Your Work

Your Rewards

Your Verizon

Your Summary Plan Description
for Your Savings Benefits

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Verizon Savings and Security Plan for New York and New England Associates

Contents

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Your Savings Plan

An important part of planning your financial future is saving for long-term needs. The Verizon Savings and Security Plan for New York and New England Associates can help you meet your financial goals. You can save up to 16% of your annual pay on a before-tax and/or an after-tax basis, using convenient payroll deductions. The Savings Plan offers you a range of fund options for investing your contributions.

The Company matches a portion of your payroll deduction contributions to assist you in achieving your long-term savings goals. While you still are working, you may be eligible to take a loan or make a withdrawal to cover your financial needs. In the meantime, your account grows tax-deferred until you request a distribution after your employment with the Company ends.

About This SPD

This book is the summary plan description (SPD) for the Verizon Savings and Security Plan for New York and New England Associates, a plan subject to the Employee Retirement Income Security Act of 1974 as amended (ERISA). This book meets ERISA's requirements for an SPD and is based on Savings Plan provisions as in effect as of January 1, 2009. It updates and replaces all previous SPDs for the Savings Plan.

In this SPD:

- "Savings Plan" refers to the Verizon Savings and Security Plan for New York and New England Associates, as amended.
- "Verizon" refers to Verizon Communications Inc., the Savings Plan sponsor.
- The "Company" refers to the participating Verizon affiliates that may make contributions to the Savings Plan. See the "Participating Companies" section for a list of the participating Verizon affiliates.
- "Verizon affiliate" refers to a company that is owned 80% or more (directly or indirectly) by Verizon.

Important Note

The Savings Plan administrator, appeals administrator, claims administrator, and their delegates have the discretionary authority to interpret the terms of the Savings Plan and this SPD and determine your eligibility for benefits under the Savings Plan.

- "Committee" refers to the Verizon Employee Benefits Committee or its duly authorized delegates as applicable.

- "You" or "your" refers to you if you are a covered employee, retiree, spouse, designated beneficiary or alternate payee, as applicable, except where the context indicates otherwise.

This SPD is divided into the following major sections:

- **Participating in the Savings Plan.** This section describes how to enroll and how much you can save.

- **Your Contributions.** Learn about saving before-tax and after-tax dollars in the Savings Plan, making additional catch-up contributions when you reach age 50 and rolling over amounts from other qualified plans.

- **Company Contributions.** Learn how the Company helps you reach your financial goals.

- **Investing Your Account.** This section provides fund information to assist you in making investment decisions for your account.

- **Account Access While You Are Working.** You can take a loan from your account or you may be eligible for a withdrawal if you need to access a portion of your savings before your Verizon employment ends.

- **Final Distributions.** When your employment ends, you can receive a final distribution of your vested account balance (see vesting rules in the "Vesting in Company Contributions" section). When you die, your beneficiary is entitled to your account.

- **Additional Information.** This section provides additional details about the administrative provisions of the Savings Plan and your legal rights.

Getting More Information

If you have questions about the Savings Plan, the investment funds or need other information after reading this SPD, review the NetBenefits® Web site or call the benefits administrator.

Contact		Reasons to access
NetBenefits Web site	Via the Internet at: http://netbenefits.fidelity.com	• Enroll in the Savings Plan. • Initiate and review online statements and history. • Check your account balances. • Transfer funds, request loans or withdrawals. • Make changes to your contribution percentages and investment mix. • Review performance and research investment options. • Obtain Savings Plan information and documents. • Update your beneficiary designation if: —You are single. —You are married and you are designating your spouse as your primary beneficiary. • Request forms to update your beneficiary designation if you are married and you want to designate a primary beneficiary other than your spouse. • Access retirement planning tools.
Verizon Savings Plan Service Center	1-888-457-9333 Service Center Representatives are available Monday through Friday from 8:30 a.m. to midnight, Eastern time, on any day that the stock market is open.	• Enroll in the Savings Plan. • Check your account balance. • Transfer funds. • Make changes to your contribution percentages and investment mix. • Obtain additional information. • Request forms to update your beneficiary designation. • Request loans and withdrawals. • Request an account statement.
Your Benefits Resources™ Web site	Via the Internet at: http://resources.hewitt.com/verizon Via the eWeb@DigitalWorkplace at: http://myeweb.verizon.com/eweb/myportal/home	• Access the NetBenefits Web site.
Verizon Benefits Center	1-877-VzBens (1-877-489-2367)	• Access the Verizon Savings Plan Service Center.

Every effort has been made to ensure the accuracy of the information included in this SPD, which is based on the Savings Plan document, as amended and restated effective January 1, 1998 and as subsequently amended. If, however, there is a discrepancy between the information contained in this SPD and the official Savings Plan document, the Savings Plan document will govern. Copies of Savings Plan documents are available by contacting the Savings Plan administrator in writing at the address provided in the "Additional Information" section.

Changes to the Savings Plan

While Verizon expects to continue the Savings Plan indefinitely, it reserves the right, by action of its board of directors, to terminate or partially terminate the Savings Plan at any time, at is discretion, with or without advance notice to participants, subject to any duty to bargain collectively. Upon termination of the Savings Plan, no additional contributions will be made and no increases in previously earned benefits will occur by reason of future service or compensation.

If the Savings Plan is terminated, or if there is a partial termination affecting you (as determined by the Savings Plan administrator in its discretion), you immediately will be 100% vested in the value of your account.

Verizon, by resolution of the Human Resources Committee of its board of directors or of the Committee (acting in a settlor capacity), may amend, modify or suspend the Savings Plan at any time, at its discretion, with or without advance notice to participants, subject to any duty to bargain collectively. Any amendment by the Committee cannot materially increase the cost of the Savings Plan to the Company.

As a matter of prudent business planning, Verizon is continually reviewing and evaluating various proposals for changes in its benefit programs. Decisions regarding changes to, or termination of, benefits are made at the highest levels of management. Verizon employees below those levels and retirees do not know whether Verizon will adopt any particular change and are not in a position to speculate about such changes. Unless and until Verizon formally adopts and officially announces any changes, no one is authorized to give assurances that any particular change will or will not occur.

Participating in the Savings Plan

Eligibility

You are eligible to enroll in the Savings Plan if you are a regular full-time or part-time associate (non-salaried) employee of a participating Company (see the "Participating Companies" section). Also, certain eligible employees of Verizon New England Inc. and Verizon New York Inc. who are referred to as "temps" are eligible to enroll. For purposes of this Savings Plan, eligible non-salaried employees include those associates who:

- Are in a bargaining unit and position that participates in the Savings Plan based on the collective bargaining agreement with the Company (subject to any restrictions included in the agreement); and

- Are not salaried employees.

You are **not** eligible for the Savings Plan if you:

- Are transferred from a salaried status to a non-salaried status for a period of 30 days or less;

- Are excluded from participation in the Savings Plan or participate in another Verizon savings plan pursuant to the terms of a collective bargaining agreement;

- Are a nonresident alien who receives no earned income from the Company within the United States;

- Are a leased employee;

- Are hired by the Company or another Verizon affiliate under the terms of a written agreement which characterizes you as an independent contractor, consultant or otherwise as a person who is not treated by Verizon as an employee for purposes of withholding federal employment taxes;

- Render services to the Company or another Verizon affiliate under circumstances in which your wages are paid by a third party service provider or temporary service agency; or

- Are categorized as an "Occasional" under the terms of any applicable collective bargaining agreement.

Note: If a court, the Internal Revenue Service or any other enforcement authority or agency finds that an individual classified as an independent contractor or leased employee should be treated as a regular employee of the Company, for example, for purposes of W-2 income reporting or tax withholding, such individual is nonetheless expressly excluded from the definition of eligible employee and is ineligible for benefits under the Savings Plan.

How to Enroll

You are immediately eligible to enroll in the Savings Plan as soon as you begin your employment with Verizon in an eligible position. Once you enroll, contributions you choose will be deducted from your paychecks as soon as administratively possible. You can choose to enroll as soon as you are eligible or any time after you become eligible. If you are a new eligible associate, you will automatically receive an Enrollment Kit that includes instructions for enrolling in the Savings Plan. Enrollment in the Savings Plan is voluntary.

To enroll in the Savings Plan, call the benefits administrator (see the sidebar to the right for the telephone number).

When enrolling, you will need to indicate:

- **The percentage of your pay that you want to contribute on a before-tax basis and/or an after-tax basis**. See the "Your Contributions" section for details about the amount you can contribute.

- **How you want to invest your contributions**. See the "Investing Your Account" section for investment fund information. With your Enrollment Kit, you also will receive fund descriptions that summarize the investment objectives of each fund and investment results. You also can call the benefits administrator to request more detailed investment fund information.

In addition, your Enrollment Kit will include the Savings Plan Beneficiary Designation Form. Important information about making a valid beneficiary designation is included below.

Note: You can request a Savings Plan Beneficiary Designation Form online at Fidelity's NetBenefits Web site or from the benefits administrator.

Fidelity Investments Is the Benefits Administrator

Fidelity Investments is the current benefits administrator for the Savings Plan. You can call Fidelity to enroll, choose your investment options, make changes, request a loan or withdrawal, or receive a final distribution. Log on to NetBenefits at www.netbenefits.com or call the Verizon Savings Plan Service Center at 1-888-457-9333.

Beneficiary Designation

You should complete and return the Savings Plan Beneficiary Designation Form included with your Enrollment Kit as soon as possible to the benefits administrator. You can name any individual or individuals, a trust or your estate as your beneficiary(ies). However, if you are married, your spouse must be your sole beneficiary, unless:

- Your spouse gives written, notarized consent to your designation of another beneficiary on the Savings Plan Beneficiary Designation Form.

- The Savings Plan administrator receives satisfactory evidence that your spouse cannot be located to give consent or that your spouse's consent is not required due to other circumstances permitted under the Internal Revenue Code.

- An alternate payee who is your former spouse is named as your surviving spouse under a Qualified Domestic Relations Order (QDRO), which is a court order that results from a divorce or other domestic relations proceeding. (See the "If You Divorce or Separate" section.)

You can change your beneficiary designation at any time by completing a new Savings Plan Beneficiary Designation Form and delivering the completed form to the benefits administrator. If you are married and designate a primary beneficiary other than your spouse, your spouse must consent to the change in beneficiary by signing the form in the presence of a notary public. All changes to or revocations of your beneficiary designation must be made on the official Savings Plan Beneficiary Designation Form.

Note: You can request a new Savings Plan Beneficiary Designation Form online at Fidelity's NetBenefits Web site or by calling the benefits administrator.

If all beneficiaries you have designated predecease you or the Savings Plan administrator does not have a record of your beneficiary designation made on the Savings Plan Beneficiary Designation Form, any distribution available as a result of your death will be paid to your spouse if you are married or to your estate if you are not married.

If your beneficiary outlives you, but dies before receiving payment from the Savings Plan, the payment will be made to your beneficiary's estate. If you designate more than one person as your beneficiary, and a designated beneficiary dies before you, the Savings Plan will divide the deceased beneficiary's share of your Savings Plan benefit equally among those beneficiaries who survive you, unless you direct otherwise on the Savings Plan Beneficiary Designation Form.

To the extent permitted by law, if there is any question as to the legal right of any beneficiary to receive a distribution under the Savings Plan, the amount in question may be paid to your estate. The Trustee, Verizon and the Savings Plan administrator shall have no further liability to anyone with respect to such payment.

If your beneficiary disclaims any interest in your Savings Plan benefit, the benefit will be paid to the person who would have received the benefit if the disclaiming beneficiary had predeceased you. However, a disclaimer will not be effective under the Savings Plan unless accompanied by an opinion of counsel to the effect that the disclaimer election satisfies the requirements of applicable state law and section 2518 of the Internal Revenue Code.

Your Contributions

How Much You Can Contribute

You can contribute from 1% to 16% of your pay (subject to certain limits – see the "Limits That May Affect Your Contributions" section). Your contribution rate must be designated as a whole percentage(s) of pay contributed on a before-tax basis, an after-tax basis or a combination of both. A percentage of your basic contributions up to 6% of pay is matched by Verizon. (See the "Company Contributions" section.) Some temporary employees do not receive matching contributions. Your supplementary contributions that exceed 6% of pay are not matched, but will share in other Savings Plan advantages – like tax deferral of any earnings while they are invested in the Savings Plan.

Taxation

You will not pay federal income taxes on before-tax contributions, Company matching contributions, catch-up contributions or investment earnings until they are withdrawn from the Savings Plan. In most states, you will not pay state and local taxes either, but because state tax laws vary, you should consult a tax advisor about the situation in your state.

CPS Award Deferral

In addition, for a year that an annual Corporate Profit Sharing (CPS) award is paid, subject to the terms of the applicable collective bargaining agreement, eligible employees may choose to defer their **full** CPS award into their Savings Plan account subject to any applicable payroll deductions, such as union dues. You will be provided with an opportunity to make your deferral election for the CPS award prior to payment. The first 6% of your deferred CPS award also is eligible to receive matching contributions from the Company. (See the "Company Matching Contributions" section.)

Note: An election to defer your full CPS award is inclusive of any Savings Plan contribution election. If you do not elect to defer your full CPS award, your regular before-tax, after-tax and catch-up contribution elections will apply to any award payable to you. Also, you cannot make contributions from any CPS award you receive after your employment ends.

How Pay Is Defined

For purposes of making contributions to the Savings Plan, your pay includes your base rate of pay while you are an eligible associate. In addition, annual pay includes the following items when actually paid to you:

- The CPS award, if and when paid.
- Incentive payments for eligible employees of Verizon New York represented by CWA Local 1105.

- Differentials that are considered benefit-bearing pay for purposes of the supplemental monthly pension benefit formula under the Verizon Pension Plan for New York and New England Associates.

- Incentives received under the Retail Sales Incentive Compensation plan.

- Other types of pay specifically designated by an applicable collective bargaining agreement or memorandum of understanding as being included in pay for purposes of the Savings Plan.

Overtime, other ineligible differentials and special payments are excluded. Also, basic weekly pay does not include any payments you receive from other Company benefits, such as reimbursements for travel, business or health care expenses, long-term disability plan or separation payments and transfer or relocation reimbursements.

If you are entitled, for all or part of a pay period, to be paid wages or a benefit under the Sickness and Accident Disability Benefit Plan, your base rate of pay for the pay period is your annual base rate of pay divided by 52.2, reduced by any workers' compensation benefits you receive. However, your before-tax contributions are limited to the amount of taxable disability benefits you receive from the Sickness and Accident Disability Benefit Plan.

Your contributions may be made from a "make whole" payment if you are eligible for such a payment from an arbitration award or settlement agreement.

Before-Tax Contributions

With before-tax savings, your contributions are deposited in your Savings Plan account from your paycheck **before** federal income taxes are deducted. In most cases, your before-tax savings are deducted before state and local income taxes are figured too. This means your current taxable pay is lower and, as a result, your current income taxes generally are lower too. **Note**: Before-tax contributions **are** subject to Social Security and Medicare (FICA) tax withholding.

In exchange for the tax advantage you receive with before-tax savings, there are restrictions the Internal Revenue Service (IRS) imposes on withdrawing these funds from your account and a 10% penalty tax may apply. (See the "10% Early Withdrawal Tax" section.)

If you save before-tax dollars in the Savings Plan, your before-tax savings in a calendar year cannot exceed the IRS annual limit ($16,500 for 2009). If the percentage of annual pay you are saving results in before-tax contributions that reach the IRS limit during the year, your basic before-tax contributions and supplemental before-tax contributions will stop or switch to after-tax contributions, depending on your election. The following January, contributions automatically will begin again at the prior before-tax percentage rate – unless you change your election.

Note: If you participated in a plan with another employer and your before-tax contributions under both plans combined exceed the annual IRS limit for the year, you have until March 1 of the next calendar year to request from the benefits administrator a withdrawal of your excess before-tax contributions from the Savings Plan. To avoid this situation, you can advise Payroll of the amount you have contributed on a before-tax basis through your prior employer so that your before-tax contributions with the Company are coordinated with this amount.

In the event that your contributions during a Savings Plan year happen to exceed any of several IRS limitations on contributions to the Savings Plan, the benefits administrator has a legal duty to correct that excess contribution. There are a variety of methods available, which may include returning excess dollars, or recharacterizing the tax treatment of certain contributions or potentially forfeiting Company matching contributions associated with any excess employee contributions.

After-Tax Contributions

With after-tax savings, your contributions are deposited in your account after any applicable taxes have been deducted from your paycheck. This means you will not receive any current tax advantage. However, after-tax savings are more accessible for withdrawal while you are working, and you will not be taxed on these contributions when you receive a final payout of your account. Any earnings on these contributions are tax-deferred until you receive them. (See the "Tax Considerations" section for special tax rules.)

Savings Example

Here's an example that compares the tax effect of before-tax savings with after-tax savings in the Savings Plan. The example uses 2008 tax rules. Assume:

- Your annual pay is $40,000.
- You elect to save 6% of your annual pay, or $2,400.
- You are married and claim two exemptions on your federal income tax return.

	Before-Tax Savings	After-Tax Savings
Your Annual Pay	$ 40,000	$ 40,000
Before-Tax Savings	- 2,400	- 0
Taxable Annual Pay	$ 37,600	$ 40,000
Estimated Federal Income Tax Withholding	- 2,613	- 2,973
Estimated Social Security Tax Withholding	- 3,060	- 3,060
Annual Pay After Tax Withholding	$ 31,927	$ 33,967
After-Tax Savings	- 0	- 2,400
Remaining Annual Pay	$ 31,927	$ 31,567

In this example, you have an additional **$360** in remaining annual pay if you save on a before-tax basis compared with saving the same amount on an after-tax basis. And, you may have an even greater amount in extra take-home pay when state and local taxes are considered. Keep in mind, individual tax situations differ. You may want to consult with a tax advisor about your individual situation.

