

**WINDSTREAM PENSION PLAN  
SUMMARY PLAN DESCRIPTION**  
(Nonbargaining – January 1, 2016 Version)

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# PENSION PLAN AT A GLANCE

<b>WINDSTREAM SPINOFF</b>	If you were a participant in the Alltel Corporation Pension Plan (the "prior Alltel Plan") and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, you automatically became a participant in the Plan when your benefit was transferred from the prior Alltel Plan. Your years of service and annual salary under the Plan include your years of service and annual salary under the prior Alltel Plan.
<b>ELIGIBILITY</b>	Participation in the Plan is closed. You are not a participant in the Plan unless your benefit under the prior Alltel Plan was transferred to the Plan.
<b>BENEFIT</b>	The Plan is frozen. Upon retirement, you normally will receive a monthly pension benefit based on your annual salary and years of service under the prior Alltel Plan through December 31, 2005. If you were an employee and participant in the prior Alltel Plan on December 31, 2005 and had attained 40 years of age and two years of service under the prior Alltel Plan as of December 31, 2005, your monthly pension benefit is based on your annual salary and years of service with Windstream (including your annual salary and years of service under the prior Alltel Plan) through December 31, 2010 (or, if earlier, the date your employment terminated).
<b>ENROLLMENT</b>	Prior to the closing of participation under the Plan, eligible employees were automatically enrolled upon becoming eligible.
<b>COSTS</b>	The Company pays the full cost of the Plan.
<b>VESTING</b>	You will be 100% vested (entitled to your accrued pension benefit) after five years of service.
<b>PAYMENT OF BENEFITS</b>	If you are a vested participant, you may elect commencement of your accrued pension benefit when you become eligible for retirement, which is normally at age 65.
<b>MERGED PLANS</b>	If you participated in a prior plan that merged into the Plan (or the prior Alltel Plan), you may receive a supplemental Appendix about your benefits under the prior plan (e.g., if any important features of those benefits are not described in this SPD). Prior plan participants may also contact the Plan Administrator with any additional questions concerning their benefits. A separate SPD has been prepared for employees who had a benefit under the prior Valor Plan.

## **WINDSTREAM PENSION PLAN SUMMARY PLAN DESCRIPTION**

This Summary Plan Description (SPD) provides a summary of the employee benefits included in the Windstream Pension Plan as in effect as of January 1, 2016. Certain capitalized terms such as Normal Retirement Date or Vesting Year of Service are defined in Appendix I: Important Terminology.

Generally, this SPD applies to you if you are actively employed on or after January 1, 2016. If your employment terminated or if you retired before January 1, 2016, some provisions described in this SPD do not apply to you.

This SPD has been prepared specifically for current nonbargaining employees of Windstream Services, LLC, Windstream Communications, Inc. and other participating employers, who had become participants in the Plan prior to the closing of participation. Separate SPDs have been prepared for Windstream employees who are covered by a collective bargaining agreement and also for certain Windstream employees who have a benefit under certain prior merged plans (e.g., prior Valor Plan). Any other employees are not eligible to participate in the Plan (i.e., participation in the Plan is closed).

Except in limited circumstances (e.g., a Qualified Domestic Relations Order as discussed on page 17), your pension is for the exclusive benefit of you and your spouse upon retirement. As such, it is generally not subject to the claims of creditors. Also, you may not borrow against your pension or pledge it as collateral.

This SPD summarizes the most important features of the Plan. Please note that any summary of the Plan is subject to the actual terms of the Plan as set forth in the executed documents. This SPD is intended to be only an outline and does not modify the actual Plan document, which is available for your inspection through the Plan Administrator. This SPD fulfills disclosure requirements of the Employee Retirement Income Security Act of 1974 and describes the Plan including the most recent changes.

**Merged Plans:** If you participated in a prior plan that merged into the Plan (or prior Alltel Plan), certain benefit features of the prior plan may apply. For example, unique "benefit features" of a prior plan (e.g., early retirement availability and optional forms of payments) generally will continue to apply to the benefits you earned under the prior plan. If you participated in a prior plan, you may receive a supplemental Appendix about your benefits under the prior plan (e.g., if any important features of those benefits are not described in this SPD). Prior plan participants may also contact the Plan Administrator with any additional questions concerning their benefits.

## **CONTACT INFORMATION**

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If you need assistance in understanding a provision of the Plan, please contact Merrill Lynch Service Representative at 1-800-228-4015 or visit our Benefits Online website at [www.benefits.ml.com](http://www.benefits.ml.com).

## **ELIGIBILITY**

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Participation in the Plan is closed. If you were a participant in the prior Alltel Plan and your benefit was transferred to the Plan as part of the spinoff of Alltel's wireline business to Windstream, you automatically became a participant in the Plan when your benefit was transferred to the Plan from the prior Alltel Plan. Any person who had not become a participant on or before December 31, 2005 under the prior Alltel Plan and did not have their prior Alltel Plan benefit transferred to the Plan may not become a participant in the Plan.

The Plan is frozen. You are not eligible to accrue additional benefits under the Plan.

Persons who are not (and were not) eligible to participate in the Plan (or prior Alltel Plan) include "leased employees" (persons providing services to Windstream other than as employees of Windstream pursuant to any agreement between Windstream and their employer), persons who are not initially classified as employees (even if reclassified as employees), and employees who are not in a covered classification of employees.

## **ENROLLMENT**

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Prior to the closing of participation under the Plan (and prior Alltel Plan), all eligible employees were automatically enrolled in the Plan. Enrollment occurred on the first anniversary of employment if you worked at least 1,000 hours during that 12-month period. If you worked less than that, Plan participation started on the January 1 following the first calendar year in which you worked at least 1,000 hours. Throughout this SPD, the term "hours worked" includes all hours of service credited to you, including hours credited for certain periods for which you are paid but perform no services (for example, paid vacation).

## **COSTS**

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Windstream pays the full cost of the Plan. Employee contributions are not required.

## PENSION BENEFIT FORMULA



Your pension benefit normally is based on your years of Benefit Service and your compensation under the prior Alltel Plan through December 31, 2005. If you were an employee and participant in the prior Alltel Plan on December 31, 2005 and had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005, your monthly pension benefit is based on your years of Benefit Service and your compensation with Windstream (including your years of Benefit Service and your compensation under the prior Alltel Plan) through December 31, 2010 (or, if earlier, the date your employment terminated).

Generally, for each year of service you complete through December 31, 2005 or December 31, 2010, as applicable, you accrue a pension benefit equal to 1% of your compensation, plus 0.4% of compensation in excess of the Social Security wage base for the corresponding year. The following table shows a sample calculation.

Calendar Year	A Your Compensation	B Soc. Sec. Wage Base	C 1% Accrual (0.01 x A)	D 0.4% Accrual 0.004 x (A-B)	E Current Year Accrual (C+D)
1998	\$30,000	\$68,400	\$300	0	\$300
1999	\$31,000	\$72,600	\$310	0	\$310
2000	\$32,000	\$76,200	\$320	0	\$320
2001	\$33,000	\$80,400	\$330	0	\$330
2002	\$34,000	\$84,900	\$340	0	\$340
2003	\$35,000	\$87,000	\$350	0	\$350
2004	\$36,000	\$87,900	\$360	0	\$360
2005	\$37,000	\$90,000	\$370	0	\$370
<b>Total Accrued Pension (annually)</b>					<b>\$2,680</b>
<b>Months Per Year</b>					<b>12</b>
<b>Total Accrued Pension (monthly)</b>					<b>\$223</b>

The total Accrued Pension of \$223 represents your monthly pension benefit payable in the form of a life annuity at age 65 (payment of which is subject to various conditions as explained in the next section, Types of Benefits).

### IMPORTANT NOTICE

*The calculation for your total Accrued Pension might differ from this formula, particularly if you were an active participant in the prior Alltel Plan prior to 1989. Other factors affecting the calculation of your accrued pension benefit include benefits from a merged prior plan, your age prior to 1989, and any previous employment with Allied Telephone Company. Please refer to "Accrued Pension" under Appendix I: Important Terminology and Appendix III: Examples for more detailed information and illustrations. The Social Security Wage Base changes annually. (Please contact the Social Security Administration at [www.ssa.gov](http://www.ssa.gov).)*

## TYPES OF PENSION BENEFITS

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The Plan provides pension benefits under the following conditions (each is explained in detail on the following pages):



**Normal Retirement Pension** is payable if you retire on or after your Normal Retirement Date, generally at or after age 65.

**55/20 Early Retirement Pension** is payable if you retire at or after age 55 and have at least 20 Vesting Years of Service.

**60/15 Early Retirement Pension** is payable if you retire at or after age 60 and have at least 15 Vesting Years of Service.

**Deferred Vested Pension** is normally payable at age 65 if your employment terminates after you have at least five Vesting Years of Service. This benefit may be taken as early as age 55 if you have at least 20 Vesting Years of Service when your employment terminates or as early as age 60 if you have at least 15 Vesting Years of Service when your employment terminates.

**Death Benefit for Spouses** may be payable to your spouse if you are vested but die prior to the start of benefit payments.

## Normal Retirement Pension

### **Normal Retirement Date**

Your Normal Retirement Date is the later of:

- i) the last day of the month in which you reach age 65 or
- ii) the earlier of the last day of the month in which your fifth anniversary of participation occurs or the last day of the month in which you are credited with five Vesting Years of Service.

### **Benefit Amount and Payment**



When you retire from Windstream at or after your Normal Retirement Date, you will receive a monthly pension from the Plan for as long as you live. However, see the discussion of Optional Forms of Retirement Benefit Payments section of this SPD. Your pension payments start on the first of the month following your retirement, provided you have completed all required application materials.

Your monthly Normal Retirement Pension will be equal to your Accrued Pension at the date you retire. (See Appendix III, Example A if you are compensated on an hourly basis or Example B if you are compensated on a nonhourly basis.)

Your Accrued Pension will not change after retirement. All benefits are determined by the facts and Plan provisions applicable at or prior to your retirement or termination of employment.

The Normal Retirement Pension payable under the Plan is independent of, and in addition to, any Social Security payments you receive for yourself and for your spouse.

### **Employment After Age 65**

Subject to your continued ability to perform your duties, your employment may continue beyond your Normal Retirement Date. Your pension will not commence until you actually terminate employment except as described below under the age 70½ commencement rule. Since the Plan is frozen, your continued employment will not increase your Accrued Pension.

### **Mandatory Distributions After Age 70½**

Even if you are still employed, you must begin receiving your pension by April 1<sup>st</sup> of the calendar year following the year you attain age 70½.

### **Return to Work After Retirement**

If, after you retire, you are reemployed by Windstream or a subsidiary, your Plan benefit will be suspended during reemployment except as described above under the age 70½ commencement rule. If you go to work for someone else or if you start your own business after you retire, payments from the Plan will continue.



## 55/20 Early Retirement Pension

You qualify for a 55/20 Early Retirement Pension if, upon termination of employment, you have attained age 55 and have 20 or more Vesting Years of Service. You may continue to earn Vesting Years of Service toward qualifying for the 55/20 Early Retirement Pension even though you may not earn additional Benefit Service under the Plan (because the Plan is frozen).



If you qualify for 55/20 Early Retirement Pension, your monthly benefit will be equal to your Accrued Pension at your termination of employment, reduced for early commencement (*i.e.*, commencement before age 65). You may defer the start of payments until age 65, or even up until mandatory distribution on April 1 following age 70<sup>1/2</sup>.

You may elect to start this Early Retirement Pension at any time after age 55. If you do so, your monthly pension is calculated by multiplying your Accrued Pension by the appropriate Early Commencement Reduction Factor (ECRF). The ECRFs for 55/20 Early Retirement are shown in the following table for exact ages; for a fractional age, the ECRF is prorated.

Commencement Age	Early Commencement Reduction Factor
55	0.8500
56	0.8800
57	0.9100
58	0.9400
59	0.9700
60	1.0000
61	1.0000
62	1.0000
63	1.0000
64	1.0000
65	1.0000

Under 55/20 Early Retirement, the ECRF for ages 60 and older is "1.0000." This means that no reduction for early commencement after age 60 affects your pension.

### ***Social Security and Early Retirement Pensions***

Under the present Social Security Act, Social Security retirement benefits may commence in a reduced amount at age 62.

