

Verizon
2024 Corporate Profit Sharing (CPS) Award
Questions and Answers

1. What is the amount of the Corporate Profit Sharing (CPS) award?

The CPS award for plan year 2024 will be determined based on company financial results for 2024 and will be communicated in February 2025.

2. Who is eligible to receive a CPS award?

Employees eligible to receive a CPS award include New York, New England and Mid-Atlantic employees who are regular, term and temporary full-time and part-time status, and employees on leaves of absence. Working retirees, occasional employees, employees who resigned voluntarily or were discharged for cause before December 31, 2024, are also not eligible for a CPS award.

To be eligible, an employee must have been active on the payroll at least 90 days during 2024.

3. When will CPS awards be paid?

CPS awards will be paid on Friday, March 14, 2025.

The following employees will receive the CPS award as a direct deposit:

- Active employees who receive regular paychecks as a direct deposit.
- Inactive employees who had direct deposit as active employees, who left the Company within 90 days before March 14.
- Inactive employees who are receiving recurring payments as a direct deposit.

Checks and pay stubs for all other inactive employees will be mailed to their home address on file.

Employees who have elected to suppress their paystub can view their regular pay and CPS award on Wednesday, March 12, 2025, via [Payroll Self-Service](#).

4. Who will receive their CPS award in their regular paycheck?

Employees in the following union locals will receive their CPS award in their regular paycheck: NJ IBEW Plant, Comp & General, NJ CWA Traffic & Commercial Market, PA IBEW 827, NE CWA 1400, NY IBEW 2213, NY CWA Downstate Traffic 1109, Downstate Acctg 1104, Upstate Traffic 1104, Upstate Acctg 1101, NY CWA Plant, TRG, and Commercial 1101.

5. Who will receive their CPS award in a separate paycheck?

Employees in the following union locals will receive their CPS award in a separate check: Potomac, DE CWA 13100 & 13101, PA CWA 13000, PA CWA 13500, NE IBEW Acctg, Plant, Sales & Traffic.

6. Will CPS awards be prorated?

CPS awards will be prorated in the following situations:

- Part-time employees will receive a prorated award based on scheduled hours.
- Employees who were active for a partial year will receive a prorated award based on the number of months they were active employees as of the first of each month.
- Employees who had an approved sickness or accident disability absence greater than the accrued FMLA leave (12 weeks).
- Employees who retire, leave under the provisions of a force reduction (including due to layoff or the Enhanced Income Security Plan), transfer to another participating company or are promoted to management will receive awards prorated for the months on active payroll as a CPS eligible employee.

7. When will CPS awards be paid to employees who were promoted to management in 2024?

Employees who were promoted to management during the 2024 calendar year and meet all plan requirements may be eligible to receive a prorated CPS award as well as a prorated management incentive award. CPS awards for employees promoted to management will be paid on March 14, 2025, in regular paychecks.

8. If you were in a temporary management position during 2024 are you eligible for a CPS award?

If your temporary promotion lasted more than 30 days, you are eligible for a prorated CPS award as well as consideration for a prorated management incentive award (if eligible), based on applicable prorating rules for each plan. Employees in temporary acting management assignments processed through time reporting are eligible for CPS awards, but not for a prorated management incentive award.

9. How will periods of absence from the active payroll be treated?

The following periods of absence from the active payroll will count as time worked and will be included in the CPS award calculation:

- Approved sickness or accident disability absence up to accrued FMLA leave (12 weeks).
- Paid active military leave or enhanced military leave.
- Anticipated disability (ADL) and Child Care leave combined up to 30 days.
- Departmental leave up to 30 days.
- Any other approved leave up to 30 days.

10. How is the CPS award amount determined?

The CPS award amount is based on the results of the financial component of the Short Term Incentive plan applicable to the CEO.

11. How is the overtime adjustment payment calculated?

The CPS minimum award amount (\$700) will be used in payment computations for overtime hours worked in calendar year 2024. That minimum amount, or your prorated award if less than the \$700 minimum amount, will be used in payment computations for overtime hours worked in calendar year 2024. The adjusted hourly rate will be applied to premium hours worked and prorated as appropriate. An overtime adjustment payment will be made in the regular paycheck on March 14 (identified separately on the paystub).

Example of overtime calculation:

$$\begin{aligned} & \$700 / 1900 \text{ (actual hours worked)} = 0.3684 \text{ (adjusted hourly rate)} \\ & 0.3684 \times 120 \text{ (premium hours)} = \$44.21 \text{ overtime adjustment} \end{aligned}$$

12. Is the CPS award subject to taxes?

Applicable federal flat tax (22%), state, local, Social Security and Medicare taxes will be withheld from the payment, unless the CPS award is deferred.

If the CPS award is deferred it is subject to FICA (Social Security and Medicare) taxes at the time of deferral. In addition, Pennsylvania employees are also subject to state and local (if applicable) withholding on the deferred award. The award will also be subject to union dues, if applicable, and to all legally required deductions such as wage garnishments. These deductions and taxes will be taken from your regular earnings to allow for the full award to be deferred and may result in a reduction of the net amount paid of your regular earnings.