Additional Catch-Up Contributions

Employees who are age 50 or older in a calendar year can make additional before-tax contributions known as catch-up contributions. Catch-up contributions offer an opportunity to save more each year as you approach retirement. Your catch-up contributions in a calendar year cannot exceed the IRS annual catch-up limit ($5,500 for 2009), but are not subject to many of the other IRS contribution limits.

Catch-up contributions are not eligible for a Verizon matching contribution.

Note: If you do not make the maximum catch-up contribution in a year when you are eligible, you cannot make up the difference in the next calendar year.

Eligibility

To be eligible to make catch-up contributions, you must be age 50 or older by the end of the calendar year. Also, you must be contributing at least 6% of your pay to the Savings Plan on a before-tax basis, unless you have already reached the before-tax contribution limit for the year ($16,500 for 2009).

Electing Catch-Up Contributions

If you decide to make catch-up contributions, you must elect them separately from your election for regular Savings Plan contributions. Your catch-up contribution election will be applied to your eligible Savings Plan compensation and must be in whole percentages not to exceed 60% of your annual pay.

Catch-up contributions will no longer be deducted from your pay once you reach the annual limit. However, your regular savings contributions will continue uninterrupted.

Making Your Catch-Up Contributions

To make a catch-up contribution election, log on to NetBenefits at www.netbenefits.com or call a Verizon Savings Plan Service Center Representative at 1-888-457-9333.

Insufficient Pay

If your pay is not enough, after all legally required deductions, to cover the full contribution of the particular type you have elected, then no contribution of that type will be made for that pay period. Types of contributions include basic before-tax, basic after-tax, supplementary before-tax and supplementary after-tax. If you have insufficient pay due to union business, you may be able to make up the missed payments once per year. Call the benefits administrator for details.

Union-Sponsored Trust for Savings

You may be eligible to contribute on an after-tax basis to a union-sponsored trust. If you participate, your payroll deductions will be directed to the union-sponsored trust rather than to the Savings Plan. However, the Company match on your savings will be contributed to the Savings Plan and invested in the Verizon Company Stock Fund. For more information, contact your local collective bargaining representative.

Changing or Stopping Your Contributions

You can change the percentage you contribute on a before-tax and/or an after-tax basis or stop contributing at any time by accessing the benefits administrator's voice response system. When you change your contribution percentage, the change takes effect as soon as administratively possible – generally with your next paycheck or the one following it.

There are certain situations when your contributions to the Savings Plan **automatically** will stop, including if you:

- Change to management status (you generally will have the option of enrolling in a Verizon Savings Plan for salaried employees).
- Take an approved leave of absence.
- Are laid off.
- Make certain withdrawals (see the "Withdrawals" section).
- Default on a loan (until the loan is repaid or has been offset against your account).

Rollovers and Transfers

If you are eligible to receive a distribution from another employer's 401(k) or other qualified retirement plan, or if you have a rollover conduit individual retirement account or individual retirement annuity (IRA) that holds only a distribution from a previous employer's qualified plan, you can roll over all or part of the taxable portion of the qualifying distribution or IRA into the Savings Plan. You have the same choice of investment funds for your rollover as you do for your contributions.

Please note that there are important tax implications in receiving a distribution from your previous employer's plan or from a conduit IRA. See the "Tax Considerations" section for more information on how a direct rollover allows you to avoid the automatic 20% federal income tax withholding required by the IRS.

Under certain circumstances, other qualified retirement plan benefits may be transferred to the Savings Plan. Transferred accounts may be subject to special vesting, withdrawal and distribution rules. Transferred "Roth" contributions are subject to the special tax and distribution rules that apply to such contributions. For more information regarding the special rules that may apply to transferred accounts, call the benefits administrator and speak with a representative.

Employees Who Participated in Another Verizon-Sponsored Savings Plan

You may elect to have the value of your account in the Verizon Savings Plan for Management Employees or the Verizon Savings and Security Plan for Mid-Atlantic Associates transferred to your account in this Savings Plan and invested as you wish. Note that certain types of money may not be transferred to this Savings Plan.

For more information on completing a rollover or transfer, call the benefits administrator and speak with a representative.

Limits That May Affect Your Contributions

Government rules impose certain limits on contributions to your account:

- **Annual before-tax contribution limit:** The Internal Revenue Code limits your regular before-tax contributions. For 2009, this limit is $16,500. In future years the IRS may adjust the limit for inflation. This limit does not apply to catch-up contributions.

- **Annual catch-up contribution limit:** The Internal Revenue Code limits your annual catch-up contributions. The limit for 2009 is $5,500. In future years the IRS may adjust the limit for inflation.

- **Annual pay limit:** Under IRS rules for qualified plans, an employee may not make before-tax or after-tax contributions or receive matching contributions based on annual pay over the IRS annual limit, which is $245,000 in 2009. In future years the IRS may adjust the limit for inflation.

- **The highly compensated limit:** The IRS sets annual limits on the total before-tax contributions (other than catch-up contributions) that can be deposited in your account in a calendar year to ensure that contributions made by or made on behalf of highly paid employees are not significantly greater than contributions made by other employees. To satisfy these rules, it may be necessary to reduce or refund contributions made by higher-paid employees. Under current IRS rules, you are considered a highly paid participant in 2009 if your annual pay from the Company in 2008 was $105,000 or more.

- **The IRS Section 415 limit:** This is a per-employee limit on the total annual amount of employee contributions and Company contributions that may be made to all Verizon qualified defined contribution plans. If your combined contributions (regular before-tax, after-tax and Company contributions) exceed this limit ($49,000 in 2009 or, if less, 100% of your pay), you will be notified and contributions will be restricted or refunded, as necessary, so as not to exceed this limit. This limit does not apply to rollover contributions or catch-up contributions.

If you have questions about these limits, you can call the benefits administrator. If you are affected by the limits, you may want to speak with a financial advisor to discuss the best approach for you in designating your contribution percentage for the year so that you can receive the maximum contribution for your account.

Company Contributions

Company Matching Contributions

The Company matches your basic contributions up to the first 6% of your pay, regardless of whether you save on a before-tax or an after-tax basis, or both. In general, for each dollar, up to the first 6% of pay that you contribute to your account, the Company contributes another 82 cents (or the amount specified in your collective bargaining agreement, if different).

Exception: Certain New York and New England IBEW-represented temporary employees who are eligible to contribute to the Savings Plan do not receive Company matching contributions.

Company matching contributions to the Savings Plan are automatically invested in the Verizon Company Stock Fund.

An Example

Here's an example showing an 82% Company matching contribution on your savings up to 6% of pay. The example assumes your annual pay is $40,000 and you contribute 2%, 4%, 6% or 8% of your pay to the Savings Plan in a year. The Company match is the same whether you save before-tax dollars or after-tax dollars.

Percentage of Pay Saved	Your Annual Contribution (Before-Tax or After-Tax)	Annual 82% Company Match (Rounded to the Nearest Dollar)
2%	$ 800	$ 656
4%	$ 1,600	$ 1,312
6%	$ 2,400	$ 1,968
8%	$ 3,200	$ 1,968

Vesting in Company Contributions

You "vest" or gain ownership in Company contributions to your account when you have accumulated three years of service. A year of service is defined as a period of 12 consecutive months during which you are credited with at least 1,000 hours of service. You are credited with 45 hours of service for each week you work at least one hour with the Company or another Verizon affiliate. Years of service are measured from the beginning date of your employment with the Company or another Verizon affiliate and anniversaries thereafter. Your service credit for vesting continues if you have a job change from one Verizon affiliate to another.

You are credited with one hour of service for each hour you are paid – including hours you actually are at work, plus time off for holidays, vacation, illness, jury duty, military duty or other approved leaves of absence. In general, for a period when you are not at work, 501 hours are the maximum number of hours for which you will receive credit in a 12-consecutive-month service period.

In addition, vesting in the value of Company contributions occurs automatically regardless of the length of your service in these situations:

- You retire with immediate pension eligibility under a Verizon pension plan.
- You reach normal retirement age (age 65).
- You terminate employment and receive severance benefits pursuant to the provisions of the Income Protection Plan or the Separation Pay Plan or in accordance with the Company's practices with respect to technological displacement.
- You become totally disabled or die while employed by the Company.
- You become employed by a company that is subject to the Portability Agreement and that is required to recognize your Verizon service within 30 days after your termination from employment with the Company.
- The Savings Plan is terminated or amended to permanently discontinue Company contributions or you are affected by a partial termination of the Savings Plan.
- You transfer to salaried employee status for 12 months.

If you leave Verizon employment and you are not vested at the time you leave, the value of your Company contributions is forfeited after you receive a distribution of the value of your contributions or, if earlier, when a five-year break in service occurs (or a six-year break in service if the first year of your break was due to a Care for Newborn Children Leave – a maternity/paternity leave).

Keep in mind, you always are 100% vested in the value of your before-tax, after-tax, catch-up and rollover contributions.

Years of Service With Certain Companies

You may receive credit for years of service with certain prior companies, such as Bellcore, an interchange or portability company, or service that would have been recognized by the former NYNEX Corporation. Call the benefits administrator for additional information.

Effect of a Break in Service

A one-year break in service occurs when you are credited with less than 501 hours of service in a computation period (generally, 12-month periods measured from your date of hire and each anniversary).

If you experience five consecutive one-year breaks in service, you will lose credit for your earlier years of service unless you already had earned three or more years of service for vesting purposes.

If you have a one-year break in service and later return to work and begin earning hours of service, your years of service before the break will be taken into account for vesting purposes if:

- You were **vested** in any contributions to the Savings Plan (including your before-tax or after-tax contributions) at the time you had a break in service.

- You have **non-vested** amounts in your account and your number of consecutive one-year breaks in service is less than five.

Care for Newborn Children Leave (CNC) Rules

In determining if a one-year break in service has occurred, if you are absent from work due to a Care for Newborn Children Leave (a maternity/paternity leave), you will receive credit for up to 501 hours of service in a computation period to prevent a one-year break in service. A Care for Newborn Children Leave includes your period of absence from work due to your pregnancy, the birth of your child or care of your child following birth, adoption or placement of your child in your home. If you have already earned 501 hours or more for the year in which your leave begins, credit can be given to you in the following year, if needed, to prevent a break in service.

Restoring Forfeited Contributions If You Are Rehired

If you are not vested when you have a one-year break in service, you do not receive the Company contributions and associated earnings that were in your Savings Plan account. These amounts are forfeited after you receive a distribution of the value of your contributions or if earlier, after a five-year break in service (six years for a Care for Newborn Children Leave – a maternity/paternity leave).

If you received a distribution from your account when you left the Company, the forfeited amounts will be restored to your account only if you repay the distribution to the Savings Plan. You must repay the distribution either before you have had five consecutive one-year breaks in service or before the fifth anniversary of the date you are re-employed, whichever is earlier.

If you do not restore all contributions distributed to you or return before a period of five one-year breaks in service has occurred (six years for a Care for Newborn Children Leave – a maternity/paternity leave), you permanently will lose the Company contributions that you forfeited.

Investing Your Account

You have 20 funds available for the investment of your contributions. (Company matching contributions automatically are invested in the Verizon Company Stock Fund – see the "Company Matching Contributions" section.) You indicate your investment direction for contributions going into your account in increments of 1%, which must add up to 100%. The election you make at the time you enroll will continue to be used until you call the benefits administrator and make a change. For your existing account balance, you also can transfer your contributions and associated earnings among the Savings Plan funds, subject to the restrictions described below. All investment changes can be made through the benefits administrator. You will receive a confirmation of any changes you make in the mail or by e-mail if you have indicated a preference for e-mail notification. For information on Union-sponsored Trust Savings account investments, contact the sponsor or administrator of that plan.

The Savings Plan is intended to constitute a participant-directed individual account plan described in Section 404(c) of ERISA and Title 29 of the Code of Federal Regulations Section 2550.404c-1. The fiduciaries of the Savings Plan may be relieved of liability for any losses that are the direct and necessary result of investment instructions given by a participant or beneficiary under the Savings Plan. Each participant or beneficiary assumes the risk of any decrease in the value of his or her account, including any decrease that might occur because the issuer of any security or other instrument becomes insolvent. None of the trustees, the Company, Verizon, Verizon Investment Management Company, the Savings Plan administrator, any Verizon affiliate or any Savings Plan fiduciary or official represents or guarantees that the market value of any investment option will be equal in value to the purchase price of the assets of the investment option or that the total amount distributable or withdrawable with respect to any period will be equal to or greater than the amount contributed and not withdrawn for that period.

As discussed in greater detail below, each of the investment options offered under the Savings Plan (other than the Verizon Company Stock Fund) is comprised of a number of different securities or other instruments or investments and exposes a participant to different kinds of risk. You should take into account your own personal circumstances, the potential for growth and risks attendant upon each investment option, and the possibility of diversifying your investments before deciding on how to invest an account under the Savings Plan. You should also consider obtaining advice from a qualified financial adviser before making investment elections. The Internal Revenue Service has provided the following model notice regarding the importance of investment diversification:

> To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help you achieve a favorable rate of return, while minimizing the overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help manage investment risk.
>
> In deciding how to invest retirement savings, you should take into account all of your assets, including any retirement savings outside of the Savings Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals and different tolerances for risk. Therefore, you should carefully consider the diversification rights described in this summary and how those rights affect the amount of money that you invest in the Verizon Company Stock Fund through the Savings Plan.
>
> It is also important for you to periodically review your investment portfolio, investment objectives and the investment options under the Savings Plan to help ensure that your retirement savings will meet retirement goals.

Changing the Investment of Future Contributions

You can change the investment direction of new contributions at any time. If you call the benefits administrator and elect to change the investment of future contributions before **4:00 p.m.** Eastern time on any business day, your change will apply to contributions made on or after that day. Otherwise, your change will apply to contributions made on or after the next business day.

Deadline for Making Changes

"Business day" refers to any New York Stock Exchange business day and the deadline for making a change – 4:00 p.m. or 12:00 noon Eastern time, as applicable – will be earlier on a particular day if the stock exchange closes early on that day. Also, local natural disasters may temporarily affect your deadline for making a change.

Transferring Money Among Funds

You can transfer the value of your existing contributions among the funds at any time subject to the restrictions described below.

When you call the benefits administrator, the representative will indicate the dollar amount available in each fund for transfer. First, you indicate the percentage you want transferred from each fund and then you indicate the fund(s) to which you want to transfer your money. Investment changes made before **12:00 noon** Eastern time on any business day will be effective on that day based on the fair market value of the fund at the close of that day. Otherwise, the transfer will be effective at the end of the next business day.

Generally you are not allowed to transfer the value of Company contributions made after 2006 that are invested in the Verizon Company Stock Fund until you have completed three years of service or have attained age 50 and completed one year of service.

Transfers from the Conservative Strategy Portfolio to the Institutional Government Money Market Portfolio are restricted as described in the "Conservative Strategy Portfolio" section.

Transfers between funds and any other account activity may be restricted or refused under certain circumstances, for example, if the fund receives or anticipates simultaneous orders affecting significant portions of the fund's assets, if a proper fund valuation is unavailable, during times of drastic economic or market changes, if there is an imbalance in orders, or for any other reason, including natural disasters.

The Savings Plan administrator may restrict or refuse transfers between investment options if, in its judgment, the receiving investment option would be unable to invest the money effectively in accordance with its investment objective and policies, or either investment option would otherwise be potentially adversely affected. Frequent trading into and out of an investment option can disrupt that option's investment strategies and increase expenses for all participants who invest in the option, including those participants who are long-term investors in the option who do not generate these costs. The Savings Plan is designed to facilitate long-term investment and is not intended to be used for market timing or excessive trading. The Savings Plan administrator may investigate trading practices by participants who the Savings Plan administrator believes are engaging in market timing, excessive trading or any other trading practice that could potentially disrupt the investment options' investment strategies and which may result in adverse investment returns for other participants. The Savings Plan administrator may issue a warning to a participant to cease those trading practices and may restrict the trading of those participants who thereafter fail to cease those practices.

In addition, the investment managers of the mutual funds or other pooled funds that comprise the investment options have imposed restrictions separately and independently from any imposed by the Savings Plan administrator and may impose additional restrictions. Fidelity has imposed restrictions on the funds that it manages. These restrictions have also been adopted by the PIMCO funds in the Savings Plan. See the "Fidelity and PIMCO Frequent Trading Restrictions" section for more details.

In addition to the restrictions described below, investment managers may impose redemption fees or may refuse to accept transfer requests (possibly including a permanent bar on investing in a fund for those participants who are identified by the fund manager as frequent traders). For the investment options that are mutual funds, consult those funds' prospectuses.

Other Savings Plan Investment Information

Verizon has prepared and distributed a prospectus (also referred to as an "offering statement") relating to the Savings Plan. Verizon and its agents and officers prepared and distributed that prospectus (including any related supplements) in its capacity as a corporation subject to applicable securities laws and not as a fiduciary or administrator of the Savings Plan. The sole purpose of that prospectus is to comply with Verizon's obligations under applicable securities laws. The prospectus (including supplements and information incorporated into the prospectus and supplements by reference) is not prepared or reviewed by the Savings Plan administrator or any other Savings Plan fiduciary (when acting in a fiduciary capacity with respect to the Savings Plan).

Notwithstanding anything herein or in any other communication from the Savings Plan administrator or other Savings Plan fiduciary to the contrary, the prospectus for the Savings Plan (including related supplements and information incorporated into the prospectus and supplements by reference) is NOT incorporated by reference into this SPD or any other communication from the Savings Plan administrator or any other Savings Plan fiduciary (including the benefits administrator). The Savings Plan administrator and the other Savings Plan fiduciaries (when acting in a fiduciary capacity with respect to the Savings Plan) do not make any representations regarding any information in the prospectus for the Savings Plan (including any related supplements and any information incorporated into the prospectus or supplements by reference).