## 60/15 Early Retirement Plans

You qualify for the 60/15 Early Retirement Pension if, upon termination of employment, you have attained age 60 and have 15 or more Vesting Years of Service. You may continue to earn Vesting Years of Service toward qualifying for the 60/15 Early Retirement Pension even though you may not earn additional Benefit Service under the Plan (because the Plan is frozen).



If you qualify for 60/15 Early Retirement, your monthly benefit will be equal to your Accrued Pension at your termination of employment, reduced for early commencement (*i.e.*, commencement before age 65). You may defer the start of payments until age 65, or even up until mandatory distribution on April 1 following age 70½.

You may elect to start this Early Retirement Pension at any time after age 60. If you do so, your monthly pension is calculated by multiplying your Accrued Pension by the appropriate Early Commencement Reduction Factor (ECRF). The ECRFs for 60/15 Early Retirement are shown below for exact ages; for a fractional age the ECRF is prorated.

Commencement Age	Early Commencement Reduction Factor
60	0.8500
61	0.8800*
62	1.0000
63	1.0000
64	1.0000
65	1.0000

\* To prorate between age 61 and 62, use 0.9100 ECRF for age 62.

## Deferred Vested Pension

You are eligible for a Deferred Vested Pension if your employment terminates before you become eligible for Normal or Early Retirement but after you have at least five Vesting Years of Service. You may continue to earn Vesting Years of Service toward qualifying for the Deferred Vested Pension even though you may not earn additional Benefit Service under the Plan (because the Plan is frozen).

If you qualify for a Deferred Vested Pension, your benefit will be equal to your Accrued Pension at your termination of employment payable monthly commencing with the month following the month you attain your Normal Retirement Date.



Instead of receiving a monthly pension starting at your Normal Retirement Date, you may elect to receive a monthly pension at any time after your 55th birthday as long as you had at least 20 Vesting Years of Service before you terminated employment, or at any time after your 60th birthday as long as you had at least 15 Vesting Years of Service before you terminated employment. In either case, your benefit, if taken before age 65, is calculated by multiplying your Accrued Pension by the appropriate Early Commencement Reduction Factor (ECRF).

The following are the ECRFs for starting a Deferred Vested Pension for exact ages; for a fractional age, the ECRF is prorated.

Commencement Age	Early Commencement Reduction Factor
55	0.4000
56	0.4600
57	0.5200
58	0.5800
59	0.6400
60	0.7000
61	0.7600
62	0.8200
63	0.8800
64	0.9400
65	1.0000

### ***Reemployment***

If you are a Plan participant but your employment terminates before you have five Vesting Years of Service, you generally forfeit all of your rights to service credit and benefits under the Plan (see the Miscellaneous Information section of this SPD). If you are reemployed prior to incurring five one-year breaks-in-service, your prior Vesting Years of Service and Benefit Service may be restored. You will not, however, accrue any additional benefits under the Plan following reemployment.

Generally, a "one-year-break-in-service" is incurred if you work less than 500 hours in a calendar year. If you were not vested and the number of consecutive one-year-breaks-in-service is five or more and exceeds your previously earned Vesting Years of Service (based on 1,000 hours of service in a calendar year equaling a full year), you lose Vesting and Benefit Service previously earned.

If you returned to employment under the prior Alltel Plan prior to January 1, 2006, qualified to participate in the prior Alltel Plan, and worked five consecutive years with Windstream (and Alltel under the prior Alltel Plan), your prior service credits will be reinstated subject to certain limitations for participants in prior plans. Prior plan participants may contact the Plan Administrator in writing concerning questions about reinstatement of service credits and benefits under the Plan.

### **Death Benefit for Spouses**

(Qualified Preretirement Survivor Annuity)

If you die after you have five or more Vesting Years of Service but before you retire, your spouse will receive a pension for life, either immediate or deferred, provided that you have been married to your spouse for at least one year.

If you have already retired and started your pension, this section does not apply to you since the provisions governing your payments are determined by the form of payment in effect.

If you die, benefits to your spouse start as follows:

1. If you die after your 65th birthday, the Death Benefit for Spouses starts right away.
2. If you die while currently eligible for either 55/20 or 60/15 Early Retirement, the Death Benefit for Spouses may start right away or your spouse may elect to defer it until you would have reached age 65.
3. If you die before age 55 but after completing 20 or more Vesting Years of Service, your spouse may elect to start the Death Benefit for Spouses any time between the dates you would have reached ages 55 and 65.
4. If you die before age 60 but after completing at least 15 — but less than 20 — Vesting Years of Service, your spouse may elect to start the Death Benefit for Spouses any time between the dates you would have reached ages 60 and 65.
5. Finally, if you die after completing at least five but less than 15 Vesting Years of Service, the Death Benefit for Spouses will start when you would have reached age 65.
6. In all cases, your spouse must survive until the Death Benefit for Spouses is due to start to receive the benefits. It will not be paid to your spouse's estate or other beneficiaries.

7. If the Death Benefit for Spouses is \$5,000 or less in present value, the Death Benefit for Spouses will be "cashed out" by paying its value in a single sum.

### ***Amount of Death Benefit for Spouses***

If the benefit starts right away, your spouse will receive a life annuity in the same amount he or she would have received if you had retired on your date of death and taken your pension under the terms of Option B - 50% Spouse Option. If you were a participant in the Allied Telephone Company Profit Sharing Plan, your spouse may elect to convert the Death Benefit for Spouses from a life annuity for his or her life to Option F - 10-Year Certain Option.

If the benefit doesn't start until sometime in the future, your spouse will receive the benefit he or she would have received based on three assumptions:

1. your Accrued Pension on your date of death,
2. you and your spouse surviving until the desired commencement date (which must be on or after the earliest age your benefit could have started), and
3. your retiring at such commencement date and taking your pension under the terms of Option B - 50% Spouse Option.

Examples of these provisions are found in Appendix III, Example E.

## **OPTIONAL FORMS OF RETIREMENT BENEFIT PAYMENTS**

Normally, your pension is payable as a life annuity, with payments ceasing at your death. However, other optional forms of payment may be available, as listed below.

### ***IMPORTANT NOTICE***

*If you are married at your normal or early retirement, your pension will be paid in the form of Option B - 50% Spouse Option unless you elect Option A -100% Spouse Option or Option G - 75% Spouse Option or your spouse consents to another form of payment in writing (and the consent is witnessed by a notary). You must retire from Windstream with an early or normal retirement pension to elect an option other than a life annuity, Option B or Option G. If you are eligible to receive a Deferred Vested Pension, you may only elect, if single, a lifetime annuity or, if married, a life annuity, Option B or Option G. If you are married and elect a lifetime annuity for your Deferred Vested Pension, your spouse must consent to your election in writing (and the consent must be witnessed by a notary).*

If you elect Option A -100% Spouse Option, Option B - 50% Spouse Option, or Option G -75% Spouse Option and die before your spouse, benefits will be paid to your spouse under the applicable option. For purposes of these Options, spouse is defined to be the person to whom you are married at the time your benefit commences. If you desire to share your benefit with some other person, you may elect Option C - 10-Year Certain and Continuous Option (or Option F - 10 Year Certain Option, if applicable) and designate that person as your beneficiary. Your spouse, if any, must consent to your selection in writing (and the consent must be witnessed by a notary).

Your election of an option may be made any time up to the date your benefits are scheduled to commence, but no change may be made after that date.

### ***Option A - 100% Spouse Option***

A monthly retirement income payable in a reduced amount for your life, continuing thereafter in the same reduced amount for the life of your spouse.

### ***Option B - 50% Spouse Option***

A monthly retirement income payable in a reduced amount for your life, continuing thereafter in  $\frac{1}{2}$  of the reduced amount for the life of your spouse. An exception applies if you were not early or normal retirement eligible when your employment ended. In this case, if you die first, and before you and your spouse have been married for at least one year, no benefit will be payable to your spouse.

If you are married at the time your pension commences, payment under Option B is mandatory unless you elect Option A (if eligible) or Option G or your spouse consents to your electing some other form of payment.

### ***Option C - 10-Year Certain and Continuous Option***

A monthly retirement income payable in a reduced amount for your life. If you should die prior to receiving 120 monthly payments, payments will continue for the balance of the 120-month period to a beneficiary you designate. If there is no named beneficiary, the payments, or their present value, will be paid to your estate.

### ***Option F - 10-Year Certain Option***

*This option is available only to former participants in the Allied Telephone Company Profit Sharing Plan, who are early or normal retirement eligible when your employment ended.* A monthly retirement income payable to you for 10 years. If you should die prior to receiving 120 monthly payments, payments will continue for the balance of the 120-month period to a beneficiary you designate. If there is no named beneficiary, the payments or their present value will be paid to your estate.

### ***Option G - 75% Spouse Option***

A monthly retirement income payable in a reduced amount for your life, continuing thereafter in  $\frac{3}{4}$  of the reduced amount for the life of your spouse. An exception applies if you were not early or normal retirement eligible when your employment ended. In this case, if you die first, and before you and your spouse have been married for at least one year, no benefit will be payable to your spouse. In this case, if you die first, and before you and your spouse have been married for at least one year, no benefit will be payable to your spouse.

## **CASH SETTLEMENTS**

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Many circumstances can result in a relatively small pension being payable. If your benefit has a present value of \$5,000 or less, the benefit will be "cashed out" by paying its value in a single sum. You may make an election between a cash payment or a direct rollover of your lump sum payment. Other payment options are not available. If your benefit exceeds \$1,000 in present value, but is \$5,000 or less, and you do not make an election between a cash payment or direct rollover of your lump sum payment, an automatic direct rollover of your lump sum payment will be made to an IRA. The IRA will be invested in an investment product designed to preserve principal and provide a reasonable rate of return and liquidity. You will be responsible for fees and expenses of the IRA. For further information regarding the Plan's automatic rollover provisions, IRA provider, and fees and expenses of the IRA, call a Merrill Lynch Service Representative at 1-800-228-4015.

If you receive a full cash settlement of your benefit, all of your rights to Benefit Service are cancelled. If you return to Windstream, you will be considered a new employee without further eligibility under the Plan. However, if your cash settlement, together with prior cash settlements, was less than the present value of your Accrued Pension and you repay the cash settlement with interest at a specified rate, your prior Benefit Service will be reinstated. Your repayment must be made before the earlier of five years after your reemployment or the close of the period after your distribution in which you incur five consecutive one-year breaks in service following the cash settlement.

If the present value of the spouse's pre-retirement benefit (if applicable) is \$5,000 or less, the benefit will be paid in a single sum.

## **PARTICIPATION IN PRIOR PLANS**

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An employee who was a participant in a prior plan immediately before its merger into the Plan (or the prior Alltel Plan) may be entitled to certain minimum benefits attributable to years of service up to the date of merger. The minimum benefit is generally equal to the benefit to which the employee would have been entitled if he or she retired or terminated as of the merger date, adjusted to a life annuity basis and further adjusted for any refund of employee contributions made under such plan prior to the merger date.

Effective January 1, 1988, participants who were compensated on a nonhourly basis accrue no further benefits under the minimum benefit provisions of the prior plans. Effective January 1, 1989, participants who were compensated on an hourly basis accrue no further benefits under the minimum benefit provisions of the prior plans. However, there may be further accruals prior to January 1, 2006 or January 1, 2011, as applicable, with respect to certain minimum benefits for some employees who were participants in prior plans that were merged into the Plan (or prior Alltel Plan) partly or in full after 1989.

Some prior plan participants retain liberalized eligibility requirements with respect to certain classes of benefits or may be eligible for additional optional forms of benefit with respect to their benefits attributable to the merged plans.

If you participated in a prior plan that merged into the Plan (or the prior Alltel Plan), you may receive a supplemental Appendix about your benefits under the prior plan (e.g., if any important features of those benefits are not described in this SPD). Prior plan participants may also contact the Plan Administrator with any additional questions concerning their benefits.

## **BENEFITS FROM OTHER WINDSTREAM PLANS**

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An employee may be eligible for pension benefits from another Windstream-sponsored pension plan. To the extent that benefits under the other plan are based on service that is credited toward benefits under this Plan, the benefit under this Plan will be reduced by the amount of such other benefits, actuarially adjusted as necessary because of differing payment terms.

## **SOCIAL SECURITY PAYMENTS**

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When you retire, you may receive income from Social Security. This is in addition to your pension from the Plan. Here is a brief review of benefits provided by the law in effect in 2016.

