

Frontier Communications

**2019 Voluntary Severance Program (VSP)
Information Session
CWA 1298**

2019 Voluntary Severance Program (VSP) for Retirement Eligible Employees

- Frontier and the Union have entered into an MOA that provides eligible employees with a VSP option.
- Retirement Eligible Employees must meet eligibility under the Rule of 75 or Modified Rule of 75 as outlined in the Frontier Communications Pension Plan.
- Employees who are eligible under the terms of the Pension Plan to retire from the company as of 12/20/19 will have the VSP benefit deposited into their Pension Plan.
- Information regarding your personal pension details can be obtained by contacting Retirementplans@ftr.com. Retirement eligible employees are eligible for up to 3 years of medical, dental ,vision and life coverage.

Pension Plan Payments

- Pension balances are credited with interest by the 15th of each month.
- Employees can elect to retire as early as a 12/21/19. If you are eligible to retire, a 1/1/2020 retirement package will be available 12/20/2019 on the Milliman website. Non-Retirement eligible employees should contact Milliman to request an electable package. Your package will be valid for 180 days following the date of the package. If no action is taken after 180 days, you will need to request a new package for a future pension start date.
- Your Pension payment will be processed within 60 days upon receipt of all completed paperwork.
 - Annuity payments will be processed on the first of the month with any retro payments back to pension start date.
- Your VSP severance benefit will be credited to your account by December 31st and available for viewing online by 1/15/20.

The amount and availability of benefits under the Pension Plan are governed by the provisions of the Plan and are subject to the Internal Revenue Code and related regulations. ERISA appeal program is available for any issues that need resolution. Payments received will be determined under the terms of the Plan in effect at the time employees separate from service. The operation and administration of the Plan, the calculation of the benefit, eligibility requirements, all terms and conditions related thereto and the resolution of any disputes involving the terms, conditions, interpretation, and administration of the Plan shall rest with the Company and shall not be subject to the grievance or arbitration procedure set forth in the Collective Bargaining Agreement.

BENEFITS FOR RETIREMENT ELIGIBLE EMPLOYEES

- Active healthcare benefits will end on 12/31/19 and former employee healthcare benefits will be effective as of 1/1/2020 . The continuation of these benefits is outlined in the MOA.
- 2020 elections for Medical, Dental, and Vision will automatically transfer from active coverage to coverage under the Frontier Retiree Medical plan.
- Former employees are required to pay monthly premiums for Medical and Dental coverage the same as active employees. Monthly premiums will be billed by Milliman. If an annuity is elected monthly premiums can be deducted.
- If hired before 8/8/2009, Company Paid Life Insurance is 1x times your base pay as of 12/31/2009 rounded up to the next ten thousand. Company paid life insurance for employees over age 65 reduces at 10% each year until age 70. At age 70 the benefit is reduced by 50%.
- Supplemental Life insurance is available for former employees prior to age 65. This benefit will not transfer automatically. You need to elect this benefit by contacting Milliman before 1/31/2020. Monthly premiums are required to continue Supplemental Life Insurance.
- Spouse Life and Child Life coverages can be converted to individual policies by contacting Securian at 866-365-2374.
- Former employees will need to elect a beneficiary for life insurance by contacting Milliman at 866-333-2074, option 2

IMPORTANT DETAILS ON MEDICARE

- If an employee, spouse or eligible dependent is Medicare eligible due to age or disability they must enroll in Medicare A and B prior to 1/1/2020. This is a requirement of the Federal Government.
- If an employee, spouse or eligible dependent becomes Medicare eligible during the 3 years of coverage due to age or disability; the Federal Government requires the participant to enroll in Medicare A and B upon eligibility.
- Enrollment into Medicare A and B is processed through the Social Security Administration. There is a premium required for Medicare B. Frontier Retiree Medical Plan provides a Medicare B reimbursement of \$33 per month per eligible recipient. You will need to contact Milliman with your Medicare ID number to obtain the reimbursement.
- Medicare A & B will coordinate with the Frontier Retiree Medical plan. Medicare will be your primary coverage.
- The Frontier Retiree Medical Plan includes pharmacy benefits therefore, do not enroll in any Medicare Part D plan, while covered under the Frontier Retiree Medical Plan.
- Social Security may require the company to complete a form validating current and previous medical coverage. Any requests from Social Security can be submitted to RetirementPlans@ftr.com

2019 Voluntary Severance Program (VSP) for Non-Retirement Eligible Employees

- Employees who are not eligible under the terms of the Pension Plan to retire as of 12/20/2019 will have the VSP benefit paid in a lump sum through payroll within 30 days of separation.
- Non-Retirement Eligible employees can elect 6 months of subsidized medical coverage under COBRA. Your cost for this coverage will be equal to your 2020 employee contribution. After the 6 month period you can continue an additional 12 months under COBRA.
- Dental & Vision will be available under COBRA for 18 months.
- Life Insurance will be available for conversion by contacting Securian at 866-365-2374 within 30 days of separation of employment.

