecks in 2014 will be equal to the applicable Monthly Employee Contribution for 2014 multiplied by 12, divided by the number of pay periods in 2014 commencing with the first pay date that deductions will be made and ending on the last pay date of 2014. For example, an employee who enrolls in Employee Only coverage in the Sponsored Plan and is a non-tobacco user for 2014 and completes the annual health risk assessment will be required to pay a Monthly Employee Contribution of \$50 per month, or \$600 for the year. If the Company determines that the first pay period in which it is able to make deductions for 2014 is the first pay period in February 2014, no employee contribution will be required in January, and the employee will have \$25 deducted from the employee's bi-weekly pay commencing with the first pay period in February 2014 and in each of the remaining 23 pay periods thereafter in 2014 (for an annual contribution of \$600 in 2014).

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	\$105	\$55
Employee + 1 or more	\$160	\$110

Operator IIs who select Kaiser HMO

Coverage Category Elected	Kaiser HMO Monthly Employee Contribution for Operator IIs (Tobacco User Rate)	Kaiser HMO Monthly Employee Contributions for Operator IIs (Non-Tobacco User Rate)
Employee Only	\$79.50	\$29.50
Employee + 1 or more	\$109	\$59

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	\$120	\$70
Employee + 1 or more	\$190	\$140

Operator IIs who select Kaiser HMO

Coverage Category Elected	Kaiser HMO Monthly Employee Contribution for Operator IIs (Tobacco User Rate)	Kaiser HMO Monthly Employee Contribution for Operator IIs (Non-Tobacco User Rate)
Employee Only	\$93	\$43
Employee +1 or more	\$136	\$86

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	\$140	\$90
Employee + 1 or more	\$230	\$180

Operator IIs who select Kaiser HMO

Coverage Category Elected	Kaiser HMO Monthly Employee Contribution for Operator IIs (Tobacco User Rate)	Kaiser HMO Monthly Employee Contribution for Operator IIs (Non-Tobacco User Rate)
Employee Only	\$111	\$61
Employee +1 or more	\$172	\$122

- a) Full-time employees continue to be eligible for dental coverage subject to the following schedules:

	DENTAL
Coverage Tier	Company Contribution
Employee	100%
Employee + One	80%
Family	80%

- b) Part-time employees are eligible for medical and dental coverage subject to the following schedules:

Medical		Dental		
Hours Scheduled per Week	Company Contribution	Hours Scheduled per Week	Company Contribution	
			EE	EE+1 or more
0 - less than 17 hours	0%	0 – less than 17 hours	0%	0%
17 – less than 25 hours	50%	17 – less than 25 hours	50%	50%
25 + hours	Same as Regular Full Time monthly contributions as set forth above	25+ hours	100%	80%

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

LONG TERM CARE PLAN

1. Verizon California Inc. will continue to make available to eligible employees the opportunity to purchase long term care ("LTC") insurance coverage under the Long Term Care Plan (the "LTC Plan"), so long as the current LTC provider continues to offer the existing level of coverage to participants in the LTC plan. If such provider ceases to offer the existing level of coverage to participants in the LTC Plan, the Company may continue to make available the opportunity to purchase LTC insurance, so long as the Company, in its discretion, is able to secure a provider of LTC insurance that is able to offer LTC coverage that the Company determines is appropriate and reasonably priced. The design features, administrative details and costs will be determined by the LTC provider.
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.
4. This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on March 4, 2017 and shall not survive beyond this date.

November 1, 2013

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

MEDICAL BENEFITS 'OPT-OUT' CREDIT AND SPOUSAL SURCHARGE

Effective July 1, 2005, the following options are available to employees and their eligible dependents pertaining to enrollment in a Company-sponsored medical plan or HMO:

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 a Verizon Company-sponsored medical plan or HMO, the employee is eligible for an annual "opt-out" credit of seven hundred dollars (\$700).
3. In situations where employees elect not to enroll their spouse in a Verizon Company-sponsored medical plan or HMO, the employee is eligible for an annual opt-out credit of three hundred fifty dollars (\$350).

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 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 of the previous July 1 from his/her employer who provides 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.
 - 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.

This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on December 31, 2013. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement shall terminate on December 31, 2013 and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

OTHER MEDICAL OPTIONS

1. The Communications Workers of America designate the following Other Medical Options (HMOs, EPOs, or any other non-sponsored medical option) for the employees it represents at Verizon California Inc.:

National EPO West
HealthNet
Kaiser Permanente

2. At such a time as it may be necessary to add or delete from the above mentioned list the Company will, consistent with the rights and obligations set forth in Paragraph 2 of the Healthcare Contributions MOA, consult with the CWA before making such changes.
3. This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the Comprehensive Medical Plan, shall also terminate on March 4, 2017, and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

PENSION PLAN – PENSION MINIMUMS

1. Verizon California Inc. and Communications Workers of America agree to the provisions of the GTE California Incorporated Plan for Hourly-Paid Employees' Pensions ("Pension Plan"), which is now a component of the Verizon Pension Plan for Associates, subject to certain changes set forth in 2013 bargaining agreements between the parties.
2. Subject to the new Memorandum of Agreement entitled PENSION BENEFITS, dated ~~November 1, 2013~~ **March 10, 2013**, the following provisions continue to be in place:

<u>Years of Accredited Service</u>	<u>Annual Minimum Pension</u>
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. This Agreement shall become effective as of ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall remain in effect until midnight, March 4, 2017, and shall automatically continue in full force and effect thereafter until terminated, or amended, in accordance with regularly scheduled bargaining related to contract expiration or the following procedure or paragraph 4 below:

If this Agreement is to be terminated, a written notice must be sent by either party to the other not less than sixty (60) days prior to any date thereafter on which such cancellation is to become effective.

4. This Agreement may be amended or modified by either party giving written notice to the other of such desire to so amend or modify at least sixty (60) days and not more than ninety (90) days prior to the termination date set forth above. The

November 1, 2013

written notice shall contain a full statement as to the amendments or modifications desired.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT
between
VERIZON CALIFORNIA INC.
and
COMMUNICATIONS WORKERS OF AMERICA

PENSION PLAN SURVIVOR BENEFITS

1. Verizon California Inc. and the Communications Workers of America agree to modify the Plan for Hourly Employees' Pensions. Such modifications will be effective July 1, 2005 and are subject to applicable law. This MOA shall not apply to employees identified as Pension New Hires in the Pension Benefits MOA dated ~~November 1, 2013~~ **March 10, 2013**.
2. The existing pre-retirement survivor pension benefit provisions of the Pension Plan shall be amended to provide 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 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 on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on March 4, 2107, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT
between
VERIZON CALIFORNIA INC.
and
COMMUNICATIONS WORKERS OF AMERICA

RETIREE LIFE INSURANCE

Verizon California Inc. and the Communications Workers of America agree to make available to employees who retire on or after January 1, 1997 with a service or disability pension under the Verizon California Inc. Plan for Hourly-Paid Employees' Pensions, a \$5,000 retiree life insurance benefit.

Employees, who retire on or after July 1, 2002 will have a \$10,000 retiree life insurance benefit.

This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, including the retiree life insurance benefit, shall also terminate on March 4, 2017 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

VACATION UTILIZATION TWO HOUR SCHEDULING LIVESOURCE

Verizon California Inc. and the Communications Workers of America agree that within the "LiveSource" department hourly employees may request up to one week of vacation time to be scheduled in two hour increments, subject to the usual vacation scheduling process.

This Memorandum of Agreement shall be effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017 unless notified by either party subject to a thirty (30) day written cancellation notice.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

VISION PLAN

1. Verizon California Inc. and the 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 attachment entitled Vision Plan Highlights.
3. 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 grievance or arbitration procedures set forth in the Collective Bargaining Agreement.

November 1, 2013

7. This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017. The parties specifically agree that the terms and conditions set forth in this Memorandum of Agreement, relating to the Vision Plan, shall terminate on March 4, 2017, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

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.		

