It's Time To Review Your 2009 Benefits

Go to www.verizon.com/benefits

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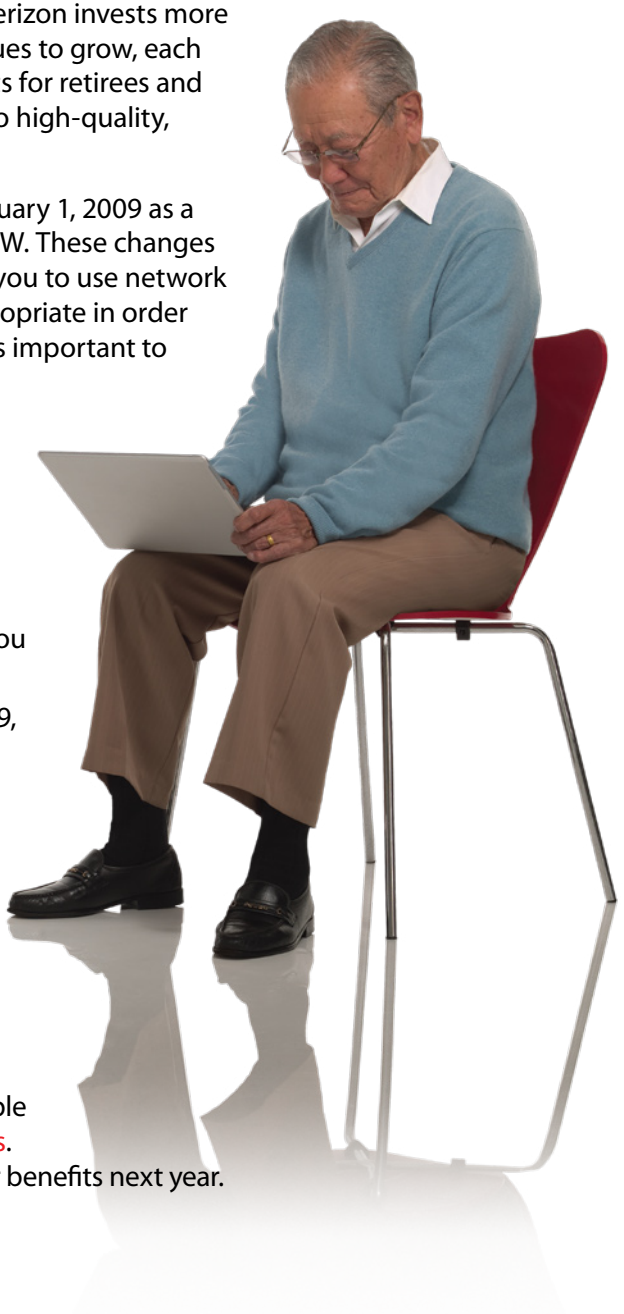
Choosing the Right Benefits

We recognize that access to quality, affordable healthcare is important to you. Verizon invests more than $1.5 billion each year in retiree healthcare coverage. As this amount continues to grow, each year we review our healthcare program and implement initiatives to reduce costs for retirees and the company, improve the efficiency of healthcare delivery and provide access to high-quality, high-value healthcare.

This brochure provides an overview of healthcare provisions that take effect January 1, 2009 as a result of recently negotiated agreements between Verizon and the CWA and IBEW. These changes ensure that you continue to have access to comprehensive benefits, encourage you to use network providers, and choose lower-cost alternatives (such as generic drugs) when appropriate in order to save money for both you and the company. Understanding these provisions is important to choosing the right benefits for 2009 for you and your family.



Comprehensive Medical Benefits

Healthcare is one of the benefits most valued by retirees, and Verizon's medical plans provide you and your eligible family members with access to comprehensive care, including preventive services.

- The MCN or MEP PPO options continue to be available for 2009, with some changes. These plans provide a higher level of benefits for most services if you use in-network providers.
- Select, high-quality and efficient HMOs also continue to be available for 2009, with some changes.

Prescription Drug Cost Control

One of the key drivers of Verizon's rising healthcare expense is the cost of prescription drugs. The changes to your prescription drug plan encourage you and your eligible family members to use generic drugs whenever clinically appropriate. Brand name drugs are more costly for both you and the company.

Get the Most From Your Benefits

Take some time to review the information in this brochure and the benefits available to you in 2009 on Your Benefits Resources™ Web site at www.verizon.com/benefits. Use this brochure and Your Benefits Resources to help you get the most from your benefits next year.

