

Annual Funding Notice For Verizon Pension Plan for Associates

Introduction

This notice includes important information about the funding status of your single-employer pension plan (“the Plan”). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (“PBGC”), a federal insurance agency. All traditional pension plans (called “defined benefit pension plans”) must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning January 1, 2023 and ending December 31, 2023 (“Plan Year”).

Legislation Impacting Pension Funding Calculations

Federal legislation named the Moving Ahead for Progress in the 21st Century Act (MAP-21) enacted in 2012, the Highway and Transportation Funding Act of 2014 (HATFA), the Bipartisan Budget Act of 2015 (BBA 2015), the American Rescue Plan Act of 2021 (ARPA), and the Infrastructure Investment and Jobs Act (IIJA) enacted in 2021 changed how pension plans calculate their liabilities. The legislation requires that certain plans temporarily disclose the effect of these changes. Prior to 2012, pension plans determined their liabilities using a two-year average of interest rates. Now pension plans also must take into account a 25-year average of interest rates. This means that interest rates likely will be higher and plan liabilities lower than they were under prior law. As a result, Verizon may contribute less money to the plan at a time when market interest rates are at or near historical lows.

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the “funding target attainment percentage”. The Plan divides its Net Plan Assets by Plan Liabilities to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan’s Funding Target Attainment Percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also shows you how the percentage was calculated.

Funding Target Attainment Percentage			
	2023	2022	2021
1. Valuation Date	January 1, 2023	January 1, 2022	January 1, 2021
2. Plan Assets			
a. Total Plan Assets	\$12,032,728,898	\$15,025,980,852	\$14,605,121,533
b. Funding Standard Carryover Balance	\$0	\$0	\$0
c. Prefunding Balance	\$421,634,966	\$3,278,302,236	\$3,319,920,491
d. Net Plan Assets (a) - (b) - (c) = (d)	\$11,611,093,932	\$11,747,678,616	\$11,285,201,042
3. Plan Liabilities	\$11,611,093,932	\$11,814,182,403	\$12,436,039,156
4. Funding Target Attainment Percentage (2d)/(3)	100%	99%	90%

The “Information Table” below compares the impact of using interest rates based on the 25-year average (“the adjusted interest rates”) and interest rates based on a two-year average on the Plan’s: (1) Funding Target Attainment Percentage, (2) Funding Shortfall, and (3) Minimum Required Contribution. The funding target attainment percentage of a plan is a measure of how well the plan is funded on a particular date. The funding shortfall of a plan is the amount by which liabilities exceed net plan assets. The minimum required contribution is the amount of money an employer is required by law to contribute to a plan in a given year. Any funding standard carryover balances or prefunding balances (see lines 2b and 2c in the chart on the prior page) that exist for a plan year may be applied toward the minimum required contribution to reduce the actual amount of money the employer needs to contribute. The following table shows this information determined with and without the adjusted interest rates to illustrate the effect of MAP-21, HATFA, BBA 2015, ARPA and IJJA. The information is provided for the current Plan Year and for each of the two preceding plan years, if applicable.

Information Table						
	2023		2022		2021	
	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates	With Adjusted Interest Rates	Without Adjusted Interest Rates
Funding Target Attainment Percentage	100%	79%	99%	74%	90%	72%
Funding Shortfall	\$0	\$2,970,142,832	\$66,503,787	\$4,044,804,771	\$1,150,838,114	\$4,204,240,123
Minimum Required Contribution	\$224,834,433	\$ 536,122,717	\$245,986,793	\$ 659,913,605	\$345,054,578	\$663,186,820

Plan Assets and Credit Balances

The chart on page 1 shows certain “credit balances” called the Funding Standard Carryover Balance and Prefunding Balance. A plan might have a credit balance, for example, if in a prior year an employer contributed money to the plan above the minimum level required by law. Generally, an employer may credit the excess money toward the minimum level of contributions that it must make in future years. Plans must subtract these credit balances from Total Plan Assets to calculate their Funding Target Attainment Percentage.