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

VOLUNTARY EMPLOYEES BENEFICIARY ASSOCIATION (VEBA)

Verizon California Inc. (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 March 4, 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. Notwithstanding any other provision of this MOA, this trust will also be used to pay for retiree medical benefits for employees who retired prior to July 31, 1991.
3. Effective January 1, 2011, 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. 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 Section 5 below. During the term of this Memorandum of Agreement, the Company and Retiree Contribution Percentages/Amount will be based on the following contribution schedules depending on the effective date as listed:

- (a) For employees of the former Contel Company in Locals 9408 and 9477 retiring between July 1, 1997, and March 12, 1999, the following service-linked contribution schedule applies:

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

- (b) For employees of the former Contel Company in Locals 9408 and 9477 retiring between March 13, 1999, and December 31, 2002, the following age-based contribution schedule applies:

<u>Age at Retirement</u>	<u>Company Contribution Percentage</u>	<u>Retiree Contribution Percentage</u>
Less than 60	0%	100%
60 through 65 (retiree only)	100%	0%
Medicare-covered retiree		\$15/month
Medicare-covered spouse		\$15/month

- (c) For former GTE Company employees retiring between July 31, 1991, and December 31, 2002, the following age-based contribution schedule applies:

<u>Age at Retirement</u>	<u>Company Contribution Percentage/Amount</u>	<u>Retiree Contribution Percentage/Amount</u>
Less than 60	0%	100%
60 through 65 (retiree only)	100%	0%
Medicare- covered retiree		\$15/month
Medicare- covered spouse		\$15/month

- (d) For all employees retiring between January 1, 2003, and March 4, 2017, the following service-linked contribution schedule applies:

<u>Years of Accredited Service at Retirement</u>	<u>Company Contribution Percentage/Amount</u>	<u>Retiree Contribution Percentage/Amount</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%

- (e) 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 4(a), (b), (c) and (d) 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.
5. (a) Effective March 14, 2010, any employee whose date of hire or rehire is on or after March 14, 2010, 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 July 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 towards 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 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 \$1000 deductible coverage option, the Retiree Contribution amount will decrease by the amount the \$1000 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 \$1000 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 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 ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** 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 on March 4, 2017 and shall not survive the expiration of this Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

CROSS FUNCTIONAL WORK SHARING

Verizon California Inc., hereinafter referred to as the Company, and Communication Workers of America (CWA), hereinafter referred to as the Union, agree to implement a cross functional work sharing agreement based on the following provisions.

The Company may require representatives in the CSSC, BSBC, MSSC, FSC and EVRC (integrated FiOS and copper repair center) to handle customer inquiries and requests that can be resolved through training comparable to that required for listed inquiries and requests that would have otherwise been handled by or transferred to another Center or individual.

Inquiries and requests that CSSC, BSBC and MSSC representatives may be assigned to resolve are:

1. Customer reports that a TV or specific channel is not working. The representative would click the desktop icon where the set top box is automatically reset and confirm that the issue is resolved.
2. Customer reports that internet service is not working. The representative would click on the desktop where the router is automatically reset and confirm that the issue is resolved.
3. Customer requests a check on internet speed. The representative would verify Account setup and click the desktop icon to test speed to customer location.
4. Customer reports phone service problem. The representative would initiate automated test and restoral of service. The ticket would be auto-populated.
5. Customer requests status of repair ticket. The representative would access the open repair ticket and read the status to the customer.
6. Customer wants to know where a technician is/the status of a repair visit. The representative would access the information and advise the customer.

7. Customer requests assistance locating their WiFi credentials, such as WEP key or SSID. The representative would click the desktop tool and perform the needed steps to instruct the customer where to locate the information on their equipment.
8. Customer reports an emergency situation (i.e., fire, storm damage, flood) and requests remote activation of service recovery features, such as call forwarding. The representative would access the desktop tool and submit a request to activate the service recovery feature.
9. Customer requests assistance with their "My Verizon" User ID or e-mail password. The representative will retrieve the User ID and provide to the customer, or will help the customer retrieve or reset their User ID and password. The representative may also provide the customer with instructions on setting up their e-mail account.
10. Customer requests replacement of broken Verizon-provided equipment. If the representative can confirm with the customer that the Verizon-provided equipment needs to be replaced, they will initiate a request to have the supplier ship the Verizon-provided equipment to the customer, or provide the customer with the pick-up location information. Examples of Verizon-provided equipment would be set-top boxes, routers, phone equipment, backup batteries, remotes and Verizon Media Servers.

Inquiries and requests that FSC and EVRC representatives may be assigned to resolve are:

1. Customer requests out-of-service credit. The representative validates eligibility and submits credit.
2. Customer wants to order pay-per-view event. The representative would activate pay per view order.
3. Customer wants to add or change a channel package or to add a set top box. The representative would submit an order to add or change the feature or add a set top box.
4. Customer wants to update their records (e.g., billing address). The representative would access account record and make change.
5. Customer asks for product information. The representative would access product library to answer question.
6. Customer asks about bill payment options. The representative would provide options for payment location (web/phone/physical).

7. Customer requests last month's bill amount. The representative would review account information and advise the customer of the amount.
8. Customer questions installation charges. The representative would use system to open an investigation.
9. Customer wants to confirm an order and/or its status. The representative would review order information and change scheduled date, if needed.
10. Customer requests to add a Value Added Service (VAS) product to their account such as VISS, Back-up & Storage. The representative would click the desktop tool and submit an order for the requested product
11. Customer requests the need to create or change their account authentication PIN. The representative will review the account and access the desktop tool to submit the update/change request.
12. Customer wants to add, change, or remove features on their account such as voice mail, call blocking, calling features, or inside wire maintenance plans. The representative will access the desktop tool to submit the order and explain applicable charges.
13. Customer requests to have their FiOS or HSI speed upgraded. The representative will review the account to determine eligibility. If the customer is eligible, the representative will access the desktop tool to process the request to upgrade the speed, provide new equipment, and explain the applicable charges.

The assignment of any of these, or any other duties, pursuant to the above will not entitle associates to additional pay. In addition, if the Company wishes to add additional cross functional duties beyond the examples cited above, they will provide written notice to the National Union, and they will not implement the additional cross functional duties until twenty (20) days after this written notice is provided. Any such additional cross functional duties will involve customer inquiries and requests that can be resolved by application of representative training comparable to that required for the above lists. In calendar year 2014 and in each succeeding calendar year, the Company will be permitted to add two additional tasks in each calendar year to the Sales and Support Centers and two additional tasks in each calendar year to the Technical Support Centers subject to the above stated notice and comparable training requirements. Other than the additions set forth in the preceding sentences, the Company will not add any additional cross functional duties in the year 2013 or any succeeding calendar year, absent the Union's agreement. The assignment of any duties pursuant to this paragraph will not entitle associates to additional pay.

Types of calls that are currently routed through the electronic routing system (ERS) to the CSSCs, BSBCs or MSSCs will continue to be routed to the CSSCs, BSBCs or

MSSCs and types of calls that are currently routed through the ERS to the FSCs and EVRCs will continue to be routed to the FSCs and EVRCs. While customers may provide insufficient or incorrect information through the ERS that can result in misrouting, if the customer's identified reason for a call routed through the ERS is a sales or billing matter, the ERS will seek to route such calls to CSSC, BSBC or MSSC representatives. If the customer's identified reason for a call routed through the ERS is a problem with the functioning of a service, the ERS will seek to route the call to FSC and EVRC representatives.

Associates currently in the Customer Care Advocate and Language Customer Care Advocate titles in the EVRC who seek to become Fiber Customer Support Analysts will not be required to participate in the Fiber Customer Support Analyst Structured Interview Revised.

The Company agrees that, in return for the Union's agreement to this Cross-Functional Work Sharing Memorandum of Agreement, the Company will add a combined total of 85 regular full-time newly hired employees ("Additional Hires") during the term of this 2013 Collective Bargaining Agreement, into one or more of the following centers: the CSSC, BSBC, MSSC, FSC and EVRC contingent upon obtaining sufficient qualified and successfully trained candidates. The Company will have no obligation pursuant to this Agreement to either maintain any particular headcount or backfill in the event that Additional Hires leave employment.