Social Security is payable in full when you retire at age 65 unless you were born after 1937, in which case unreduced benefits will be payable at later ages, up to age 67 for employees born after 1959. Your spouse receives 50% of your benefit in addition, if also of full retirement age. Reduced amounts are payable in either case as early as age 62.

Social Security pays income benefits to you and eligible dependents if you are disabled. Also, benefits are payable to eligible surviving family members if you should die. In any event, you must apply for Social Security benefits; they are not paid automatically. You and your employer each pay equal taxes on your earnings toward the cost of Social Security.

This commentary is general. Your actual eligibility for Social Security benefits will be determined by Social Security's own rules and requirements, which are different from those of the Plan.

It is a good idea during your active career to make sure your Social Security earnings record is correct. A Social Security Statement can be requested online at [www.ssa.gov](http://www.ssa.gov) or by using Form SSA-7004, which is available from your local Social Security field office listed under "United States Government" in your local telephone directory.

You may apply for your Social Security payments online at [www.ssa.gov](http://www.ssa.gov) or at your local Social Security field office (call the Social Security field office for an appointment and regarding what information to bring).

## **APPLYING FOR A PENSION**

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A pension application, the "Pension Package," may be obtained from the Merrill Lynch Service Center at 1-800-228-4015 or access Benefits Online at [www.benefits.ml.com](http://www.benefits.ml.com). Forms should be prepared according to the instructions attached to the Pension Package. To avoid delayed payments, the complete Pension Package, including all required attachments, should reach the Plan Administrator (at the address designated in the Pension Package) at least 30 days prior to your designated pension commencement date.

For your elections regarding your pension benefit to be valid, you should be aware that federal law requires that you be given certain information included in your Pension Package and that you make your elections regarding your pension benefit within strict time limits. You must receive the "Pension Package" before, but not more than 180 days before, your designated pension commencement date. You will have 180 days from the date of your Pension Package to make your election. (If your election is made after your designated pension commencement date, payments will be made retroactive to your designated pension commencement date.)

## **ADMINISTRATION AND FUNDING OF THE PLAN**

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The Plan Administrator (and its delegates) is responsible for the administration of the Plan and has discretionary authority to interpret and construe the terms of the Plan, to determine your eligibility for benefits under the Plan, and to resolve any disputes that arise under the Plan. Benefits will be paid only if the Plan Administrator (or its delegate) decides in its discretion that the applicant is entitled to benefits under the Plan.



The amount of your employer's contributions to the Plan are determined by an independent actuary for the Plan. The Plan's actuary evaluates the Plan annually and recommends adjustments to the contribution level on the basis of Plan experience.

Your employer's contributions are placed in a trust fund from which benefits are paid when due. Investment income, including gains and losses, are also part of the trust fund assets. It is anticipated, but not guaranteed, that these monies will be sufficient to provide the benefits specified under the Plan.

The expenses of administration of the Plan and the trust fund are paid from the trust fund or, upon election, by your employer.

## **AMENDMENT AND TERMINATION OF THE PLAN**

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Windstream intends that the Plan will be continued but reserves the right, in its sole discretion, to amend the Plan or to terminate the Plan at any time through action of its Board of Directors or the Board of Directors' delegate. If the Plan is ever terminated:

1. All Accrued Pensions will become fully vested in the respective participants.
2. Assets in the trust fund will be used to provide these benefits, and no assets will be used for any other purpose until the complete satisfaction of all such Accrued Pension obligations. After these obligations are met, any excess assets may revert to Windstream.
3. If the Plan should be terminated at a time when the liabilities exceed the assets and the deficiency is not made up, all of the assets will be allocated to retired and active participants in accordance with the provisions of applicable federal laws and regulations.

## **MISCELLANEOUS INFORMATION**

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### ***No Employment Contract***

The purpose of this Summary Plan Description is to provide you with information about the benefits available under the Plan. The benefits described are not conditions of employment, nor is the Summary Plan Description intended to create an employment contract between you and a Windstream company. Nothing in this Summary Plan Description should be interpreted as a limitation on your right or a Windstream company's right to terminate your employment at any time, with or without cause.

### ***Receiving Less than You Expected***

You may lose your benefit or receive less than you expect from the Plan in the following circumstances:

A delay in filing a proper application on a timely basis.

Death prior to commencement of retirement benefits (if you are not married, the Plan does not provide any pre-retirement death benefits).

Death of a pensioner who has not taken an optional payment form with a death benefit.

Death of a participant or a pensioner, prior to being married for one year (spouse death benefits may not apply).

Termination of employment prior to becoming vested (and subsequent reemployment generally after five or more consecutive "breaks in service"). (The Plan does not provide a benefit in this situation.)

Termination of the Plan prior to full funding of benefits attributable to service prior to the termination date. In the event of termination of the Plan, assets are to be allocated to retired and active participants in accordance with the provisions of applicable federal laws and regulations.

Calculation errors discovered by subsequent audit.

Becoming a member of a collective bargaining unit if the collective bargaining agreement does not provide for participation in the Plan.

Delay of retirement beyond initial eligibility date.

Failing to defer commencement of your retirement benefit (*e.g.*, your benefit may be reduced by an Early Commencement Reduction Factor).

Reemployment of a pensioner by Windstream (resulting in a suspension of benefit payments).

You cannot assign, transfer or attach your benefits nor use them as collateral for a loan. Your benefits can be assigned or attached by others in certain circumstances (*e.g.*, wrongdoing involving the Plan, offsets for overpayments, and certain domestic relations orders). See also discussion of Qualified Domestic Relations Orders below.

Amendment of the Plan (*e.g.*, pursuant to Plan amendment, the Plan is frozen)

The Internal Revenue Code limits the annual benefit that you can receive from the Plan and all other tax-qualified plans maintained by Windstream companies. This limit is generally the lesser of \$210,000 (for 2015 and is subject to adjustments as prescribed by the Secretary of the Treasury) or your average compensation using the three consecutive years in which you had your highest compensation and were a participant in any such plan. The limit would be less if you started your benefit before age 62 or if you had less than 10 years of participation in the Plan.

The Internal Revenue Code limits the amount of compensation that may be considered under the Plan. This limit was \$265,000 for 2016.

Benefits will be paid only if the Plan Administrator (or its delegate) decides in its discretion that the applicant is entitled to benefits under the Plan.

Certain restrictions may apply if the funding percentage of the Plan falls below certain thresholds.

The Plan is required by law to withhold taxes on payments from the Plan according to federal and state withholding rules in effect at the time of distribution. You will want to consult with your personal tax advisor regarding the tax treatment of your pension benefits.

If you are overpaid from the Plan, the Plan Administrator may offset your current or future benefit payments or seek cash reimbursement to recover the overpayments.

The Plan does not provide for disability benefits for those who terminate on account of disability after December 31, 2005.

You do not keep the Plan Administrator advised of your current address so that you may receive Plan information in a timely manner.

You do not make and/or appeal claims in accordance with the Plan's strict time limits.

The formal Plan document is controlling if there are any discrepancies between the Plan document and this Summary Plan Description.

You are not eligible for benefits under the Plan if your benefits under the prior Alltel Plan were not transferred to the Plan.

## **SPECIAL TOP-HEAVY PLAN RULES**

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Special rules will apply concerning vesting and benefit accruals if the Plan ever becomes "top-heavy." A top-heavy plan, in general terms, is one in which the value of benefits for certain key employees exceeds 60% of the value of benefits for all employees. The Plan is not top-heavy and is unlikely ever to be. As long as the Plan is not top-heavy during any Plan year, the provisions of the Plan as outlined in this SPD will continue to apply.

## **QUALIFIED DOMESTIC RELATIONS ORDERS**

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A "Qualified Domestic Relations Order" is a court order relating to child support, alimony or marital property that assigns all or a portion of your benefit to an alternate payee (*e.g.*, former spouse). Domestic relations orders must be submitted to the Plan for a determination by the Plan Administrator as to whether the orders are qualified. If a domestic relations order is qualified, the Plan Administrator must enforce its terms. Procedures for determining if an order is a qualified domestic relations order are available to you, free of charge, at the Bank of America Merrill Lynch Benefits OnLine website at [www.benefits.ml.com](http://www.benefits.ml.com) in the Document Library.

## **UNIFORMED (MILITARY) SERVICE**

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If your absence from employment is by reason of service in the uniformed services ("qualified military service"), you are generally entitled under federal law to reemployment if certain procedural requirements are met. If you are reemployed after qualified military service you are entitled to certain rights and benefits (including under the Plan) that you would have attained had you remained continuously employed. Also, if you die in qualified military service, you are entitled to certain rights and benefits under the Plan as if you had died following re-employment. You should contact the Plan Administrator before taking any qualified military service for information on your rights under the Plan.

## **ELECTRONIC COMMUNICATION**

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This Summary Plan Description and other important Plan information may be delivered to you through electronic means. In this case, you are entitled to request a paper copy, free of charge, from the Plan Administrator. The paper version of this Summary Plan Description (or other information) will contain substantially the same style and format, and the same content, as the electronic version.

## **PLAN DOCUMENT (CONTROLS)**

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This Summary Plan Description does not contain all of the technical details and legal expressions contained in the formal Plan documents. Any discrepancies between this Summary Plan Description and the formal Plan documents will be resolved in favor of the formal Plan documents. The Plan Administrator (and its delegates) shall have the discretionary power and authority to interpret the provisions of the Plan and to make factual determinations in deciding whether an applicant is entitled to benefits under the Plan.

## **CLAIMS PROCEDURE**

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If you believe you are entitled to receive a benefit under the Plan, you must make application in writing on the form and in the manner required by the Plan Administrator.

If a claim for benefits is denied, in whole or in part, the Plan Administrator will issue a notice of the adverse benefit determination to you. The notice will be issued to you within a reasonable period of time but in no event later than 90 days from the date the claim for benefits was filed. The notice will be written in a manner to be understood by you and will include the following:

1. The specific reason or reasons for the adverse benefit determination.
2. The specific Plan provisions on which the adverse benefit determination is based.
3. A description of any further material or information which is necessary for you to perfect (complete) your claim and an explanation of why the material or information is needed.
4. An explanation of the Plan's claim review procedure and time limits applicable to the Plan's claim review procedures, including a statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following an adverse benefit determination on review.

You or your duly authorized representative may submit to the Plan Administrator a written request for review of an adverse benefit determination within 60 days of the receipt of the notice of adverse benefit determination. Your request must contain the following information:

1. The date on which your request was filed with the Plan Administrator (although the actual date of filing will govern the timeliness of the request).
2. The specific portions of the adverse benefit determination that you request the Plan Administrator to review.
3. A statement by you setting forth the basis upon which you believe the Plan Administrator should reverse the previous adverse benefit determination and accept your claim as made.
4. Any written material (offered as exhibits) which you desire the Plan Administrator to examine in its consideration of your position.

You or your authorized representative may (i) submit written comments, documents, records and other information relating to your claim for benefits, (ii) review pertinent

documents, and (iii) upon request in the manner and form required by the Plan Administrator and free of charge, be provided reasonable access to, and copies of, all documents, records, and other information relevant to your claim for benefits.

The review by the Plan Administrator will take into account all comments, documents, records and other information submitted by you relating to the claim, without regard to whether the information was part of the initial benefit determination. The Plan Administrator will provide a written decision on review not later than 60 days after receipt of your written request for review, unless special circumstances require an extension of the time for processing the appeal. If an extension is needed, you will be provided with written notice of the extension prior to the beginning of the extension. With the extension, the written notice on review will be provided no later than 120 days after receipt of the request for review of the adverse benefit determination. The decision on review will be written in a manner to be understood by you, and, in the case of an adverse benefit determination on review, will include the following information:

1. The specific reasons for the adverse benefit determination on review.
2. References to specific Plan provisions on which the decision is based.
3. A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim for benefits.
4. A statement that there is no voluntary appeal procedure offered by the Plan.
5. A statement of your right to bring a civil action under Section 502(a) of the Employee Retirement Income Security Act of 1974 following the adverse benefit determination on review.

No action for benefits under the Plan may be brought unless you (i) submit a claim for benefits within twelve months of the date the first payment would have been due, (ii) been notified by the Plan Administrator that your claim has been denied, (iii) timely filed a request for review of the claim, (iv) been notified of an adverse benefit determination on review, and (v) filed the action within three years of the date the first payment would have been due you.