Plan Liabilities

Plan Liabilities shown in line 3 of the chart on page 1 is an estimate of the amount of assets the Plan needs on the Valuation Date to pay for promised benefits under the Plan.

Year-End Assets and Liabilities

The asset values in the chart on page 1 are measured as of the first day of the Plan Year. They also are “actuarial values”. Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. The IRS permits either actuarial or market values for this purpose, and Verizon has elected to use an actuarial value of assets. Actuarial values smooth out those fluctuations and can allow for

more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan’s funded status at a given point in time. As of December 31, 2023, the fair market value of the Plan’s assets was \$10,998,156,071. On this same date, the Plan’s liabilities, determined using market rates, were \$11,739,404,344. Verizon contributed \$311,868,000 to the Plan in March 2024, and the interest-adjusted value of this contribution is included in the year-end fair market value of assets.

The year-end Plan Liabilities in this section are calculated using prescribed interest rates for the purpose of determining a market-based liability at the end of the plan year. The funded percentage calculation to determine if restrictions apply to lump sum distributions during 2024 uses a different Plan Liability measure than what is shown in this paragraph. The company does not expect there to be funding-based restrictions on lump sum distributions from the Plan in 2024. Although this cannot be guaranteed, the company believes such restrictions to be highly unlikely and continues to fund the plan in accordance with the detailed ERISA funding rules.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the Valuation Date was 115,243. Of this number, 23,778 were current employees, 76,002 were retired and receiving benefits, and 15,463 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the plan is that Verizon intends to make contributions to the pension fund sufficient to comply with the minimum funding standards imposed by the Internal Revenue Code. Verizon's contributions shall be determined at least annually. Each contribution made to the Plan shall be made on the condition that it is currently deductible under section 404 of the Internal Revenue Code for the taxable year with respect to which the contribution is made and without regard to any subsequent amendment improving benefits under the Plan.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The overall investment strategy is to achieve a mix of assets that allows us to meet projected benefit payments while taking into consideration risk and return. While target allocation percentages will vary over time, as of the end of the plan year, the target allocation for plan assets is designed so that 34% to 44% of the assets have the objective of achieving a return in excess of the growth in liabilities (comprised of public equities, private equities, real estate, hedge funds, high yield bonds and emerging market debt) and 62% to 72% of the assets are invested as liability hedging assets (where interest rate sensitivity of the liability hedging assets better match the interest rate sensitivity of the liability) and a maximum of 10% is in cash. This allocation will shift as funded status improves to a higher allocation of liability hedging assets. Target policies will be revisited periodically to ensure they are in line with fund objectives. Both active and passive management approaches are used depending on perceived market efficiencies and various other factors. Due to our diversification and risk control processes, there are no significant concentrations of risk, in terms of sector, industry, geography or company names.

The Plan's assets are 100% invested collectively with certain other Verizon pension plans' assets in a master trust investment account. In accordance with the Plan's investment policy, the assets in the master trust investment account were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (interest-bearing and non-interest bearing)	13%
2. U.S. Government securities	10%
3. Corporate debt instruments (other than employer securities):	
Preferred	11%
All other	15%
4. Corporate stocks (other than employer securities):	
Preferred	0%
All other	0%
5. Partnership/joint venture interests	29%
6. Real estate (other than employer real property)	7%
7. Value of interest in common/collective trusts	8%
8. Value of interest in 103-12 investment entities	0%
9. Value of interest in registered investment companies (e.g., mutual funds)	3%
10. Other	4%

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. For the plan year beginning on January 1, 2024 and ending on December 31, 2024, the Plan expects the following event to have such an effect:

On March 6, 2024, Verizon finalized a transaction in which Prudential and RGA irrevocably assumed the obligation to make future annuity payments to approximately 45,000 Verizon Pension Plan for Associates retirees who began receiving pension payments from the Plan prior to January 1, 2023. The amount of each retiree's annuity payment equals the amount of such individual's pension benefit. In addition, the group annuity contracts are intended to replicate the same rights to future payments, such as survivor benefits, that are currently offered by the Plan. The group annuity contracts also cover welfare death benefits that may be payable to a participant's

beneficiary upon death if certain criteria are met. The group annuity contracts with Prudential and RGA settled approximately \$4,800,000,000 of benefit liabilities for the Plan. Verizon made an additional contribution to the Plan of \$311,868,000 prior to the closing date of this transaction. With this contribution, the funded ratio of the Plan does not change as a result of this transaction.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500". These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1515, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator at: Verizon Benefits Center, P.O. Box 8998 Norfolk, VA 23501-8998. The Plan's annual report is also available on the Verizon Communications website at www.verizon.com/benefitsconnection. To access the annual report and Summary Plan Description, go to the BenefitsConnection website, and click on the "Library" link near the top of the Home page; then select the appropriate document(s) from the Summary Plan Descriptions (SPDs) section. Annual reports do not contain personal information such as the amount of your accrued benefits. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified under "Where to Get More Information".

Summary of Rules Governing Termination of Single-Employer Plans

If a plan terminates, there are specific termination rules that must be followed under federal law. A summary of these rules follows.

There are two ways an employer can terminate its pension plan. First, the employer can end a plan in a "standard termination" but only after showing the PBGC that such plan has enough money to pay all benefits owed to participants. Under a standard termination, a plan must either purchase an annuity from an insurance company (which will provide you with periodic retirement benefits, such as monthly for life or for a set period of time when you retire) or, if your

plan allows, issue one lump-sum payment that covers your entire benefit. Your plan administrator must give you advance notice that identifies the insurance company (or companies) selected to provide the annuity. The PBGC's guarantee ends upon the purchase of an annuity or payment of the lump-sum. If the plan purchases an annuity for you from an insurance company and that company becomes unable to pay, the applicable state guaranty association guarantees the annuity to the extent authorized by that state's law.

Second, if the plan is not fully-funded, the employer may apply for a distress termination. To do so, however, the employer must be in financial distress and prove to a bankruptcy court or to the PBGC that the employer cannot remain in business unless the plan is terminated. If the application is granted, the PBGC will take over the plan as trustee and pay plan benefits, up to the legal limits, using plan assets and PBGC guarantee funds.

Under certain circumstances, the PBGC may take action on its own to end a pension plan. Most terminations initiated by the PBGC occur when the PBGC determines that plan termination is needed to protect the interests of plan participants or of the PBGC insurance program. The PBGC can do so if, for example, a plan does not have enough money to pay benefits currently due.

As of January 2024, the most recent date the PBGC published information related to pension plans insured by the PBGC, there were 1,891 single employer defined benefit pension plans with more than 1,000 participants. During the 12-month period from January 2023 through December 2023, two plans with more than 1,000 participants (less than 1%) were taken over by the PBGC. (Sources: PBGC Data Sets on Single Employer Pension Plans and Single Employer Plans Trusteed by PBGC on the PBGC website - www.pbgc.gov)

Benefit Payments Guaranteed by the PBGC

When the PBGC takes over a plan, it pays pension benefits through its insurance program. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. Additionally, the PBGC limits the amount of benefits it guarantees for individuals. Many participants and beneficiaries receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits that are not guaranteed, or are limited by the PBGC.

The amount of benefits that the PBGC guarantees is determined as of the plan termination date. However, if a plan terminates during a plan sponsor's bankruptcy, then the amount guaranteed is determined as of the date the sponsor entered bankruptcy.

The PBGC maximum benefit guarantee is set by law and is updated each calendar year. For a plan with a termination date or sponsor bankruptcy date, as applicable in 2024, the maximum guarantee is \$7,107.95 per month, or \$85,295.40 per year, for a benefit paid to a 65-year-old retiree with no survivor benefit. If a plan terminates during a plan sponsor's bankruptcy, the maximum guarantee is fixed as of the calendar year in which the sponsor entered bankruptcy. The maximum guarantee is lower for an individual who begins receiving benefits from the PBGC before age 65 reflecting the fact that younger retirees are expected to receive more monthly pension checks over their lifetimes. For example, for a benefit paid to a 55-year-old retiree as a single life annuity (i.e., no survivor benefit), the maximum guarantee for 2024 is \$3,198.58 per month, or \$38,382.96 per year. Similarly, the maximum guarantee is higher for an individual who starts receiving benefits from the PBGC after age 65. The maximum guarantee by age can be found on PBGC's website, www.pbgc.gov. The guaranteed amount is also reduced if a benefit will be provided to a survivor of the plan participant.