2020 COBRA Rates:

Medical Plan Option	Coverage Tier	2020 COBRA Monthly Rate
SNET HCN (POS) Network	EE	\$853.95
	EE + 1	\$1,998.82
	Family	\$1,998.82
SNET HCN (POS) ONA	EE	\$853.95
	EE + 1	\$1,998.82
	Family	\$1,998.82
SNET PPO	EE	\$853.95
	EE + 1	\$1,998.82
	Family	\$1,998.82

Dental Plan Option	Coverage Tier	2020 COBRA Monthly Rate
SNET PPO Dental Plan	EE	\$43.80
	EE + 1	\$81.02
	Family	\$118.25

Vision Plan Option	Coverage Tier	2020 COBRA Monthly Rate
SNET Vision Plan	EE	\$2.64
	EE + 1	\$4.75
	Family	\$7.40

401(k) BENEFITS

- Participation in the Frontier Communications 401k Savings Plan will cease upon termination.
- 401(k) Plan deductions will not be taken from severance pay or unused vacation payouts.
- Employees with account balances can leave their money in the Plan, rollover their account balance to another employer's plan or an individual IRA, or can take a full or partial distribution subject to any applicable taxes and penalties.
- Employees with an outstanding 401(k) loan will have 90 days to repay the loan or make arrangements with Fidelity to continue making regular payments through ACH debit. If no repayments are made within 90 days, the loan will be considered a distribution from the Plan and Fidelity will issue a Form 1099R reporting the unpaid balance as taxable income.

- To review distribution options or to set up loan repayments, contact:
 - Fidelity Investments
 - 800-835-5095
 - www.401k.com

QUESTIONS AND ANSWERS

Pension

- **Do I need to elect my pension as of 1/1/20?** No, you can elect your pension at anytime after your retirement. Approximate pension processing time is 60 days from election, provided paperwork is approved. Your package will be valid for 180 days. If your package expires you will need to request a new package for a future start date.
- **Will my cash balance pension benefit continue to receive interest credits if left in the plan?** Yes, interest credits are applied monthly.
- **If I am retirement eligible, how do I request a retirement package from Milliman?** If you are retirement eligible a 1/1/2020 retirement package will be posted to the Milliman website on 12/20/19. If you would like a different pension start date, please contact Milliman.
- **If I am not retirement eligible can I elect my pension benefit?** Yes, contact Milliman when you want to elect your pension benefit.
- **If I am in the process of a divorce can I still retire?** Yes, however your pension benefits will be dependent upon your Qualified Domestic Relations Order. Timing of payments may be delayed.
- **If I elect to take the annuity what is the timing of when I can expect to receive my first payment?** Your first payment will be made approximately 60 days from date all completed forms are returned to Milliman. Annuities are payable on the first of the month. You would receive retroactive payments back to your retirement date.
- **Is the Frontier Communications Pension Plan Insured?** Yes, the Plan is insured by the Pension Benefit Guaranty Corporation (PBGC)

QUESTIONS AND ANSWERS CONTINUED

Medical Coverage for Retirement Eligible Employees

- **How do I pay for coverage under the Frontier Retiree Medical Plan?** If you elect a monthly annuity your premium will be deducted. If you elect a lump sum distribution you can set up automatic deductions from your checking account or receive a monthly bill. You can contact Milliman to set up any payment arrangements.
- **When should I enroll in Medicare A and B?** Please enroll in Medicare A and B after you have been accepted into the program and prior to 1/1/20.
- **What happens if the retiree is Medicare eligible and the spouse is not?** The former employee will have primary coverage under Medicare and the Frontier Plan will coordinate with Medicare. The spouse and dependents will have all coverage under the Frontier Retiree Medical Plan.
- **If I, my spouse, or eligible dependents become Medicare eligible within the 3 years, is it a requirement to enroll in Medicare B?** Yes, Medicare eligible recipients will have to enroll in Medicare Part B. Frontier coverage will coordinate with Medicare.
- **Does my Medicare B reimbursement automatically begin once I sign up for Medicare B?** No, you must provide Milliman with your Medicare ID number in order to receive the \$33 Medicare Reimbursement. Your spouse and eligible dependents are also eligible for the reimbursement if enrolled in Medicare B.
- **Can I keep my spouse and child life insurance coverage?** You can convert your current policies by contacting Securian at 866-365-2374 within 30 days of separation.