## **STATEMENT OF PBGC GUARANTEES AND LIMITATIONS**

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Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) Normal and early retirement benefits; (2) disability benefits if you become disabled before the plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) Benefits greater than the maximum guaranteed amount set by law for the year in which the plan terminates; (2) some or all of benefit increases and new benefits based on plan provisions that have been in place for fewer than 5 years at the time the plan terminates; (3) benefits that are not vested

because you have not worked long enough for the company; (4) benefits for which you have not met all of the requirements at the time the plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money your plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your plan administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TTD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at [www.pbgc.gov](http://www.pbgc.gov).

# GENERAL INFORMATION

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This information is dated January 1, 2016.

## STATEMENT OF ERISA RIGHTS

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As a participant in the Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all plan participants shall be entitled to:

### **Receive Information About Your Plan and Benefits**

- Examine, without charge, at the Plan Administrator's office, all documents governing the plan and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a copy of the plan's annual financial report.
- Obtain a statement telling you whether you have a right to receive a pension at normal retirement age (generally age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the plan now. If you do not have the right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve months. The plan must provide the statement free of charge.

### **Prudent Actions by Plan Fiduciaries**

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

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

### **Enforce Your Rights**

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the plan document or the latest annual report from the plan and do not receive them within 30 days, you may file a suit in federal court. In such a case, the court may require the 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 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 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 the plan fiduciaries misuse the 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 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 court costs and legal fees. If you lose, the court may order you to pay these costs and fees (for example, if it finds your claim is frivolous).

**Assistance With Your Questions**

If you have any questions about your plan, you should contact the Plan Administrator. If you have questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor (listed in your telephone directory) or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.



# PLAN DATA

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## Windstream Pension Plan

**Name of Plan:** Windstream Pension Plan

**Plan Sponsor:** Windstream Services, LLC  
4001 Rodney Parham Rd.  
Little Rock, AR 72212

Participants and beneficiaries may receive from the Plan Administrator, upon written request, a complete list of employers participating in the Plan, information as to whether a particular employer is a participating employer of the Plan and, if the employer is a participating employer, the employer's address.

**Agent for  
Service of  
Legal Process:**

Windstream Services, LLC  
4001 Rodney Parham Rd.  
Little Rock, AR 72212

Service of legal process may also be made upon the Trustee or Plan Administrator.

**Trustee:**

JP Morgan Chase Bank  
Investor Services  
1 Chase Manhattan Plaza, Floor 19  
New York, New York 10005-1401

**Plan Administrator:**

Benefits Committee  
Windstream Services, LLC  
4001 Rodney Parham Rd.  
Little Rock, AR 72212  
  
(501) 748-7000

**Employer  
Identification Number:**

20-0792300

**Type of Plan:**

A defined benefit pension plan administered through a trust.

**Plan  
Identification Number:**

001

**Sources of Contributions  
of the Plan:**

Payments into the Trust by the Employer with contribution amounts actuarially determined.

**Funding Medium:**

Windstream Master Trust

**Plan Year:**

The financial records of the Plan are maintained on a 12-month basis that ends December 31 each year.

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## APPENDIX I: IMPORTANT TERMINOLOGY

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### **"Accrued Pension"**

"Accrued Pension" is the amount of benefit you have accumulated at any point in time.

#### *Employees Compensated on an Hourly Basis*

The amount of monthly benefit you accrue while compensated on an hourly basis is equal to the sum of the following:

Your Benefit Percentage under the prior Alltel Plan as of December 31, 1988, multiplied by your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1988 (or, if greater, \$10.00 for each year of Benefit Service through December 31, 1988, except that if you are a former Allied Telephone Company employee, it is \$6.67 for each year of pre-1984 Benefit Service); plus

If you were compensated on an hourly basis on January 1, 1989 under the prior Alltel Plan, four-tenths of 1% (0.4%) of that portion of your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1988, that exceeds your monthly "Social Security Covered Compensation" multiplied by your years (and fractions) of Benefit Service under the prior Alltel Plan before January 1, 1989. [Just for purposes of computing this benefit, Average Monthly Compensation is based on your highest paid 36 (not 60) consecutive calendar month period of employment beginning January 1, 1966, and ending on December 31, 1988.]; plus

For each year of Benefit Service under the prior Alltel Plan after December 31, 1988 through December 31, 2005, you will be credited with one-percent (1%) of one-twelfth of your Compensation under the prior Alltel Plan for the year, plus four-tenths of 1% (0.4%) of one-twelfth of the portion, if any, of your Compensation for such year that is in excess of the Social Security Taxable Wage Base. If you were an employee and participant on December 31, 2005 under the prior Alltel Plan, had attained 40 years of age and two Vesting Years of Service as of December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan, you also accrued a benefit under the above formula with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).

Any participant who, as of January 1, 1989, was compensated on an hourly basis and had attained age 55 will be assured of a minimum retirement pension of not less than the sum of the following:

His/her Benefit Percentage under the prior Alltel Plan as of December 31, 1988, multiplied by his/her Average Monthly Compensation at retirement, plus

Eight-tenths of 1% (0.8%) multiplied by his/her Benefit Service after December 31, 1988, not in excess of 10 years of Benefit Service, multiplied by his/her Average Monthly Compensation at retirement.

For this purpose, Average Monthly Compensation means Average Monthly Compensation, but for Plan years after 1988, items included in the definition of Compensation (and not included in the normal definition of Average Monthly Compensation) will be counted.

#### *Employees Compensated on a Nonhourly Basis*

The amount of monthly benefit you accrue while compensated on a nonhourly basis is the sum of the following:

Your Benefit Percentage under the prior Alltel Plan as of December 31, 1987, multiplied by your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1987 (or, if greater, \$10.00 for each year of Benefit Service under the prior Alltel Plan through December 31, 1987, except that if you are a former Allied Telephone Company employee, it is \$6.67 for each year of pre-1984 Benefit Service); plus

If you were compensated on a nonhourly basis under the prior Alltel Plan on January 1, 1988, four-tenths of 1% (0.4%) of that portion of your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1987, that exceeds your monthly "Social Security Covered Compensation" multiplied by your years (and fractions) of Benefit Service before January 1, 1988. [Just for purposes of computing this benefit, Average Monthly Compensation is based on your highest paid 36 (not 60) consecutive calendar month period of employment beginning January 1, 1966, and ending on December 31, 1987.]; plus

For each year of Benefit Service under the prior Alltel Plan after December 31, 1987 through December 31, 2005, you will be credited with one percent (1%) of one-twelfth of your Compensation for such year, plus four-tenths of 1% (0.4%) of one-twelfth of the portion, if any, of your Compensation for such year that is in excess of the Social Security Taxable Wage Base. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan, you also accrued a benefit under the above formula with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).

Any participant who, as of January 1, 1988, was compensated on a nonhourly basis and had attained age 55 will be assured of a minimum retirement pension of not less than the sum of the following:

His/her Benefit Percentage under the prior Alltel Plan as of December 31, 1987, multiplied by his/her Average Monthly Compensation at retirement, plus

Eight-tenths of 1% (0.8%) multiplied by his/her Benefit Service after December 31, 1987, not in excess of 10 years of Benefit Service, multiplied by his/her Average Monthly Compensation at retirement.

For this purpose, Average Monthly Compensation means Average Monthly Compensation, but for Plan Years after 1987, items included in the definition of Compensation (and not included in the normal definition of Average Monthly Compensation) will be counted.

#### *Change in Employment Status*

If you have a change in employment status where you change from being compensated on an hourly basis to being compensated on other than an hourly basis, or vice versa, your Accrued Pension will be figured in this manner: Your benefits will be computed under the hourly formula or nonhourly formula, whichever applies to you, up to the date of your change in employment status. From the date of your change in employment status, you will accrue a benefit under the new formula that applies to you. In applying the hourly formula to you, you will be credited only with years of Benefit Service (and fractions) during which you were compensated on an hourly basis. In applying the nonhourly formula to you, you will be credited only with years of Benefit Service (and fractions) during which you were compensated on a nonhourly basis. This same process will also apply if you have a change in employment status from your current status to being compensated as an employee covered by a collective bargaining agreement.

*Merged Prior Plan*

If you were a participant in a prior plan that merged into the Plan (or the prior Alltel Plan), your total benefit generally will include both the accrued pension you had earned under the prior plan and the accrued pension earned under the applicable formula in this definition of Accrued Pension after the merger date. Prior plan participants may contact the Plan Administrator with any additional questions concerning their benefits.

**"Average Monthly Compensation"**

Benefits earned before January 1, 1989 (hourly), or January 1, 1988 (nonhourly), under the prior Alltel Plan are based on your "Average Monthly Compensation." This is the average of your base compensation rates under the prior Alltel Plan, including commissions and amounts deferred under Alltel's Executive Deferred Compensation Plan, but excluding bonuses, overtime compensation, shift differentials, in charge premiums, and similar forms of additional compensation, payable in the highest paid 60-consecutive-calendar-month period during the period of employment, which begins on or after January 1, 1966, and ends with December 31, 1988 (hourly) or December 31, 1987 (nonhourly).

**"Benefit Percentage"**

If you earned benefits under the prior Alltel Plan before January 1, 1989, as an hourly employee, the benefits you earned before that date are based on your "Benefit Percentage" applied to your Average Monthly Compensation. If you earned benefits under the prior Alltel Plan before January 1, 1988, as a nonhourly employee, the benefits you earned before that date are also based on your Benefit Percentage applied to your Average Monthly Compensation. Your Benefit Percentage is equal to the sum of the percentage accrual rates applicable to each year (and fractional year) of your Benefit Service, as follows:

***Percentage Accrual Rate per Year of Benefit Service:***

<b><i>Age When Benefit Service Earned</i></b>			
<b>In Calendar Year</b>	<b>Before Your 55th Birthday and after "55th birthday up to 10 years "</b>	<b>or</b>	<b>After Your 55th Birthday up to 10 years</b>
1981 or Earlier	1.00%		1.25%
1982	1.05%		1.30%
1983	1.10%		1.35%
1984	1.15%		1.40%
1985	1.20%		1.45%
1986	1.25%		1.50%
1987	1.30%		1.55%
1988	1.35%		1.60%

(See Appendix III: Examples for illustrations of Benefit Percentage calculations.)

If you worked for Allied Telephone Company or one of its subsidiaries prior to January 1, 1984, your Benefit Percentage based on Benefit Service accrued prior to January 1, 1984, is multiplied by two-thirds ( $\frac{2}{3}$ ).

**"Benefit Service"**

"Benefit Service" means the portion of your employment that counts for determining the amount of your benefit. Benefit Service under the Plan is frozen. No Benefit Service will be granted for periods after December 31, 2005 unless you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained 40 years of age and two Vesting Years

of Service under the prior Alltel Plan as of December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan, no Benefit Service will be granted with Windstream after December 31, 2010 (or, if earlier, the date your employment terminated).

Prior to the freezing of Benefit Service, Benefit Service was calculated similarly to Vesting Years of Service based on hours of service. Benefit Service, however, was granted in units of one month for each  $166\frac{2}{3}$  hours worked, so that a full year of Benefit Service is granted for 2,000 hours of service. No Benefit Service was granted if you worked less than 1,000 hours, except for the calendar year preceding the date on which you began participation or ended employment. No Benefit Service was granted for service other than service as an eligible employee (*i.e.*, service with a participating employer in a covered employment classification). For example, Benefit Service under the Plan and prior Alltel Plan does not include an Employee's period of employment with Alltel Publishing Corporation from May 1, 1993 through January 1, 2005. (Special rules also apply for service before January 1, 1976.) You can usually estimate your Benefit Service by counting the elapsed time from your last date of hire through December 31, 2005 or December 31, 2010, as applicable.

Credit for Benefit Service is granted for Benefit Service under the prior Alltel Plan, including certain service with prior employers. See Appendix II: Special Vesting and Service Crediting.

### **"Compensation"**

Benefits earned on or after January 1, 1989 (hourly), or on or after January 1, 1988 (nonhourly), under the Plan (and prior Alltel Plan) normally are based on "Compensation" earned through December 31, 2005. If you were an employee and participant on December 31, 2005, had attained 40 years of age and two Vesting Years of Service as of December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan, your benefits may be based on "Compensation" earned with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).