The PBGC guarantees "basic benefits" earned before a plan is terminated, which include:

- Pension benefits at normal retirement age;
- Most early retirement benefits;
- Annuity benefits for survivors of plan participants; and
- Disability benefits for a disability that occurred before the date the plan terminated or the date the sponsor entered bankruptcy, as applicable.

The PBGC does not guarantee certain types of benefits:

- The PBGC generally does not pay lump sums exceeding \$5,000.
- The PBGC does not guarantee benefits for which you do not have a vested right, usually because you have not worked enough years for the company.
- The PBGC does not guarantee benefits for which you have not met all age, service, or other requirements.

- Benefit increases and new benefits that have been in place for less than one year are not guaranteed. Those that have been in place for less than five years are only partly guaranteed.
- Early retirement payments that are greater than payments at normal retirement age may not be guaranteed. For example, a supplemental benefit that stops when you become eligible for Social Security may not be guaranteed.
- Benefits in excess of the PBGC maximum benefit guarantee, as described above, will likely not be payable by the PBGC. This includes early retirement benefit amounts in excess of the maximum guarantee amount.
- Benefits other than pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay, are not guaranteed.

In some circumstances, participants and beneficiaries still may receive some benefits that are not guaranteed. This depends on how much money the terminated plan has and how much the PBGC recovers from employers for plan underfunding.

For additional general information about the PBGC and the pension insurance program guarantees, go to the "General FAQs about PBGC" on PBGC's website at www.pbgc.gov/generalfaqs. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information".

Corporate and Actuarial Information on File With PBGC

A plan sponsor must provide the PBGC with financial information about itself and actuarial information about the plan under certain circumstances, such as when the funding target attainment percentage of the plan (or any other pension plan sponsored by a member of the sponsor's controlled group) falls below 80 percent (other triggers may also apply). The sponsor of the Plan, Verizon Communications Inc., and each member of its controlled group, if any, was subject to this requirement to provide corporate financial information and plan actuarial information to the PBGC. The PBGC uses this information for monitoring and other purposes.

Where to Get More Information

For more information about this notice, you may contact the Verizon Benefits Center, P.O. Box 8998 Norfolk, VA 23501-8998. Or call 1-855-4VZ-BENS. For identification purposes, the official plan number is 016 and the plan sponsor's name and employer identification number or "EIN" are Verizon Communications Inc., 23-2259884.

This notice is intended to comply with the requirements of section 101(f) of the Employee Retirement Income Security Act of 1974, as amended. The disclosures provided in this notice are based on information available and believed to be accurate as of the date this notice is provided. All computations reflected in these disclosures have been performed based on a good faith interpretation of the applicable statutory and regulatory guidance in effect on the date this notice is provided. Such information and computations include, but are not limited to, the measurement of plan liabilities, reported values of plan assets, and allocation of assets. However, actual results for the Plan Year may change and will not be considered final until filed with the Department of Labor as part of the Annual Report (i.e., the Form 5500). Subsequently, such results will change only by amendment of the Annual Report for the Plan Year. See the Right to Request a Copy of the Annual Report section for information about how to obtain a copy of the Annual Report. The plan sponsor does not undertake any obligation to update or publicly release any revisions to this notice, and no such revisions will be issued, to reflect any changes, including but not limited to, changes in the manner in which particular calculations are performed, changes in expectations, the adoption of plan amendments or any other events or circumstances occurring after this notice is provided.

IMPORTANT INFORMATION FOR RETIREES AND PARTICIPANTS WHO HAVE NOT COMMENCED THEIR PLAN BENEFIT

If you are not currently employed by Verizon and you are over age 65, please contact the Verizon Benefits Center immediately to commence your benefit.