Fund Descriptions

The Savings Plan groups investment options into three distinct tiers as shown below. Each tier provides investment options designed to meet specific objectives.

- **Tier One:** The five Balanced Investment Strategy Portfolios available through the Savings Plan are designed to offer participants a professionally managed, institutionally priced means to create a diversified portfolio. See the "Tier 1: Balanced Investment Strategy Portfolios" section.

- **Tier Two:** The Asset Class Investment Options in Tier 2 are designed for participants who seek greater involvement in the allocation of their investments among the options offered by the Savings Plan and who have or are willing to acquire the knowledge and take the time to more closely monitor their Savings Plan investments.

- **Tier Three:** The Tier Three Options include six retail mutual funds in different asset classes. These mutual funds are typically for investors willing to use special investment vehicles to achieve their investment objectives.

You can select any one or a combination of the investment options described below to help you reach your financial goals, and you may change your investment selections on any business day and as often as you want (except for the funds with trading or other restrictions; see the "Restrictions on Trading" section for more information). The managers of some funds charge redemption fees in the event of frequent trading, see the "Redemption Fees: Pyramis REIT Commingled Pool and Fidelity Diversified International Fund" section for more information.

The following is a description of the investment options available to you in the Verizon Savings Plan as of the date of this disclosure.

Tier 1

Balanced investment strategy portfolios

Conservative Strategy Portfolio (100% fixed-income)

Conservative Growth Strategy Portfolio (25% equity/75% fixed-income)

Moderate Growth Strategy Portfolio (50% equity/50% fixed-income)

Long-Term Growth Strategy Portfolio (75% equity/25% fixed- income)

Aggressive Growth Strategy Portfolio (100% equities)

Tier 2

Asset class investment options

Institutional Government Money Market Portfolio

PIMCO Real Return Bond Fund – Class I (Inflation-Protected Bond*)

Pyramis REIT Collective Pool

Active U.S. Equity Fund

Passive U.S. Equity Index Fund

Active U.S. Small Capitalization Fund

Active International Equity Fund

Passive International Equity Index Fund

Verizon Company Stock Fund

Tier 3

Mutual fund options

Clipper Fund (Large Blend Stocks*)

Fidelity Dividend Growth Fund (Large Blend Stocks*)

Fidelity Magellan® Fund (Large Growth Stocks*)

TCW Select Equities Fund – I Class (Large Growth Stocks*)

Fidelity Diversified International Fund (Foreign Large Growth Stocks*)

PIMCO Total Return Fund (Intermediate – Term Bond*)

*Morningstar categories as of December 31, 2008.

The chart below may help you decide which tier is best for you. Keep in mind that whichever tier or investment product you choose, all the investment options in the Savings Plan are available to you at any time, subject to trading restrictions (see the "Restrictions on Trading" section), competing fund restrictions and restrictions on the diversification of Company matching contributions. You can always mix and match investment options from any of the three tiers.

Tier 1	Tier 2	Tier 3
• Diversified across the asset classes	• Wide variety of asset classes	• Asset class and style portfolios
• Risk graded and rebalanced	• Active and passive portfolios	• Brand name mutual funds
• Institutionally priced	• Institutionally priced	• Retail pricing (in most cases)

Securities Lending

Any investment option in the Savings Plan may engage in securities lending whereby in return for lending securities, the option receives a fee that may amount to a few basis points a year. The fee is based upon a sharing of the income generated by the securities lending program by the investment option and trustee/custodian or other entity that conducts the program. The income is derived from the investment of collateral pledged by the borrowers of the securities that are loaned under the program. Although the entity that conducts the program customarily indemnifies the fund against a failure of the borrowers to return the securities, there is no indemnification against possible loss that may arise in the pool of assets in which the collateral pledged by the borrower is invested.

Commodity Pool Operator Exclusion

Verizon Investment Management Corp. (VIMCO) has claimed an exclusion from the definition of the term "commodity pool operator" under the Commodities Exchange Act and, therefore, is not subject to registration or regulation as a pool operator under the Act with respect to the Savings Plan.

Tier 1: Balanced Investment Strategy Portfolios

The five Balanced Investment Strategy Portfolios available through the Savings Plan are designed to offer participants a professionally managed, institutionally priced means of creating a diversified portfolio. Each of these portfolios can be a convenient and effective "one-stop" option for an investor who wants the benefits of diversification and professional management. Each portfolio corresponds to a specific investment objective and level of risk tolerance and is systematically rebalanced to the target risk. Each provides an opportunity to create a diversified portfolio. Together, the five Balanced Investment Strategy Portfolios reflect a range of investment objectives from conservative to aggressive.

The spectrum illustrates the relative risk and return of each Strategy Portfolio as compared with all the Strategy Portfolios in the Balanced Investment Strategy Portfolios family based upon the historical performance of the underlying component funds. Past performance is no guarantee of future performance. Placement of a fund on this spectrum is no guarantee that the fund will perform in the manner indicated. Lower risk funds may still lose money and higher risk/higher return funds may not perform as well as funds shown as lower risk/lower return funds.

Risk Spectrum

← Potentially lower risk and lower return				***Potentially higher risk and higher return →***
Balanced Investment Strategy Portfolios				
Conservative Strategy Portfolio	Conservative Growth Strategy Portfolio	Moderate Growth Strategy Portfolio	Long-Term Growth Strategy Portfolio	Aggressive Growth Strategy Portfolio

What the Balanced Investment Strategy Portfolios Are Composed Of

Each Strategy Portfolio is a combination of three or more investment products. Each product within each asset class is managed with a specific goal in mind and the weight assigned to it reflects the goal of the overall strategy. A portfolio's overall unit price is affected by the performance of the underlying investments. While the individual investment vehicles for each Strategy Portfolio will vary over time, the ratio of the asset classes appropriate to each portfolio will be maintained at or close to the levels indicated in the following chart.

The following chart includes a summary of the target percentages that make up each of the Tier 1 Balanced Investment Strategy Portfolios as of the date of this disclosure, as the same may be adjusted from time to time. The actual percentages that each underlying fund may represent of each Balanced Investment Strategy Portfolio may vary from the targets indicated in the chart due to variations in the underlying funds' relative performance. The underlying portfolios will be rebalanced periodically when the variation in proportions exceed the ranges established from time to time by VIMCO in its sole discretion.

The Balanced Investment Strategy Portfolios that invest more heavily in fixed-income products are viewed as more conservative than those that emphasize investment in equity securities. The portfolios become more aggressive as the percentage of equity securities in the overall portfolio increases. As with all investment programs, there is no guarantee that investing in a Balanced Investment Strategy Portfolio will result in positive returns or guarantee against losses. Participants should be aware that unit price, yield and return will vary for all the portfolios.

Composition of Balanced Investment Strategy Portfolios

Asset class	Investment vehicle/manager*	Conservative Strategy Portfolio	Conservative Growth Strategy Portfolio	Moderate Growth Strategy Portfolio	Long-Term Growth Strategy Portfolio	Aggressive Growth Strategy Portfolio
Fixed-Income	Conservative Pool					
	Fidelity Income Portfolio	75.0%	56.2%	37.5%	18.7%	
	Pyramis Short Duration Commingled Pool***	18.0%	13.5%	9.0%	4.5%	
	Pyramis Intermediate Duration Debt Collective Pool***	7.0%	5.3%	3.5%	1.8%	
	Total	100.0%	75.0%	50.0%	25.0%	
Domestic Equity	Active U.S. Equity					
	Pyramis Large Cap Growth Commingled Pool***		4.2%	8.4%	8.4%	6.5%
	Morgan Stanley Large Cap Growth Fund		4.2%	8.4%	8.4%	6.5%
	Gabelli Large Cap Value Fund		4.2%	8.4%	8.4%	6.5%
	AllianceBernstein Large Cap Value Fund		4.2%	8.4%	8.4%	6.5%
	Pyramis Diversified Large Cap Core Commingled Pool***		3.2%	6.4%	6.4%	5.0%
	Total		20.0%	40.0%	40.0%	31.0%
	Small Cap U.S. Equity**					
	Pyramis Small Cap Core Commingled Pool***		1.0%	2.0%	2.0%	7.8%
	Fidelity Low-Priced Stock Fund*		1.0%	2.0%	2.0%	7.8%
	AllianceBernstein Small Cap Growth Fund		1.0%	2.0%	2.0%	7.8%
	Morgan Stanley Small Cap Growth Fund		1.0%	2.0%	2.0%	7.8%
	Dimensional Fund Advisors U.S. Micro Cap Fund		1.0%	2.0%	2.0%	7.8%
	Total		5.0%	10.0%	10.0%	39.0%
International Equity	Active International Core					
	Artio International Equity****				4.75%	3.04%
	McKinley Capital Management International Equity****				3.0%	1.92%
	Morgan Stanley International Fund				2.25%	1.44%
	Marathon International Large Cap Equity Developed Fund*****				7.75%	4.96%
	Mondrian International Large Cap Equity Developed Fund*****				2.5%	1.6%
	Pyramis Select International Equity Commingled Pool***				4.75%	3.04%
	Total				25.0%	16.0%

Active International Aggressive	
Pyramis Select International Small Cap Commingled Pool***	7.0%
Emerging Markets Fund****** (AllianceBernstein Emerging Markets Style Blend Equity Fund, Morgan Stanley Emerging Markets Fund, Dimensional Fund Advisors Emerging Markets Value Fund, Genesis Emerging Markets Fund – each 1.75%)	7.0%
Total	14.0%

*The component investment managers or funds listed in the chart above that comprise the Strategy Funds may be changed at any time by VIMCO. You should consult the latest summary of material modification for a more current list of managers and funds, or you should call Fidelity or access the NetBenefits Web site.

**The U.S. Small Company Fund is comprised of the five funds indicated under the U.S. Small Company Fund in the chart above. As of the date of this Fund Description, the target allocation of investments for the five funds is 20% each. As a result of the closing of the Fidelity Low Priced Stock Fund to new investment, new funds invested in the U.S. Small Company Fund are allocated equally among the four remaining funds. The assets in the U.S. Small Company Fund are then allocated among all participants who have invested in the fund. As a result, the proportion of the U.S. Small Company Fund that is invested in the Fidelity Low Priced Stock Fund is likely to be lower than the 20% target allocation with the remaining four funds having concomitantly higher allocations.

***As of October 1, 2006, all units held by the Savings Plan in the commingled pools of the Fidelity Group Trust for Employee Benefit Plans were transferred to corresponding commingled pools of the Pyramis Group Trust for Employee Benefits Plans ("Pyramis Group Trust Pools") a group trust for qualified plans sponsored by the trustee, Pyramis Global Advisors Trust Company ("PGATC"). All contributions to each such Fidelity Group Trust Pool were re-directed to the corresponding Pyramis Group Trust Pool. Pyramis Global Advisors, a unit of Fidelity Investments, is an investment management company focused on serving corporate and public retirement funds, endowments, foundations, other institutions and non-U.S. investors.

****On November 27, 2007, Capital Guardian was removed as one of the managers in the Active International Core category and replaced by Julius Baer Investment Management LLC, which subsequently changed its name to Artio Global Management LLC effective June 15, 2008, and McKinley Capital Management LLC. Prior to June 15, 2008, Artio International Equity was known as Julius Baer International Equity.

*****Effective April 30, 2008, the Marathon International Large Cap Equity Developed Fund and the Mondrian International Large Cap Equity Developed Fund were added to the Active International Core Category of underlying funds for the Tier One Balanced Investment Strategy Portfolios.

******Effective May 30, 2008, the Emerging Markets Funds replaced the Boston Company Emerging Equity Fund in the Active International Aggressive category of underlying funds for the Tier One Balanced Investment Strategy Portfolios.

The majority of the investment vehicles that compose the Balanced Investment Strategy Portfolios offered through the Savings Plan are institutional portfolios and separate accounts and not mutual funds. They have been developed and selected by VIMCO. Fidelity Management Trust Company administers the portfolios according to a contract with VIMCO.

Conservative Strategy Portfolio

Fund code: 98847 (for use with the Voice Response System)

What it is: The Conservative Strategy is the most stable of the five strategies that you can choose in Tier 1, based on historical performance. It is designed for those seeking current income, safety and short-term price stability. The strategy invests 100% of its assets in an underlying portfolio of fixed-income securities, including investment contracts, bonds, Treasury Inflation Protected securities ("TIPs") and short-term cash instruments. The strategy will strive to maintain a stable unit price, although no guarantee can be made. The yield, unit price and return of this portfolio will vary daily.

Investment goal: To meet or exceed a custom fixed-income benchmark established by VIMCO composed of the following three components:

- 75% Barclays Capital Custom Index – Coupon Only Return, used to measure the return on investment contracts issued by banks and insurance companies and synthetic investment contracts and for TIPs investments.

- 18% Barclays Capital 1-3 Year Government/Credit Index, typically used to measure the return on fixed-income instruments of short to intermediate duration.

- 7% Barclays Capital Intermediate Government/Credit Index, typically used to measure the return on fixed-income instruments of intermediate duration.

The strategy allocates 75% of assets to an Income Portfolio, which is managed by Fidelity Management Trust Company and which seeks preservation of principal and consistent income returns over time. Underlying holdings include investment contracts issued by insurance companies and banks, as well as synthetic investment contracts. Synthetic investment contracts simulate the structure of conventional investment contracts through the purchase of debt obligations such as U.S. Treasury and agency securities, mortgage-backed securities, asset-backed securities and corporate securities that include a "book value liquidity mechanism." A book value liquidity mechanism is a contract, sometimes called a wrapper, issued by a financial institution that provides the guarantee that the liquidation value of the assets equals the book value in the event of benefit payments or contract maturity.

The contract provides a guaranteed minimum crediting rate (no less than zero); treats participant withdrawals and transfers at book value, regardless of changes in interest rates that would otherwise affect the underlying value of the portfolio being wrapped; and transforms gains and losses in the underlying portfolio into adjustments to future crediting rates.

The strategy also allocates 18% to the Pyramis Short Duration Commingled Pool and 7% to the Pyramis Intermediate Duration Debt Collective Pool to provide necessary liquidity for participant withdrawals and additions to the Conservative Strategy. These funds may use derivatives (for example, futures and options) to take advantage of the changes in securities prices, interest rates and other factors affecting value or to maintain liquidity. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to controlling overall fund risk and managing cash. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component to preserve diversification and seek optimal overall fund performance, consistent with the objectives for this fund.

Investment risk: The Conservative Strategy Portfolio is a fund that is expected to have lower volatility and lower returns over time than all other Savings Plan investment options, except possibly the Institutional Government Money Market Fund, based upon the historical performance.

The fund is exposed to two primary investment risks: credit risk and interest rate risk. Credit risk refers to the risk of the credit downgrade or default of a security in the portfolio. Interest rate risk refers to the negative impact of rising interest rates on the market value of the portfolio. The portion of the fund that is invested in the two Pyramis Funds will respond to changes in interest rates more immediately than the Income Portfolio. Since the book value liquidity mechanism does not apply to the two Pyramis Funds, a sharp change in interest rates could cause the Conservative Fund to have negative returns from time to time. The fund is also exposed to a “market value adjustment” in the event that distribution from the fund due to Verizon Company actions, such as cash distribution due to spin offs, sales of business units or other company-directed activity exceed certain limits. A market value adjustment means that the amount distributed will be valued at market value, which may be more or less than book value at the time of the distribution.

Participants who invest a large portion of their Savings Plan portfolio in a Conservative Strategy Portfolio over a long period of time run a substantially higher risk of not achieving their investment goals because the return on this investment may not exceed the rate of inflation. Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Transfer restriction: You are not permitted to make a direct exchange from the Conservative Strategy Portfolio to the Institutional Government Money Market Portfolio. They are considered competing funds. You must first exchange to a noncompeting fund for 90 days.

Conservative Growth Strategy Portfolio

Fund code: 98848 (for use with the Voice Response System)

What it is: The Conservative Growth Strategy emphasizes current income, safety and stability with the potential for some capital growth. It is intended for investors who have similar objectives to those selecting the Conservative Strategy but who seek a potentially higher rate of return over longer time periods. The strategy invests 75% of its assets in fixed-income instruments, using the Conservative Strategy, and 25% of its assets in U.S. equity securities. The yield and unit price of the fund will fluctuate with market conditions, and total return will vary from year to year.

Investment goal: To meet or exceed a custom benchmark established by VIMCO composed of the following five components:

- 56% Barclays Capital Custom Index – Coupon Only Return, used to measure the return on investment contracts issued by banks and insurance companies and synthetic investment contracts and for TIPs investments.

- 14% Barclays Capital 1-3 Year Government/Credit Index, typically used to measure the return on fixed-income instruments of short to intermediate duration.

- 5% Barclays Capital Intermediate Government/Credit Index, typically used to measure the return on fixed-income instruments of intermediate duration.

- 20% Russell 1000® U.S. Equity Market Index.
- 5% Russell 2000® Small Cap U.S. Equity Market Index.

The investment goal of the fixed-income assets is identical to that of the Conservative Strategy. In addition, the Conservative Growth Strategy offers exposure through 25% of its assets to a number of actively managed U.S. equity portfolios with varying investment styles and disciplines. The goals for the equity portion are current dividend income as well as long-term capital appreciation. The underlying equity managers also manage active portfolios for the Verizon Pension Trust. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the Conservative Growth Strategy to preserve diversification and seek optimal overall fund performance, consistent with the objectives for this fund. The Pyramis Short Duration Commingled Pool and the Pyramis Intermediate Duration Debt Collective Pool may use derivatives (for example, futures and options) to take advantage of changes in securities prices, interest rates and other factors affecting value or to maintain liquidity. The equity funds may use derivatives to enable the fund to remain fully invested while being able to respond to cash flow needs. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to controlling overall fund risk and managing cash.