Compensation is your basic compensation, including cash bonuses and commissions, plus overtime compensation, shift differentials, in-charge premiums and amounts deferred under the Windstream Executive Deferred Compensation Plan and Windstream Management Deferred Compensation Plan (under the prior Alltel Plan, amounts deferred under the Alltel Performance Incentive Compensation Plan but only with respect to cash bonuses after December 31, 1990, the Alltel Corporation Long-Term Performance Incentive Plan, the Alltel Corporation Executive Deferred Compensation Plan or the Alltel Corporation 1998 Management Deferred Compensation Plan); but excluding non-wage taxable fringe benefits. Compensation is not affected by any pre-tax reimbursement plan contributions such as contributions to the Medical Reimbursement, Dependent Care, or 401(k) Plans. Certain limitations and exclusions applied in determining Compensation for earlier periods (under the prior Alltel Plan).

### **"Normal Retirement Date"**

Your "Normal Retirement Date" is the last day of the month in which the later of the following occurs:

- i) the date you reach age 65
- or
- ii) the earlier of the fifth anniversary of the date you began Plan participation or the date you are credited with 5 or more Vesting Years of Service.

### **"Social Security Covered Compensation"**

"Social Security Covered Compensation" means the amount of compensation on which Social Security benefits are provided assuming, for each year up to age 65, your compensation is at least equal to the Social Security Taxable Wage Base under the Social Security Act in effect as of December 31, 1987.

### **"Social Security Taxable Wage Base"**

The "Social Security Taxable Wage Base" is the maximum amount of earnings that are subject to the old age, survivors, and disability insurance portion of Social Security (FICA) taxes each calendar year. This maximum amount generally increases each year.

- for 1990, the maximum amount is \$51,300
- for 1991, the maximum amount is \$53,400
- for 1992, the maximum amount is \$55,500
- for 1993, the maximum amount is \$57,600
- for 1994, the maximum amount is \$60,600
- for 1995, the maximum amount is \$61,200
- for 1996, the maximum amount is \$62,700
- for 1997, the maximum amount is \$65,400
- for 1998, the maximum amount is \$68,400
- for 1999, the maximum amount is \$72,600
- for 2000, the maximum amount is \$76,200
- for 2001, the maximum amount is \$80,400
- for 2002, the maximum amount is \$84,900
- for 2003, the maximum amount is \$87,000
- for 2004, the maximum amount is \$87,900
- for 2005, the maximum amount is \$90,000
- for 2006, the maximum amount is \$94,200
- for 2007, the maximum amount is \$97,500
- for 2008, the maximum amount is \$102,000
- for 2009, the maximum amount is \$106,800
- for 2010, the maximum amount is \$106,800

### **"Vesting Year(s) of Service"**

The term "Vesting Year(s) of Service" refers generally to your years of service with a Windstream company (under the prior Alltel Plan, an Alltel company). You receive one Vesting Year of Service for each calendar year in which you complete 1,000 or more hours of service. (Special rules apply for service under the prior Alltel Plan before January 1, 1976.) You receive an hour of service for hours actually worked. You also receive hours of service for certain periods for which you are paid but perform no services, including paid vacations, holidays, authorized leaves of absence — provided that you return to employment at the end of the leave of absence — and absence for service in the Armed Forces of the United States as long as your reemployment rights are protected by law, and for certain other authorized absences as established by Windstream personnel policy. Vesting Years of Service are used to determine eligibility for benefits.

Vesting Years of Service do not include service with a company for periods after it ceases to be a Windstream company. For example, Vesting Years of Service generally do not include service with Alltel Corporation and related entities for the period after the spin-off of Windstream from Alltel.

Credit for Vesting Years of Service is granted for certain service under the prior Alltel Plan (including with prior employers). See Appendix II: Special Vesting Crediting.

Credit for Vesting Years of Service is granted for certain service with Windstream Yellow Pages, Inc. or Windstream Listing Management, Inc. ("Yellow Pages") or Welsh, Carson, Anderson & Stowe VIII, L.P. or an affiliate ("WCAS") after November 30, 2007 for employees of Yellow Pages immediately prior to November 30, 2007 and who continued employment with Yellow Pages or became employed by WCAS on November 30, 2007.

Finally, if you have a break in service, under certain circumstances your pre-break Vesting Years of Service will be included in your total credit.

## **APPENDIX II: SPECIAL VESTING AND SERVICE CREDITING**

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Vesting Years of Service and Benefit Service may be granted under the Plan to certain employees for service performed for a prior employer if benefits under a plan maintained by the prior employer were merged into the Plan or for service performed for a Windstream company before it became a Windstream company.

For eligible employees who transfer employment from a nonparticipating company to a participating company under the Plan, credit for Vesting Years of Service is granted for certain service with those companies.

### **VESTING YEARS OF SERVICE**

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Generally, Vesting Years of Service under the prior Alltel Plan are credited for service with the entities listed below that would have been credited to you under the prior Alltel Plan if it had been service with Alltel Corporation under the prior Alltel Plan. The Plan (and prior Alltel Plan) does, however, in some instances limit special crediting of Vesting Years of Service to a specific time period, type of service, and/or number of years of service.

Credit for Vesting Years of Service is granted for certain employment with the following entities for certain service under former plans maintained by those entities.

- Telephone Utilities of Pennsylvania (and its subsidiaries)
- Tygart Valley Telephone Company
- Leeds Telephone Company
- GTE South Incorporated or certain of its subsidiaries
- Contel of the South, Inc. or certain of its subsidiaries
- Sugar Land Telephone Company
- Perco Telephone Company
- SLT Cable TV, Inc.
- Metropolitan Houston Paging Service, Inc.
- Aliant Communications Co.
- Verizon South Inc. (GTE South Incorporated (Kentucky))

Credit for Vesting Years of Service is granted for certain employment with the following entities for certain service with those entities:

- Area Marketing/Research Associates, Inc.
- St. Matthews Telephone Company
- Missouri Telephone Company
- Eastern Missouri Telephone Company
- Savannah MSA Cellular
- Contel Cellular of Arkansas, Inc. (and/or its affiliates)
- Citizens Utilities Company of Pennsylvania
- BellSouth Mobility, Inc.
- Frontier Cellular of Alabama, Inc.
- Georgia Telephone Corporation
- 360° Communications Company
- The Georgia Independent RSA Nos.7 and 10 Cellular Partnership
- Standard Group, Inc.



- Durango Cellular Telephone Company
- KINI, L.C.
- SOUTHWESTCO WIRELESS, L.P.
- GTE Mobilnet Service Corporation
- Radiofone/Cellular One
- Accucomm Telecommunications, Inc.
- CenturyTel, Inc.
- Cellular XL Associates, L.P.
- Western Wireless Corporation (2003)
- CellCom/New-Cell, Inc.
- MobileTel, LLC and SJI, LLC
- United States Cellular Corporation
- Cingular Wireless, LLC
- Alltel Corporation and its related entities (but only for employees who transfer to Windstream in 2006)

Credit for Vesting Years of Service are granted to former employees of Allied Telephone Company and its subsidiaries only for the period of employment since the date of acquisition of a subsidiary by Allied Telephone Company, as the case might be.

## **BENEFIT SERVICE**

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- Benefit Service under the Plan includes, for those employees whose benefit under the prior Alltel Plan was transferred to the Plan, the Benefit Service under the prior Alltel Plan.
- For former employees of Leeds Telephone Company, credit for Benefit Service under the prior Alltel Plan is granted for certain service under the Leeds Telephone Company Pension Plan
- For former employees of Telephone Utilities of Pennsylvania and its subsidiaries, accumulation of Benefit Service under the prior Alltel Plan started July 12, 1979.
- For former employees of Tygart Valley Telephone Company, accumulation of Benefit Service under the prior Alltel Plan started January 1, 1981.
- For former employees of St. Matthews Telephone Company, accumulation of Benefit Service under the prior Alltel Plan started March 1, 1988.
- For former employees of Area Marketing/Research Associates, Inc., accumulation of Benefit Service under the prior Alltel Plan started May 1, 1988.
- For former employees of Cellular Phone of Aiken-Augusta, Inc., accumulation of Benefit Service under the prior Alltel Plan started April 2, 1990.
- For former employees of Missouri Telephone Company or Eastern Missouri Telephone Company, accumulation of Benefit Service under the prior Alltel Plan started January 1, 1992.
- For former employees of Sugar Land Telephone Company, Perco Telephone Company, SLT Cable TV, Inc., Metropolitan Houston Paging Services, Inc., or Contel Cellular of Arkansas, Inc. and/or its affiliates, accumulation of Benefit Service under the prior Alltel Plan started January 1, 1993.

- For former employees of Allied Telephone Company and its subsidiaries, credit for Benefit Service under the prior Alltel Plan is granted only for the period of employment since date of acquisition of a subsidiary by Allied Telephone Company, as the case might be.
- For former employees of Savannah MSA Cellular, accumulation of Benefit Service under the prior Alltel Plan started April 1, 1992.
- For former employees of Citizens Utilities Company of Pennsylvania, accumulation of Benefit Service under the prior Alltel Plan started December 31, 1995.
- For former employees of BellSouth Mobility, Inc, accumulation of Benefit Service under the prior Alltel Plan started September 1, 1995.
- For former employees of Frontier Cellular of Alabama, Inc., accumulation of Benefit Service under the prior Alltel Plan started January 31, 1997.
- For former employees of Georgia Telephone Corporation, accumulation of Benefit Service under the prior Alltel Plan started September 30, 1997.
- For former employees of The Georgia Independent RSA Nos. 7 and 10 Cellular Partnership, accumulation of Benefit Service under the prior Alltel Plan started July 1, 1998.
- For former employees of Standard Group, Inc., accumulation of Benefit Service under the prior Alltel Plan started January 6, 1999.
- For former employees of Durango Cellular Telephone Company, accumulation of Benefit Service under the prior Alltel Plan started March 31, 1999.
- For former employees of 360° Communications, accumulation of Benefit Service under the prior Alltel Plan started January 1, 1999.
- For former employees of KINI, L.C., accumulation of Benefit Service under the prior Alltel Plan started January 1, 2000.
- For former employees of SOUTHWESTCO WIRELESS, L.P., accumulation of Benefit Service under the prior Alltel Plan started April 1, 2000.
- For former employees of GTE Mobilnet Service Corporation accumulation of Benefit Service under the prior Alltel Plan started July 1, 2000.
- For former employees of Radiofone/Cellular One, accumulation of Benefit Service under the prior Alltel Plan started October 1, 2000.
- For former employees of Aliant Communications, Co., except as otherwise provided under a collective bargaining arrangement, accumulation of Benefit Service under the prior Alltel Plan started January 1, 2002.
- For former employees of Verizon South Inc., except for employees who had their benefit under the GTE South Incorporated (Kentucky) Plan for Hourly-Paid Employees' Pensions transferred to the Plan, accumulation of Benefit Service under the prior Alltel Plan started on the Closing Date (August 1, 2002).
- For former employees of Accucomm Telecommunications Inc., accumulation of Benefit Service under the prior Alltel Plan started on January 7, 2002.
- For former employees of CenturyTel, Inc., accumulation of Benefit Service under the prior Alltel Plan started on August 1, 2002.

- For former employees of Cellular XL Associates, L.P., accumulation of Benefit Service under the prior Alltel Plan started on March 1, 2003.
- For former employees of Western Wireless Corporation (2003 transaction), accumulation of Benefit Service under the prior Alltel Plan started on September 1, 2003.
- For former employees of CellCom/New-Cell, Inc., accumulation of Benefit Service under the prior Alltel Plan started on February 20, 2004.
- For former employees of MobileTel, LLC and SJI, LLC, accumulation of Benefit Service under the prior Alltel Plan started on November 1, 2004.
- For former employees of United States Cellular Corporation, accumulation of Benefit Service under the prior Alltel Plan started on December 1, 2004.
- For former employees of Cingular Wireless, LLC, accumulation of Benefit Service under the prior Alltel Plan started on April 15, 2005.
- For former employees of Alltel Corporation (and/or its related entities) who transfer to Windstream during 2006 and whose benefit is transferred to the Plan, the employees benefit service will be calculated as if the employees service with Alltel Corporation (and/or its related entities) during 2006 had been service with Windstream.