All Additional Hires will be subject to existing, training and other pre- and post-hire procedures as appropriate. The Memorandum of Agreement: Priority For Filling Vacancies shall not apply to the hiring of Additional Hires and the Additional Hires may be filled only by newly hired employees. Individuals who do not successfully complete training will not be counted towards the 85 Additional Hires requirement.

This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017, and shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

Between

VERIZON CALIFORNIA INC

And

COMMUNICATIONS WORKERS OF AMERICA

HEALTH REIMBURSEMENT ACCOUNT

1. Contingent upon ratification on or before November 12 ~~20~~, 2013 of the 2013 Proposal for Settlement, effective April ~~April~~ **January** 1, 2014 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 2014 plan year, the Company will allocate a credit of \$650 to each HRA for eligible "Full-Time Employees" who are not in the Operator II title as of April ~~April~~ **January** 1, 2014, a credit of \$800 to each HRA for eligible "Full-Time Employees" who are in the Operator II title as of April ~~April~~ **January** 1, 2014, and a credit of \$400 to each HRA for eligible "Part-Time Employees" as of April ~~April~~ **January** 1, 2014 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 April ~~April~~ **January** 1, 2014 will not be eligible for an HRA for the remainder of the 2014 calendar year.
 - a. **The Company will make its best effort to meet the aforementioned January 1, 2014 date, but the commitment would be no later than January 24, 2014.**
2. To the extent there is a positive balance in an associate's HRA after the 2014 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, 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 CALIFORNIA INC.

COMMUNICATIONS WORKERS
OF AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT
between
VERIZON CALIFORNIA INC.
and
COMMUNICATIONS WORKERS OF AMERICA
JOINT HEALTH AND SAFETY COMMITTEE

The Company and the Union will establish a Joint Health and Safety Committee to discuss safety concerns throughout the CA Region. The Committee will be chaired jointly by a representative of the CA Environmental, Health & Safety (EH&S) Department and the CWA District 9 Safety Representative, and shall consist of not more than three additional representatives each from the Company and the Union (to be appointed by the Company and the Union respectively).

Committee meetings may be held tri-annually with the Committee chairs jointly determining the committee meeting agenda.

Note: Local/District Safety Committee Meetings will still be conducted according to Article 30 and the Safety Action Plan.

This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

PENSION BENEFITS

The GTE California Incorporated Plan for Hourly-Paid Employees' Pensions, which is now component of the Verizon Pension Plan for Associates, will be amended with respect to associates covered by this 2013 MOA, as follows:

1. Any associate who is first hired as a union-represented associate on or after November 16 ~~24~~, 2013 ("Pension New Hire") will not be eligible to participate in the Pension Plan. Any associate who returns from layoff on or after November 16 ~~24~~, 2013 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 ~~January~~ **March** 1, 2014 ("Transition Date"), as described below in paragraphs a, b (if applicable), c (if applicable), ~~and d (if applicable)~~ **and e (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 March of 2014 will be deemed to be in effect ~~December 1, 2013~~ **January 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 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% ~~the same percentage as the percentage increase in the associate's basic wage as of the date of promotion, up to a 10% maximum.~~

- 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. The associates identified on the attachment hereto, all of whom have more than 60 months of pension compensation but are expected to be in the wage progression schedule as of the Transition Date, will be subject to a special "roll forward" determination of their frozen pension compensation as of the Transition Date. 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 until the end of the month in which the associate has attained the highest wage progression and (ii) the monthly average of the applicable pension compensation (exclusive of basic wages) as of the Transition Date for the same months to which the roll forward in (i) applies. With respect to both (i) and (ii) in the preceding sentence, this special roll forward determination will only apply until the end of the month in which each associate covered by this special determination attains the highest wage progression in the applicable wage progression schedule, and then that month will define

the end of the 60 months of pension compensation for the associate. This calculation of the frozen compensation under the pension formula will be used for both the “A” and “B” benefit in paragraph 2(a) above. 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.

- d. ~~Also e~~Contingent upon ratification on or before November 12 ~~20~~, 2013 of the 2013 Proposal for Settlement the following will apply. There will be a special imputed compensation calculation for associates participating in the Sales Incentive Compensation Program, with respect to the calculation of their frozen compensation under the pension formula as of the Transition Date. (This special calculation will not affect actual payments under the Sales Incentive Compensation Program.) The frozen pension compensation will be calculated effective as of the Transition Date by comparing (x) all of an associate’s actual pension compensation under the Sales Incentive Compensation Program within the 60 months preceding the Transition Date and (y) imputed pension compensation for the same period of time under the Sales Incentive Compensation Program at an assumed attainment of 100% of the applicable targets for that associate under the Sales Incentive Compensation Program until the Transition Date. The better of (x) and (y) in the prior sentence will be used for each associate in calculating the associate’s frozen pension compensation as of the Transition Date. If an associate is subject to either paragraph 2(b) or 2(c) above, the calculation under this section 2(d) will be undertaken first. Then the calculation under paragraph 2(b) or 2(c) will be undertaken, inclusive of any favorable adjustment to an associate resulting from this paragraph 2(d). That calculation will be the frozen pension compensation amount as of the Transition Date which will then be used for both the “A” and “B” benefit in paragraph 2(a) above.

- e. Also contingent upon ratification on or before November 20, 2013 of the 2013 Proposal for Settlement the following will apply. For associates eligible for awards under the Team Performance Award, the Team Incentive Plan or the LiveSource Incentive Compensation Plan, actual awards under these three plans 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 (e) 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**

November 1, 2013

paragraph 2(a) above.

Except as noted above, this Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017 and shall not survive the expiration of the Memorandum of Agreement unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

November 1, 2013

Pension Benefits MOA
Attachment

Associates Covered by Paragraph 2c

Name

Kristopher Lopez
Hamid P Alagheband
Erik Arreola
Anna E Madrigal
Deborah S Wiley
Hieu Trong Dao
Adrian Garcia
Amado Andres

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

**SALES
INCENTIVE COMPENSATION PROGRAM**

1. Verizon California Inc. ("Verizon") and the Communications Workers of America agree to continue the "Sales Incentive Compensation Program." The "Sales Incentive Compensation Program" ("The Program") is comprised of the Associate Monthly Discrete Policy document and, depending on the associate's position, one of the following Sales Compensation Plans:
 - 2013 Retail Regional Operations Retail Sales Consultant Verizon Plus California
 - 2013 Retail Regional Operations Consumer Sales Consultant (Sales Individual) California
 - 2013 Retail Regional Operations Consumer Sales Consultant (Sales Entity) California
 - 2013 Retail Regional Operations Consumer Sales Consultant (Retention Individual) California
 - 2013 Retail Regional Operations Consumer Sales Consultant (Retention Entity) California
 - 2013 Retail Regional Operations Customer Contact Sales Associate (Sales Individual) California
 - 2013 Retail Regional Operations Customer Contact Sales Associate (Sales Entity) California
 - 2013 Retail Regional Operations Customer Contact Sales Associate (Retention Individual) California
 - 2013 Retail Regional Operations Customer Contact Sales Associate (Retention Entity) California
 - 2013 Retail Regional Operations Business Customer Representation (Sales Individual) California
 - 2013 Retail Regional Operations Business Customer Representation (Sales Entity) California
 - 2013 Retail Regional Operations Business Customer Representative (Retention Individual) California
2. Verizon may at any time modify, in whole or in part, the provisions of The Program (including, plan components, weightings, objectives, product line

categories, qualifiers and thresholds, and quota and target incentive rules) as business needs may dictate and may introduce other sales-compensation-related plans or programs. Any modification to the Program shall not affect sales compensation already earned under The Program. Current quota and target incentive adjustment rules are attached as Exhibits A and B to this Memorandum of Agreement.