Investment risk: The Conservative Growth Strategy Portfolio is a fund that is expected to have greater volatility and returns over time than the Conservative Strategy Portfolio because of its 25% allocation to U.S. equity securities. The fund is exposed to the same type of credit, interest rate and market value adjustment risk as the Conservative Strategy Portfolio.

Past performance is no guarantee of future return.

Moderate Growth Strategy Portfolio

Fund code: 98849 (for use with the Voice Response System)

What it is: The Moderate Growth Strategy offers a way to diversify your investments equally among fixed-income securities and equity securities. It is intended for investors who seek a less conservative approach and potentially higher long-term returns. The strategy invests 50% of its assets in fixed-income instruments, using the Conservative Strategy, and 50% of its assets in U.S. equity securities. The yield and unit price of the fund will fluctuate with market conditions, and total return will vary from year to year.

Investment goal: To meet or exceed a custom benchmark established by VIMCO composed of the following five components:

- 37.5% Barclays Capital Custom Index – Coupon Only Return, used to measure the return on investment contracts issued by banks and insurance companies and synthetic investment contracts and for TIPs investments.

- 9% Barclays Capital 1-3 Year Government/Credit Index, typically used to measure the return on fixed-income instruments of short to intermediate duration.

- 3.5% Barclays Capital Intermediate Government/Credit Index, typically used to measure the return on fixed-income instruments of intermediate duration.

- 40% Russell 1000 U.S. Equity Market Index.

- 10% Russell 2000 Small Cap U.S. Equity Market Index.

The investment goal of the fixed-income assets is identical to that of the Conservative Strategy. In addition, the Moderate Growth Strategy offers exposure through 50% of its assets to a number of actively managed U.S. equity portfolios with varying investment styles and disciplines. The goals for the equity portion are current dividend income as well as long-term capital appreciation. The underlying equity managers also manage active portfolios for the Verizon Pension Trust. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the Moderate Growth Strategy to preserve diversification and seek optimal overall fund performance, consistent with the objectives for this fund. The Pyramis Short Duration Commingled Pool and the Pyramis Intermediate Duration Debt Collective Pool may use derivatives (for example, futures and options) to take advantage of changes in securities prices, interest rates and other factors affecting value or to maintain liquidity. The equity funds may use derivatives to enable the fund to remain fully invested while being able to respond to cash flow needs. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to controlling overall fund risk and managing cash.

Investment risk: The Moderate Growth Strategy Portfolio is a fund that is expected to have greater volatility and returns over time than the Conservative Growth Strategy Portfolio because of its 50% allocation to U.S. equity securities and its greater allocation to small cap equity securities. The fund is exposed to the same type of credit, interest rate and market value adjustment risk as the Conservative Fund.

Past performance is no guarantee of future return.

Long-Term Growth Strategy Portfolio

Fund code: 98850 (for use with the Voice Response System)

What it is: The Long-Term Growth Strategy offers potentially higher returns if you are willing to accept a higher degree of risk in the form of short-term price volatility. It is intended for investors who seek long-term capital appreciation and are comfortable riding out potentially large swings in the stock market. The strategy invests 25% of its assets in fixed-income instruments, using the Conservative Strategy, and 75% of its assets in U.S. and international equity securities. The yield and unit price of the fund will fluctuate with market conditions, and total return will vary from year to year.

Investment goal: To meet or exceed a custom benchmark established by VIMCO composed of the following six components:

- 18.75% Barclays Capital Custom Index – Coupon Only Return, used to measure the return on investment contracts issued by banks and insurance companies and synthetic investment contracts and for TIPs investments.

- 4.5% Barclays Capital 1-3 Year Government/Credit Index, typically used to measure the return on fixed-income instruments of short to intermediate duration.

- 1.75% Barclays Capital Intermediate Government/Credit Index, typically used to measure the return on fixed-income instruments of intermediate duration.

- 40% Russell 1000 U.S. Equity Market Index.

- 10% Russell 2000 Small Cap U.S. Equity Market Index.

- 25% MSCI EAFE GDP Index – MSCI Inc. (formerly known as Morgan Stanley Capital International) Europe, Australasia, Far East international equity market index, weighted by each country's Gross Domestic Product (EAFE-GDP).

The investment goal of the fixed-income assets is identical to that of the Conservative Strategy. In addition, the Long-Term Growth Strategy offers exposure through 50% of its assets to a number of actively managed U.S. equity portfolios and 25% of its assets in a number of actively managed international equity portfolios with varying investment styles and disciplines. The goals for the equity portion are current dividend income as well as long-term capital appreciation.

Some of the underlying equity managers also manage active portfolios for the Verizon Pension Trust. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the Long-Term Growth Strategy to preserve diversification and seek optimal overall fund performance, consistent with the objectives for this fund. The Pyramis Short Duration Commingled Pool and the Pyramis Intermediate Duration Debt Collective Pool may use derivatives (for example, futures and options) to take advantage of changes in securities prices, interest rates and other factors affecting value or to maintain liquidity. The equity funds may use derivatives to enable the fund to remain fully invested while being able to respond to cash flow needs. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to controlling overall fund risk and managing cash.

Investment risk: The Long Term Growth Strategy Portfolio is a fund that is expected to have greater volatility and returns over time than the Moderate Growth Strategy Portfolio because of its 75% allocation to equity securities, its greater allocation to small cap equity securities and its allocation to international securities. Foreign investments involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

The fund is exposed to the same type of credit, interest rate and market value adjustment risk as the Conservative Fund.

Past performance is no guarantee of future return.

Aggressive Growth Strategy Portfolio

Fund code: 93117 (for use with the Voice Response System)

What it is: The Aggressive Growth Strategy is the most aggressive and potentially most volatile Strategy Portfolio available in the Savings Plan. It offers potentially higher long-term returns in exchange for an increased risk of short- and medium-term price volatility. It is intended for investors who can accept and are comfortable with historically large swings in the stock markets. The strategy invests 100% of its assets in U.S. and international equity securities, including those of lesser-developed countries, often referred to as emerging markets. The yield and unit price of the fund will fluctuate with market conditions, and total return will vary from year to year.

Investment goal: To meet or exceed a custom benchmark established by VIMCO composed of the following five components:

- 31% Russell 1000 U.S. equity market index.

- 39% Russell 2000 small cap U.S. equity market index.

- 16% MSCI EAFE GDP Index – MSCI Inc. (formerly known as Morgan Stanley Capital International) Europe, Australasia, Far East international equity market index, weighted by each country's Gross Domestic Product (EAFE-GDP).

- 7% S&P/Citigroup Extended Market Index (Europe, Pacific-Asia Composite) a small cap non-U.S. equity market index.

- 7% MSCI EM Index – Net – MSCI Inc. Emerging Markets Index (formerly known as the Morgan Stanley Capital International Emerging Markets index).

The investment goal is to achieve maximum exposure to a wide variety of actively managed U.S. and international equity portfolios with varying investment styles and disciplines. Some of the underlying equity managers also manage active portfolios for the Verizon Pension Trust. The goals for the equity portion are current dividend income as well as long-term capital appreciation. The equity funds may use derivatives (for example, futures, options and exchange traded funds) to enable the fund to remain fully invested while being able to respond to cash flow needs. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to controlling overall fund risk and managing cash. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the Aggressive Growth Strategy to preserve diversification and seek optimal overall fund performance, consistent with the objectives for this fund.

Investment risk: The Aggressive Growth Strategy Portfolio is a fund that is expected to have greater volatility and returns over time than all other Tier One Strategy Portfolios because of its 100% allocation to equity securities, including small cap equity securities, and international securities in developed and emerging markets. Foreign investments, especially emerging markets investments involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Past performance is no guarantee of future return.

Tier 2: Asset Class Investment Options

The asset class investment options in Tier 2 are designed for participants who seek passive portfolios, institutionally priced active portfolios, certain niche asset classes or additional investments in Verizon stock. “Active management” means that a portfolio manager is trying to outperform the market. Whatever the market does, as measured by certain benchmarks, the manager will try to do better and increase value for investors. “Passive management” means that a portfolio manager is trying to achieve a return for investors that is comparable to the return of the overall market or an index.

The asset class investment options have been selected by or developed by VIMCO. They are administered by Fidelity Management Trust Company according to a contract with VIMCO. Note that the managers of the Tier 2 Active U.S. Equity Fund, Active U.S. Small Capitalization Fund and Active International Equity Fund are the same as those for the asset classes that are part of the Tier 1 Balanced Investment Strategy Portfolios. The managers or the proportion of a fund that a manager may invest may be changed from time to time. Therefore, there are no assurances that any individual investment vehicle or manager will remain in any Asset Class Investment Option or that the proportions that may be invested with each manager in each fund will remain the same. The funds will be rebalanced periodically when the variation in proportions exceed the ranges established from time to time by VIMCO in its sole discretion.

The following spectrum illustrates the relative risk and return of each Tier 2 Asset Class Investment Option as compared with all other Tier 2 Asset Class Investment Options. The placement of the investment categories (Money Market through Company Stock) is based upon an analysis of the historical performance characteristics of the general investment categories. The grouping of the investment options under each category is based upon an evaluation of the likely volatility of the returns of those options over time. Risks associated with each investment option can vary significantly and may change under certain economic conditions or as the security holdings of each option change. This spectrum does not represent a guarantee of the actual performance of the investment option.

You should consult with your investment advisor before choosing which of the Asset Class Investment Options in which to invest. Investment professionals usually recommend diversification of investments among several asset classes.

Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

The spectrum illustrates the relative risk and return of each Asset Class Investment Option as compared with all the Asset Class Investment Options in Tier 2 based upon the historical performance of the underlying component funds. Past performance is no guarantee of future performance. Placement of a fund on this spectrum is no guarantee that the fund will perform in the manner indicated. Lower risk funds may still lose money and higher risk/higher return funds may not perform as well as funds shown as lower risk/lower return funds.

Risk Spectrum

← *Potentially lower risk and lower return*					*Potentially higher risk and higher return* →
		Asset Class Investment Options			
Money Market	**Income**	**Large Cap**	**Small Cap**	**International**	**Company Stock**
Institutional Government Money Market Portfolio	PIMCO Real Return Bond Fund PIMCO Total Return Fund	Active U.S. Equity Fund Passive U.S. Equity Index Fund	Active U.S. Small Capitalization Fund Pyramis REIT Commingled Pool	Active International Equity Fund Passive International Equity Index Fund	Verizon Company Stock Fund

The following chart includes a summary of the target percentages that make up each of these Tier 2 Asset Class Investment Options* as of January 1, 2009, as the same may be adjusted from time to time.

Active U.S. Equity Fund	
Pyramis Large Cap Growth Commingled Pool***	21%
Morgan Stanley Large Cap Growth Fund	21%
Gabelli Large Cap Value Fund	21%
AllianceBernstein Large Cap Value Fund	21%
Pyramis Diversified Large Cap Core Commingled Pool***	16%
TOTAL	100%
Active U.S. Small Capitalization Fund**	
Pyramis Small Cap Core Commingled Pool***	20%
Fidelity Low-Priced Stock Fund**	20%
AllianceBernstein Small Cap Growth Fund	20%
Morgan Stanley Small Cap Growth Fund	20%
Dimensional Fund Advisors U.S. Micro Cap Fund	20%
TOTAL	100%
Active International Equity Fund	
Artio International Equity****	15%

McKinley Capital Management International Equity****	10%
Morgan Stanley International Fund	7%
Pyramis Select International Equity Commingled Pool Portfolio***	15%
Pyramis Select International Small Cap Commingled Pool***	10%
Marathon International Large Cap Equity Developed Fund*****	25%
Mondrian International Large Cap Equity Developed Fund*****	8%
Emerging Markets Fund******	
-AllianceBernstein Emerging Markets Style Blend Equity Fund	2.5%
-Morgan Stanley Emerging Markets Fund	2.5%
-Dimensional Fund Advisors Emerging Markets Value Fund	2.5%
-Genesis Emerging Markets Fund	2.5%
TOTAL	100%

*The managers or the proportion of a fund that a manager may invest may be changed from time to time. Therefore, there are no assurances that any individual investment vehicle or manager will remain in any Asset Class Investment Option or that the proportions that may be invested with each manager in each fund will remain the same.

**The U.S. Small Company Fund is comprised of the five funds indicated under the U.S. Small Company Fund in the chart above. As of the date of this Fund Description, the target allocation of investments for the five funds is 20% each. As a result of the closing of the Fidelity Low Priced Stock Fund to new investment, new funds invested in the U.S. Small Company Fund are allocated equally among the four remaining funds. The assets in the U.S. Small Company Fund are then allocated among all participants who have invested in the fund. As a result, the proportion of the U.S. Small Company Fund that is invested in the Fidelity Low Priced Stock Fund is likely to be lower than the 20% target allocation with the remaining four funds having concomitantly higher allocations.

***As of October 1, 2006, all units held by the Savings Plan in the commingled pools of the Fidelity Group Trust for Employee Benefit Plans were transferred to corresponding commingled pools of the Pyramis Group Trust for Employee Benefits Plans (“Pyramis Group Trust Pools”) a group trust for qualified plans sponsored by the trustee, Pyramis Global Advisors Trust Company (“PGATC”). All contributions to each such Fidelity Group Trust Pool were re-directed to the corresponding Pyramis Group Trust Pool. Pyramis Global Advisors, a unit of Fidelity Investments, is an investment management company focused on serving corporate and public retirement funds, endowments, foundations, other institutions and non-U.S. investors.

****On November 27, 2007, Capital Guardian was removed as one of the managers in the Active International Core category and replaced by Julius Baer Investment Management LLC, which subsequently changed its name to Artio Global Management LLC effective June 15, 2008, and McKinley Capital Management LLC. Prior to June 15, 2008, Artio International Equity was known as Julius Baer International Equity.

*****Effective April 30, 2008, the Marathon International Large Cap Equity Developed Fund and the Mondrian International Large Cap Equity Developed Fund were added to the Active International Core Category of Underlying funds for the Tier One Balanced Investment Strategy Portfolios.

******Effective May 30, 2008, the Emerging Markets Funds replaced the Boston Company Emerging Equity Fund in the Active International Aggressive category of underlying funds for the Tier One Balanced Investment Strategy Portfolios

The unit price of each portfolio will generally change daily, depending on the performance of the underlying investments. Except for dividends distributed from the Company Stock Fund as described in the “Dividends” section, dividends and realized capital gains, if any, will be reinvested into each portfolio and will also affect the portfolio’s unit price.

Institutional Government Money Market Portfolio

Fund code: 94961 (for use with the Voice Response System)

What it is: A commingled pool of the Pyramis Group Trust for Employee Benefit Plans (not a mutual fund). Managed by Pyramis Global Advisors Trust Company (PGATC), a Fidelity Investments company, this short-term oriented fund seeks to preserve the value of your investment at $1.00 per share, crediting gains or losses to your account by adjusting the number of units you own.

Investment goal: The Institutional Government Money Market Portfolio seeks to provide a level of current income commensurate with prevailing short-term U.S. interest rates, while simultaneously preserving capital and fund liquidity. The fund uses derivatives (for example, futures and options) as part of its portfolio strategy. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to controlling overall fund risk and managing cash. The fund's returns are typically measured against the average return from holding three-month U.S. Treasury bills.

What it invests in: The portfolio invests in U.S. government securities and repurchase agreements for those securities, as well as obligations of U.S. government agencies. The portfolio generally maintains a dollar-weighted average maturity of 60 days or less. An investment in this portfolio is not guaranteed or insured by the FDIC or any other governmental agency; however, the fund's portfolio enjoys the highest average credit rating of AAA from the Standard & Poor's bond rating service.

Who might want to invest:

- Someone who is looking for some price stability to balance his or her more aggressive investment choices.
- Someone who anticipates using a portion of this money soon, possibly for retirement income, and is looking for the value of the investment to remain stable.

Investment risk: The risk of loss in the fund is minimized by investing principally in securities that have been issued or guaranteed by the U.S. government or its agencies and that have maturities of one year or less. It is considered the least risky of the Savings Plan's investment options in terms of risk of loss. However, although the risk of loss for this fund is low, in unusual circumstances it is possible for the fund to have a negative return.

Participants who invest a large portion of their Savings Plan portfolio in the Institutional Government Money Market Portfolio over a long period of time run a substantially higher risk of not achieving their investment goals because the return on this investment may not exceed the rate of inflation. Money market funds are not designed or intended for use as long-term investment vehicles for a large portion of a participant's plan assets. While the securities in the Institutional Government Money Market Portfolio may be guaranteed or insured by the U.S. government, the fund itself is not insured by the government.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Transfer restriction: You are not permitted to make a direct exchange from the Conservative Strategy Portfolio to the Institutional Money Market Portfolio. They are considered competing funds. You must first exchange to a noncompeting fund for 90 days. Direct exchanges from the Institutional Money Market Portfolio to the Conservative Strategy Portfolio are allowed at any time.

PIMCO Real Return Bond Fund – Institutional Class (I Shares)

Fund code: 96095 (use with the Voice Response System)
Ticker: PRRIX

What it is: An actively managed fixed-income mutual fund offered by Pacific Investment Management Company (PIMCO), one of the country's leading bond firms. The fund uses inflation protected securities. The Savings Plan will utilize I-Class shares of the Real Return Bond Fund, which offer a lower cost to participants than other share classes typically available to a retail investor.