## APPENDIX III: EXAMPLES

### A. Employees Compensated on a Hourly Basis

In general, if you are an employee compensated on an hourly basis, your Accrued Pension benefit is calculated based on three parts:

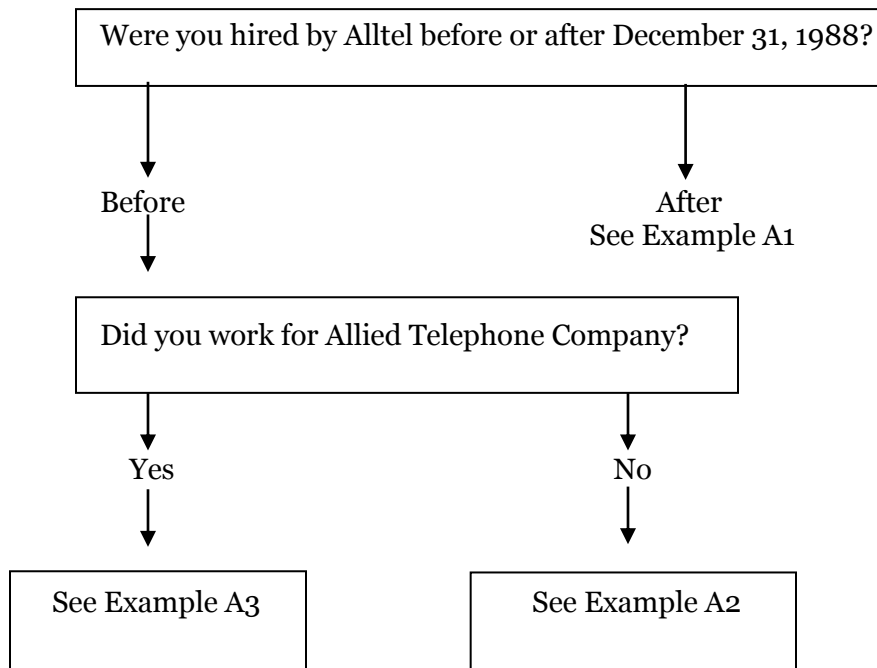
1. Your Benefit Percentage under the prior Alltel Plan as of December 31, 1988, multiplied by your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1988  
**plus**
2. If on January 1, 1989, you were compensated on an hourly basis, four-tenths of 1% (0.4%) of that portion of your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1988, that exceeds your monthly Social Security Covered Compensation multiplied by your Benefit Service under the prior Alltel Plan prior to January 1, 1989  
**plus**
3. For each year of Benefit Service under the prior Alltel Plan after December 31, 1988 through December 31, 2005, one percent (1%) of one-twelfth of your Compensation plus four-tenths of 1% (0.4%) of one-twelfth of your Compensation in excess of the Social Security Taxable Wage Base for that year. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan, you also accrued a benefit with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).

In addition, two special circumstances may affect your pension benefit:

- A. If you are an employee compensated on an hourly basis that attained age 55 under the prior Alltel Plan prior to January 1, 1989, and you were actively employed under the prior Alltel Plan on January 1, 1989, you will receive the greater of your Accrued Pension benefit or a Minimum Retirement Pension benefit. The Minimum Retirement Pension benefit is calculated as follows:
  1. Your Benefit Percentage under the prior Alltel Plan as of December 31, 1988, multiplied by your Average Monthly Compensation at retirement  
**plus**
  2. Eight-tenths of 1% (0.8%) multiplied by your Benefit Service after December 31, 1988, not exceeding 10 years of Benefit Service, multiplied by your Average Monthly Compensation at retirement.
- B. If you are an employee compensated on an hourly basis and you were an Allied Telephone Company employee, your total accumulated Benefit Percentage for Benefit Service prior to 1984 will be multiplied by two-thirds before adding the percentages for future years.

Depending on your date of hire, length of service and age, not all of these factors and conditions may apply to your pension benefit. You might want to use the chart below to determine which sample calculation fits your situation best.

Please also see "Important Considerations."



## Example A1

Assumptions used in calculating this Accrued Pension:

- you were hired by Alltel after December 31, 1988
- your benefit under the prior Alltel Plan was transferred to the Plan

Your Accrued Pension is calculated based on Part 3 only.

*Let's further assume . . .*

Calendar Year	A Your Compensation	B Soc. Sec. Wage Base	C 1% Accrual (0.01 x A)	D 0.4% Accrual 0.004 x (A-B)	E Current Year Accrual (C+D)
1998	\$30,000	\$68,400	\$300	0	\$300
1999	\$31,000	\$72,600	\$310	0	\$310
2000	\$32,000	\$76,200	\$320	0	\$320
2001	\$33,000	\$80,400	\$330	0	\$330
2002	\$34,000	\$84,900	\$340	0	\$340
2003	\$35,000	\$87,000	\$350	0	\$350
2004	\$36,000	\$87,900	\$360	0	\$360
2005	\$37,000	\$90,000	\$370	0	\$370
<b>Total Accrued Pension (annually)</b>					<b>\$2,680</b>
<b>Months Per Year</b>					<b>12</b>
<b>Total Accrued Pension (monthly)</b>					<b>\$223</b>

**Your total Accrued Pension payable in the form of a life annuity at age 65 is \$223 per month.**

*Your Accrued Pension is frozen at \$223 even if you continue employment beyond December 31, 2005, unless you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained age 40 and two Vesting Years of Service under the prior Alltel Plan on December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained age 40 and two Vesting Years of Service under the prior Alltel Plan on December 31, 2005 and had your prior Alltel Plan benefit transferred to the Plan, you also accrued additional benefits under the same formula with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).*

## Example A2

Assumptions used in calculating this Accrued Pension:

- you were hired by Alltel before December 31, 1988
- you did not attain age 55 prior to January 1, 1989
- you did not work for Allied Telephone Company
- your prior Alltel Plan benefit was transferred to the Plan

Your Accrued Pension will be calculated based on Parts 1, 2, and 3.

*Let's further assume . . .*

. . . you are an employee compensated on an hourly basis throughout your Windstream and Alltel employment. You were born on June 30, 1950; so your 55th birthday was June 30, 2005, and your 65th birthday — and Normal Retirement Date — was June 30, 2015. You were hired July 1, 1981, and retired June 30, 2015, with exactly 34 years of employment (7.5 years of Benefit Service through December 31, 1988). Your Average Monthly Compensation as of December 31, 1988, was \$1,800, and your Compensation remained \$1,800 per month until your retirement on June 30, 2015.

### **Your Accrued Pension benefit is calculated as follows:**

1. Benefit Percentage (applicable to your years of service prior to December 31, 1988)

(a) 1.0000% for each of the 0.5 years from July 1, 1981, through December 31, 1981, for a total of	0.5000%
(b) for 1982	1.0500%
(c) for 1983	1.1000%
(d) for 1984	1.1500%
(e) for 1985	1.2000%
(f) for 1986	1.2500%
(g) for 1987	1.3000%
(h) for 1988	1.3500%
Total Benefit Percentage	8.9000%

### **Part 1 of your Accrued Pension benefit (8.9000% x \$1,800): \$160.20**

The total Benefit Percentage (8.9000%) multiplied by your Average Monthly Compensation as of December 31, 1988 (\$1,800) determines Part 1 of your pension benefit: \$160.20

2. Benefit for monthly earnings in excess of the Social Security Covered Compensation (0.4% of that portion of your Average Monthly Compensation as of December 31, 1988, in excess of your monthly Social Security Covered Compensation multiplied by your Benefit Service prior to January 1, 1989)

Your Average Monthly Compensation as of December 31, 1988	\$1,800.00
Monthly Social Security Covered Compensation	\$3,500.00
Excess	\$0.00

**Since your Average Monthly Compensation as of December 31, 1988 (\$1,800) does not exceed your monthly Social Security Covered Compensation (\$3,500), Part 2 of your Pension benefit is \$0.**

3. Benefit for years of service after December 31, 1988. Because, on December 31, 2005, you were an employee and participant under the prior Alltel Plan and had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan, and had your prior Alltel Plan benefit transferred to the Plan, you receive benefit for each year of service from January 1, 1989 through December 31, 2010 (1% of  $\frac{1}{12}$  of your Compensation plus 0.4% of your Compensation in excess of the Social Security Wage Base). Your pension accruals were frozen as of December 31, 2010, therefore, no additional benefits accrue for the the years of service from January 1, 2011 through your June 30, 2015 retirement date.

$\frac{1}{12}$ of Compensation	\$1,800.00
Compensation in excess of SS Wage Base	\$0.00
Service years between December 31, 1988, and December 31, 2010	22.0

**Part 3 of your Accrued Pension benefit (1,800 x 1% x 22.0): \$396.00**

One-twelfth of your Compensation (\$1,800) multiplied by 1% multiplied by your service years between December 31, 1988, and December 31, 2010 (22.0) determines Part 3 of your pension benefit: \$396.00

*A calculation of your Accrued Pension benefit based on your compensation in excess of the Social Security Wage Base is not applicable in this example.*

**Your total Accrued Pension benefit payable monthly in the form of a life annuity at age 65 is:**

Part 1	\$160.20
Part 2	0.00
Part 3	<u>396.00</u>
Total Accrued Pension benefit	<b>\$556.20</b>



### Example A3

Assumptions used in calculating this Accrued Pension:

- you were hired by Alltel before December 31, 1988
- you did not attain age 55 prior to January 1, 1989
- you did work for Allied Telephone Company
- your prior Alltel Plan benefit was transferred to the Plan

Your Accrued Pension will be calculated based on Parts 1, 2, and 3 (see page 34). However, since you were an Allied Telephone Company employee prior to 1984, your accumulated Benefit Percentage prior to 1984 will be multiplied by two-thirds before adding the percentages for future years (see page 34, Special Circumstance B).

*Let's further assume . . .*

. . . you were an employee compensated on an hourly basis throughout your Windstream and Alltel employment. You were born on June 30, 1950; so your 55th birthday was June 30, 2005, and your 65th birthday—and Normal Retirement Date—was June 30, 2015. You were hired July 1, 1981, and retired June 30, 2015, with exactly 34 years of employment (7.5 years of Benefit Service through December 31, 1988). Prior to 1984, you were an Allied Telephone Company employee. Your Average Monthly Compensation as of December 31, 1988, was \$1,800, and your Compensation remained \$1,800 per month until your retirement on June 30, 2015.

#### **Your Accrued Pension benefit is calculated as follows:**

1. Benefit Percentage (applicable to your years of service prior to December 31, 1988)

(a) 1.0000% for each of the 0.5 years from July 1, 1981, through December 31, 1981, for a total of	0.5000%
(b) for 1982	1.0500%
(c) for 1983	1.1000%
Total Benefit Percentage prior to 1984	<u>2.6500%</u>

$$2.6500\% \times \frac{2}{3} = 1.7667\%$$

Percentage for future years will be added  
to your accumulated Benefit Percentage  
prior to 1984

(d) for 1984	1.7667%
(e) for 1985	1.1500%
(f) for 1986	1.2000%
(g) for 1987	1.2500%
(h) for 1988	1.3000%
Total Benefit Percentage	<u>8.0167%</u>

#### **Part 1 of your Accrued Pension benefit (8.0167% x \$1,800): \$144.30**

The total Benefit Percentage (8.0167%) multiplied by your Average Monthly Compensation as of December 31, 1988, (\$1,800) determines Part 1 of your pension benefit: \$144.30

2. Benefit for monthly earnings in excess of the Social Security Covered Compensation (0.4% of that portion of your Average Monthly Compensation as of December 31, 1988, in excess of your monthly Social Security Covered Compensation multiplied by your Benefit Service prior to January 1, 1989)

Your Average Monthly Compensation as of December 31, 1988	\$1,800.00
Monthly Social Security Covered Compensation	\$3,500.00
Excess	\$0.00

**Since your Average Monthly Compensation as of December 31, 1988, (\$1,800) does not exceed your monthly Social Security Covered Compensation (\$3,500), Part 2 of your Pension benefit is \$0.**

3. Benefit for years of service after December 31, 1988. Because on December 31, 2005, you were an employee and participant under the prior Alltel Plan and had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan, and had your prior Alltel Plan benefit transferred to the Plan you receive benefit for each year of service from January 1, 1989 through December 31, 2010 (1% of 1/12 of your Compensation plus 0.4% of your Compensation in excess of the Social Security Wage Base). Your pension accruals were frozen as of December 31, 2010, therefore, no additional benefits accrue for years of service from January 1, 2011 through your June 30, 2015 retirement date.