401(k)

- **Do I have to withdraw my 401(k) funds immediately after I terminate?** No, you can keep your 401k monies with Frontier until you are age 70 ½. At that time the IRS requires that you begin to withdraw payments from your 401(k).
- **What happens to my 401(k) loan?** Please contact Fidelity to determine your options for continuation of loan payments after termination. Loans will default after 90 days and will result in a taxable distribution.
- **Will 401(k) contributions be deducted from the non retirement eligible VSP payments?** No, severance is not eligible for 401(k) contributions or match.

QUESTIONS AND ANSWERS CONTINUED

Other:

- **If I am not retirement eligible, how soon will I receive my VSP Severance Payment?** You will receive your severance payment within 30 days of separation.
- **Will wage garnishments be deducted from the VPS check?** Yes
- **Is COBRA coverage the same as my active coverage?** Yes, COBRA allows you to continue the same coverage you had as an active employee.
- **How do I pay for COBRA?** Once enrolled, you will receive a monthly bill from WageWorks, Frontier's COBRA administrator.
- **Can I convert my LTD Coverage?** No, there is no LTD conversion option.
- **If I am a retirement eligible employee that may be on disability/WC benefits or planning an approved surgery, would coverage end or would the coverage carry over to the retiree benefits (cost of active employee , 3 year as stated in MOA)?** An employee not actively at work due to disability or Workers Comp injury will need to resign to be eligible for the VSP. Payroll benefits will end with termination of employment. The active healthcare coverage will end at the end of the month of termination of employment. Coverage under the Frontier Retiree Medical Plan will begin the first of the following month. Any approved Workers Comp claims with associated medical treatment will be processed by the applicable Workers Comp Insurance carrier.
- **If I am a non- retirement eligible employee will my Disability benefits/case end at end of month? Does Cobra pick up the continued disability absence/surgery?** A disabled employee will need to resign to be eligible for the VSP. Payroll benefits, including short term disability pay, will end with termination. All health & welfare coverage will end at the end of the month of termination of employment. COBRA begins the 1st of the following month for medical, dental & vision plans, if individual is participating in these plans prior to the termination of employment. COBRA is the continuation of the active coverage, therefore claims will continue to be processed based on the terms of the medical plan the individual is enrolled. COBRA does not cover "disability absence". Any approved Workers Comp claims with associated medical treatment will be processed by the applicable Workers Comp Insurance carrier.

TIMELINE FOR VSP

- VSP Window Election Period is 11/26/19 - 12/6/19
- Completed application forms will need to be submitted to HRSeverance@Ftr.com by 12:00 noon EST on 12/6/19. Confirmation notices will be provided to employees when received.
- Employees will be notified of their status by HRSeverance@Ftr.com as soon as practicable after the lists are reviewed by the Company and Union.
- Employees who elect and are accepted for the VSP will be required to exit on 12/20/19.

Checklist for Retirement Eligible Employees

- Your Severance payment as of 12/31/19 will be deposited into the Frontier Communications Pension Plan and will be displayed on the Milliman website on or before 1/15/2020
- Your 2020 health care elections will be transferred from active coverage to coverage under the Frontier Retiree Medical plan.
- Once accepted, a 1/1/2020 retirement package will be posted to the Milliman website on 12/20/2019. You can view and download this package at www.MillimanBenefits.com
- You can contact Milliman at 866-333-2074, option 1 to request a different retirement date.
- If eligible for Medicare, contact Social Security Administration for enrollment into Medicare B prior to 1/1/2020. Upon Enrollment into Medicare contact Milliman at 866-333-2074, option 2 to receive Medicare B reimbursement.
- Contact Milliman at 866-333-2074, option 2 to designate a life insurance beneficiary and elect Supplemental Life Insurance by 1/31/2020
- Contact Fidelity at 800-835-5095 when you are ready to review options of your 401(k) account

IMPORTANT CONTACT INFORMATION

- **Milliman Pension:**

Phone : 866-333-2074, option 1 / Website: www.Millimanbenefits.com

- Retirement Eligible employee's email RetirementPlans@ftr.com for your Enhanced Pension information
- Non-Retirement Eligible employees who would like details on their Pension should contact Milliman

- **Milliman Healthcare:**

Phone : 866-333-2074, option 2

Website: <https://frontier.mybenefitchoice.com>

- **Fidelity 401(k)**

401k Phone: 800-835-5095

Website: www.401k.com

- **Securian Life Insurance:** 866-365-2374

- **WageWorks COBRA:** 866-747-0039

- **Social Security:** <https://www.ssa.gov/>

- **Retirement Questions can be sent to** RetirementPlans@ftr.com

- **Any other questions regarding this VSP should be emailed to** HRSeverance@ftr.com