Everything You Need Is Online

It's Easy To Verify or Change Your Coverage

Starting November 1, everything you need to review and select your 2009 benefits, covered dependents and beneficiaries is online on Your Benefits Resources Web site at www.verizon.com/benefits. You can change your coverage at any time by:

- Logging on to www.verizon.com/benefits
- Calling the Verizon Benefits Center at 1-877-4VzBens (1-877-489-2367), or 847-883-1009 from outside the United States, during normal business hours

You automatically will be covered under your current medical option as of January 1, 2009 unless you participate in a medical option that will not be available in 2009. If your current medical option will not be available, you will receive a letter in your home mail. You'll have the default coverage shown on Your Benefits Resources Web site unless you enroll in a new medical option for 2009 by November 30, 2008. Your new plan takes effect the first of the month following a 31-day waiting period.

After you make your benefit selections online, remember to click "confirm." You'll receive confirmation that you've enrolled successfully. You can print your confirmation statement for your records.

If you want copies of your benefit information, such as Health Plan Comparison Charts, you can print them from Your Benefits Resources Web site. If you want printed materials sent to you, you can call the Verizon Benefits Center at 1-877-4VzBens (1-877-489-2367) beginning October 29 and request them. Allow approximately 10 days for delivery.

Medical ID Cards

You will receive a new medical plan ID card from your medical plan administrator. If you don't receive a new ID card by January 2, 2009, contact Member Services at your new plan. Your new plan's Member Services phone number is accessible at www.verizon.com/benefits. The Verizon Benefits Center does not issue medical ID cards.

Keep Your Covered Dependents Up to Date

It's important to review your covered dependents at www.verizon.com/benefits and remove any ineligible dependents. Remember that enrolling ineligible dependents violates the terms of our benefit plans.

If you are covering a dependent full-time student, his or her coverage will continue for 2009 without recertification. If your dependent loses his or her full-time student status, you must notify the Verizon Benefits Center at www.verizon.com/benefits.

As a reminder, your child age 19 or older can be covered until age 25 or six months after leaving school, whichever is earlier, if he or she satisfied both these conditions:

- Is a full-time student (according to the school's definition of full time) at an accredited secondary school, college, university or nursing school
- Remains unmarried and dependent on you for support

What's Changing as of January 1, 2009

New Network for MCN and MEP PPO

There will be a new, enhanced provider network — the Aetna Choice POS II — that includes all providers in the current MCN and MEP PPO networks as well as additional providers for retirees currently enrolled in the MCN. You can confirm your current providers' participation or if you want to use a new provider, their participation at www.verizon.com/benefits or www.aetna.com. If you go to www.aetna.com, select "Doc Find" then choose the Aetna Choice POS II plan. If you don't have Internet access, you can call Aetna at 1-800-247-5482. It's important for you to confirm that a provider you want to use participates in the Aetna Choice POS II network so that you receive in-network benefits and do not incur additional expenses. Aetna continues to administer the MCN and MEP PPO.

MCN Changes

There will be a $25 copay for each in-network or out-of-network emergency room visit.

There will be a $15 copay for each in-network or out-of-network visit to an urgent care facility. Urgent care is a smart choice for care when your doctor's office is closed, and it can be more cost-effective than the emergency room for minor emergencies. You will likely have to pay for out-of-network urgent care visits at the time of service and file a claim for reimbursement.

Copays for in-network and out-of-network emergency room and urgent care facility visits will not count toward the annual out-of-pocket maximum and cannot be used to satisfy the deductible.

Having a primary care physician (PCP) is important to managing your overall health. However, you will no longer be required to select a PCP or see your PCP whenever you need care. You will be able to visit any MCN network provider, including specialists, without a referral. Remember to verify that the provider you want to use participates in the Aetna Choice POS II network.

MEP PPO Benefit Changes

The MEP PPO will have the following changes:

	2008 Benefit	2009 Benefit
In- and Out-of-network Benefits		
Emergency Room Visits	▪ 100%, no deductible	▪ $25 copay per visit (waived if admitted)
Urgent Care Visits	▪ Not covered	▪ $15 copay per visit
Out-of-network Benefits		
In-hospital Physicians' Visits	▪ 90%, no deductible, remaining 10%: 80%, after deductible	▪ 98%, no deductible
Inpatient Maternity Care (Pre/Post Natal)	▪ 95%, no deductible, remaining 5%: 80%, after deductible	▪ 98%, no deductible
Inpatient Newborn Baby Care	▪ 90%, no deductible, remaining 10%: 80%, after deductible	▪ 98%, no deductible
Inpatient Surgery	▪ 95%, no deductible, remaining 5%: 80%, after deductible	▪ 98%, no deductible
Outpatient Surgery	▪ 95%, no deductible, remaining 5%: 80%, after deductible	▪ 98%, no deductible
Anesthesia	▪ 90%, no deductible, remaining 10%: 80%, after deductible	▪ 98%, no deductible

HMO Changes

Most covered services will require a $15 office visit copay in 2009. A copay for an office visit to a primary care provider (including OB-GYN) or a specialist will be $15. See your health plan comparison charts at www.verizon.com/benefits to determine if there are any other changes to your HMO.