Investment goal: This fund seeks to protect investors against inflation by providing a reliable "real" return (after inflation) over any investment time horizon, consistent with the preservation of capital. The majority of the fund's assets are invested in U.S. Government Treasury Inflation-Protected Securities (TIPS), with the balance invested in one or more of the following: high-quality corporate-issued and foreign government-issued inflation indexed bonds; other debt instruments of varying credit quality, some of which are denominated in currencies other than the US dollar; and cash instruments. Because the principal of U.S. TIPS is adjusted annually to keep up with changes in the U.S. consumer price index, they provide a unique inflation hedge to investors seeking bond-like investment returns. The Real Return Bond Fund's duration fluctuates between one and five years (equal to an average maturity of approximately two to 15 years). The portfolio holdings generally maintain an average credit rating of AAA from Standard & Poor's bond rating service. The fund may use derivatives (for example, futures and options). The return of this fund is typically measured against the Barclays Capital Inflation-Linked Treasury Index.

Investment risk: Investments in the fund are subject to both interest rate risk and credit risk. Interest rate risk means that, in general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Credit risk is the possibility that the issuer of a bond or investment contract could experience a credit downgrade or could default, in other words, fail to make a promised interest and/or principal payment to the fund. Although the fund invests only in bonds that are rated AAA on average at the time of purchase, some credit risk does exist. If any issuer should fail to make committed payments when due, then the fund's value would be adversely affected. The bonds included in the portfolio represent a diversified selection of securities, which are intended to reduce credit risk.

The PIMCO Real Return Bond Fund is expected to have lower volatility and lower returns over time than most other Asset Class Investment Options, based upon the historical performance.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Transfer restrictions: Please see the "Fidelity and PIMCO Frequent Trading Restrictions" section for restrictions on frequent trading.

Note that past performance is no guarantee of the future return of this fund.

Pyramis REIT Commingled Pool (Institutional Commingled Fund)

Fund code: 23593 (for use with the Voice Response System)

What it is: This fund, which is actively managed by PGATC, seeks to achieve current income and long-term capital growth by investing primarily in actively traded equity securities of publicly owned Real Estate Investment Trusts ("REITS"). REITS are companies that buy, own and manage all types of real estate properties and pay out the rental income to investors in the form of dividends, which are subsequently reinvested by this fund. Real estate securities can offer diversification benefits to investors holding stocks and bonds elsewhere in their account. Real estate has produced historical investment returns which have a low correlation to, but which have been competitive with, the rates of return offered by stock and bond markets.

Investment goal: This fund seeks total return with an emphasis on both capital appreciation and current income. The portfolio invests primarily in equity securities of higher quality, larger capitalization real estate companies. These securities may consist of common stocks, rights or warrants to purchase common stocks, convertible securities and preferred stocks. This fund may use derivatives (for example, futures and options) to enable the fund to remain fully invested while being able to respond to cash flow needs. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash. Year-to-year returns can vary widely. The strategy has earned historical returns that compare favorably to real estate mutual funds tracked by Lipper. Returns from this fund are typically measured against the Equity REIT Index published by the National Association of Real Estate Investment Trusts, Inc. Because of their narrow focus, sector funds may be more volatile than funds that diversify across many sectors.

Investment risk: In general, REITs have the same volatility and return characteristics as stock funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for bond funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Transfer restrictions: Please see the discussion in the "Redemption Fees: Pyramis REIT Commingled Pool and Fidelity Diversified International Fund" section for the redemption fees charged by this fund and for restrictions on frequent trading.

Past performance is no guarantee of future return.

Active U.S. Equity Fund

Fund code: 23590 (for use with the Voice Response System)

What it is: A U.S. large cap equity fund of funds created by VIMCO to give participants exposure to a number of actively managed portfolios with varying investment styles and disciplines. The underlying managers also manage active U.S. equity portfolios for the Verizon Pension Trust. The fund seeks current dividend income as well as long-term capital appreciation and is aimed at outperforming the Russell 1000 broad U.S. equity market benchmark over extended time periods through active stock selection. The Russell 1000 is an index that contains the largest 1,000 companies in the U.S. equity market, based on market capitalization.

Investment goal: The fund seeks to maintain exposure to both growth-style and value-style U.S. equity large cap stocks. It does so by employing multiple specialist managers in each discipline and assigning them specific benchmarks against which their individual performances will be measured. A key goal is to ensure that the overall fund benefits from the diversification of risk and manager skill as particular strategies come in and out of market favor. VIMCO monitors the performance of each portfolio and the overall fund. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the U.S. Large Company Fund to preserve diversification. Individual managers may use derivatives (for example, futures and options). While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for bond funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Passive U.S. Equity Index Fund

Fund code: 23588 (for use with the Voice Response System)

What it is: A portfolio managed by Mellon Capital Management Corporation which seeks to mirror the returns of the S&P 500® equity market benchmark. The S&P 500 is an index composed of widely held stocks of large- and medium-sized companies that account for approximately 75% of the value of all publicly traded common stocks in the United States. The fund may maintain a portion of its assets in short-term debt instruments, money market instruments and derivatives (for example, futures and options) for cash management purposes and to assist in tracking the S&P 500 Index.

Investment goal: To provide dividend income and capital appreciation over the long term that approximates the total return achieved by the U.S. equity market.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for bond funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Active U.S. Small Capitalization Fund

Fund code: 23591 (for use with the Voice Response System)

What it is: A U.S. small cap equity fund of funds created by VIMCO to give participants exposure to a number of actively managed portfolios with varying investment styles and disciplines. The underlying managers also manage active U.S. equity portfolios for the Verizon Pension Trust. The fund seeks current dividend income as well as long-term capital appreciation and is aimed at outperforming the Russell 2000 small cap U.S. equity market benchmark over extended time periods through active stock selection. The Russell 2000 is an index that the smallest 2000 companies of the Russell 3000® Index.

Investment goal: The fund seeks to maintain exposure to both growth-style and value-style U.S. equity small cap stocks. It does so by employing multiple specialist managers in each discipline and assigning them specific benchmarks against which their individual performances will be measured. A key goal is to ensure that the overall fund benefits from the diversification of risk and manager skill as particular strategies come in and out of market favor. VIMCO monitors the performance of each portfolio and the overall fund. Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the U.S. Small Company Fund to preserve diversification.

The fund may maintain a portion of its assets in short-term debt instruments, money market instruments and derivatives (for example, futures and options) for cash management purposes. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Stock funds that invest in smaller companies may involve greater volatility than those that invest in larger, better-known companies. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for bond funds or stock funds that invest in large companies.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Active International Equity Fund

Fund code: 23592 (for use with the Voice Response System)

What it is: An international equity fund of funds created by VIMCO to give participants exposure to a number of actively managed portfolios with varying investment styles and disciplines. Some of the underlying managers also manage active non-U.S. equity portfolios for the Verizon Pension Trust. The fund seeks current dividend income as well as long-term capital appreciation, and is aimed at outperforming a custom benchmark composed of the following three components:

- 80% MSCI EAFE GDP Index – MSCI Inc. (formerly known as Morgan Stanley Capital International) Europe, Australasia, Far East international equity market index, weighted by each country's gross domestic product (EAFE-GDP). The EAFE-GDP index is composed of approximately 989 larger-sized companies from 23 major countries outside the U.S., including Japan, Germany and the United Kingdom. The weighting of each country in the index is based upon its gross domestic product (GDP), which is a measure of domestic economic output.

- 10% S&P/Citigroup Extended Market Index (Europe, Pacific-Asia Composite). The EMI equity market index is composed of approximately 3,598 smaller-sized companies in 24 major countries outside the U.S.

- 10% MSCI EM Index – Net – MSCI Inc. Emerging Markets Index (formerly known as the Morgan Stanley Capital International Emerging Markets Index). The MSCI equity market index is composed of approximately 746 companies in 26 lesser-developed countries outside the United States, primarily Latin America, Eastern Europe and the Far East.

Investment goal: The fund seeks to maintain exposure to both large cap and small cap non-U.S. equity securities, as well as exposure to equity securities issued by companies in lesser-developed countries, often referred to as emerging markets. The goal is broad diversification across countries whose economic cycles often differ from that of the United States and whose stock markets and currencies may offer diversification of risk for U.S.-based investors. The fund employs multiple specialist managers in each discipline and assigns them specific benchmarks against which their individual performances will be measured. VIMCO monitors the performance of each portfolio and the overall fund. The fund may maintain a portion of its assets in short-term debt instruments, money market instruments and derivatives (for example, futures and options) for cash management purposes. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash.

Following guidelines provided by VIMCO, Fidelity will regularly rebalance the dollar allocations of each component of the International Company Fund to preserve diversification.

Investment risk: Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Passive International Equity Index Fund

Fund code: 23589 (for use with the Voice Response System)

What it is: A portfolio managed by Mellon Capital Management Corporation (an indirect subsidiary of Mellon Bank) that seeks to mirror the returns of the Morgan Stanley Capital International Europe, Australasia, Far East international equity market index, weighted by each country's gross domestic product (EAFE-GDP). The EAFE-GDP is an index composed of approximately 989 companies from 23 of the largest countries outside the United States, including Japan, Germany and the United Kingdom. The weighting of each country in the index is based upon its gross domestic product (GDP), which is a measure of domestic economic output. The fund holds stocks represented in the index. As Morgan Stanley substitutes stocks in the index or as a country's GDP weight changes, the fund's holdings may change accordingly.

Investment goal: To provide dividend income and capital appreciation over the long term to approximate the total return achieved by the international (non-U.S.) developed equity markets.

Investment risk: Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

The fund may maintain a portion of its assets in short-term debt instruments, money market instruments and derivatives (for example, futures and options) for cash management purposes and to assist in tracking the EAFE-GDP index.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Verizon Company Stock Fund

Fund code: 10351 (for use with the Voice Response System)

What it is: A portfolio administered by FMTC, which pools money to buy shares of common stock in Verizon Communications Inc. or its affiliates. The fund also invests a portion of its assets in short-term cash instruments. The actual amount of short-term investments on any given business day will vary with the amount of contributions, redemptions, exchanges, withdrawals, etc., to allow participants to buy or sell without the usual trade settlement period for U.S. stock transactions. It is not a mutual fund and is not a diversified investment option. A participant's ownership is measured in units of the fund instead of actual shares of stock.

Investment goal: The portfolio's goal is to capture the dividend yield and long-term capital return of Verizon common stock. The value of your investment will vary depending on the performance of Verizon stock and the short-term investments held by the fund, less any brokerage or other expenses. The value of the units in the portfolio does not correspond directly to the value of actual shares of Verizon common stock due to, among other things, investments in assets other than Verizon stock, expenses, and trading gains and losses.

Investment risk: The Verizon Company Stock Fund is not a mutual fund or a diversified investment option. Investing in a non-diversified, single-stock fund involves significantly more risk than investing in a diversified fund. The value of a single security generally fluctuates more widely than that of a diversified fund. An investment in a single security such as the Verizon Company Stock Fund is best suited for those who do not rely exclusively on it for their entire portfolio. The decision to invest in the Verizon Company Stock Fund is solely up to each participant. It is not uncommon for any single security to experience periodic or even permanent significant declines. Investment professionals usually recommend diversification of investments among several asset classes.

Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Additionally, the cash component range is maintained by FMTC, at the direction of VIMCO. On days of unexpectedly heavy fund activity, requests to sell fund units may not be processed on the same day. In those situations, FMTC may suspend activity and, only after liquidity is restored, resume processing participant requests, generally on a first-in, first-out basis. In unusual circumstances, the fund may be closed to purchases or sales and previously requested transactions cancelled.

See the "Dividends" section for a description of the rules regarding dividends paid on Verizon stock held by the Verizon Company Stock Fund and the pass through of shareholder rights with respect to such Verizon stock.

Past performance is no guarantee of future return.

Tier 3: Retail Mutual Fund Investment Options

Tier 3 includes one fixed-income (bond) retail mutual fund and five equity retail mutual funds in popular asset classes. These mutual funds are typically for investors willing to use special investment vehicles to achieve their asset mix and return objectives. They are also for the investor who is willing to accept the risks and costs inherent in investing in mutual funds.

Past performance is no guarantee of future return.

PIMCO Total Return Fund

Fund code*:* 99622 (for use with the Voice Response System)

What it is: A fixed-income mutual fund managed by Bill Gross, a founder of Pacific Investment Management Company (PIMCO), one of the country's leading bond firms. The Savings Plan will utilize I-Class shares of the Total Return Fund, which offer a lower cost to participants than other share classes typically available to a retail investor.

Investment goal: This actively managed fund seeks a total return greater than the rate of return earned by a broad universe of intermediate term investment grade U.S. bonds, utilizing a strategy consistent with preservation of capital. The fund invests its assets primarily in investment grade debt securities, including U.S. government securities, corporate bonds and mortgage-related securities. It may invest up to 20% of its assets in securities denominated in foreign currencies and up to 10% of its assets in securities rated below investment grade. The portfolio duration generally ranges from three to six years (equal to an average maturity of approximately five to 12 years). The portfolio holdings generally maintain an average credit rating of AA from the Standard & Poor's bond rating service. The returns from this fund are typically measured against the Barclays Capital Aggregate Bond Index.

Investment risk: Investments in the fund are subject to both interest rate risk and credit risk. Interest rate risk means that, in general, bond prices rise when interest rates fall, and vice versa. This effect is usually more pronounced for longer-term securities. Credit risk is the possibility that the issuer of a bond or investment contract could default or, in other words, fail to make a promised interest and/or principal payment to the fund. Although the fund invests in bonds that generally maintain an average credit rating of AA, credit risk does exist. As indicated above, up to 10% of the fund may be invested in securities rated below investment grade. If any issuer should fail to make committed payments when due, then the fund's value would be adversely affected. The bonds included in the portfolio represent a diversified selection of securities, which are intended to reduce credit risk. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Transfer restrictions: Please see the discussion in the "Fidelity and PIMCO Frequent Trading Restrictions" section for restrictions on frequent trading.

Past performance is no guarantee of future return.

Clipper Fund

Fund code: 93216 (for use with the Voice Response System)
Ticker: CFIMX

What it is: The Clipper Fund is a large cap U.S. equity value-oriented fund managed by Davis Selected Advisers, L.P. ("Davis"). Davis was selected to run the Clipper Fund replacing Pacific Financial Research ("PFR") on January 1, 2006. The portfolio team is led by Christopher Davis, the son of the founder of the company, who has more than 20 years of experience in investment management and securities research. Kenneth Feinberg, who has been with Davis since 1994, is co-manager of the fund.

Investment goal: The objective of this actively managed fund is to provide long-term capital growth and capital preservation. Davis purchases securities that its managers believe are selling at a discount to the issuer's ongoing business value. While the fund normally invests in common stocks of large U.S. companies, it may also from time to time invest in long-term debt obligations, including bonds, as well as equity substitutes including preferred stocks. As of December 31, 2008, the fund had 12.9% of its holdings invested internationally and can invest up to15% of its assets in foreign countries. The portfolio is usually highly concentrated (typically only 20 to 40 positions) and has 24 holdings as of December 31, 2008.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for fixed-income funds. The Clipper Fund has historically invested in a relatively small number of companies. Its investment performance has been significantly more volatile than the performance of typical more broadly diversified stock funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Fidelity Dividend Growth Fund

Fund code: 00330 (for use with the Voice Response System)
Ticker: FDGFX

What is it: The Fidelity Dividend Growth Fund's focus is expected to be on common stocks of companies that Fidelity Management & Research Company believes have the potential for dividend growth by either increasing existing dividends or by commencing dividends if none are currently being paid. Its investment style favors companies with above average growth rates that trade at a discount to the overall market. This fund may invest in securities of both domestic and foreign corporations. On September 9, 2008, Larry Raker replaced Charles Mangum as the Manager of Fidelity Dividend Growth. Mangum had managed Dividend Growth since 1997. Raker had been running Fidelity's Balanced Fund since 2002, and has built a record employing a valuation-conscious approach. It is likely that Raker will broaden the number of stocks in the portfolio and may add some additional international holdings to the portfolio. As of December 31, 2008, the fund had 456 holdings with 13.2% of the fund in the top 10 holdings and 11.6% of the fund invested internationally.

Investment goal: The portfolio manager of this fund uses fundamental analysis to identify companies meeting the growth and value criteria established for the fund. The portfolio manager's strategy is opportunistic and involves meeting with company managements as well as relying on Fidelity Management & Research Company's extensive in-house staff of research analysts. This fund may engage in securities lending and may use derivatives, which are described in the fund prospectus. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash. The returns of this fund are typically compared to the S&P 500 equity market benchmark.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for fixed-income funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Transfer restrictions: Please see the "Fidelity and PIMCO Frequent Trading Restrictions" section regarding rules for frequent trading.

Past performance is no guarantee of future return.

Fidelity Magellan® Fund

Fund code: 00021 (for use with the Voice Response System)
Ticker: FMAGX

What is it: Magellan is the one of the largest actively managed equity mutual funds in the U.S. It is currently managed by Harry Lange of Fidelity Management & Research Company. Lange replaced Robert Stansky effective October 31, 2005. Lange joined Fidelity in 1987 and has since managed a number of Fidelity funds. The fund seeks to provide capital appreciation by investing in growth-oriented, attractively-priced common stocks of U.S. and foreign companies with large market capitalizations.

Investment goal: The portfolio manager of this fund is not constrained by any particular investment style. At any given time, he may buy growth stocks or value stocks, or a combination of both types. His strategy is opportunistic and involves meeting with company managements as well as relying on Fidelity's in-house staff of research analysts. In buying and selling securities for the fund, the portfolio manager relies on fundamental analysis of each issuer and its potential for success in light of its current financial condition, its industry position, and economic and market conditions.

