

# Make Your 2006 Benefit Elections

September 2005

NY/NE Associates

## Benefits Renewal: October 5 – October 19, 2005

It's the time for you to review your current benefit elections and see if they are still right for you and your family.

You'll receive an enrollment kit in your home mail shortly before the start of benefits renewal. It will show your 2005 coverage, the options available to you in 2006, and their costs (if any). Your current elections, if available, will carry over into 2006.

You'll need to enroll during the benefits renewal period if you'd like to make changes. The process is quick and easy using *Your Benefits Resources*™ Web site. You also can call the Verizon Benefits Center and speak with a representative.

## Have Your Password Ready

You'll need your Verizon Benefits Center password during benefits renewal and throughout the year to access your personal benefits information on *Your Benefits Resources* Web site. **Note:** You can link directly to *Your Benefits Resources* Web site from the eWeb without entering your password.

Follow one of these steps **before benefits renewal begins** if you'd like to change your password or if you've forgotten your password and need a new one:

- Access *Your Benefits Resources* Web site. From the logon screen, select "Change Password" or "I Forgot My Password" and follow the instructions.
- Call the Verizon Benefits Center and follow the instructions to change your password or request a new one.

Your new password will be effective immediately when you **change** your password. You will receive your new password via email or in your home mail – whichever you choose – if you **forget** your password.

### *Your Benefits Resources* Web site

Via the eWeb at  
<http://eweb.verizon.com>.

Via the Internet at  
<http://resources.hewitt.com/verizon>.

### Verizon Benefits Center

Call toll-free 1-877-Ask-VzHR (1-877-275-8947). During benefits renewal, representatives will be available from 8 a.m. to 8 p.m. ET, Monday through Friday.

### For More Information

- **To find out more about your benefit options during benefits renewal**, go to *Your Benefits Resources* Web site.
- **To contact one of your benefit plan administrators**, go to *Your Benefits Resources* Web site, where you can link to your "plan" Web site. You also can call the Verizon Benefits Center. Listen to the menu and select the plan – such as "healthcare" – that you want to contact. You'll be connected directly to the plan's Member Services department.
- **To change your medical, vision, dental and flexible reimbursement plan elections during the year if a life event occurs**, go to *Your Benefits Resources* Web site or call the Verizon Benefits Center **within 90 days of the life event**. Check your SPD for a list of qualifying life events and the changes you can make. **You can change your benefit elections during the year only if you have a qualifying life event.**

### Confirmation Statement

- Your Confirmation of Coverage statement will serve as your confirmation statement if you don't make any changes to your benefits.
- Print the confirmation page that appears on your computer screen if you make changes using *Your Benefits Resources* Web site. You will not receive a confirmation statement in your home mail.
- You will receive a confirmation statement in your home mail if you make changes via a representative.

### If Your Medical Option Won't Be Offered Next Year

You will receive a notification letter in your home mail prior to the start of benefits renewal if your current medical option will not be available in 2006. If you do not make a new medical coverage election, you and your currently covered dependents will default into the company-sponsored medical option.

## Make Changes Online or by Phone

The majority of employees enrolled online last year, and they found it to be the quickest and easiest way to make their elections. Verizon encourages anyone with access to the Internet – whether at home or at work – to enroll via *Your Benefits Resources* Web site from October 5 through October 19.

Call the Verizon Benefits Center to enroll if you do not have Internet access. Listen to the main menu and say “benefits renewal.” You'll be transferred to a representative. Verizon Benefits Center representatives will be available from 8 a.m. to 8 p.m. ET, Monday through Friday.

## Important Information You Need to Know

### Deductible and Out-of-Pocket Maximum Increases

The annual deductible, annual out-of-pocket maximum, and annual prescription drug out-of-pocket maximum for the Empire MEP Indemnity and Aetna MEP PPO options are increasing effective January 1, 2006, as indicated in your collective bargaining agreement:

Plan Provision	Increased Amount Effective January 1, 2006
<b>Annual Deductible</b> (only applies to Empire MEP Indemnity option and Aetna MEP PPO out-of-network)	\$200 per individual. The family deductible is 2½ times the individual deductible.
<b>Annual Medical Out-of-Pocket Maximum</b>	\$650
<b>Annual Prescription Drug Out-of-Pocket Maximum</b>	\$250

The deductible and medical out-of-pocket maximum increases do not apply if you reside outside of the Aetna MEP PPO and HCN service areas. However, the prescription drug out-of-pocket maximum increase does apply. The medical out-of-pocket maximum increase also applies to the Aetna MEP PPO option's out-of-network benefits.

## Eligible Expense Deadline Extended

You now have more time to use Health Care Spending Account (HCSA) and Dependent Care Spending Account (DCSA) contributions. Beginning with your 2005 HCSA and DCSA contributions, you can be reimbursed for eligible expenses that you incur through March 15, 2006, instead of December 31, 2005. Any money not used by March 15, 2006 will be forfeited.

The deadline for submitting claims for reimbursement for the DCSA will now be the same as for the HCSA. You have until May 31, 2006 to submit all eligible claims.

New IRS guidelines were issued recently announcing this change, which Verizon is adopting for contributions made in 2005 and future years.

## Supplemental Life, AD&D and FRP Administrators Changing

Effective January 1, 2006, the Verizon Benefits Center will administer your supplemental life and accidental death and dismemberment (AD&D) coverage. Before that date, you should continue to process claims and other transactions through Marsh @WorkSolutions.<sup>SM</sup> Then, starting on January 1, you can process transactions via the Verizon Benefits Center and monitor these benefits on *Your Benefits Resources* Web site.

