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AFL-CIO

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**TO:** CWA District 2-13 Verizon Local Presidents  
**FROM:** Edward F. Mooney, Vice President *Ed Mooney*  
**DATE:** July 16, 2018  
**SUBJECT:** Verizon Contract Extension

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CWA, IBEW and Verizon have reached an agreement in principle to extend the collective bargaining agreements for a four-year period. The current agreements are set to expire on August 3, 2019. If finalized, the agreements will extend through August 5, 2023. The company and the unions are documenting the understanding in signed contracts and expect to have that completed this week, at which time we will communicate further details. The contracts will be subject to ratification by union members.

We will keep you posted.

**SUMMARY OF TENTATIVE AGREEMENT**  
**BETWEEN**  
**COMMUNICATIONS WORKERS OF AMERICA**  
**DISTRICT 2-13 AND DISTRICT 1 NJ**  
**AND**  
**VERIZON MID-ATLANTIC**

**JULY 2018**



## VERIZON MID-ATLANTIC – SUMMARY TENTATIVE AGREEMENT TO EXTEND

**JULY 19, 2018**

CWA is pleased to announce that we have reached a tentative agreement with Verizon to extend the current collective bargaining agreement. The current contract is set to expire August 3, 2019. The tentative agreement, subject to ratification by the membership, will extend the contract to August 5, 2023.

### **Duration of Contract Extension:**

The four-year extension agreement will continue the terms of the current contract in full, unless otherwise noted, until 11:59 p.m., August 5, 2023.

### **1. Wages and Other Compensation**

The additional combined 4-year wage increase will result in a compounded 11.2% increase in base wages between 2020 and 2023. The yearly Corporate Profit Sharing payments of at least \$700 will continue and add to wage gains.

**a. General Wage Increase.** In addition to the scheduled June 23, 2019 2.5% wage increase, the Extension Agreement provides the new increases listed below to all steps in the basic wage schedules on the dates indicated:

- June 21, 2020 – 2.5%
- June 20, 2021 – 2.5%
- June 19, 2022 – 2.75%
- June 18, 2023 – 3.0%
- Compounded increase: 11.2%

### **b. Corporate Profit Sharing**

- The Company will award Corporate Profit Sharing distributions in each year of the extension, with a minimum distribution of \$700 each year.

### **2. Pensions and Retirement Security**

- The Lump Sum Cash Out provisions will be continued.
- Pension bands will be increased 1% on September 15 of 2019, 2020, and 2021.

### 3. HEALTH CARE

The Extension Agreement provides for modest changes in cost sharing under the health care plans.

#### a. Contributions

The Extension Agreement gradually increases monthly premium contributions over the term of the agreement. The chart below reflects the **2019 contribution amounts established by the current contract**, along with 2020 through 2023 contribution amounts included in the Extension Agreement. The following monthly amounts assume non-smoker and completion of the Health Risk Assessment\*. Deductions will be pre-tax and divided over four paychecks each month.

	MCN & MEP (Monthly)		EPO, HMOs, and Other Plans (Monthly) (contributions will be no greater than the following)	
	Employee	Employee + Family	Employee	Employee + Family
<b>2019</b>	<b>\$110</b>	<b>\$220</b>	<b>\$165</b>	<b>\$330</b>
2020	\$118	\$236	\$177	\$354
2021	\$126	\$252	\$189	\$378
2022	\$134	\$268	\$201	\$402
2023	\$142	\$284	\$213	\$426

\*The \$100 health risk assessment credit, which remains unchanged for the duration of the extension, is reflected in the amounts above. Without the health risk assessment credit, an additional \$8.33 per month will be charged.

The tobacco premium remains unchanged. If an employee or covered dependent uses tobacco products, the rates above will be increased by \$50 per month. The additional cost can be avoided by participation in a smoking cessation program or activity.

#### b. MCN and MEP Plan Changes

The chart below reflects **2019 amounts established by the current contract**, along with 2020 through 2023 amounts included in the Extension Agreement. **Copays in the MCN and MEP health care plans, with the exception of Emergency Room Visits, will remain unchanged through the extension.**

	MCN		MEP	
	In Network	Out of Network	In Network	Out of Network
<b>ANNUAL DEDUCTIBLE</b> (Deductibles apply to Out-of-Pocket Maximum.)				
Individual	<b>2019: \$175</b> 2020: \$200 2021: \$225 2022: \$250 2023: \$275	<b>2019: \$825</b> 2020: \$850 2021: \$875 2022: \$900 2023: \$925	<b>2019: \$600</b> 2020: \$625 2021: \$650 2022: \$675 2023: \$700	<b>2019: \$825</b> 2020: \$850 2021: \$875 2022: \$900 2023: \$925
Family	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate

	MCN		MEP	
	In Network	Out of Network	In Network	Out of Network
<b>OUT-OF-POCKET MAXIMUM</b>				
Individual	<b>2019: \$1,350</b> 2020: \$1,400 2021: \$1,450 2022: \$1,500 2023: \$1,550	<b>2019: \$2,150</b> 2020: \$2,200 2021: \$2,250 2022: \$2,300 2023: \$2,350	<b>2019: \$1,450</b> 2020: \$1,500 2021: \$1,550 2022: \$1,600 2023: \$1,650	<b>2019: \$2,350</b> 2020: \$2,400 2021: \$2,450 2022: \$2,500 2023: \$2,550
Family	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate
<b>COPAY</b>				
Emergency Room Visits* (waived if admitted)	<b>2019: \$130</b> 2020: \$130 2021: \$140 2022: \$140 2023: \$150	Same as In Network	<b>2019: \$130</b> 2020: \$130 2021: \$140 2022: \$140 2023: \$150	Same as In Network
Maximum Allowed Amount (MAA)**	Does not apply	<b>2019: 240%</b> 2020: 200% 2021: 200% 2022: 190% 2023: 190% (Percentage of national Medicare Schedule)	Does not apply	<b>2019: 240%</b> 2020: 200% 2021: 200% 2022: 190% 2023: 190% (Percentage of national Medicare Schedule)

\* Urgent Care copays will remain \$25.

\*\* For Covered Mental Health/Substance Abuse Services and Supplies received from an out-of-network provider, the MAA will remain 240% of the national Medicare Schedule.

**c. HMO and EPO Plan Changes**

**Copay maximums in HMO and EPO plans, with the exception of Emergency Room Visits, will remain unchanged through the extension.** Emergency room visits will be no greater than the following:

- 2019 \$130 (current contract)**
- 2020 \$130
- 2021 \$140
- 2022 \$140
- 2023 \$150

**4. Retiree Health Benefits**

- a. After 2019, the Pre-Medicare Retiree monthly premium for post 12/31/2012 retirees enrolled in the MCN or MEP Medical Plan will be maintained at \$44.19 for Individual and \$75.76 Retiree plus 1 and Family.
- b. New provisions are included to provide the Union the *option* of offering a redesigned plan and/or HRA if the “2008 Retiree Contribution Caps” are exceeded for pre-Medicare retirees.