Factors considered include growth potential, earnings estimates and quality of management. This fund may engage in securities lending and may use derivatives, which are described in the fund's prospectus. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash. The returns of this fund are typically compared to the S&P 500 equity market benchmark.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for fixed-income funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Transfer restrictions: Please see the "Fidelity and PIMCO Frequent Trading Restrictions" section regarding rules for frequent trading.

Past performance is no guarantee of future return.

TCW Select Equities Fund (I Class Shares)

Fund code: 23604 (for use with the Voice Response System)
Ticker: TGCEX

What is it: TCW Select Equities Fund I Class is a large cap U.S. equity growth fund managed by Craig Blum and Steve Burlingame of Trust Company of the West, a major institutional money management firm. The fund seeks long-term capital appreciation by investing in common stocks of large companies with high revenue and earnings growth potential. The Savings Plan will utilize I-Class shares of the TCW Select Equities Fund, which offer a lower cost to participants than other share classes typically available to a retail investor.

Investment goal: This actively managed fund focuses on companies perceived to have strong and enduring business models and inherent competitive advantages. In addition to focusing on reported earnings, the portfolio team examines each company's unit growth to single out companies with expanding market share in their industry. The fund had approximately $345 million of assets under management as of December 31, 2008 and 50.4% of the fund was invested in its top 10 holdings.

The portfolio is usually relatively concentrated, which means that the fund is likely to experience greater volatility of returns compared to other, more broadly diversified stock funds. Turnover of these securities tends to be below the average of other growth managers, as the firm invests with a relatively long time horizon. Returns from this fund are typically measured against the Russell 1000 Growth equity index.

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. In addition, concentrated stock funds are generally more volatile than more diversified stock funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for fixed-income funds or more diversified stock funds.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Past performance is no guarantee of future return.

Fidelity Diversified International Fund

Fund code: 00325 (for use with the Voice Response System)
Ticker: FDIVX

What is it: The Fidelity Diversified International Fund invests primarily in equities of large companies located outside the U.S. It is managed by William Bower of Fidelity Management & Research Company. This fund seeks to provide capital appreciation while tapping the diversification potential of stock markets located overseas, including some lesser developed countries. The majority of investments are made in companies with capitalizations of $100 million or more. The fund may also invest in debt securities of varying quality. This fund is usually broadly diversified.

Investment goal: This fund's management uses fundamental analysis of each company's financial condition and industry position, and then examines local stock market liquidity and economic conditions to select investments. In addition, the fund's management uses a variety of quantitative models to compare valuations of companies available for purchase. The fund management seeks to allocate investments across countries and regions, considering the size of the market in each country and region relative to the size of the international equity markets as a whole. The Fidelity Diversified International Fund may engage in securities lending and may use derivatives, which are described in the fund prospectus. While the use of each of these strategies has its own risks and could decrease the value of the fund, their use in the portfolio is limited to managing overall fund risk and managing cash. The returns of this fund may be compared to the MSCI EAFE GDP Index – MSCI Inc. (formerly known as Morgan Stanley Capital International) Europe, Australasia, Far East international equity market index, weighted by each country's gross domestic product (EAFE-GDP).

Investment risk: In general, stock funds are more volatile than fixed-income funds, such as money market and bond funds. Therefore their returns, both positive and negative, over short-term periods are expected to have greater variation than the returns for fixed-income funds. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

Investment professionals usually recommend diversification of investments among several asset classes. Participants should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading assets among different types of investments can help participants achieve a favorable rate of return, while minimizing the overall risk of losing money.

Transfer restrictions: Please see "Restrictions on Trading" below regarding redemption fees for frequent trading and other transfer restrictions.

Past performance is no guarantee of future return.

Rights Related to Mutual Fund Proxy Voting

The Savings Plan provides you the ability to exercise voting, tender and similar rights for the investment options in which you are invested through the Savings Plan that consist solely of a mutual fund (i.e., the Tier 3 funds and the PIMCO Real Return Fund in Tier 2). Materials related to the exercise of these rights will be sent to you at the time of any proxy meeting, tender offer or similar rights relating to the particular mutual funds held in your account.

Restrictions on Trading

You may transfer funds into or out of the investment options of the Savings Plan as often as you may choose, subject to the frequent trading, competing fund and Company matching contribution diversification restrictions. Following is a description of the frequent trading rules currently in effect.

The Committee may restrict or refuse transfers between investment options if, in its judgment, the receiving investment option would be unable to invest the money effectively in accordance with its investment objective and policies, or either investment option would otherwise be potentially adversely affected. Frequent trading into and out of an investment option can disrupt that option's investment strategies and increase expenses for all participants who invest in the option, including those participants who are long-term investors in the option who do not generate these costs. The Savings Plan is designed to facilitate long-term investment and is not intended to be used for market timing or excessive trading. The Committee may investigate trading practices by participants who the Committee believes are engaging in market timing, excessive trading or any other trading practice that could potentially disrupt the investment options' investment strategies and which may result in adverse investment returns for other participants. The Committee may issue a warning to a participant to cease such trading practices and may restrict the trading of those participants who thereafter fail to cease such practices.

In addition, the investment managers of the mutual funds or other pooled funds that comprise the investment options have imposed restrictions separately and independently from any imposed by the Committee and may impose additional restrictions. Fidelity has imposed restrictions on the funds that it manages. These restrictions have also been adopted by the PIMCO Real Return and Total Return Bond Fund in the Savings Plan. See the "Fidelity and PIMCO Frequent Trading Restrictions" section.

In addition to the restrictions described in the following sections, investment managers may impose redemption fees or may refuse to accept transfer requests (possibly including a permanent bar on investing in a fund for those participants who are identified by the fund manager as frequent traders). For the investment options that are mutual funds, consult the fund prospectus.

The restrictions described below apply to all active, inactive, retired and other participants (and the beneficiaries thereof). References below to a participant include a beneficiary and any person acting for or on behalf of a participant or beneficiary.

Fidelity and PIMCO Frequent Trading Restrictions

Fidelity restricts frequent trading in its mutual funds and collective pools. PIMCO applies Fidelity's policy to the PIMCO Real Return Fund and the PIMCO Total Return Fund.

Although the fund managers of the TCW Select Equities Fund I Class and the Clipper Fund have decided not to apply the Fidelity restrictions to their funds in the Savings Plan, they may do so at any time or they may choose to adopt different restrictions. You should consult the prospectuses of those funds before trading.

The policy affects the four Fidelity funds and the two PIMCO funds listed below that are investment options in the Savings Plan. These funds will be referred to as the "restricted funds":

- Fidelity Dividend Growth Fund.
- Fidelity Magellan Fund.
- Fidelity Diversified International Fund.
- Pyramis REIT Commingled Pool.
- PIMCO Real Return Fund.
- PIMCO Total Return Fund.

All of the restricted funds except the Pyramis REIT Commingled Pool are mutual funds. You should consult the fund prospectus, which is controlling, for further information.

The following is a summary of the restrictions.

Roundtrip trades – Fidelity's restrictions are based upon the concept of a "roundtrip trade" within a restricted fund. A roundtrip trade occurs when a participant exchanges more than $1,000 into and then out of a restricted fund within a 30-day period. The 30-day period begins on the date more than $1,000 is exchanged into the restricted fund. For purposes of Fidelity's excessive trading policy, roundtrip trades do not include systematic contributions or withdrawals (e.g., regular contributions, loan repayments or hardship withdrawals) as permitted by the Savings Plan.

Fidelity's trading restrictions apply if a participant completes more than one roundtrip trade per restricted fund within any rolling 90-day period or completes a total of four roundtrip trades among all restricted funds over a rolling 12-month period. The overall limit on roundtrip trades is in addition to the per fund limit.

Transactions subject to trading restrictions – Fidelity's trading restrictions limit a participant's ability to exchange into restricted funds. The trading restrictions do not limit a participant's ability to make investment exchanges out of any fund (including a restricted fund), make loan repayments, take withdrawals or loans, or make contributions to any fund. In other words, the right to redeem is not affected by Fidelity's trading restrictions, but the ability to make subsequent exchanges into a restricted fund will be.

Initial warning – The first roundtrip trade in any restricted fund results in a participant warning describing the consequences of continued frequent trading. However, the additional restrictions described below apply even if the initial warning is not provided to, or is not received by, the participant.

Single fund trading restriction – A participant with two roundtrip trades in a single restricted fund within a rolling 90-day period will be prohibited from making additional exchanges into that restricted fund for 85 days after the completion of the second roundtrip trade. The rolling 90-day period begins on the date the first roundtrip trade is completed. Once the 85-day restriction (or any subsequent 85-day restriction) expires, if the participant performs another roundtrip trade in the same restricted fund at any time during the 12-month period beginning on the day after the 85-day restriction expires, the participant will be prohibited from making additional exchanges into that restricted fund for another 85 days.

Overall trading restriction – A participant with four roundtrip trades in *one or more restricted funds* in a rolling 12-month period (beginning on the date on which the first roundtrip trade is initiated) will be limited to one “exchange-in day” per calendar quarter (or partial calendar quarter) for **all** restricted funds beginning with the calendar quarter in which the fourth roundtrip trade is completed. This means that the participant will not be able to exchange into any restricted fund more frequently than once per calendar quarter (or partial calendar quarter) while the restriction applies. The restriction applies for 12 months following the completion of the fourth roundtrip trade and applies to all restricted funds governed by Fidelity’s trading policy. Once the 12-month exchange limitation (or any subsequent 12-month exchange limitation) expires, any additional roundtrip trade in any restricted fund in the next 12-month period will result in another 12-month limitation of one exchange-in day per calendar quarter (or partial calendar quarter) for **all** restricted funds.

Other restrictions – Fidelity’s fund managers continue to reserve the right, but do not have the obligation, to reject any purchase or exchange transaction at any time, as provided for in prospectuses and other governing documents for their mutual funds and other investment products. Additionally, Fidelity’s fund managers reserve the right to amend their trading policies in the future.

Examples of Fidelity frequent trading restrictions:

- Bill exchanges $10,000 into the Pyramis REIT Commingled Pool (“REIT”) on June 1, 2008. Bill exchanges $7,500 out of the REIT on June 28, 2008. Because Bill has exchanged more than $1,000 into and out of the REIT within a 30-day period, he has performed a roundtrip trade. At the time of the transaction, Fidelity will provide Bill with information regarding the consequences of subsequent frequent trading. For example, if he makes a second roundtrip trade in the REIT within 90 days, counting from and including June 28, 2008, Bill will be restricted from making exchanges into the REIT for 85 days after completion of the second roundtrip trade.

- Continuing with the first example, Bill exchanges $10,000 into the REIT on August 1, 2008 and exchanges $12,500 out of the REIT on August 10, 2008. This constitutes a second roundtrip trade in the REIT within the 90-day period that began on June 28, 2008. Bill will not be permitted to exchange any amounts into the REIT until November 4, 2008, the 86th day after August 10, 2008, the day that Bill completed his second roundtrip trade.

- Continuing with the second example, Bill exchanges $15,000 into the REIT on November 4, 2008 and exchanges $10,000 out of the REIT on November 21, 2008. This constitutes the third roundtrip trade Bill has performed within the 12-month period that began on June 1, 2008 (the date he initiated his first roundtrip trade). Because Bill has engaged in another roundtrip trade in the REIT during the 12-month period beginning after the expiration of the preceding 85-day restriction (the restriction ending November 3, 2008), another 85-day restriction will be placed on that fund. Bill will not be able to exchange again into the REIT until February 15, 2009, the 86th day after November 21, 2008 (the date he completed his third roundtrip trade).

- Continuing with the third example, Bill next performs his first roundtrip trade in the PIMCO Real Return ("Real") Fund with an exchange in on April 15, 2009 and an exchange out on May 1, 2009. Bill now has performed a total of four roundtrip trades in one or more of the restricted funds during the 12-month period that began on June 1, 2008. During the period beginning May 1, 2009 and ending April 30, 2010, Bill will be permitted to exchange into the restricted funds on only one day in each calendar quarter as follows. For the remainder of the calendar quarter ending June 30, 2009, Bill will not be able to make any additional exchanges into any of the restricted funds (i.e., Bill has used up his one exchange-in-day allotment for the calendar quarter beginning April 1, 2009 with his April 15, 2009 exchange into the Real Fund). Bill also will be limited to one day during each of the following three calendar quarters (i.e., July 1, 2009 through March 31, 2010) on which he will be able to exchange into any of the restricted funds. Bill also will be limited to one day on which he may exchange into any of the restricted funds for the partial calendar quarter beginning April 1, 2010 and ending April 30, 2010. Beginning May 1, 2010, the one exchange-in-day per calendar quarter (or partial calendar quarter) restriction ends.

- Continuing with the fourth example, on May 1, 2010, Bill is no longer limited to exchanging into the restricted funds on only one day per calendar quarter (or partial calendar quarter). However, if Bill completes a roundtrip trade in any of the restricted funds during the period beginning May 1, 2010 and ending April 30, 2011, a new one exchange-in-day per calendar quarter (or partial calendar quarter) restriction will be imposed on all restricted funds for the 12 months following the completion of such roundtrip trade.

Redemption Fees: Pyramis REIT Commingled Pool and Fidelity Diversified International Fund

Fidelity imposes a redemption fee of 75 basis points (i.e., three quarters of 1%) on all redemptions (including exchanges out, loans and all types of withdrawals) from the Pyramis REIT Commingled Pool ("REITS") of amounts that have been in the fund for less than 90 days on a first-in, first-out basis (including exchanges in, all types of contributions and loan repayments), applied on a contribution source by contribution source basis. For example, if a participant has $1,000 of matched elective contributions invested in REITS on January 1, 2009 and makes a rollover contribution of $4,000 into REITS on May 1, 2009, and then exchanges $4,000 out of the fund on June 15, 2009, the exchanged funds are taken proportionately from each source: $800 from the matched elective contributions and $3,200 from the rollover contributions. The participant will be charged a redemption fee of .75% of $3,200 (i.e., $24.00) for exchanging out of the rollover contributions invested in REITS within 90 days after contributing those amounts to the fund.

The redemption fee would not apply to the $800 of matched elective contributions that were in the account on January 1, 2009, because that amount had been in the fund for more than 90 days at the time it was redeemed. As another example, assume the same facts as the prior example, but the participant only exchanges $1,000 out of REITS on June 15, 2009. Because the exchange is taken proportionately from each source, $200 is taken from the participant's matched elective contributions and $800 is taken from the participant's rollover contributions. The redemption fee of .75% of $800 (i.e., $6.00) applies to the amount exchanged from the rollover contribution source because that amount had been in the fund for less than 90 days at the time it was redeemed.

Exchanges are taken proportionately from all eligible sources invested in REITS (but loans and withdrawals are taken from sources invested in the fund based on a specific hierarchy). As a result, if a participant wishes to redeem all of the participant's investment in REITS and wishes to avoid any redemption fee, the participant should not make any contributions or exchanges (including payroll deduction contributions and loan repayments) into REITS for at least 90 days prior to redeeming the participant's entire investment in that fund. Redemption fees are paid into REITS and become a part of the fund's overall assets.

The same contribution source by contribution source method of calculating the redemption fee applies to the redemption fees charged on redemptions from the Fidelity Diversified International Fund. Fidelity charges a redemption fee of 1% on redemptions (including exchanges out, loans and all types of withdrawals) from the Fidelity Diversified International Fund of amounts that have been held in that fund for less than 30 days.

You should contact a Verizon Savings Plan Service Center Representative prior to making an exchange out of the Pyramis REIT Commingled Pool or the Fidelity Diversified International Fund for details concerning the redemption fee and whether it will apply in a particular situation.

Making Your Investment Decisions

The Savings Plan administrator may, from time to time, provide you with investment information, such as general information relating to types of investments, risk analysis and projected investment experience. The Savings Plan is intended to be a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and its subsequent amendments and Title 29 of the Code of Federal Regulations Section 2550.404c-1. Accordingly, Savings Plan fiduciaries may be relieved of liability for any losses which are the direct and necessary result of investment instructions given by you or your beneficiary. As required by the ERISA 404(c) regulations, you may request any of the following information from the Savings Plan administrator prior to making your investment decision by contacting the Verizon Savings Plan Service Center (see the "Administrative Information" section for contact information for the Savings Plan administrator and the Verizon Savings Plan Service Center):

- A description for each investment fund of the annual operating expenses (e.g., investment management fees, administrative fees, transaction costs), which reduce its rate of return.

- The aggregate amount of the annual operating expenses expressed as a percentage of average net assets of the designated investment fund.

- Copies of any prospectuses, financial statements and reports and any other materials relating to the investment funds available under the Savings Plan, to the extent such information is available and provided to the Savings Plan.

- A list of the Savings Plan assets comprising the portfolio of each investment fund and the value of each such asset.

- The name of the issuer of the contract, the term of the contract and the rate of return on the contract for Savings Plan assets that have a fixed rate investment contract issued by a bank, savings or loan association or insurance company.

- Information concerning the value of shares or units in the investment funds available to you and your beneficiaries under the Savings Plan, as well as the past and current investment performance of each fund which is determined, net of expenses, on a reasonable and consistent basis.

- Information concerning the value of shares or units in each investment fund held in your account.

Investing Company Matching Contributions

Company matching contributions and all earnings on those are automatically invested in the Verizon Company Stock Fund (see the "Company Matching Contributions" section for more information).

Diversification

Effective January 1, 2009, if you have completed at least three years of service you may transfer all or a portion of your Company matching contributions (and related earnings) to any of the investment options available in the Savings Plan.

If you have less than three years of service:

- You may transfer all or a portion of your Company matching contributions made before 2007 (and related earnings) to any of the investment options available in the Savings Plan.

- In addition, upon reaching age 50 (or, if later, after participating in the Savings Plan for one year), you may, once per calendar year transfer up to 50% (measured cumulatively) of your Company matching contributions and their earnings from the Verizon Company Stock Fund to any of the investment options available in the Savings Plan.