Example of CPS deferral (non-Pennsylvania employee): award paid in regular paycheck:

Your deferral of the CPS award will be on a before-tax basis. Taxes and union dues applied in the example below are provided for illustrative purposes only and do not represent any one individual or union.

	Regular Check	Regular Check w/ CPS Included
Regular Earnings	\$1,000.00	\$1,000.00
CPS Amount		700.00
Federal Tax	170.71	170.71
FICA Tax	76.50	130.05
State Tax	30.70	30.70
Local Tax	10.00	10.00
Union Dues	13.00	22.10
Net Pay	\$699.09	\$636.44
Net Deferred Amount		\$700.00*

*Note: Federal, state, and local income taxes will not change as a result of the CPS earnings and deferral amounts, except in Pennsylvania where only Federal will not change. Your CPS award will not be used to pay deductions and taxes. Deductions, FICA and PA and local taxes, where applicable, will be deducted from your regular wages.

Example of CPS deferral (non-Pennsylvania employee): award paid in separate paycheck:

Your deferral of the CPS award will be on a before-tax basis. Taxes and union dues applied in the example below are provided for illustrative purposes only and do not represent any one individual or union.

CPS Deferral Example	
CPS Amount	\$700.00
Federal Tax	22.62
FICA Tax	53.55
State Tax	5.20
Union Dues	9.10
Net Deferred Amount	\$609.53*

*Note: Federal, state, and local income taxes are applied to the portion of your CPS award used to pay deductions and taxes not deferred, but not to the CPS amount deferred. Pennsylvania employees are also subject to state and local (if applicable) withholding on the deferred award.

13. Are there any other deductions taken from the CPS award?

Yes. Deductions will be taken for employees subject to court-ordered garnishments, as applicable. In addition, union dues or their equivalent will be deducted as authorized by the employee and the union. Union dues will not be deducted for employees represented by certain IBEW locals (827, 2222, 2320, 2321, 2322, 2323, 2324, 2325, 2327), nor for Pennsylvania non-represented employees.

Note: If you participate in the Union Sponsored Trust (UST) your CPS award is not eligible for deferral.

14. Is the CPS award included in other benefit program calculations?

Yes, but the overtime adjustment is not. The CPS award will be included in calculations relating to Verizon's pension plans, savings plans, group life insurance benefits and death benefits (if applicable).

15. If you do not defer your CPS award will a Verizon 401(k) Savings Plan contribution be taken out?

If you elected not to defer your full CPS award during the applicable deferral election window (please see FAQ #16 below as it relates to this election window), you will be paid the CPS award in a check or direct deposit, the same as your regular paycheck. In addition, your regular, ongoing 401(k) before-tax, after-tax and/or catch-up contribution elections will apply to any award payable to you.

Questions about your Verizon Savings Plan contributions can be directed to the Verizon 401(k) Savings Plan Service Center at 888.457.9333.

16. How and when can you defer your CPS award to the Verizon Savings Plan?

If you choose to defer your CPS award, you must make your election between Jan 6, 2025 and Feb 3, 2025.

To make your election go to <http://netbenefits.com/Verizon>, then enter your Username and password. Go to the Quick Links drop down box and choose Contribution Amount. Scroll down to Profit Sharing and select the Profit Sharing Election link.

You can also call the Verizon 401(k) Savings Plan Service Center at 888.457.9333 from 8:30 AM through 12 midnight ET, Monday - Friday (except when the New York Stock Exchange is closed). Please note that the deferral period ends at **5:00 PM ET on Feb 3, 2025.**

Questions about deferrals can be directed to the Verizon 401(k) Savings Plan Service Center by calling 888.457.9333.

17. How will the Verizon Savings Plan deferral (if any) be reflected on my paystub?

The full amount of the CPS award will be shown as earnings labeled 'CPS Award Deferred'. The CPS deferral amount will be shown as a before-tax deduction labeled as 'CPS Deferral'.

18. If you are a Verizon management employee who was a CPS eligible employee in 2024, can you elect to defer your total CPS award into the Verizon Savings Plan?

No. If you are a management employee who is eligible to receive a prorated CPS award earned while you were a CPS eligible employee, you cannot elect to defer your total CPS award into the Management Savings Plan. However, if you participate in the Management Savings Plan, your CPS award will be subject to the same contribution election that you have chosen for other eligible pay.

19. If you leave the company before the CPS award is paid in March, can you still defer your award into the Verizon Savings Plan?

No. If you elect to defer the CPS award into the Verizon Savings Plan but leave the company for any reason before it is paid, the deferral will be canceled. Employees who choose not to defer, or whose deferral was canceled, will receive their CPS award on March 14.

20. If you die before the CPS award is paid in March, what happens to your payment?

Your CPS award will be paid in a check issued to your estate after applicable taxes are withheld. Your CPS award will not be deferred and will not be subject to regular Verizon Savings Plan deductions.

For other questions about CPS, please call the Incentive Hotline on 888.693.3799.

21. Can you cancel a deferral election after it has been made?

Prior to 5pm ET on Feb 3, 2025 you can cancel by going to <http://netbenefits.com/Verizon>, then enter your Username and password. Go to Quick Links drop down box and choose Contribution Amount. Scroll down to Profit Sharing and select Profit Sharing Election.