

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **Attach to Form 5500 or 5500-EZ if applicable. (See instructions.)**

Official Use Only

OMB No. 1210-0110

2008

**This Form is Open to
Public Inspection.**

For calendar plan year 2008 or fiscal plan year beginning _____ and ending _____

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan
WINDSTREAM PENSION PLAN

B Three-digit
plan number (PN) ▶ 001

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-EZ
WINDSTREAM CORPORATION

D Employer Identification Number (EIN)
20-0792300

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B ☐ **F** Prior year plan size: 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2008

2 Assets:

	2a	2b
a Market value	981291067	
b Actuarial value	981291067	

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	4970	496955706
b For terminated vested participants	4240	84816569
c For active participants:		
(1) Non-vested benefits	24884173	
(2) Vested benefits	308252786	
(3) Total active	5871	333136959
d Total	15081	914909234

4 If the plan is in at-risk status, check the box and complete lines 4a and 4b ☐

	4a	4b
a Funding target disregarding prescribed at-risk assumptions		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor		

5 Effective interest rate 6.09 %

6 Target normal cost 19572367

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE *Julie M. Reyes*

Signature of actuary

JULIE M. REYES, FSA, MAAA

Type or print name of actuary

ERNST & YOUNG LLP

Firm name

2323 VICTORY AVENUE, SUITE 2000

DALLAS

TX

75219-0000

Address of the firm

9/29/2009

Date

08-07004

Most recent enrollment number

214-969-8000

Telephone number (including area code)

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions. ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-EZ.

v11.3

Schedule SB (Form 5500) 2008

Part II Beginning of year carryover and prefunding balances (See instructions.)

	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	N/A	N/A
8 Portion used to offset prior year's funding requirement (line 35 from prior year)	N/A	N/A
9 Amount remaining (line 7 minus line 8)	140477755	N/A
10 Interest on line 9 using prior year's actual return of N/A %	N/A	N/A
11 Prior year's excess contributions to be added to prefunding balance:		
a Excess contributions (line 38 from prior year)		N/A
b Interest on line 11a using prior year's effective rate of N/A %		N/A
c Total available at beginning of current plan year to add to prefunding balance		N/A
d Portion of line 11c to be added to prefunding balance		N/A
12 Reduction in balances due to elections or deemed elections	0	N/A
13 Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	140477755	N/A

Part III Funding percentages

14 Funding target attainment percentage	14	91.90 %
15 Adjusted funding target attainment percentage	15	107.26 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to offset current year's funding requirement	16	105.99 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and liquidity shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
09/11/2009	2500000				
Totals ▶			18(b)	2500000	18(c) 0

19 Discounted employer contributions -- see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contribution from prior years	19a	0
b Contributions made to avoid benefit restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year, adjusted to valuation date	19c	2261512

20 Quarterly contributions and liquidity shortfall(s):

- a Did the plan have a "funding shortfall" for the prior year? ☐ Yes ☒ No
- b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☐ Yes ☐ No
- c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:	1st segment:	2nd segment:	3rd segment:	<input type="checkbox"/> N/A, full yield curve used
a Segment rates:	5.31 %	5.92 %	6.43 %	
b Applicable month (enter code)				21b 0
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	Prescribed -- combined	<input checked="" type="checkbox"/> Prescribed -- separate	Substitute	

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachments	27	

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	19572367
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.	33	
34 Total funding requirement before reflecting carryover/prefunding balances (line 31 + line 32a + line 32b - line 33)	34	19572367
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement.	19572367	0
36 Additional cash requirement (line 34 minus line 35).	36	0
37 Contributions allocated toward minimum required contribution for current year, adjusted to valuation date (line 19c)	37	2261512
38 Interest-adjusted excess contributions for current year (see instructions)	38	2261512
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).	39	0
40 Unpaid minimum required contribution for all years	40	0