- Upon reaching age 55 (or, if later, after participating in the Savings Plan for one year), you may transfer all or part of your Company matching contributions and their earnings from the Verizon Company Stock Fund to any of the investment options available in the Savings Plan.

The same rules that apply to transfers of your own contributions among Savings Plan investment options (including frequent trading and other generally applicable transfer restrictions) apply to these transfers. Transfers from the Verizon Company Stock Fund must be made in 1% increments.

You can call the benefits administrator to complete a diversification transaction. If you need assistance, speak with a representative.

Note: Your accounts are not invested directly in shares of Verizon stock. Instead, Verizon stock is held by the Verizon Company Stock Fund (or a similar fund, if applicable), and units of that fund are allocated to your account. All references to investments in shares of Verizon stock are considered references to investments in the Verizon Company Stock Fund (or a similar fund, if applicable).

Dividends

Dividends on shares held in the Verizon Company Stock Fund are automatically reinvested in the fund. However, you may elect to receive these dividends quarterly in cash. If you choose to receive your dividends in cash, they will be subject to current federal and, to the extent applicable, state and local income tax. You may change your election at any time by logging on to the Fidelity NetBenefitsWeb site or calling the Verizon Savings Plan Service Center (see the "Getting More Information" section for details). Your election will remain in effect until you change it. You will not be contacted to make an annual election.

You are eligible to make a dividend pass-through election on vested and non-vested balances in the Verizon Company Stock Fund. If you are not vested, any dividends you elect to keep in the Savings Plan will become 100% vested on the date they are credited to the account.

Voting of Your Verizon Shares – Confidentiality

As a general matter, information regarding your account is subject to confidentiality requirements imposed on those who provide services to the Savings Plan. This information includes how many equivalent shares of Company stock you have invested in the Verizon Company Stock Fund and how you vote them. In its role as trustee, Fidelity Management Trust Company votes any shares of Company stock that have not been directed by participants. Pursuant to Section 404(c), Fidelity Management Trust Company also has been appointed to act as an independent fiduciary under special circumstances, such as a tender offer for the Company, where the Company's and participants' interests potentially could be in conflict.

Keeping Track of Your Account

You can obtain a daily update of your account balance by using the benefits administrator's NetBenefits Web site. You can also call the Verizon Savings Plan Service Center at 1-888-457-9333 to speak to a representative. In addition, you will receive a quarterly statement of your account showing the number of units you own, your account value and fund returns, unless you indicate on the NetBenefits Web site that you want to receive your statements electronically. If you are receiving statements electronically, you may request a paper copy, free of charge, by contacting the benefits administrator.

Fidelity Management Trust Company's responsibility in this role is to preserve the confidentiality of participants' decisions from the Company, thereby allowing participants to act in their own best interests without any concern that the Company will obtain information regarding their decision.

The Savings Plan fiduciary responsible for monitoring compliance with these procedures and appointing an independent fiduciary where necessary is Verizon Investment Management Corporation (VIMCO), One Verizon Way, Basking Ridge, NJ 07920.

If You Want Additional Investment Fund Information

The following additional investment fund information can be requested by calling or by writing to the benefits administrator (see the "Benefits Administrator" section) and requesting the most current investment fund information. An investment fund booklet will be forwarded to you, which includes:

- A description of each investment fund's annual operating expenses which reduce the rate of return to participants, and the aggregate amount of such expenses expressed as a percentage of the average net assets of each fund.

- Copies of information similar to prospectuses, financial statements or other materials that are provided to the Savings Plan administrator.

- A list of the assets comprising the portfolio of each designated investment alternative which constitutes the Savings Plan's assets and the value of each asset.

- If any investment fund holds fixed rate investment contracts issued by banks or insurance companies (e.g., GICs), the name of the issuer of the contract, the term of the contract and the rate of return of the contract.

- The value of shares or units in the investment funds, as well as the past and current investment performance of the funds.

- The value of shares or units in the investment funds that are held in your account.

- The current investment managers of each fund.

In addition to these fund reports, various supplemental financial statements and reports of a very technical nature are available by calling and requesting this information from the benefits administrator.

Account Access While You Are Working

Withdrawals

The Savings Plan is designed to help you save for long-term needs. But, there may be a time when you need access to your account while you still are working. Taking a withdrawal may be an option for you if you are an active employee of the Company. Keep in mind, however, that you may face a Savings Plan suspension or tax penalty depending on the type of withdrawal, and other restrictions apply.

In-Service Withdrawals

If you take an in-service withdrawal, there are restrictions on the order in which you can receive certain money from your account. In addition, you may be required to pay taxes on amounts that you withdraw and you may incur a suspension of your participation in the Savings Plan for a period of time. The following chart summarizes the type of monies available and the order in which money will be withdrawn from your account, as well as the tax implications of a withdrawal. Money is withdrawn proportionately from the affected investment funds for each type of money withdrawn. Call the benefits administrator with questions.

Description of In-Service Withdrawals	Savings Plan Penalty	Tax Implications
Tax-Free Withdrawal: Your pre-1987 "offset" or tax-free basis that remains from pre-1987 after-tax contributions (supplemental and basic)	None	None
Regular Withdrawal Without Suspension: After all tax-free withdrawal monies are taken, these categories of money (as applicable): • Post-1986 supplemental after-tax contributions and associated earnings • Post-1986 basic after-tax contributions (excluding those contributed in prior 24 months) and associated earnings • Remaining pre-1987 after-tax account monies • Rollover contributions and associated earnings • Vested Company matching contributions and associated earnings (if you have less than 5 years of participation in the Savings Plan, excludes contributions made in the prior 24 months and associated earnings)	None	You will owe income taxes on all monies that are withdrawn, including earnings, to the extent the withdrawal exceeds your non-taxable basis, if applicable. In addition, an IRS 10% early withdrawal tax on the taxable portion of withdrawals made before age 59-1/2 generally applies.
Regular Withdrawal With Suspension: After all tax-free withdrawal monies and regular withdrawal without suspension monies are taken, post-1986 basic after-tax contributions made in the prior 24 months and associated earnings	Company matching contributions are suspended for 6 months. Your contributions can continue.	You will owe income taxes on all monies that are withdrawn, including earnings, to the extent the withdrawal exceeds your non-taxable basis, if applicable. In addition an IRS 10% early withdrawal tax on the taxable portion of withdrawals made before age 59-1/2 generally applies.
Age 59-1/2 Withdrawal: All of the above monies as applicable; then, before-tax supplemental contributions and associated earnings and before-tax basic contributions and associated earnings	None	You will owe income taxes on all monies that are withdrawn, including earnings, to the extent the withdrawal exceeds your non-taxable basis, if applicable.

Note the following if you take an in-service withdrawal:

- You cannot withdraw vested Company matching contributions made during the rolling 24 months preceding the withdrawal if you have less than five years of Savings Plan participation.

- You cannot withdraw basic after-tax contributions made during the rolling 24 months preceding the withdrawal without a resulting suspension.

- Your withdrawal must be in $50 increments, unless you elect all available amounts.

- You can select cash or shares for the amount of the withdrawal invested in the Verizon Company Stock Fund. Your election will apply to all types of money withdrawn.

- You may make a direct rollover of the eligible portion of the withdrawal into an eligible retirement plan or individual retirement account or annuity (IRA). The stock/check will be made payable to the institution you designate and mailed to you.

- The taxable portion that's not rolled over will be subject to a mandatory 20% tax withholding.

- You cannot name a co-owner on a withdrawal that includes a stock rollover.

Hardship Withdrawals

Based on Internal Revenue Service (IRS) rules, you are allowed to request a withdrawal from your account of the same monies available at age 59-1/2 with the exception of associated earnings on before-tax contributions credited after January 1, 1989. You can withdraw your before-tax savings for certain immediate and heavy financial needs if you have exhausted all available loans and withdrawals, including amounts that may result in a suspension.

Note: Verizon will require a financial statement from any employee who has a loan amount available, but who cannot take a loan because of financial hardship.

In general, to qualify for a hardship withdrawal, the money you withdraw must be used to pay for:

- The purchase of your principal residence (excluding mortgage payments).

- Expenses that prevent you from being evicted from your principal residence or from foreclosure on your principal residence.

- Certain health care expenses for you or an immediate family member that are above what is reimbursed by your health care insurance.

- College or post-graduate tuition, room and board, as well as certain fees for the next 12 months for you, your spouse, your children or your eligible dependents.

- Funeral expenses for a family member.

- Expenses to repair damage to your principal residence that would qualify for the casualty deduction under section 165 of the Internal Revenue Code (without regard to whether the loss exceeds 10% of adjusted gross income).

You will be required to provide reasonable documentation of the expense you are covering when you apply for the withdrawal and represent that the need otherwise cannot be met with available assets.

In addition, the following rules also apply after you make a hardship withdrawal:

- All contributions to your account – before-tax, after-tax and Company matching contributions – will be suspended for 12 months.

- In the calendar year **after** you make a hardship withdrawal, your before-tax contributions will be limited to that year's IRS limit ($16,500 in 2009) reduced by the amount you contributed on a before-tax basis in the year you made your hardship withdrawal.

- Hardship withdrawals are not eligible for rollover to an IRA or another eligible retirement plan.

What You Can Withdraw

If you are approved for a hardship withdrawal, you can take the following funds from your account after you have withdrawn all other monies available to you from this Savings Plan through a regular withdrawal with suspension (see the "In-Service Withdrawals" section), as well as any other Verizon retirement plan in which you have an account:

- Any before-tax contributions (both basic and supplemental amounts) you have made to your account.

- Any earnings on your before-tax contributions that accrued before January 1, 1989.

If you make a hardship withdrawal, you will be paid by check.

To Apply for a Withdrawal

To apply for a regular withdrawal, call the benefits administrator directly.

Note: To apply for a hardship withdrawal, you must call the benefits administrator to request a hardship package.

Taking a Loan

Eligibility

If you need access to your account while you are employed by the Company, taking a loan may be an alternative to consider. In general, you can take a loan for any purpose.

With a loan, you are able to borrow a portion of your vested account balance without paying taxes on the loan when you receive it. In addition, you pay the loan back through payroll deductions. Your payments – including interest – are reinvested in your account for your long-term needs.

You are eligible to take a loan as long as you have a sufficient vested balance to take the $1,000 minimum loan amount (see "Loan Terms"). When you request a loan, you must agree to repay the loan through payroll deductions. You are allowed to have up to two Savings Plan loans outstanding at one time.

Loan Terms

Amount Available

The minimum loan amount you can borrow is $1,000.

- Loan amounts available are based on 50% of the value of your vested account balance, including any outstanding loan balance.

- The most you can borrow at any time is 50% of your vested account balance or, if less, $50,000, minus your highest outstanding loan balance(s) during the prior 12 months.

In addition, your loan repayments cannot result in a payroll deduction that exceeds 25% of your pay at the time of the loan application.

Interest Rate

When you take a loan from the Savings Plan, you pay your account back with interest. The interest rate on your loan is based on the prime rate and determined by your loan repayment schedule:

- If your loan repayment period is 60 months or less, the Savings Plan will use the prime rate in effect when you take the loan to calculate your interest.

- If the repayment terms of your loan exceed 60 months (for the purchase of primary residences only, your loan term can be up to 180 months), the interest rate will be the prime rate plus 1%.

- The rate of interest is fixed at the time you take your loan and does not change during the term of the loan.

- Loan repayments are made with after-tax dollars.

Repaying the Loan

Generally, you are required to pay your loan back through payroll deductions within five years. However, if you take a loan to purchase your primary residence, you can have your loan repayment period extended up to 15 years (180 months).

If you choose, you can repay your loan earlier than your repayment terms require. You can prepay the outstanding balance in full at any time without penalty. You cannot make a partial prepayment.

If you leave the Company with an outstanding loan balance and defer distribution of your account, you have the option of making monthly repayments using a coupon book or repaying your loan in full. If you terminate and request a distribution, your loan will be satisfied as a result of receiving a distribution; however, in this case, the outstanding balance becomes a taxable distribution (offset to the extent you have any after-tax contributions remaining).

To Apply for a Loan

To apply for a loan, call the benefits administrator directly. You also can find out how much you currently have available for a loan or to model loan amounts and repayment schedules. (See your Important Benefits Contacts insert for the telephone number.)

If You Default on Your Loan

If there is a significant disruption in your regular repayment of your loan that lasts for more than 60 days, or if you declare bankruptcy, your loan may be considered in default. The benefits administrator will notify you if your loan is in default. Note that you will be offered the option to make up missed loan repayments. If your loan is in danger of going into default, the benefits administrator will notify you if there is any action that can be taken to cure the default. If default occurs, and is not cured within the applicable grace period, your outstanding loan balance will be treated as if you had received that amount as a distribution from the Savings Plan. This means that some or all of that distribution of your loan balance will be reported to the IRS as taxable income, and you will be required to pay any applicable taxes, including a possible 10% additional tax. In addition, until the defaulted loan amount has been repaid or offset against your account, you will not be allowed to contribute to the Savings Plan. You may want to consult a financial advisor regarding tax implications.

Final Distributions

You can receive a final distribution of your vested account balance when you retire, end employment or become totally disabled.

If you die, your beneficiary receives your distribution.

You have choices with regard to the timing and form of payment. The benefits administrator will provide information about choices depending on the circumstances of the distribution. Also, see the "Tax Considerations" section for important information.

Payment Options When You Leave

When you leave employment, you are eligible to receive the vested value of your account. You always are entitled to receive the value of your contributions. (See the "Vesting in Company Contributions" section for Company contribution vesting rules.)

If your vested balance is $1,000 or less, your distribution will be paid in a lump sum as soon as administratively possible after you leave. If your vested account balance is greater than $1,000 and less than or equal to $3,500 and you do not elect a form of distribution, your account balance will be automatically rolled over to an IRA with Fidelity Management Trust Company.

If your vested balance is greater than $3,500, you can request to receive your distribution immediately or you can defer payment to a later date. However, payment must begin no later than April 1 of the calendar year following the year you reach age 70-1/2. You can request any of the following payment options for your distribution:

- A lump-sum distribution.
- Two to 20 annual installments (the elected period of payments cannot exceed your life expectancy).
- Lifetime installments (recalculated annually at the end of each year) paid on an annual or a monthly basis.

If you request a lump-sum distribution, you will receive a check for your full vested account balance. Alternatively, you can request to receive stock for any balance invested in the Verizon Company Stock Fund.

Call the benefits administrator and speak with a representative for more information on timing for receiving your payment and details about how the payment options work. Also, if you have a loan outstanding, you must repay the balance prior to requesting your final distribution to avoid additional tax implications.

If your account balance greater than $1,000 and less than or equal to $3,500 is automatically rolled over to an IRA with Fidelity Management Trust Company, it will be invested in the Fidelity Cash Reserves Fund (FDRXX), a money market vehicle designed to preserve principal and provide a reasonable rate of return and liquidity. The Cash Reserves Fund investment management fee (0.43% as of October 1, 2008) will be charged to the IRA and will not be paid by the Company or the Savings Plan. Other fees may apply if funds are transferred from the Cash Reserves Fund to another Fidelity fund. A distribution fee (currently $50) will be charged upon distribution from the Fidelity IRA. The expenses and fees of the Fidelity IRA will not be higher than the expenses and fees charged by Fidelity for other Fidelity IRAs.

If You Die

If you die while employed by the Company, your beneficiary is eligible to receive a full distribution of your account, including the value of all Company contributions.

If your spouse is the beneficiary of your account, he or she may receive payment as soon as administratively possible or defer payment up to the date you would have reached age 70-1/2. Your spouse has the same choice of payment options (see the "Payment Options When You Leave" section). If your spouse is not your beneficiary or you do not have a designated beneficiary, your account must be distributed within five years after the year of your death or, if you have a designated beneficiary and distributions begin by the end of the year following the year of your death, the distribution period must not exceed the life of your designated beneficiary.

For a description of the rules that apply in determining the beneficiary to whom your Savings Plan benefits are payable after your death, see "Beneficiary Designation" in the "Participating in the Savings Plan" section.

To Request a Distribution

You can request a distribution through the NetBenefits Web site or by calling the benefits administrator directly.

The timing and form of payment can affect the taxes you will pay.

Tax Considerations

When you receive a distribution (including a withdrawal) from the Savings Plan, the amount generally is taxable, with the exception of any employee after-tax contributions for which the basis has not been exhausted. Tax laws are complicated and subject to change, so you may want to consult a tax advisor before making any distribution decisions.

Income Tax Withholding Rules

The Internal Revenue Service (IRS) requires the Company to withhold 20% of the taxable portion of certain distributions from your account. In general, this includes the taxable portion of any payment other than:

- Installments paid out over 10 years or more.
- The portion of a hardship withdrawal that's attributable to before-tax contributions and earnings.
- Death benefits payable to a non-spouse beneficiary.

In general, payments not subject to 20% mandatory withholding are subject to 10% withholding. However the recipient may elect another withholding amount (including no withholding) by completing IRS Form W-4P and submitting the completed form to the benefits administrator.

The 20% withholding tax is an advance estimated payment on the income taxes you owe on your distribution. Depending on your individual situation, you could owe more or less taxes when you file your income tax return. The 20% withholding requirement will not apply to all or any portion of your distribution that you directly roll over to an individual retirement account or annuity (IRA) or another employer's eligible retirement plan that accepts rollovers.

More About Rollovers

To defer paying taxes on an eligible distribution, you can elect a direct rollover. In general, a rollover from the Savings Plan can include your before-tax contributions, Company contributions, investment earnings, and if the receiving plan accepts them, after-tax contributions.