3. It is agreed and understood that employees will be provided a copy of their applicable Sales Compensation Plan and Associate Monthly Discrete Policy document (collectively "the Program"). They will be required to sign a Statement of Acceptance acknowledging receipt of the Program. The Statement of Acceptance, attached as Exhibit C to this MOA, will contain the following statement:

"I hereby acknowledge that I have received, read and understand the sales compensation documents titled <Plan Name> and <Policy Document>, which are collectively referred to as the Sales Compensation Program or "the Program". I further acknowledge that Verizon has provided me with a signed hard copy of the Program and a soft copy is located on the e-Web: About You>Money>Sales Compensation Program. I am not agreeing that this Statement of Acceptance accurately reflects my wages which are governed by the collective bargaining agreement."

Verizon agrees to provide a copy of the Program to the Union.

4. The Program shall not be subject to the grievance and arbitration procedure outlined in the Collective Bargaining Agreement.
5. This Memorandum of Agreement is effective on ~~the date of ratification unless otherwise specified in this MOA~~ **March 10, 2013** and shall expire on March 4, 2017. The parties specifically agree that all the terms and conditions set forth in this Memorandum of Agreement shall also expire on March 4, 2017, and shall not survive the expiration of this Memorandum of Agreement, unless agreed to by the parties in writing.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

Exhibit A
Consumer and Business Call Center
Quota and Target Incentive Adjustment Rules

A. Up front quota adjustments are determined by calculating time away from the job:

E.g. Take Available hours less:

- Holidays
- Personal Holidays
- Training hours
- Vacation
- Other time away from job

B. Other quota and target incentive adjustments which are applied at the end of the month and not upfront, will be made as follows:

- Sickness— Quota will be adjusted for five (5) or more consecutive days of sickness. Target Incentive may be adjusted to ensure no duplication of benefit payments for one or more days in which sick benefits are paid.
- FMLA – Quota and Target Incentive will be adjusted for five (5) consecutive days or more of FMLA leave
- Union Business Unpaid – Quota and Target Incentive will be adjusted for five (5) days or more of Unpaid Business Union Time in a calendar month.
- Part-Time- Quota and target incentive will be adjusted in accordance with the Sales Compensation Program eligibility provision
- New Hire- Quota and target incentive will be adjusted in accordance with the Sales Compensation Program eligibility provision.
- Other unpaid absences – Quota and Target Incentive will be adjusted for five (5) consecutive days or more of other unpaid absences.

C. Quota (but not Target Incentive) will also be adjusted in the following situations:

- Training – five (5) consecutive days or more
- Military Leave – five (5) consecutive days or more
- Jury duty – five (5) consecutive days or more
- Union Business Paid – each eight (8) hour accumulation
- Other Company directed business (i.e., team leader/relief supervisor, in-house trainer, on-loan assignment)-minimum off line requirement determined by management.
- Vacation days – each eight (8) hour accumulation
- Paid Bereavement – three (3) or more days (maximum of five (5) days)

NOTE: For calculating the equivalent of five days, Union Business Paid and Union Business Unpaid can be combined.

Exhibit B
Retail Sales Stores
Quota Adjustment Rules and Selling Hours

A. Selling Hours and Time Away From Work will be calculated as follows:

Establishing Selling Hours:

Selling Hours are defined to include all time assigned on the sales floor, including time in the teller/cashier area. Selling Hours are required for equitable application of individual quota.

Activities such as the following will not count towards Selling Hours:

- formal training,
- off-site meetings,
- Union business and/or company functions in excess of one hour
- Paid Bereavement – three (3) or more days (maximum of 5 days)

Hours not worked due to jury duty, military time or vacation time that has been approved ten (10) days or more in advance of the posting of the current schedule will not count towards Selling Hours.

B. Quota Adjustments for Time Away From Work:

For any time away from work, such as FMLA, STD, Workers' Compensation or absent sick (excused or unexcused) in excess of three (3) consecutive scheduled days, beginning with the fourth day and subsequent days, the Supervisor will adjust the selling hours which reduces the assigned quota. If this adjustment results in an increase/decrease in selling hours for other RSCs in that same Verizon Plus Store, their individual quota will be adjusted accordingly.



EXHIBIT C
2013 ASSOCIATE STATEMENT OF ACCEPTANCE

Employee Name: <Employee Name>

Job Title: <Job Title>

Date in Position: <Date>

Payroll Company: <Company Name>

Plan Name: <Plan Name>

Policy Document Name <Policy Document Name>

Target Incentive: <Target Amount>

I hereby acknowledge that I have received, read, and understand the sales compensation documents titled <Plan Name> and <Policy Document Name>, which are hereafter collectively referred to as the "2013 Sales Compensation Program" or "the Program." I further acknowledge that Verizon has provided me with a signed hard copy of the 2013 Sales Compensation Program, and a soft copy located on e-Web: About You > Money > Sales Compensation Program.

I am not agreeing this Statement of Acceptance accurately reflects my wages which are governed by the collective bargaining agreement.

EMPLOYEE NAME: _____

EMPLOYEE SIGNATURE: _____

DATE: _____

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

UPGRADE OF CUSTOMER SERVICE TECHNICIAN IIIs

Contingent upon ratification of the 2013 Proposal for Settlement, during the term of the Agreement the Company will upgrade a total of no less than ~~fifty (50)~~ **seventy five (75)** Customer Service Technician IIIs to Customer Service Technician IIs who are on the payroll as of the date of ratification of the 2013 Proposal for Settlement.

The upgrades will be made on a location-by-location basis as determined by the Company and within a location by seniority.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

**VACATION UTILIZATION TWO HOUR SCHEDULING TRIAL IN THE
CSSC, BSBC, MSSC AND VCCD**

Verizon California Inc. and the Communications Workers of America agree that on a trial basis within the CSSC, BSBC, MSSC and VCCD associates may request up to one-week of vacation to be scheduled in two hour increments, subject to the vacation scheduling process.

This Memorandum of Agreement shall be effective on January 1, 2014 and shall expire on March 4, 2017 unless notified by either party of their desire to cancel this Memorandum of Agreement upon thirty (30) days written notice.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

MEMORANDUM OF AGREEMENT

between

VERIZON CALIFORNIA INC.

and

COMMUNICATIONS WORKERS OF AMERICA

WORK AT HOME TRIAL

Verizon California Inc., hereinafter referred to as the Company, and the Communications Workers of America, hereinafter referred to as the Union, agree that the Company has the right to implement a Work at Home Trial pursuant to the below-stated provisions. The Work at Home Trial may begin no sooner than January 1, 2014.

The Company, in its sole discretion, reserves the right based on business requirements, to determine the eligible location(s), job titles and employee(s) assigned to Work at Home. Eligible employee(s) participation in the Work at Home Agreement, however, is voluntary. The participating associates' wages, benefits coverage and other terms and conditions of employment continue to be governed by the collective bargaining agreement. Associates will be expected to comply with the same rules and policies of the Company with which all associates must comply. Prior to implementing Work at Home, or prior to making changes after the launch of Work at Home, the Company will meet and discuss with the Union the location(s), job title(s) and employees to be selected for participation from those who have volunteered. The Company will consider input from the Union but reserves its rights and discretion as specified in this MOA. In addition, during the first year of implementation of the Work At Home Trial, the Company will meet with the Union quarterly to discuss any concerns that may arise. Thereafter, as requested by the Union, the Company will meet with the Union to discuss any concerns associated with Work at Home. Additional terms, conditions and principles for associates working at home are as follows:

1. The Company will designate the specific job titles and work groups eligible for each work at home arrangement, as well as the associates who may participate. **Eligible job titles include: Fiber Customer Support Analyst, Fiber Network Technician, Language Assistance Fiber Customer Support Analyst, Language Assistance – Operator, Language Assistance Operator II, Operator, Operator II, BDC Specialist, Business Response Generalist, Customer Care Advocate, Language Assistance – Customer Care Advocate, Business Customer Representative, Business Sales Support Specialist, Consumer Sales Consultant,**

Consumer Sales Consultant VCCD, Customer Contact Sales Associate, Language Assistance CCSA – VCCD, Language Assistance Consumer Sales Consultant – VCCD, Language Assistance – Business Customer Support Representative, Language Assistance - Business Customer Representative, Language Assistance – Consumer Sales Consultant, Language Assistance CSC, Language Assistance – CCSA, Business Customer Support Representative, Customer Support Associate, Directory Account Representative, Dispatch & Translations Specialist, Facility Provisioning Specialist, Language Assistance – Customer Support Associate, Language Assistance – ULTS Support Associate, ULTS Support Associate.