1/12 of Compensation	\$1,800.00
Compensation in excess of SS Wage Base	\$0.00
Service years between December 31, 1988, and December 31, 2010	22.0

**Part 3 of your Accrued Pension benefit (\$1,800 x 1% x 22.0): \$396.00**

One-twelfth of your Compensation (\$1,800) multiplied by 1% multiplied by your service years between December 31, 1988, and December 31, 2010, (22.0) determines Part 3 of your pension benefit: \$396.00

*A calculation of your Accrued Pension benefit based on your compensation in excess of the Social Security Wage Base is not applicable in this example.*

**Your total Accrued Pension benefit payable monthly in the form of a life annuity at age 65 is:**

Part 1	\$144.30
Part 2	0.00
Part 3	<u>396.00</u>
Total Accrued Pension benefit	<b>\$540.30</b>

## B. Employees Compensated on a Nonhourly Basis

In general, if you are an employee compensated on a nonhourly basis, your Accrued Pension benefit is calculated based on three parts:

1. Your Benefit Percentage under the prior Alltel Plan as of December 31, 1987, multiplied by your Average Monthly Compensation under the prior Alltel Plan as of December 31, 1987

**plus**

2. If on January 1, 1988, you were compensated on a nonhourly basis, four-tenths of 1% (0.4%) of that portion of your Average Monthly Compensation as of December 31, 1987, that exceeds your monthly Social Security Covered Compensation multiplied by your Benefit Service under the prior Alltel Plan prior to January 1, 1988

**plus**

3. For each year of Benefit Service under the prior Alltel Plan after December 31, 1987 through December 31, 2005, one percent (1%) of one-twelfth of your Compensation plus four-tenths of one percent (0.4%) of one-twelfth of your Compensation in excess of the Social Security Taxable Wage Base for that year. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005 and had your prior Alltel Plan benefit transferred to the Plan, you also accrued a benefit under the above formula with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).

**In addition, two special circumstances may affect your pension benefit:**

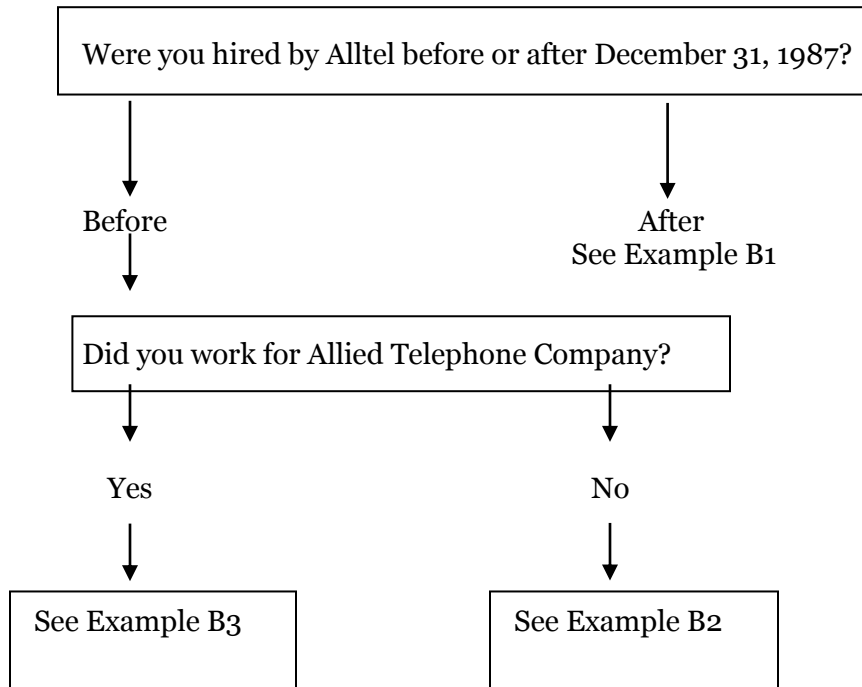
- A. If you are an employee compensated on a nonhourly basis that attained age 55 prior to January 1, 1988, and you were actively employed on January 1, 1988, you will receive the greater of your Accrued Pension benefit or a Minimum Retirement Pension benefit. The Minimum Retirement Pension benefit is calculated as follows:
  1. Your Benefit Percentage under the prior Alltel Plan as of December 31, 1987, multiplied by your Average Monthly Compensation at retirement

**plus**

  2. Eight-tenths of 1% (0.8%) multiplied by your Benefit Service after December 31, 1987, not exceeding 10 years of Benefit Service, multiplied by your Average Monthly Compensation at retirement.
- B. If you are an employee compensated on a nonhourly basis and you were an Allied Telephone Company employee, your total accumulated Benefit Percentage for Benefit Service prior to 1984 will be multiplied by two-thirds before adding the percentages for future years.

Depending on your date of hire, length of service and age, not all of these factors and conditions may apply to your pension benefit. You might want to use the chart below to determine which sample calculation fits your situation best.

Please also see "Important Considerations."



### **Example B1**

Assumptions used in calculating this Accrued Pension:

- you were hired by Alltel after December 31, 1987
- your prior Alltel Plan benefit was transferred to the Plan

Your Accrued Pension is calculated based on Part 3 only.

*Let's further assume . . .*

<b>Calendar Year</b>	<b>A Your Compensation</b>	<b>B Soc. Sec. Wage Base</b>	<b>C 1% Accrual (0.01 x A)</b>	<b>D 0.4% Accrual 0.004 x (A- B)</b>	<b>E Current Year Accrual (C+D)</b>
1998	\$30,000	\$68,400	\$300	0	\$300
1999	\$31,000	\$72,600	\$310	0	\$310
2000	\$32,000	\$76,200	\$320	0	\$320
2001	\$33,000	\$80,400	\$330	0	\$330
2002	\$34,000	\$84,900	\$340	0	\$340
2003	\$35,000	\$87,000	\$350	0	\$350
2004	\$36,000	\$87,900	\$360	0	\$360
2005	\$37,000	\$90,000	\$370	0	\$370
<b>Total Accrued Pension (annually)</b>					<b>\$2,680</b>
<b>Months Per Year</b>					<b>12</b>
<b>Total Accrued Pension (monthly)</b>					<b>\$223</b>

**Your total Accrued Pension payable in the form of a life annuity at age 65 is \$223 per month.**

*Your Accrued Pension is frozen at \$223 even if you continue employment beyond December 31, 2005, unless you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained age 40 and two Vesting Years of Service under the prior Alltel Plan on December 31, 2005, and had your prior Alltel Plan benefit transferred to the Plan. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained age 40 and two Vesting Years of Service under the prior Alltel Plan on December 31, 2005, and your prior Alltel Plan benefit to the Plan, you also accrued additional benefits under the above formula with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated).*

## **Example B2**

Assumptions used in calculating this Accrued Pension:

- you were hired by Alltel before December 31, 1987
- you did not attain age 55 prior to January 1, 1988
- you did not work for Allied Telephone Company
- your prior Alltel Plan benefit was transferred to the Plan

Your Accrued Pension will be calculated based on Parts 1, 2, and 3.

*Let's further assume . . .*

. . . you are an employee compensated on a nonhourly basis throughout your Windstream and Alltel employment. You were born on June 30, 1950; so your 55th birthday was June 30, 2005, and your 65th birthday — and Normal Retirement Date — was June 30, 2015. You were hired July 1, 1981, and retired June 30, 2015, with exactly 34 years of employment (6.5 years of Benefit Service through December 31, 1987). Your Average Monthly Compensation as of December 31, 1987, was \$3,600, and your Compensation remained \$3,600 per month until your retirement on June 30, 2015.

### **Your Accrued Pension benefit is calculated as follows:**

1. Benefit Percentage (applicable to your years of service prior to December 31, 1987)

(a) 1.0000% for each of the 0.5 years from July 1, 1981, through December 31, 1981, for a total of	0.5000%
(b) for 1982	1.0500%
(c) for 1983	1.1000%
(d) for 1984	1.1500%
(e) for 1985	1.2000%
(f) for 1986	1.2500%
(g) for 1987	<u>1.3000%</u>
Total Benefit Percentage	7.5500%

#### **Part 1 of your Accrued Pension benefit (7.5500% x \$3,600): \$271.80**

The total Benefit Percentage (7.5500%) multiplied by your Average Monthly Compensation as of December 31, 1987 (\$3,600) determines Part 1 of your pension benefit: **\$271.80**

2. Benefit for monthly earnings in excess of the Social Security Covered Compensation (0.4% of that portion of your Average Monthly Compensation as of December 31, 1987, in excess of your monthly Social Security Covered Compensation multiplied by your Benefit Service prior to January 1, 1988)

Your Average Monthly Compensation as of December 31, 1987	\$3,600.00
Monthly Social Security Covered Compensation	\$3,500.00
Excess	\$100.00
Benefit Service prior to January 1, 1988	6.5 years

#### **Part 2 of your Accrued Pension Benefit (100 x 0.4% x 6.5): \$2.60**

The excess of your monthly Social Security Covered Compensation (\$100) multiplied by 0.4% multiplied by your Benefit Service prior to January 1, 1988, (6.5 years) determines Part 2 of your Pension benefit: **\$2.60**

3. Benefit for years of service after December 31, 1987. Because on December 31, 2005, you were an employee and participant under the prior Alltel Plan and had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan, and your prior Alltel Plan benefit was transferred to the Plan you receive benefit for each year of service from January 1, 1988 through December 31, 2010 (1% of 1/12 of your Compensation plus 0.4% of your Compensation in excess of the Social Security Wage Base). Your pension accruals were frozen as of December 31, 2010, therefore, no additional benefits accrue for years of service from January 1, 2011 through your June 30, 2015 retirement date.

1/12 of Compensation	\$3,600.00
Compensation in excess of SS Wage Base	\$0.00
Service years between December 31, 1987, and December 31, 2010	23.00

**Part 3 of your Accrued Pension benefit (3,600 x 1% x 23.0): \$828.00**

One-twelfth of your Compensation (\$3,600) multiplied by 1% multiplied by your service years between December 31, 1987, and December 31, 2010 (23.0) determines Part 3 or your pension benefit: **\$828.00**

*A calculation of your Accrued Pension benefit based on your compensation in excess of the Social Security Wage Base is not applicable in this example.*

**Your total Accrued Pension benefit payable monthly in the form of a life annuity at age 65 is:**

Part 1	\$271.80
Part 2	2.60
Part 3	828.00
Total Accrued Pension benefit	<u>\$1,102.40</u>

### **Example B3**

Assumptions used in calculating this Accrued Pension:

- you were hired by Alltel before December 31, 1987
- you did not attain age 55 prior to January 1, 1988
- you did work for Allied Telephone Company
- your prior Alltel Plan benefit was transferred to the Plan

Your Accrued Pension will be calculated based on Parts 1, 2, and 3 (see page 41). However, since you were an Allied Telephone Company employee prior to 1984, your accumulated Benefit Percentage prior to 1984 will be multiplied by two-thirds before adding the percentages for future years (see page 41, Special Circumstance B).

*Let's further assume . . .*

. . . you are an employee compensated on a nonhourly basis throughout your Windstream and Alltel employment. You were born on June 30, 1950; so your 55th birthday was June 30, 2005, and your 65th birthday — and Normal Retirement Date — was June 30, 2015. You were hired July 1, 1981, and retired June 30, 2015, with exactly 34 years of employment (6.5 years of Benefit Service through December 31, 1987). Prior to 1984, you were an Allied Telephone Company employee. Your Average Monthly Compensation as of December 31, 1987, was \$3,600, and your Compensation remained \$3,600 per month until your retirement on June 30, 2015.