Eligible distributions include the taxable portion of payments made over a period of less than 10 years. With direct rollovers, the Company makes your check and/or stock out in the name of the receiving plan that you provide – for example, an IRA, qualified retirement plan 401(k), 403(b) or qualifying 457 plan. (Reminder: If you want to roll over stock, check to be sure the IRA or plan trust accepts stock.) This way, you avoid the automatic 20% federal income tax withholding.

If you do not make a direct rollover and receive your distribution check in your name, you still have 60 days to make a rollover on your own. However, you will be responsible for making up the 20% withholding tax if you want to roll over the full amount of the eligible distribution.

You will receive more information about how to elect a direct rollover when you request a withdrawal or distribution.

10% Early Withdrawal Tax

In general, the IRS applies a 10% early withdrawal tax on the taxable portion of any payment you receive before age 59-1/2. This tax is in addition to regular income taxes. The tax does not apply if:

- Your employment ends or you retire during or after the year in which you reach age 55.

- You roll over the taxable portion of your payment into an IRA or another employer's eligible retirement plan.

- Payment is made due to your death or disability.

- Your payments are made over your life or life expectancy (or your or your beneficiary's lives or life expectancies).

- Your distribution is used to pay for certain tax-deductible medical expenses.

- The payment is made to comply with a Qualified Domestic Relations Order (QDRO—see the "If You Divorce or Separate" section).

If You Are a Retiree, Former Vested Participant or Beneficiary

If you participated in the Savings Plan as an active employee and had a vested account balance of $3,500 or more when you left, you had the option to defer payment of your account to a later date. Also, you remain a participant until you take a final distribution of your vested account balance. Your account balance includes your contributions and Company contributions up to the date your employment ended and any earnings on those contributions. Additional contributions cannot be made after you leave, unless you are re-employed by Verizon as an eligible associate and you elect to contribute to the Savings Plan.

You will continue to receive a quarterly statement detailing the activity in your account.

Investing Your Account

You may transfer money among the Savings Plan funds by calling the benefits administrator at any time. Also, if you are continuing loan repayments, you may change the investment direction of your loan repayments at any time. See the "Investing Your Account" section for information about making changes and the Savings Plan funds you have available.

Account Access

Retiree Withdrawal Option

If you are a retiree, you may take a retiree withdrawal of up to your full account balance once per calendar year.

Loans

You may not take out a new loan on your account after you leave.

If you left the Company with an outstanding loan balance and your account is deferred, you had the option of making monthly repayments using a coupon book or repaying your loan in full. If you terminated and requested a distribution, your loan was satisfied as a result of receiving a distribution; however, in this case, the outstanding balance became a taxable distribution that is offset to the extent you had after-tax contributions remaining.

If you have a loan outstanding at the time of your death, your beneficiary will have to pay taxes on the outstanding balance of the loan. If you are a beneficiary, contact the benefits administrator for more information.

Final Distribution Options

You can elect a final distribution of your vested account value at any time. Your payment options when you leave are described in the "Payment Options When You Leave" section.

Call the benefits administrator and speak with a representative for more information on timing for receiving your payment and details about how the payment options work.

Beneficiary Designation

For information about your beneficiary designation and changes to your beneficiary designation, see "Beneficiary Designation" in the "Participating in the Savings Plan" section.

Additional Information

If You Divorce or Separate

Your account value in the Savings Plan belongs solely to you or to your beneficiary if you die. In general, it cannot be assigned to anyone else. If you are divorced or separated, however, certain court orders – known as Qualified Domestic Relations Orders (QDROs) – could require part of your benefit to be paid to someone else, such as your former spouse or your child.

The Savings Plan has procedures governing QDRO determinations. You may request a copy of the Savings Plan's QDRO procedures by contacting the Verizon Qualified Order Team; P.O. Box 1433, Lincolnshire, IL 60069-1433 or by calling the Verizon Benefits Center at 1-877-4VzBens (1-877-489-2367) and asking to be transferred to the Qualified Order Team. A copy will be provided to you without charge. You can also access information about this process online at http://www.qocenter.com.

How Benefits Could Be Reduced, Lost, Suspended or Delayed

Your benefits under the Savings Plan will be reduced, lost, suspended or delayed if any of the following conditions apply:

- Your employment with the Company and all Verizon affiliates terminates before you are fully vested.

- You fail to restore previously forfeited contributions after you are rehired as described in the "Restoring Forfeited Contributions If You Are Rehired" section.

- Your benefits are attached or otherwise assigned under a QDRO, in which case any portion of your benefits that is not attached or assigned will be paid to you.

- You do not provide the Verizon Savings Plan Service Center (see the "Benefits Administrator" section for the telephone number) with your most recent address, such that you cannot be located.

- You fail to make proper application for benefits or fail to provide necessary information.

Pension Benefit Guaranty Corporation

The Savings Plan is a defined contribution plan, providing contributions to you in specific amounts, with your vested account value payable to you when you leave or retire. Defined contribution plans are not eligible to be insured by the Pension Benefit Guaranty Corporation (PBGC).

Claims and Appeals Procedures

As the claims administrator, Verizon's benefits administrator has discretionary authority to determine initial claims for benefits under the Savings Plan. The Verizon Claims Review Committee (VCRC) is the appeals administrator for the Savings Plan.

The Savings Plan grants the claims and appeals administrators discretionary authority to:

- Interpret the Savings Plan based on its provisions and applicable law and make factual determinations about claims arising under the Savings Plan.
- Determine whether a claimant is eligible for benefits.
- Decide the amount, form and timing of benefits.
- Resolve any other matter under the Savings Plan that is raised by a participant or a beneficiary, or that is identified by either the claims or appeals administrator.

The claims and appeals administrators have sole discretionary authority to decide claims under the Savings Plan and review and resolve any appeal of a denied claim.

Filing a Claim

You (or someone claiming benefits through you as a participant or beneficiary) have the right under ERISA to file a claim if you believe you are entitled to benefits and benefits have been denied or incorrectly determined under the Savings Plan.

Special claims and appeals procedures apply to claims relating to disability determinations under the Savings Plan if you have not already been determined disabled for purposes of receiving disability benefits under any long-term disability plan or pension plan maintained by the Company or any Verizon affiliate. You may request such procedures, free of charge, by contacting the benefits administrator.

	Savings Plan Claims
	A savings plan claim (or appeal) is a claim for a benefit under the Savings Plan; for example, a claim to receive a hardship withdrawal
Step 1 **How to file a claim**	To file a claim, request a Claim Initiation Form from the Verizon Benefits Center at 1-877-4VzBens (1-877-489-2367). You (or your authorized representative) must complete this form and include: • A description of the benefits for which you are applying. • The name of the Savings Plan to which your request relates. • The reason(s) for the request. • Relevant documentation. Mail the form to: Verizon Benefits Center Claims Review Unit P.O. Box 1438 100 Half Day Road Lincolnshire, IL 60069-1438 You may be asked to provide additional information during the review process to ensure that your claim is reviewed completely. If this occurs, the Claims Review Unit will notify you of the deadline to submit the additional information to complete the claim. If you fail to provide the additional information, your claim may be decided based on the information already provided.
When you will be notified of the claim decision	You will receive a response within 90 days of the Claims Review Unit's receipt of your properly completed Claim Initiation Form. If special circumstances apply, the Claims Review Unit may take up to an additional 90 days to make a decision on your claim. You will be notified in writing before the end of the initial review period if more time is needed.
How you will be notified of the claim decision	If your claim is **approved**, the Claims Review Unit will notify you in writing. If your claim is **denied**, in whole or in part, the Claims Review Unit will notify you in writing. Your denial notice will contain: • The specific reason(s) for the denial. • The Savings Plan provisions on which the denial was based. • Any additional material or information you may need to submit to complete the claim and why that material is needed. • The Savings Plan's appeal procedures and a statement of your right to bring a civil action under Section 502(a) of ERISA following a denial of a benefit on appeal.
Step 2 **About appeals and the claims fiduciary**	Before you can bring any action at law or in equity to recover Savings Plan benefits, you **must** exhaust this process. Specifically, you must file an appeal or appeals, as explained in this Step 2, and the appeal(s) must be finally decided by the claims fiduciary, the Verizon Claims Review Committee. The Claims Review Committee is authorized to finally determine appeals and interpret the terms of the Savings Plan in its sole discretion. All decisions by the Claims Review Committee are final and binding on all parties.

	Savings Plan Claims
How to file an appeal	If your claim is denied and you want to appeal it, you must file your appeal within 60 days from the date you receive written notice of your denied claim. You may request access to all documents relating to your appeal and copies free of charge. To file your appeal, write to: Verizon Claims Review Committee c/o Verizon Benefits Center Claims Review Unit P.O. Box 1438 100 Half Day Road Lincolnshire, IL 60069-1438 You should include: • A copy of your claim denial notice. • The reason(s) for the appeal. • Relevant documentation. The review of your appeal will take into account all the related information you submit, whether or not you submitted that information for the initial determination.
When you will be notified of the appeal decision	You will receive a response within 60 days of the Claim Review Committee's receipt of your appeal. If special circumstances apply, the Claims Review Committee may take up to an additional 60 days to make a decision on your appeal. The Claims Review Committee will notify you in writing before the end of the initial review period if more time is needed.
How you will be notified of the appeal decision	If your appeal is **approved**, the Claims Review Committee will notify you in writing. If your appeal is **denied**, in whole or in part, the Claims Review Committee will notify you in writing. Your denial notice will contain: • The specific reason(s) for the denial. • The Savings Plan provisions on which the denial was based. • A statement regarding the documents that you are entitled to at no charge. • A description of any voluntary appeal procedures offered by the Savings Plan and a statement of your right to bring a civil action under Section 502(a) of ERISA.
How to proceed if necessary	The decision on your appeal is final. As a result, the Verizon Claims Review Committee will not review your matter again, unless new facts are presented. You have a right to bring a civil action.

Rights of Participants and Beneficiaries Under ERISA

Under the Employee Retirement Income Security Act of 1974, as amended (ERISA), you have the following rights:

Receive Information About Your Savings Plan Benefits

You may examine, without charge, at the Savings Plan administrator's office and at other specified locations, such as worksites and union halls, all Savings Plan documents. These may include SPDs, summaries of material modifications, other employee communications relating to the Savings Plan, applicable collective bargaining agreements, the latest annual report (Form 5500 Series) and other official Savings Plan documents filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. For information, write to the Savings Plan administrator:

Verizon New York and New England Savings Plan Administrator
c/o Verizon Benefits Center
P.O. Box 1457
100 Half Day Road
Lincolnshire, IL 60069-1457

Also, you may obtain copies of all of the above-referenced Savings Plan documents upon written request to the Savings Plan administrator at the above address. Please include the full name of the Savings Plan in your written request, along with your name, social security number, mailing address and telephone number. You may be charged a small copying fee per page for documents that you request.

Receive a Summary of the Savings Plan's Annual Financial Report

The Savings Plan administrator is required by law to furnish you with a copy of the Savings Plan's summary annual report.

For questions about Savings Plan benefits or requests for SPDs, summaries of material modifications or other Savings Plan-related communications, you should write or call the Verizon Savings Plan Service Center at:

Verizon Savings Plan Service Center
Fidelity Institutional Retirement Service Company
P.O. Box 770003
Cincinnati, Ohio 45277-0065
1-888-457-9333

Prudent Actions by Savings Plan Fiduciaries

In addition to creating rights for Savings Plan participants, ERISA imposes duties upon the persons who are responsible for the operation of the Savings Plan. The persons who operate your Savings Plan, called "fiduciaries" of the Savings Plan, have a duty to do so prudently and in the interest of you and other Savings Plan participants and beneficiaries.

No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit under the Savings Plan is denied or ignored, in whole or in part, you have a right to know why this was done and to obtain copies of documents relating to the decision without charge. You have the right to have your claim reviewed and reconsidered on appeal, but your appeal must be timely.

Under ERISA, there are steps you can take to enforce the previous rights.

For instance, if you request materials from the Savings Plan administrator that you have a right to receive and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Savings Plan administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Savings Plan administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Savings Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Savings Plan fiduciaries misuse the Savings Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim to be frivolous).

Assistance with Your Questions

If you have any questions about the Savings Plan, you should contact the benefits administrator, which the Savings Plan administrator has designated for purposes of administering benefits and responding to questions of participants and beneficiaries. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Savings Plan administrator, you can contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or write to:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publication hotline of the Employee Benefits Security Administration.

Administrative Information

Administrative information about the Savings Plan is provided in this section.

Savings Plan Sponsor

The Savings Plan sponsor is:

Verizon Communications Inc.
VC34E231
One Verizon Way
Basking Ridge, NJ 07920

Savings Plan Administrator

The Savings Plan administrator and the fiduciary responsible for providing descriptions of investment alternatives of the Savings Plan is:

Chairperson of the Verizon Employee Benefits Committee
c/o Verizon Benefits Center
100 Half Day Road
P.O. Box 1457
Lincolnshire, IL 60069-1457
1-877-4VzBens (1-877-489-2367)

You may communicate to the Savings Plan administrator in writing at the address above. But, for questions about Savings Plan benefits, you should write or call the benefits administrator. The benefits administrator administers enrollment and handles participant questions, requests and certain benefits claims, but is not the Savings Plan administrator.

Except for powers reserved to Verizon, the chief financial officer of Verizon, VIMCO, the Committee, the Trustee, or the appeals administrator or delegated to the claims administrator, the benefits administrator, or to investment managers or other designated fiduciaries, the Savings Plan administrator and its designees have the full and final discretionary authority to administer the Savings Plan; interpret the Savings Plan; resolve ambiguities, inconsistencies and omissions in the Savings Plan documents; develop rules and regulations to carry out the terms of the Savings Plan; and make factual determinations and resolve questions relating to the Savings Plan. However, most of your day-to-day questions can be answered by the Savings Plan's benefits administrator.

Do not send any benefit claim to the Savings Plan administrator or to the legal department. Instead, submit it to the claims administrator for the Savings Plan, which is the benefits administrator.

Benefits Administrator

The benefits administrator is:

Verizon Savings Plan Service Center
Fidelity Institutional Retirement Service Company
P.O. Box 770003
Cincinnati, OH 45277-0065
1-888-457-9333

Claims and Appeals Administrators

The initial claims administrator is the benefits administrator (see above).

The appeals administrator is:

Verizon Claims Review Committee
c/o Verizon Benefits Center
100 Half Day Road
P.O. Box 1438
Lincolnshire, IL 60069-1438

The claims administrator has the authority to make final determinations regarding initial claims for benefits as described in the "Claims and Appeals Procedures" section.

The appeals administrator has the authority to make final determinations regarding appeals of benefit claims as described in the "Claims and Appeals Procedures" section.

The claims and appeal administrators may delegate their respective fiduciary authority and responsibilities under the Savings Plan, and any delegate will have the full discretionary authority of the respective claims or appeals administrator.

Savings Plan Funding and Sources of Contributions

The Savings Plan is funded through employee and Company contributions made to a trust. The Savings Plan trustee is:

Fidelity Management Trust Company
82 Devonshire Street
Boston, MA 02109-3605

Savings Plan Identification

The Savings Plan is a defined contribution plan that is also a stock bonus and employee stock ownership plan with Internal Revenue Code section 401(k) and 401(m) features. The Savings Plan is listed with the Department of Labor under two numbers: The Employer Identification Number (EIN) is 23-2259884 and the Plan Number (PN) is 011.

Plan Year

Savings Plan records are kept on a calendar-year basis.

Agent for Service of Legal Process

The agent for service of legal process is the Savings Plan administrator. Legal process must be served in writing to the Savings Plan administrator at the address stated for the Savings Plan administrator listed in the "Savings Plan Administrator" section.

In addition, a copy of the legal process involving this Savings Plan should be delivered to:

Verizon Legal Department
Verizon Communications Inc.
600 Hidden Ridge, HQE02J19
Irving, Texas 75038

Legal process also may be served on the Savings Plan trustee.

Official Plan Document

This SPD describes the main provisions of the Savings Plan, but not every detail is included. Your rights and benefits are governed solely by the official Savings Plan documents. It is important, therefore, to ask questions and get clarification on any matters about which you are uncertain.

Collective Bargaining Agreements

The Savings Plan is maintained pursuant to one or more collective bargaining agreements between Verizon and applicable unions. You and your beneficiaries may review and request copies of the applicable collective bargaining agreements as described in the "Receive Information About Your Savings Plan Benefits" section.

Participating Companies

The following is a list of participating companies as of January 1, 2009. This list may change from time to time:

- Empire City Subway Co. Ltd.
- Telesector Resources Group Inc. d/b/a Verizon Services Group
- Verizon New England Inc.
- Verizon New York Inc.
- Verizon Services Corp. (with respect to non-salaried employees who transfer from Verizon Services Group)
- Verizon Services Corp. (and any other Verizon affiliate designated as the "Service Company" pursuant to the August 2008 Settlement Agreement with the Communications Workers of America, AFL-CIO and its local unions and affiliates and/or the August 2008 Settlement Agreement with the International Brotherhood of Electrical Workers, AFL-CIO Locals 827, 1944, 2213, 2222, 2313, 2320, 2321, 2322, 2323, 2324, 2325 and their District Councils [the "VZB Settlement Agreements"]) with respect to non-salaried employees who transfer to a covered position as of such date pursuant to such VZB Settlement Agreements.

- Each applicable Verizon affiliate that employs Video Hub Technicians pursuant to the August 2008 Settlement Agreement with the Communications Workers of America, AFL-CIO and its local unions and affiliates and/or the August 2008 Settlement Agreement with the International Brotherhood of Electrical Workers, AFL-CIO Locals 827, 2222, 2321, 2322, 2323, 2324, 2325 and their District Councils (the VZC Settlement Agreements") with respect to non-salaried employees who transfer to a covered position as of such date pursuant to such VZC Settlement Agreements.

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