- a. **The aggregate number of eligible associates who may participate in the Work at Home Program, at any point in time, will not exceed 200.**
2. The Company will select associates who volunteer in the eligible job titles and designated work groups within a particular location, by seniority who have the following qualifications:
 - a. A current overall performance rating of Exceeds Requirements or Meets Requirements;
 - b. At least one year's experience in the associate's present title and at least one year of net credited service;
 - c. The at-home work location has adequate space with privacy and sufficient electric power and outlets for all equipment necessary to perform the associate's work;
 - d. No deed, lease, condominium or co-op restrictions would be violated by performance of the work at the home residence. The associate is accountable for determining such occupancy/use restrictions; and
 - e. The associate's residence or home must have broadband capability with a minimum of 3 MB upload and 3 MB download bandwidth.
3. The associate's normal reporting location when not working at home will remain unchanged, provided the employee would not have been relocated had he or she not taken the work at home assignment. All work schedules will be posted electronically. No payment for mileage or travel allowance under the applicable contract provisions will be made when the associate is directed to report to his/her normal reporting location for meetings with his/her supervisor or training, or when the associate visits the location to pick up work related materials except that travel time within the associate's scheduled tour will be paid. Regardless of the geographic relationship between this normal reporting location and the work at home location, the associate's Local Union

alignment will continue to be controlled by the normal reporting location – not the work at home location. The associate is required to notify his/her manager at least four weeks in advance of any planned change of residence.

4. The Company will bear the cost of providing a Verizon computer with agent image, headset, (wired or wireless) and business voice service. In the event self-installation, self repair or self removal is not possible as determined by the Company, the Company will assign on a non-exclusive basis bargaining unit employees to install, maintain or remove equipment provided by the Company. All equipment and items provided must only be used for business purposes. To the extent an associate requires an accommodation, the Company will provide equipment and items required by law. All Verizon equipment and other materials provided to an associate in connection with the work at home arrangement, and all equipment, materials, correspondence, records, documents, software, promotional materials and other Company property, including all copies, summaries, synopses, or portions thereof, which come into the associate's possession, whether or not created by the associate, and regardless of whether they were received by the associate at his/her residence, will at all times remain the sole and exclusive property of the Company. At any time that the Company requests, and immediately upon the termination of an associate's employment, the associate will return to the Company all such Company property, and will not keep any copies of such Company property. An accepted ISP volunteer must return all Company property no later than seven days prior to his or her off payroll date otherwise he/she will not receive the ISP payment until such equipment is returned in working condition.
5. The work at home arrangement must enable the supervisor to evaluate associate performance, certify the accuracy of time sheets and attendance records and perform other supervisor responsibilities to the same extent as if the participating associate were working at his/her normal reporting location. Associates will be required to: (i) immediately log into the Company instant messaging ("IM") system at the start of their shift, (ii) once logged in send an IM (or email if necessary) to their supervisor in order to be recorded as having timely reported to work, and (iii) be logged into the Company instant messaging ("IM") system during all work hours. Unless associates have received advance approval to work overtime or are in the process of handling a customer call, associates will also be expected to be logged off all Company systems by the completion of their tour. Associates are not permitted to log into Company systems used to perform their jobs during non-working hours except for access to apply for promotion(s) or transfer(s) which time shall not compensable. Supervisors will call the associate's home for work related matters and may make announced and unannounced home visits during the associate's scheduled hours. All disciplinary matters will be conducted at the normal reporting location.

6. The participating associate will be responsible for providing the broadband connection, a quiet and safe work environment, ergonomic furniture, and utilities.
7. It is the associate's responsibility to use Company equipment in a reasonable and safe manner and to protect Company equipment and software against damage, abuse, misuse or other violation of existing rules of the Company concerning protection of its property and information. Associates may not use Company equipment, materials, systems or software in any manner or for any purpose that violate Company policies, the Verizon Code of Conduct or federal, state or local laws. Associates will adhere to the Company's policies regarding the protection of Company information from disclosure to third-parties who do not have a need to know such information. No third party, including family or friends, may use Company equipment or software for any reason.
8. Associates will work their full tours, including split tours where such tours are permitted by the existing collective bargaining agreement and will adhere to their work schedules. They will also begin work on time and give their full time and attention to the performance of their job duties. Work at home time will not be spent on dependent care activities. In the event associates need to leave their work positions at times other than scheduled breaks and the lunch hour (e.g., feeling ill), they must first confer with supervision and secure permission. Upon returning to their work positions, associates must inform supervision. If an emergency situation develops requiring immediate action on the part of the associate, he/she should react appropriately and notify supervision as soon as practicable. Upon returning to their work positions, associates must inform supervision. Associates will be expected to communicate to their family members and friends that distractions such as personal telephone calls, visitors and interruptions by children while on duty can be very disruptive to their ability to perform the job, and should be limited to emergencies. During working hours, associates will not be permitted to invite business visitors or social guests of the associate to their residence without the express written authorization of their supervisor.
9. Associates will be expected to keep their work at home area free from potential hazards and obstructions, and generally to treat it as if it were a primary Company office. If an associate suffers a work-related injury or illness in his/her residence, the associate must report the injury or illness in accordance with Company policy.
10. Associates will be expected to inform supervision expeditiously of the malfunction of any work-at-home equipment. Supervision may require the associate to report to the normal reporting location or other Company work location until malfunctioning equipment is repaired and/or replaced. As per Paragraph 3 above, no payment for mileage or travel time will be made when

the associate is directed to report to his/her normal reporting location, except that travel time within the associate's scheduled tour will be paid.

11. Associates may be required to report to Company or non-Company locations for purposes such as supervisor meetings, medical visits, training sessions and policy/practice coverage. If practicable, associates will be given at least 24 hours notice of such meetings, but no later than noon the day before.
12. Emergency call outs and overtime will be handled as outlined in the applicable collective bargaining agreement. Overtime must be approved in advance by the associate's supervisor or authorized designee, unless an associate is in the process of completing a customer call.
13. Upon thirty days' notice to the Company, an associate may withdraw from and discontinue a work at home arrangement. The Company will provide an associate with fourteen (14) days' notice of a Company decision to remove the associate from a work at home arrangement. Notwithstanding the foregoing, when an associate is removed for performance reasons or a violation of the Verizon Code of Conduct the associate will be notified no later than noon the day before.
14. The Company will designate one work day per month at the associate's normal reporting location. Associates will have the option of working from their normal reporting location or from home on that day. The Company will notify the Union at least 48 hours in advance of the designated date. If requested by the Local Union representative or steward, associates will be permitted on a voluntary basis to meet with the representative or steward on such days. Such meetings will be permitted to occur for up to thirty (30) minutes during normal work time. If requested by the Local Union representative or steward, the Company will permit such meetings to occur for up to forty-five minutes during normal work time during the months of March and September only, on a day designated by the Company. Pay for any such meeting will be limited to the associate(s) participating in the meeting. The Union representative conducting the meeting shall not be paid by the Company for that time. As per Paragraph 3 above, no payment for mileage or travel time will be made when the associate is directed to report to his/her normal reporting location, except that travel time within the associate's scheduled tour will be paid.
15. Alleged violations of this MOA – Work at Home are subject to the grievance and arbitration procedures of the collective bargaining agreement, except that for Section 2 the only issue that may be grieved or arbitrated is whether the fact of the listed requirements have been met.

November 1, 2013

This Memorandum of Agreement may be implemented as a trial effective January 1, 2014 and shall expire on the later of the last day of this collective bargaining agreement or the date on which a successor agreement is ratified. The Work At Home MOA may continue in the successor agreement only if both parties agree to extend or modify the "Work at Home" agreement.

VERIZON CALIFORNIA INC.