Also, starting January 1, 2006, your FRP accounts will be administered by the Verizon Benefits Center. When you're enrolled, you'll be able to use *Your Benefits Resources* Web site to:

- Submit and review the status of your claims
- Get information on eligible expenses
- Manage your current account balance(s)
- And more

## Check Your Covered Dependents

Be sure to check your covered dependents listed on *Your Benefits Resources* Web site when you're enrolling during benefits renewal. If any of your dependents are no longer eligible for Verizon benefits (due to age, student status or other reason), the company requires that you drop them from coverage.

Any dependent you drop due to ineligibility will receive information about continuing coverage under COBRA from the Verizon Benefits Center.

Check your SPD or see the Benefits Manual on *Your Benefits Resources* Web site for a complete list of eligible dependents.

## Your Rights Following a Mastectomy

The Verizon Medical Plan provides benefits for mastectomy-related services, including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and treatment of physical complications resulting from a mastectomy (including lymphedema). These benefits also comply with the Women's Health and Cancer Rights Act of 1998. For more information, call your health plan.

## Will You Get a New Medical ID Card?

You will receive a new medical plan ID card from your medical plan administrator in your home mail if you elect a new medical plan option for 2006.

You can continue to use your current medical plan ID card if you elect the same medical plan option for 2006 as you had in 2005. (Your plan may send you a new ID card anyway, if their cards are redesigned or if updated information has been added to them.) Many medical options have a separate prescription drug administrator, so if you elect a new medical plan option for 2006, you'll receive a new prescription drug card as well.

### Contact Member Services at your new plan if you do not receive your new medical plan ID card by January 2, 2006:

- Call 1-877-Ask-VzHR (1-877-275-8947).
- Listen to the menu and select "healthcare" to reach your medical plan option.

Once you have been connected to your medical plan:

- Listen to the menu of services.
- Select the option to speak with Member Services to check on the status of your ID card.
- If you participate in a medical plan option administered by Aetna or UnitedHealthcare, you can go to their respective Internet sites, [www.aetna.com](http://www.aetna.com) or [www.myuhc.com](http://www.myuhc.com), and print a temporary ID card or request that a new card be sent to you.

## Dental ID Cards

Most Verizon dental plan administrators do not send ID cards. Your dentist's office can call the plan directly to confirm coverage if necessary.

If you are enrolled in a MetLife dental option, consider using a preferred dental provider (PDP). A PDP's office can verify your coverage quickly online, and you can be notified via email when a claim is processed.

## Online Tools Can Help You Make Smart Decisions

The tools listed below are available on *Your Benefits Resources* Web site.

### Tools Available During Benefits Renewal

Tool	What It Does
<b>Health Plan Comparison Chart</b>	Allows you to compare benefit information for up to three medical plan options, so you can make the right medical option choice: <ul style="list-style-type: none"><li>• Based on plan type, deductibles, and coinsurance or copayments</li><li>• Based on coverage for specific things that are important to you</li></ul>
<b>Health Plan Profiler</b>	Asks questions about your healthcare preferences and priorities, and recommends plan types that might be best for you.
<b>Medical Expense Estimator</b>	Lets you compare the total annual cost of two or more medical options that are available to you.
<b>Flexible Reimbursement Plan (FRP) Planning Tools</b>	Help you estimate your annual healthcare and dependent day care expenses, and estimate your annual income tax savings if you participate in one or both accounts.

### Tools Available at Any Time

Tool	What It Does
<b>Personal Medical Record</b>	Lets you track your doctors' visits, procedures, prescriptions, health conditions and health history – all in one secure location. It's important to have this vital information available when you visit a doctor or hospital. It's also a convenient way to provide this information since the U.S. currently does not have a nationwide medical record search system.
<b>HealthGrades®</b>	Offers hospital quality ratings, physician profiles and nursing home quality reports to help you receive the quality of care you deserve.
<b>Your Health Connection</b>	Gives you access to expert information on general health topics, specific conditions and healthier lifestyles.
<b>Health Care Cost Summary</b>	Shows your year-to-date healthcare costs based on claims that have been submitted, so you can pinpoint how you and your family use your medical benefits, and see ways you may be able to reduce your expenses in the future.

## A Reminder About the Working Spouse/ Same-Sex Domestic Partner Surcharge

The Working Spouse/Same-Sex Domestic Partner Surcharge for medical coverage requires that you pay a \$40 monthly surcharge for your spouse's or same-sex domestic partner's medical coverage if:

- He or she is eligible for medical coverage from another employer,
- He or she does not enroll in his or her employer's medical plan, and
- His or her primary medical coverage is under the Verizon medical plan.

You don't have to pay the surcharge if:

- Your spouse or same-sex domestic partner elects individual medical coverage under his or her employer's medical plan,
- Your spouse's or same-sex domestic partner's gross base wage rate on an annualized basis as of the previous July 1 is \$25,000 or less, or
- Your spouse or same-sex domestic partner is required to contribute \$900 or more per year for individual medical coverage with their employer. If there are multiple medical options available to your spouse/same-sex domestic partner under his or her employer's plan and any one of them is less than \$900, the surcharge applies if he or she does not enroll in the employer's plan.

You must notify the Verizon Benefits Center within 31 days if the working spouse/same-sex domestic partner surcharge becomes applicable to you. You also are responsible for notifying the Verizon Benefits Center if the surcharge no longer applies, based on the above criteria. See your Verizon Medical Plan SPD for more information.

### Your SPD

Your summary plan description (SPD) was recently mailed to you. To request another copy, call the Verizon Benefits Center at 1-877-Ask-VzHR (1-877-275-8947) and follow the instructions to speak to a representative.



*We never stop working for you.*

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