Prescription Drug Benefit Changes Under the MCN, MEP PPO and HMOs With Medco Prescription Plans

Generic drugs have the same active ingredients and meet the same FDA standards as their brand name counterparts, and they can cost up to 70% less than brand name drugs. To encourage the use of generic medications when clinically appropriate, your benefits for generic drugs will not change in 2009. Your share of the cost for brand name medications will increase. If you take medication — or are being prescribed a drug for the first time — ask your doctor if the medication is available as a generic or if there is a different generic medication available that will also effectively treat your condition.

If your doctor indicates "dispense as written" on a prescription for a brand name drug and a generic is available, the highest brand name copay — designated as "Brand Name, Generic Available" under "2009 Benefit" in the chart below — will apply.

Prescription Drug	2008 Benefit	2009 Benefit
In-network Retail Copays (30-day supply) Percentage of Discounted Network Price (DNP)		
Generic	▪ 15% of DNP up to $25 per prescription	▪ No Change
Brand Name, No Generic Available	▪ 20% of DNP up to $40 per prescription	▪ 20% of DNP up to $45 per prescription
Brand Name, Generic Available	▪ 30% of DNP up to $50 per prescription ▪ If physician prescribes "dispense as written," then 20% of DNP up to $40 per prescription	▪ 30% of DNP up to $55 per prescription ▪ If physician prescribes "dispense as written," then 30% of DNP up to $55 per prescription
Out-of-network Retail Annual Deductible (Applies per person per calendar year)		
	▪ $50 combined for generic and brand drugs	▪ No Change
Out-of-network Retail Copays (30-day supply) Percentage of Retail Cost		
Generic	▪ 15% of retail cost up to $25 per prescription	▪ No Change
Brand Name, No Generic Available	▪ 20% of retail cost up to $40 per prescription	▪ 20% of retail cost up to $45 per prescription
Brand Name, Generic Available	▪ 30% of retail cost up to $50 per prescription ▪ If physician prescribes "dispense as written," then 20% of retail cost up to $40 per prescription	▪ 30% of retail cost up to $55 per prescription ▪ If physician prescribes "dispense as written," then 30% of retail cost up to $55 per prescription
Mail Order Copays (90-day supply) Percentage of Discounted Network Price (DNP)		
Generic	▪ Lower of $8 or DNP per prescription	▪ No Change
Brand Name, No Generic Available	▪ Lower of $12 or DNP per prescription	▪ Lower of $17 or DNP per prescription
Brand Name, Generic Available	▪ Lower of $20 or DNP per prescription ▪ If physician prescribes "dispense as written," then lower of $12 or DNP per prescription	▪ Lower of $25 or DNP per prescription ▪ If physician prescribes "dispense as written," then lower of $25 or DNP per prescription

Retirement Medical Contributions

For plan years 2009 through 2011, there continues to be no premium contributions for retirees for coverage in the MCN, MEP PPO and HMO options.

However, beginning in 2012 and later plan years, post-12/31/89 retirees will pay the excess (if any) of the cost above the revised employer caps on company payments shown below:

Coverage Category Elected by Retiree	Annual Pre-Medicare Company Contribution Cap	Annual Medicare-Eligible Company Contribution Cap
Retiree Only	$12,580	$6,330
Retiree + 1	$25,160	$12,660
Retiree + Family	$31,450	$18,990

Manage Your Benefits 24/7 at www.verizon.com/benefits

You can:

- Get details about your benefit plans
- Update your beneficiaries for life insurance
- Update your dependent information
- Link to your medical and dental plans and the Verizon Savings Plan Web sites

This update is a summary of material modification (SMM) and includes the most recent collectively bargained provisions agreed to between your union and Verizon. Please keep this SMM with your summary plan descriptions (SPDs) for future reference. As always, your SPDs contain the provisions of your plans and, ultimately, determine what benefits are provided to Verizon employees, retirees and their dependents. Your SPDs are available at www.verizon.com/benefits or you can call the Verizon Benefits Center and request a printed copy.

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Look inside for important information about your 2009 Verizon benefits.