COMMUNICATIONS WORKERS OF
AMERICA

Rose Viqueira
Director – Labor Relations

Ellen West
Area Director

Date

Date

(BSW)

**AGREEMENT
RECOGNITION AND DURATION**

1. Not applicable.
2. Should any valid Federal or State law or final determination of any board or court of competent jurisdiction affect any provision of this Agreement the provision or provisions so affected shall be made to conform to the law or determination and otherwise this Agreement shall continue in full force and effect.
3. **This agreement shall become effective on the date of ratification unless otherwise specified March 10, 2013, however, there will be no retroactivity of any contractual provision, Memorandum of Agreement or Letter of Understanding prior to the date of ratification of the 2013 Proposal for Settlement and** shall remain in full force and effect until ~~midnight~~ 11:59 p.m. ~~March 9, 2013~~ March 4, 2017.

(BSW)

ARTICLE 7 WORKING PRACTICES

7.1 To fulfill the requirements of the company to perform buried service wire/utility locating work in a high quality, cost effective and customer responsive manner, it is necessary to establish work rules which allow the company to maximize the use of its resources in the most efficient manner.

7.2 Work Schedules and Tours - A work week will begin on Sunday at 12:00 A.M. and end on the following Saturday at 11:59 P.M.

7.3 Work schedules will be established by work activity and zone and will be based on the qualifications of the employee. Where qualifications are equal, seniority will be the deciding factor considered when determining schedule selection. Work schedules may be changed at any time based upon work requirements.

7.4 The normal work week for full time employees will be forty (40) hours. Hours worked could be less than 40 hours due to, but not limited to, lack of work, inclement weather and equipment breakdown. For those employees whose hours of work are decreased by the company from the original scheduled hours in a work week or consecutive work weeks, the company will strive to offer and/or require additional hours to the employees within the same work week or consecutive work weeks, if available.

7.5 Scheduling - The company will strive to provide at least 48 hours' notice of a change in work schedule where practical.

7.6 Overtime - It is expected that all employees will be available and willing to work hours in addition to their normal work schedule to the extent deemed necessary by the company to satisfy customer demands.

7.6.1 Time and one-half (1 ½) the straight time rate will be paid for all time worked over forty (40) hours in a calendar work week or ~~ten (10)~~ **eight (8)** hours in a day, effective ~~August 19, 2007~~ **the date of second pay period following ratification of the 2013 Proposal for Settlement.**

7.6.2 There shall be no pyramiding or duplication of overtime or premium pay.

7.7 Call-outs - Employees who report for special duty outside of their scheduled hours will be compensated at the overtime rate of time and one-half for a minimum of two (2) hours work including driving time in excess of 45 minutes each way. This minimum does not apply to hours worked immediately preceding or immediately following regular scheduled work.

7.7.1 Call-out pay will apply only when an employee is dispatched to a work location.

7.7.2 Work performed outside of scheduled hours that does not require a dispatch will be paid at the overtime rate of time and one-half for time actually worked.

7.8 Stand-By Pay - Employees who are designated by management to be immediately available to report to work outside their regularly scheduled hours will receive payment of ~~\$10.00~~ **\$11.00** per day for this assignment. Employees designated for stand-by on a holiday will receive payment of ~~\$13.00~~ **\$15.00** per day. Qualified employees will be assigned on a rotational basis unless extenuating circumstances such as a major project requires a specific employee to be assigned. In the event an employee is called out to work, they will be eligible for call-out pay as outlined above in addition to the stand-by pay. Stand-by assignments will be based on a combination of site requirements, employee home locations and practicality of schedules.

7.9 Job Site Reporting - Employees are expected to report and begin work at the designated time and place of their first assignment, which is normally within their zone. The company will assign the first and last work assignments as close to the employee's home as possible. Pay will normally begin when work commences at the first job assignment and ends upon completion of work at the last job assignment. Driving time exceeding 45 minutes each way will be paid time.

7.9.1 To limit excessive wear on company vehicles, miles from the employee's home to the first job assignment will not normally exceed 60 miles.

7.9.2 Employees who are furnished a company vehicle for travel to and from work will use the vehicle only for company business purposes and are expected to maintain the vehicle in accordance with company guidelines. Likewise, mobile tools and equipment provided to employees will be used only for company business purposes and will be maintained in accordance with company guidelines.

7.10 Out of Town Assignments - An employee may be temporarily assigned to perform work outside their normal reporting area. When such an assignment involves an overnight stay, by mutual agreement the employee will be paid either a per diem of \$35 for each day assigned or company designated lodging and \$21 for each day assigned.

7.11 Workers' Compensation - An employee injured in the course of performing their job duties will be eligible for Workers' Compensation benefits in accordance with the laws of the State in which the injury occurs. In addition, the company will pay supplemental pay up to 100% of base for up to ten (10) days. Effective August 19, 2007, if an employee continues to be disabled and eligible for respective state

Workers' Compensation beyond the initial ten (10) days, the Company will assign the employee to a voluntary layoff and reclassify him/her to a Seasonal employee status.

7.11.1 An employee will be guaranteed reinstatement to his/her previous position if he/she is certified as able to return to full duty during or at the end of the four (4) month voluntary layoff.

7.12 Business Attire/Uniforms - In order to promote a professional business image in a competitive marketplace, employees in classifications designated by the company will be required to wear uniforms provided by the company. Business attire/uniforms will only be worn while at work. The company reserves the right to establish, change or modify reasonable guidelines for business attire.

7.13 In-Charge Differential - An employee assigned by management to be in charge of other hourly employees will receive an in-charge differential of seventy-five cents (\$.75) per hour, provided such assignment is for a period of one hour or more. An employee assigned to replace management will receive a differential of one dollar (\$1.00) per hour for assignments of one hour or more.

7.14 Bereavement - Employees absent due to a death in their immediate family shall be paid for up to three (3) days. Immediate family shall include spouse, mother, father, sister, brother, son, daughter, grandmother, grandfather, grandchildren, mother-in-law, father-in-law, sister-in-law, brother-in-law, and any other relative or foster child living in the household of the employee at the time of death.

7.15 Jury Duty - ~~Employees required to be absent because of jury duty shall receive pay for up to three (3) days.~~ **If an employee receives a Summons for Jury Duty, the Company will compensate the employee for the difference between the jury fee and his base pay for the time lost from work; not to exceed ten (10) work days (eighty hours) in any twelve (12) month period.**

When an employee receives a summons for jury duty, he must notify his supervisor as soon as possible in order for the Company to make the necessary arrangements to meet the needs of service.

If an employee is required to report for jury duty and is temporarily excused from attendance, the employee must return to work as soon as reasonably possible and complete the shift the employee is assigned while on jury duty.

The employee must have completed by the Court a form to be provided to the Company showing days and hours worked on jury duty.

(BSW)

ARTICLE 8

SHORT-TERM DISABILITY BENEFITS

~~8.1 Employees who apply for short-term disability pay and whose applications are approved by the company will be paid for workdays absent based on the provisions of Section 8.2 and subject to restrictions and requirements provided in this Article. Employees will not be eligible for short-term disability pay under the following circumstances:~~

- ~~1) Injury/Illness when covered by Workers' Compensation or other laws.~~
- ~~2) Elective surgery deemed not to be medically necessary.~~

~~8.1.1 **Notification.** An employee who is unable to work as a result of personal illness or accident not covered by Workers' Compensation must notify his/her supervisor or designee prior to, or at the start of, the shift on each day of absence unless other arrangements have been approved. An employee who fails to notify his/her supervisor or designee may be considered to be unexcused and subject to disciplinary action, and shall forfeit short-term disability benefits in increments of one (1) hour (any portion of an hour constitutes a full hour) prior to the time of notification. However, the supervisor or designee may waive the notification requirement when it is determined that circumstances were such that notification was not practical.~~

~~8.2 Short-term disability payments and waiting days for regular employees shall be based on their accredited service date according to the following schedule:~~

	<u>Full Pay Days</u>	<u>Half Pay Days</u>
Less than 1 year	-0	-0
1 year but less than 5 years	20	25
Five years but less than 10 years	40	45
Ten years or greater	45	50

