



Setting the Record Straight on Verizon's Claims:

Wages, Benefits and Mediation

Verizon executives have made a number of misleading and arguably dishonest claims about the pay and benefits of their employees. Some simple fact checking reveals what Verizon workers actually earn and what's really at stake in bargaining.

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Compensation:

Average Pay is \$74,000 a year

The average salary of the striking Verizon workers is \$74,000 a year. Highly skilled technicians, who install or service FiOS, with five or more years of experience, top out at \$84,600 in New York and about \$76,000 elsewhere. Customer service reps average about \$69,000 a year.

Meanwhile, Verizon's CEO was paid \$18 million in compensation last year – 243 times more than the average Verizon worker – and the company's top five executives pocketed over \$230 million in compensation over the last five years.

Verizon has been claiming in the media and in outreach to legislators that the average Verizon

worker receives total compensation of \$130,000. But this is a highly misleading number because total compensation includes many factors not related to worker's earnings and benefits and also reflects many items outside the union's ability to negotiate. While it includes wages and benefits paid to active workers, it also includes overtime, shift differentials for weekends and holidays, and the cost of pension and health benefits that will be paid to future retired workers.

Based on information provided in bargaining, here are some key ways we suspect the company's number is false or misleading:



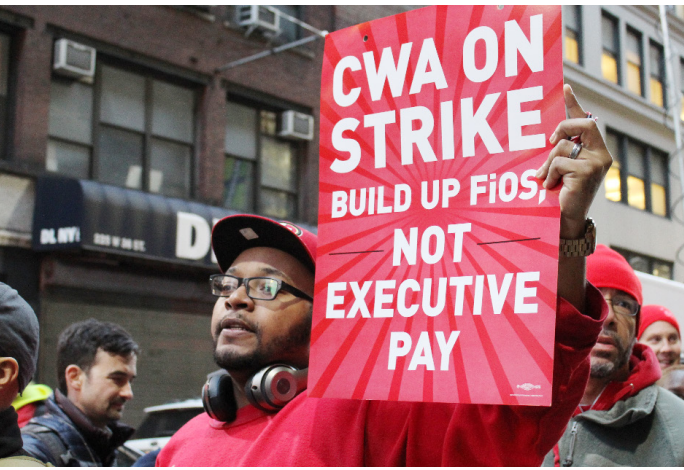
- ▶ 10% of the total comp number is overtime pay, with technicians and customer service representatives being forced to work longer hours to make up for the company's understaffing. Unionized employment in the northeast and mid-Atlantic regions has been cut nearly 40% in the last ten years.
- ▶ About 2% of the total compensation is for shift differentials—which Verizon pays to get workers to work evenings, weekends and holidays.
- ▶ About 3% of Verizon's figure is for incentives that the company offers when it wants to get workers to retire early, and for "long-term disability" insurance for workers who are injured on the job.

Those three items alone lop off \$19,500 from the total comp number. If Verizon actually hired new workers, overtime and differential pay would drop, and average wages would drop since top craft employees have a starting salary of under \$22,000 a year. Hiring would also enable the company to fulfill the FiOS build-out promises it has broken, and address the service problems currently under investigation in New York and Pennsylvania.

- ▶ Verizon claims that nearly \$24,000 goes to workers' pension and health care benefits in retirement. However, this is an amount the company pays to ensure that future retirees will receive the pension and health benefits they have already earned. This amount changes based on interest rates, and is higher now because interest rates are at historic lows. Also, the individual does not actually receive that money now—it ensures the stability of the pension and retiree health funds so workers can receive negotiated benefits in the future.

Even more important, no worker hired after October 2012 actually has a Defined Benefit pension due to changes negotiated





in the last contract. No worker hired after August 2008 receives fully paid retiree medical benefits. Instead they receive a set amount per year of service which they may only spend to buy a Verizon sponsored benefit plan.

- ▶ \$17,000 of Verizon's \$130,000 in total comp goes to employee health care. But as the company knows, the union has negotiated literally hundreds of millions of dollars in health care cost savings in this round of bargaining.

Verizon has concocted the inflated \$130,000 number to make it seem as if workers are lavishly paid. But when it comes to lavish pay at Verizon, only three numbers really matter: Verizon's \$18 billion in profits in 2015, CEO Lowell McAdam's total compensation of \$18 million last year, and the more than \$230 million given to Verizon's top-five executives in the last five years.

Tuition Assistance:

Cutting Educational Opportunities even as Jobs Disappear

CWA negotiated a tuition assistance program at Verizon so that employees could enhance their core skills needed at the company and lead to their professional and personal development. Verizon claims the Tuition Assistance Plan needs to be changed because workers are taking frivolous classes. They want to eliminate coverage for 30 study categories and to restrict areas of study to those skill areas that are pertinent to work at Verizon.

But the fact is, a tiny proportion of workers using the program take classes that aren't linked to core industry-skills. At a time when Verizon is trying to shut down call centers and reduce its workforce, curtailing educational opportunities for workers leaves them at greater risk of unemployment and further threatens the stability of their communities.

Disability:

Cutting Sick Days for Workers Injured on the Job

Verizon has said that workers out on disability because of job-related injuries are not required to see a doctor. This is simply not true. The program, administered by Met Life, requires doctor approval for both on the job injuries and disabilities due to illness. Verizon also has the right to require a recertification by a licensed practitioner anytime during the course of a disability leave.





Verizon wants to impose another level of oversight and a second certification by medical boards of specialties—additional hoops for sick and injured workers to jump through even when significant oversight already exists. **Most important, Verizon admits in bargaining that there is no cost savings associated with this proposal.**

Verizon is raising this issue of oversight and certification as a diversion. The real issue is that Verizon is demanding that workers use up 5 of their 10 annual sick days when they get hurt on the job. Currently workers are covered by disability on day one if they are injured on the job—like falling from a pole or electrocution. Why should they have to use up time allotted for illnesses to cover lost time caused by workplace accidents? And by the way, the company's projected savings from this change:

\$400,000 a year, **roughly one week and one day of Lowell McAdam's salary.**

Healthcare for Dependents:

Verizon wants to cut health care coverage for certain dependents of workers, like parents, grandparents or siblings. But as is true all across America, many Verizon workers' families include dependents that extend beyond the narrow definition of children, and the current CWA contract ensures that coverage is extended to family members who are truly financially dependent on the Verizon worker. This includes adult children with severe disabilities, grandchildren they are parenting and aging parents. These people are classified as Class II dependents.

In the last round of bargaining, the union agreed to freeze the addition of Class II dependents to Verizon health care coverage. None have been added to coverage since October, 2012.

Here is what this change amounts to: A company that made \$18 billion in profits last year and paid its top five executives more than \$230 million over the last five years wants to deny coverage to children with disabilities and aging parents who live with the worker or within 50 miles in a home provided by the worker. That's not cost savings. That's cruelty.

Mediation:

Verizon has spent a lot of time in the press pushing the idea of federal mediation. But mediation is a diversion. The company knows what our issues are. We don't need a mediator to interpret them. We're on strike because Verizon insists on multiple changes in the contract that would devastate workers' families and hurt their communities. We'd much rather be building and maintaining the telecommunications systems our customers need than walking picket lines. That's why we negotiated in good faith to make huge savings in Verizon's health care costs. Now the company must address the concerns of its working families, which primarily involve protecting good jobs in our communities. The talk of mediation is a misleading sideshow.