Verizon Benefits Center

For information about your Verizon pension benefit, go to the website www.verizon.com/benefitsconnection or call 1-855-489-2367 (1-855-4VzBens). If you have an inquiry or claim with respect to your benefit, call the Verizon Benefits Center for assistance.

Your Right to Request a Pension Benefit Statement

You may request and receive, free of charge, an estimate of the amount of your plan benefit if you have not already taken a full distribution. You can request an estimate of your current accrued benefit, or an estimate of your benefit projected to a future date.

To request a benefit estimate, go to the BenefitsConnection Web site at www.verizon.com/benefitsconnection for an online estimate, or submit a written request to the Verizon Benefits Center, P.O. Box 8998, Norfolk, VA 23501-8998.

To obtain an estimate of your accrued benefit:

- Indicate your separation date as the termination date; and
- Indicate a benefit start date equal to your Normal Retirement Date in the plan (usually age 65) or an earlier benefit commencement date.

If you have a deferred vested pension, you can request information about or initiate your pension benefit on the BenefitsConnection Web site at www.verizon.com/benefitsconnection or by submitting a written request to the Verizon Benefits Center, P.O. Box 8998, Norfolk, VA 23501-8998.

If you submit a written request, be sure to include your telephone number and return address. Please allow up to 60 days to receive the response to your request.

Your Right to Request Summary Plan Description

If you would like a copy, free of charge, of the most recent Summary Plan Description to the plan, please contact the Verizon Benefits Center at 1-855-489-2367 (1-855-4VzBens), and one will be mailed to you. You may also request a copy, free of charge, of the Summary Plan Description in effect at the time your employment with Verizon ended by contacting the Verizon Benefits Center.

Please note that the most recent Summary Plan Description may contain provisions that have been adopted subsequent to the end of your Verizon employment, and, therefore, will not be applicable to you or your plan benefit. As a result, updated Summary Plan Descriptions may create confusion for retirees and participants who have not commenced their plan benefit. Direct any questions about your plan benefit to the Verizon Benefits Center. The Summary Plan Description in effect at the time your Verizon employment ended will continue to be the most relevant summary of your plan benefit.

Pension Claims

If you have a claim for benefits, you may request a Claim Initiation Form by calling the Verizon Benefits Center at 1-855-489-2367 (1-855-4VzBens).

The address for your claims and appeals administrator is:

Verizon Claims Review Committee
c/o Verizon Claims Review Unit
P.O. Box 8998
Norfolk, VA 23501-8998

Please keep this summary of changes with your Summary Plan Description and other important benefit plan materials, as this information supplements the Summary Plan Description in effect at the time your employment with Verizon (or a predecessor company) ended. This communication generally summarizes the most important changes to the plan, but it does not describe all of the changes or all of the special rules that apply in certain circumstances.

Your eligibility for benefits is determined by the official plan documents. The terms of the official plan documents are controlling in the event of any conflict or inconsistency with or ambiguity in this document. The plan administrator of each plan has full discretionary authority to interpret the terms of the plan and determine your eligibility for benefits under the plan. As always, Verizon reserves the unlimited right to amend, modify, suspend or terminate the plans, in whole or in part and with respect to some or all participants and/or retirees.

Annual TEFRA Notice for annuitants in payment status:

IF YOU ARE SATISFIED WITH YOUR PRESENT FEDERAL WITHHOLDING, NO FURTHER ACTION IS REQUIRED.

For Initiating, Changing or Revoking Withholding Elections

You have the right to **change** or **revoke** any election made by you to have or not to have Federal Income Tax withheld from your pension. To change or revoke your election, please call the Verizon Benefits Center at 855-489-2367. Representatives are available Monday to Friday, 9 am to 5 pm ET.

If you elect not to have withholding apply to your pension payment, or if you do not have enough Federal Income Tax withheld, you may be responsible for the payment of estimated tax. Penalties may apply under the estimated tax rules if your withholding does not meet certain guidelines.

Please contact your tax advisor for any specific tax related questions.