~~**8.2.1 Waiting Days Waived.** Waiting days will be waived if the employee is admitted to a hospital:~~

- ~~a. if the employee is hospitalized or has outpatient surgery performed at a surgical clinic during the waiting period;~~
- ~~b. Employees with five or more years of service will have waiting days waived if the only absence in the previous twelve (12) months was due to a Workers Compensation injury.~~

8.2.1 8.2.1.1 Waiting Days:

	<u>Waiting Day(s)</u> <u>Per Absence</u>
1 year of service or greater	5

~~8.2.1.2 An employee may use the cash out vacation option for the purpose of regaining the monetary value that was lost caused by unpaid waiting days. If an employee breaks up a week of vacation, management may require the remaining days to be scheduled as consecutive days.~~

~~8.3 Yearly eligibility for short-term disability commences and ends on the employee's anniversary date.~~

~~8.4 **Short-term Disability Benefits Restoral.** An employee's short-term disability benefits will be restored when he/she has been continuously engaged in the performance of duty for three (3) months (91 days) with no absences due to illness.~~

~~8.5 If an employee returns to work after a period of illness and the employee relapses with the same illness and is required to leave work again within a period of not more than ten (10) consecutive days, the two (2) periods of absence shall be considered as constituting one (1) illness and a second waiting period is waived. Only two periods can be combined. The ten (10) consecutive day period will be extended if the employee is required in writing by the employee's physician to return for specific life sustaining follow-up treatment such as chemotherapy, dialysis, and blood transfusions.~~

~~8.6 Upon termination of employment, no payment shall be made for unused short-term disability leave.~~

~~8.7 The company may require illness or accident to be verified by a competent physician to assist the company in determining the length of time for which benefits will be paid. A second opinion may be required at supervisory discretion and company expense. Payment of short-term disability benefits will be governed by such second opinion.~~

~~8.8 The company retains the right to have an employee examined by a doctor selected by the company at the company's expense if there is a reasonable basis to believe that the employee is sick or the employee's physical or mental condition is such that the employee may cause personal harm or endanger other employees. Any examination request made to an employee must be coordinated with the Human Resources Department.~~

~~8.9 **Third-Party Compensation.** If a regular employee receives compensation from a third party or government agency for lost work time for which the employee has been compensated under this Article, the employee shall reimburse the company for all sums paid by the company for the lost work time for which such third party or government agency has paid, up to the amount received from said third party or government agency. A regular employee who is eligible for such compensation agrees to exercise reasonable efforts to collect from such third party or government agency.~~

(BSW)

ARTICLE 10-2 HOLIDAYS

10.1 Recognized Holidays

For purposes of this Agreement, seven (7) holidays will be recognized:

New Year's Day - January 1
Memorial Day - Last Monday in May
Independence Day - July 4
Labor Day - First Monday in September
Thanksgiving Day - Fourth Thursday in November
Day after Thanksgiving
Christmas Day - December 25

~~In addition, regular employees will be eligible for three (3) personal days.*~~

~~*Effective 1/1/2014,~~ Regular employees will be eligible for four (4) personal days.

Effective 1/1/2014, regular employees will be eligible for five (5) personal days.

10.2 A recognized holiday which falls on Sunday will be observed the following Monday and a recognized holiday which falls on Saturday will be observed on the preceding Friday for all employees, unless they are normally scheduled to work on weekends. For employees normally scheduled to work on weekends, the actual day of the holiday will be observed.

10.3 Subject to service requirements, an employee may request a Personal Day from the Coach at least ten (10) days prior to desired day. In the case of multiple requests, seniority will be the deciding factor. It will be the mutual responsibility of the employee and the Coach to ensure that these Personal Days are taken. If not selected prior to October 1, the day will be assigned by the Coach.

10.4 Holiday Pay Treatment – Regular employees not assigned to work on a recognized holiday will be paid eight (8) hours at their basic rate of pay, except for part-time employees who will be paid for the number of hours they would have normally been scheduled to work. Effective August 19, 2007, this provision also applies to probationary employees.

10.4.1 Employees assigned to work on a recognized holiday will be paid at the time and one-half rate for all hours worked that day. Additionally, the employee will receive eight hours holiday pay at their basic rate of pay.

(BSW)

**ARTICLE 11-2
VACATIONS**

- 11.1 Vacation Eligibility and Pay Treatment - Regular employees will be granted annual vacations with pay, at their basic wage rate, as follows:

One (1) week after twelve (12) months of accredited service

Two (2) weeks after twenty-four (24) months of accredited service

Three (3) weeks after five (5) years of accredited service

Four (4) weeks after twenty (20) years of accredited service

- 11.2 For vacation purposes only, all current employees will have a vacation eligibility date of January 1. In the future, all newly hired employees will have a January 1 vacation accrual date effective the first January following their date of employment. Whenever there is any adjustment in credited service, the vacation accrual date will be changed to January 1 of the adjusted service year.
- 11.3 Scheduling of vacation will take into account service requirements and then preferences of the employees.
- 11.4 An employee may carry-over one (1) week of vacation if eligible for two (2) weeks' vacation. Carryover vacation must be scheduled at the beginning of the year following the year in which it is earned and must be taken in a weekly increment. Carry-over vacation cannot be scheduled until all applicable employees have chosen their regular vacations for that year.
- 11.5 Employees may take only one (1) week of their vacation on a day-at-a-time basis.
- 11.6 Part-time employees will be paid at their basic wage rate based on the hours they normally would have worked during the vacation week.

(BSW)

ARTICLE 15 DEFINITIONS

15.1 Regular employee - A person who is hired for continuous employment, has completed the 180 calendar day probation period, accumulates accredited service and is entitled to all the benefits and coverages granted in this Agreement. Employees covered by this Agreement shall not be suspended or discharged except for just cause, except probationary employees.

15.2 Regular full time - A person who is normally assigned a work schedule of forty (40) hours on a full-time basis.

15.3 Regular part time - A person whose normal assignment of work is less than a normal basic work week.

15.4 Employee - A person who performs work for the company for which they are paid a stated compensation. The term "employee" whenever used in this Agreement shall include both genders unless otherwise specified.

15.5 Probationary - A person who has not completed the 180 calendar day period prior to qualifying to become a regular employee.

15.6 Seasonal employee - A person who has accepted a voluntary layoff and who receives benefits during the layoff period and is expected to return to work following the leave period.

15.7 Temporary - A person hired for a specific project or a period of time not to exceed twelve (12) consecutive months.

15.8 Occasional - A person hired to perform work on an intermittent basis. Such individuals are employees only on the specific days for which work assignments are scheduled.

15.9 Seniority – Seniority for CWA represented employees will be governed by the Service and Seniority MOA between Verizon and CWA. The relative seniority of two employees with the same seniority date will be determined by the employee's date of birth. The employee with the earlier date will be considered more senior.

15.10 Credited Service – Active employment for purposes of calculating credited service shall include:

A. Time for which employee receives wages.

B. Workers Compensation benefits as provided in Article 7.11.

- C. Short-Term Disability Benefits as provided in Article 8.**
- D. Approved absence excused time.**
- E. Military Leave of Absence as provided under Article 35.**

(BSW)

**ARTICLE 35
MILITARY LEAVE OF ABSENCE**

1. MILITARY LEAVE OF ABSENCE

- 1.1 A military leave of absence will be granted by the Company to each regular employee who, prior to the termination of his employment with the Company, enters the U.S. Armed Forces, by voluntary enlistment or by draft, or who is a member of a reserve component of one of the armed forces or the National Guard or Air National Guard and is ordered to active duty. Such military leave of absence will commence on the day following the last day worked by the employee, or on the day following the last day of any vacation for which the employee may receive the commuted value as provided below, and will terminate on the ninety-first (91) day following his discharge from the armed forces or his relief from active duty. A military leave of absence will not be extended for the employee who reenlists or who volunteers for a continuation of his active duty beyond the time limits provided under veterans reemployment rights as described by the Federal Government Statutes.