#### **Your Accrued Pension benefit is calculated as follows:**

1. Benefit Percentage (applicable to your years of service prior to December 31, 1987)

(a) 1.0000% for each of the 0.5 years from July 1, 1981, through December 31, 1981, for a total of	0.5000%
(b) for 1982	1.0500%
(c) for 1983	1.1000%
Total Benefit Percentage prior to 1984:	<u>2.6500%</u>

$$2.6500\% \times \frac{2}{3} = 1.7667\%$$

Percentage for future years  
will be added to your  
accumulated Benefit Percentage  
prior to 1984:

(d) for 1984	1.7667%
(e) for 1985	1.1500%
(f) for 1986	1.2000%
(g) for 1987	1.2500%
Total Benefit Percentage	<u>6.6667%</u>

#### **Part 1 of your Accrued Pension benefit (6.6667% x \$3,600): \$240.00**

The total Benefit Percentage (6.6667%) multiplied by your Average Monthly Compensation as of December 31, 1987, (\$3,600) determines Part 1 of your pension benefit: **\$240.00**



2. Benefit for monthly earnings in excess of the Social Security Covered Compensation (0.4% of that portion of your Average Monthly Compensation as of December 31, 1987, in excess of your monthly Social Security Covered Compensation multiplied by your Benefit Service prior to January 1, 1988)

Your Average Monthly Compensation as of December 31, 1987	\$3,600.00
Monthly Social Security Covered Compensation	\$3,500.00
Excess	\$100.00
Benefit Service prior to January 1, 1988	6.5 years

**Part 2 of your Accrued Pension Benefit (\$100 x 0.4% x 11.5): \$2.60**

The excess of your monthly Social Security Covered Compensation (\$100) multiplied by 0.4% multiplied by your Benefit Service prior to January 1, 1988, (6.5 years) determines Part 2 of your Pension benefit: **\$2.60**

3. Benefit for each year of service after December 31, 1987. Because, on December 31, 2005, you were an employee and participant under the prior Alltel Plan and had attained 40 years of age and two Vesting Years of Service under the prior Alltel Plan, and your prior Alltel Plan benefit was transferred to the Plan you receive benefit for each year of service from January 1, 1988 through December 31, 2010 (1% of 1/12 of your Compensation plus 0.4% of your Compensation in excess of the Social Security Wage Base). Your pension accruals were frozen as of December 31, 2010, therefore, no additional benefits accrue for years of service from January 1, 2011 through your June 30, 2015 retirement date.

1/12 of Compensation	\$3,600.00
Compensation in excess of SS Wage Base	\$0
Service years between December 31, 1987, and December 31, 2010	23.0

**Part 3 of your Accrued Pension benefit (\$3,600 x 1% x 23.0): \$828.00**

One-twelfth of your Compensation (\$3,600) multiplied by 1% multiplied by your service years between December 31, 1987, and December 31, 2010 (23.0) determines Part 3 of your pension benefit: **\$828.00**

*A calculation of your Accrued Pension benefit based on your compensation in excess of the Social Security Wage Base is not applicable in this example.*

**Your total Accrued Pension benefit payable monthly in the form of a life annuity at age 65 is:**

Part 1	\$240.00
Part 2	2.60
Part 3	<u>828.00</u>
Total Accrued Pension benefit	<b>\$1,070.60</b>

## ***Important Considerations for all calculation examples***

Please note:

1. Your total Accrued Pension normally is payable monthly for life starting the first of the month following your 65th birthday.
2. If your benefit starts before age 65, it might be reduced.
3. Similarly, if you elect an optional form of payment providing for benefits to continue after your death, your benefits likewise might be reduced.
4. The realism of the illustrative benefit is limited by our assumptions for Average Monthly Compensation, Compensation, and Social Security Taxable Wage Base. Normally, Average Monthly Compensation, Compensation, and Social Security Taxable Wage Base do increase with time, so these examples cannot be considered to indicate a realistic benefit progression for a given individual.
5. Finally, for simplicity's sake, the number of Vesting Years of Service is assumed to equal the number of years of Benefit Service. Although this is usually true for all practical purposes, it is not always the case, since Vesting Years of Service and Benefit Service are computed on different bases.
6. No Benefit Service or Compensation earned after December 31, 2005 is used to calculate your benefit unless you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained age 40 and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005, and your prior Alltel Plan benefit was transferred to the Plan. If you were an employee and participant under the prior Alltel Plan on December 31, 2005, had attained age 40 and two Vesting Years of Service under the prior Alltel Plan as of December 31, 2005, and your prior Alltel Plan benefit was transferred to the Plan, you also accrued additional benefits with Windstream through December 31, 2010 (or, if earlier, the date your employment terminated)
7. If you are a former employee of Allied Telephone Company, the pre-1984 piece of your Accrued Pension will be multiplied by two-thirds ( $\frac{2}{3}$ ).

The Average Monthly Compensation for determining the excess benefit is the average of your highest paid 36 (not 60) consecutive months of employment ending on December 31, 1987.

## C. Early Retirement Benefit

The amount of any Early Retirement Benefit payable as a life annuity is equal to the Accrued Pension multiplied by the appropriate Early Commencement Reduction Factor (ECRF). The Accrued Pension normally is payable starting at age 65.

### 1. Illustrations of 55/20 Early Retirement

Suppose you have an Accrued Pension of \$582.00 and upon termination of employment, you have attained age 55 with 20 Vesting Years of Service. If you elected to start this benefit at age 55, the amount payable would be \$582.00 multiplied by 0.8500, or \$494.70. If the benefit starts at or after age 60, your benefit will not be reduced.

### 2. Illustration of 60/15 Early Retirement

Suppose you have an Accrued Pension of \$582.00 and upon termination of employment, you have attained age 61 with 18 Vesting Years of Service. The amount you would be entitled to receive if you elected to commence the benefit at age 61 would be \$582.00 multiplied by 0.8800, or \$512.16.

## D. Deferred Vested Benefit

The amount of any Deferred Vested Benefit payable as a life annuity is equal to the Accrued Pension multiplied by the appropriate Early Commencement Reduction Factor (ECRF).

1. Suppose your employment terminates at age 51 with 20 Vesting Years of Service and with an Accrued Pension of \$367.60. You could start receiving your Accrued Pension at age 65, but since you had 20 Vesting Years of Service, you could elect payment as early as age 55. The age 55 amount would be \$367.60 multiplied by 0.4000, or \$147.04, and the age 60 amount would be \$367.60 multiplied by 0.7000, or \$257.32.
2. Suppose your employment terminates at age 46 with 15 Vesting Years of Service and with an Accrued Pension of \$259.60. You could start receiving your Accrued Pension at age 65. Alternatively, since you had 15 Vesting Years of Service, you could elect payment as early as age 60. The age 60 amount would be \$259.60 multiplied by 0.7000, or \$181.72.
3. Finally, suppose your employment terminates at age 44 with 10 Vesting Years of Service and with an Accrued Pension of \$218.00. Since you have less than 15 Vesting Years of Service, this benefit would start at age 65, and you would not have the option to take it earlier than at age 65.

## E. Death Benefit for Spouses

In this example, it is assumed that you and your spouse are exactly the same age and have been married for more than one year.

1. Referring to Example C.1: You have an Accrued Pension of \$582.00 and you have attained age 55 with 20 Vesting Years of Service. The amount payable at age 55 would be \$582.00 multiplied by 0.8500, or \$494.70. If you die at age 55, your spouse's share of this benefit after your death would be one-half (1/2) of the benefit that would have been payable to you at age 55 under Option B. Your spouse would be eligible to receive 1/2 of \$468.23, or \$234.11 per month upon your death. [\$468.23 is equal to \$494.70 x 0.9465 (Option B factor); see Example E.2.] Note: Working through Illustration E.2 would provide another example of the spouse benefit following death at age 51.
2. Referring to Example D.1. - Deferred Vested: You have an Accrued Pension of \$367.60 and you have attained age 51 with 20 Vesting Years of Service. If you die at age 51, your surviving spouse can elect commencement of your benefit between your 55th and 65th birthdays, since you have 20 Vesting Years of Service. (In these illustrations, your spouse is assumed to be the same age as you. Accordingly, on the dates you would have been 55 or 65, your spouse would also be 55 or 65. However, your spouse's age is irrelevant when determining the commencement of the benefit payable to your spouse. He/she could just as well be 52 or 70 at the time benefits start. It is **your** age that determines when benefits start, not your spouse's.) If the benefit starts at your age 55, the amount would be one-half (1/2) of the benefit payable to you at age 55 under Option B: 1/2 of \$139.17, or \$69.58. {\$139.17 is equal to: \$367.60 x 0.40 (ECRF) x 0.9465 (Option B factor).} Alternatively, age 60 or age 65 commencement could be elected, with the following benefits:

Age 60:	1/2 x \$367.60 x 0.70 (ECRF) x 0.9335 (Option B factor), or \$120.10
Age 65:	1/2 x \$367.60 x 0.9187 (Option B factor), or \$168.85
3. Referring to Example D.2. - Deferred Vested: Suppose you die at age 45 with 15 Vesting Years of Service. Since you had 15 Vesting Years of Service, you could have started to collect your benefit any time between your 60th and 65th birthdays. Accordingly, your surviving spouse can elect commencement of benefit between those dates also. If the benefit starts at your age 60—remember, it's **your** age that determines commencement of benefit—the amount would be one-half (1/2) of the benefit payable to you at age 60 under Option B, or 1/2 x \$259.60 x 0.70 (ECRF) x 0.9335 (Option B factor), or \$84.82 per month.
4. You die at age 44 with 10 Vesting Years of Service as in Example D.3. If your employment had terminated, you could not have started to collect your benefit until age 65. Accordingly, your spouse can not collect a benefit until you would have reached age 65. The benefit to your spouse would be one-half of your Accrued Pension (\$218.00) adjusted for Option B election, or 1/2 x \$218.00 x 0.9187 (Option B factor), or \$100.13 per month.
5. Finally, let's say you terminate with a Deferred Vested Benefit as under Example D and die prior to starting your benefit. If you leave an eligible spouse who survives to an age at which you could have begun collecting your benefit, your spouse will receive benefits as under sections 2, 3, or 4 above, as applicable.

## F. Form of Payment

The amount of benefit payable under an option depends on:

1. The amount of your monthly benefit (after applying the early commencement reduction factor (ECRF), as appropriate, for commencement prior to age 65);
2. The option elected;
3. The actuarial factors specified in the Plan;
4. Your age at time of benefit commencement; and
5. Your spouse's age, except for Option C where the amounts payable are not dependent on the age of the designated beneficiary.

**Consider the following benefits from the Normal Retirement and Early Retirement Examples:**

1. Example A.2: a monthly benefit to you of \$556.20 per month starting at age 65.
2. Example C.1: a life annuity to you of \$494.70 per month starting at age 55.

If we assume you and your spouse are the same age, the following are the amounts payable monthly under the various options:

**1. At Age 65 With Spouse Age 65**

Option	=	Formula Benefit	x	Option Factor	=	Optional Benefit
Life Annuity	=	\$556.20	x	1.0000	=	\$556.20
Option A	=	\$556.20	x	0.8496	=	\$472.55
Option B	=	\$556.20	x	0.9187	=	\$510.98
Option C	=	\$556.20	x	0.9592	=	\$533.51
Option G	=	\$556.20	x	0.8828	=	\$491.01

**Please note:**

- (a) A life annuity is the "normal" form of payment of the Accrued Pension and provides monthly payments for your life and no additional payments after your death.
- (b) The age of the beneficiary is immaterial to the amount under Option C.
- (c) The spouse's benefit under Option B would be 50% of the Optional Benefit amount.
- (d) The spouse's benefit under Option A would be 100% of the Optional Benefit amount.
- (e) The spouse's benefit under Option G would be 75% of the Optional Benefit amount.
- (f) Option F (not shown) is applicable only to former Allied Telephone Company employees, so the Formula Benefit is different.

**2. At Age 55 With Spouse Age 55**

Option		Formula Benefit		Option Factor		Optional Benefit
Life Annuity	=	\$494.70	x	1.0000	=	\$494.70
Option A	=	\$494.70	x	0.8984	=	\$444.43
Option B	=	\$494.70	x	0.9465	=	\$468.23
Option C	=	\$494.70	x	0.9899	=	\$489.70
Option G	=	\$494.70	x	0.9218	=	\$456.01

**Please note:**

- (a) A life annuity is the "normal" form of payment of the Accrued Pension and provides monthly payments for your life and no additional payments after your death.
- (b) The age of the spouse is immaterial to the amount under Option C.
- (c) The spouse's benefit under Option B would be 50% of the Optional Benefit amount.
- (d) The spouse's benefit under Option G would be 75% of the Optional Benefit amount.
- (e) The spouse's benefit under Option A would be 100% of the Optional Benefit amount.