2. REEMPLOYMENT

- 2.1 In conformity with the terms of the statutes pertaining to the restoration of a veteran to his former employment, employees who are granted military leaves of absence will be reinstated in their former positions with the Company or will be given positions of like seniority, status and pay. Full recognition for wage progression and for all other purposes will be given to the military leave of absence in the same manner that the period of time would be recognized had the employee remained continuously in the position he held at the beginning of his leave of absence, except as follows:
- A. The Company shall have the right to hold any employee employed on and after September 16, 1950, on the wage given him on the date of his return to employment, until his experience and proficiency justify the next higher wage, provided that the suspension of wage progression shall not exceed, whichever is the shorter length of time of (1) the length of the military leave of absence in any case, or (2) the length of time between the employee's place on the wage schedule at the time of the beginning of his military leave of absence and the four (4) year step on his wage schedule, or (3) two (2) years of credited service.
 - B. Sick benefits will not be granted to employees until after they have returned to active employment with the Company.

3. GROUP LIFE INSURANCE

- 3.1 For employees who are granted military leaves of absence, the Company will continue the amount of group life insurance in effect on the last day worked for a maximum period of thirty (30) days at no cost to the employee. At the end of this thirty (30) days or at the termination of the military leave of absence, the group life insurance will terminate.
- 3.2 Employees who return to active employment with the Company will have their basic life insurance automatically reinstated but will be required to make application for reinstatement of their contributory supplemental group life insurance if they desire to reinstate it.

4. CONTINUANCE OF COMPANY PAY

- 4.1 If a regular employee, at the beginning of his military leave of absence, is:

In the age group subject to induction under the Selective Service and Training Act of 1948, the Armed Forces Reserve Act of 1955, and the related regulations currently in effect, or

A member of the National Guard, Air National Guard, or of a reserve component, and he

- (1) Is drafted or enlists voluntarily, or
 - (2) Is ordered to active duty or volunteers for active duty for six (6) months or more or active duty training (not to include training drills, voluntary specialized training or penalty active training duty), he will receive the difference between his military pay and his Company pay (if the latter is greater) less any deductions authorized by him or required by law, for three (3) days for each full month of completed credited service up to a maximum of difference in pay for three (3) months.
- 4.2 For this purpose, Company pay will be the product of the employee's daily wage in effect on the last day actually worked multiplied by 21.75 days. Military pay will be the basic pay shown in the pay tables in effect on the date when the employee enters military service for his grade or rank, giving effect to his length of military service, plus extra pay for special qualifications or duty, but exclusive of rental, subsistence, clothing, dependents, and other allowances. Daily military pay shall be the monthly pay divided by 21.75.
- 4.3 Regular employees will be paid the commuted value of any vacation to which they may be entitled at the beginning of the military leaves of

absence.

5. SUBSTITUTES FOR EMPLOYEES ON MILITARY LEAVES OF ABSENCE

- 5.1 Persons transferred to positions formerly held by employees who are on military leaves of absence will be considered as temporary occupants of such positions and may be transferred back to their former or to equivalent positions when the employee for whom they are substituting returns from his military leave of absence.
- 5.2 Persons who are newly employed to fill vacancies which result directly or indirectly from the absence of employees on military leaves of absence may have their employment with the Company terminated unless there is other need for their services, when such employees return from their military leaves of absences.

6. MILITARY RESERVE TRAINING

- 6.1 If a regular employee is a member of the National Guard, Air National Guard, or of a reserve component and is subject to annual training duty, he will be paid the difference between his military pay (including all allowances) and Company base pay (if the latter is greater) for a period of not more than two (2) weeks in any one calendar year in which he performs such training duty. However, if an employee performs annual training duty and receives no military pay, he will be paid a maximum of one (1) weeks pay by the Company in any one calendar year.
- 6.2 An employee, to be eligible for payment as provided above, shall in writing request time off for annual training duty, and at the conclusion thereof, furnish the Company written evidence of the amount of military pay received.

November 1, 2013

March 9, 2013



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

Re: ~~Commitment to Savings Plan Changes for New Hires~~

Dear Ellen:

With regard to "Pension New Hires" that are referred to in the Pension Benefits MOA, the Company reaffirms its irrevocable commitment to negotiate the following changes in the Hourly Savings Plan Match MOA (which is one of the 10 National CWA MOAs) when such MOA is up for renegotiation in the summer of 2013. The following would only apply to Pension New Hires that are not eligible to earn pension benefits:

- 1) ~~Enhanced savings plan (i.e., increase Company matching contributions to 100% of eligible contributions up to 6% of eligible compensation.)~~
- 2) ~~An additional performance-related, discretionary Company contribution of between 0-3% of eligible compensation actually paid during the plan year to each Pension New Hire regardless of whether the Pension New Hire contributes to the associate savings plan (the percentage would be set at the same percentage as the performance-related contribution for wireline management employees under the management savings plan for the same plan year).~~
 - a. ~~The Discretionary Contributions would be applicable for the balance of 2013, 2014, 2015, 2016 and 2017 plan years.~~
 - b. ~~Eligible associates would have to be employed as eligible associates on the last day of the plan year to be eligible for the Discretionary Contribution.~~
 - c. ~~The Company would determine each applicable plan year whether the Discretionary Contribution would be made in cash and/or Verizon stock invested in the Verizon stock fund under the associate savings plan.~~
 - d. ~~Discretionary Contributions invested in the Verizon stock fund would be subject to participant investment diversification in accordance with the current terms of the associate savings plan.~~
 - e. ~~Discretionary Contributions would not be available for in-service withdrawal, and they would be subject to the same vesting schedule as Company matching contributions.~~

If you have any questions please let me know.

Sincerely,

Rose Viqueira
Director—Labor Relations

November 1, 2013



October 21, 2013

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

Re: 2004 LOA on Make-Up Savings Plan Contributions

Dear Ellen:

In response to the Union's request, the Company agrees to recognize the attached 2004 Letter of Agreement for the duration of this 2013 Proposal for Settlement. If, however, the Company decides in its discretion to reverse its decision to continue to allow savings plan make-up contributions for employees performing Union business for which they are not paid by the Company, it will so advise the Union.

Rose Viqueira
Director – Labor Relations

Acknowledged and Agreed for CWA:

Ellen West
Area Director

Date

November 1, 2013

Attachment



Labor Relations - CA501HL
112 Lakeview Canyon Road
Thousand Oaks, CA 91362

December 22, 2004

Mr. Jim Weitkamp
Assistant to Vice President
CWA District Nine
2870 Gateway Oaks Drive, Suite 100
Sacramento, CA 95833-3509

Dear Jim,

The Union has asked the Company whether it is willing to allow employees on a Union Leave of Absence or who do not work their full scheduled tour because they are performing Union business for which they are not paid by the Company to "make-up" the contributions they would have made to the Hourly Savings Plan ("Plan") had they been paid by the Company for that time.

Whether employees are permitted to submit such "make-up" contributions is an administrative feature of the Plan which, like the other administrative features of the Plan, the Company has the right to change unilaterally at any time through plan amendment. The Company plans at the present time to unilaterally change the Plan through plan amendment to allow such "make-up" contributions beginning on or about March 20, 2005 and continuing until December 31, 2010. If the Company decides to unilaterally reverse that practice before March 13, 2010, it will inform the Union of its decision.

A handwritten signature in cursive script, appearing to read "Larry Mortensen".

Larry Mortensen
Director-Labor Relations

LM:bb

Acknowledged and Agreed for CWA:

A handwritten signature in cursive script, appearing to read "Jim Weitkamp".
Jim Weitkamp 3-20-05
Date

Proposed General Wage Increase (GWI)

Effective the second pay period following <u>on the date of</u> ratification of the 2013 Proposal for Settlement	March 9, 2014	March 8, 2015	March 13, 2016
2.0%	2.0%	2.0%	2.5%

Ratification Bonus

Contingent upon ratification on or before November 12 **20**, 2013 of the 2013 Proposal for Settlement, a one-time, single Ratification Bonus payment of \$1,100 will be paid within thirty days after ratification to full-time and part-time Regular and Temporary 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.