Attachment to 2008 Form 5500

Plan: Windstream Pension Plan

EIN: 20-0792300 PN: 001

Schedule SB, line 9 – Explanation of 2007 Credit Balance Discrepancy

The Windstream Pension Plan had a credit balance of \$140,477,160 as of December 31, 2007. Effective December 31, 2007, the Pension Plan of the Concord Telephone Company was merged into the Windstream Pension Plan. The Pension Plan of the Concord Telephone Company had a credit balance of \$595 and therefore, the total credit balance for the Windstream Pension Plan was \$140,477,755 as of January 1, 2008.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, line 19 – Discounted Employer Contributions

Discounted Employer Contributions

Valuation Date 1/1/2008
2008 Effective Rate 6.09%

<u>Date of</u> <u>Contribution</u>	<u>Amount</u>	<u>Discounted</u> <u>Contribution</u>	
9/11/2009	<u>2,500,000</u>	<u>2,261,512</u>	
	2,500,000	2,261,512	Total Contributions

Contributions Allocated towards Minimum Contribution

19,572,367	2008 Minimum Contribution
19,572,367	Portion of Funding Standard Carryover Balance Allocated to Minimum
2,261,512	Interest-adjusted excess contributions for current year

Attachment to 2008 Form 5500

Plan: Windstream Pension Plan

EIN: 20-0792300 PN: 001

Schedule SB, line 22 – Description of Weighted Average Retirement Age

Description of Weighted Average Retirement Age

AGE	ASSUMED RET RATE	P_{x+t}	Q_{x+t}	tP_x	$tP_x * Q_{x+t}$	RET AGE $AGE * tP_x * Q_{x+t}$
55	5.0%	0.950	0.050	1.000	0.050	2.750
56	3.0%	0.970	0.030	0.950	0.029	1.596
57	3.0%	0.970	0.030	0.922	0.028	1.576
58	3.0%	0.970	0.030	0.894	0.027	1.555
59	3.0%	0.970	0.030	0.867	0.026	1.535
60	15.0%	0.850	0.150	0.841	0.126	7.569
61	10.0%	0.900	0.100	0.715	0.071	4.361
62	10.0%	0.900	0.100	0.643	0.064	3.989
63	30.0%	0.700	0.300	0.579	0.174	10.944
64	35.0%	0.650	0.350	0.405	0.142	9.079
65	100.0%	0.000	1.000	0.263	0.263	17.125
				Total:	1.000	62.080

The Weighted Retirement Age for Schedule B Item 6b is: 62

Attachment to 2008 Form 5500**Plan: Windstream Pension Plan****EIN: 20-0792300 PN: 001****Schedule SB, Part V – Statement of Actuarial Assumptions/Methods**

Economic Assumptions¹

<u>Funding</u>	<u>Funding Target Segment Rates</u>	<u>Lump Sum Distributions</u>
Effective interest rate	6.09% per year	
1st segment rate	5.31% per year	5.31% per year
2nd segment rate	5.92% per year	5.92% per year
3rd segment rate	6.43% per year	6.43% per year

FAS 35 interest rate 8.00% per year

Accounting

FAS 87 discount rate 6.36% per year

FAS 87 expected long-term asset return 8.00% per year

Lump sum conversion segment rates

1st segment rate	5.00% per year
2nd segment rate	6.00% per year
3rd segment rate	6.50% per year

Funding and Accounting

Salary increases 3.00% per year

Expenses The investment return is considered net of expenses.

Social security wage base increases 3.00% per year

Salary limit \$230,000 (indexed)

Benefit limit \$185,000 (indexed)

¹ All assumptions apply to not at-risk funding, at-risk funding, and accounting calculations, unless noted otherwise.

Demographic Assumptions²**Plan Mortality**

Funding

IRS 2008 Static Mortality Table

Accounting

RP-2000 Combined Mortality Table (projected to 2008)

Lump Sum Conversion Mortality

IRS 2008 Applicable Mortality Table

**Disabled Mortality Decrements
(Accounting Only)****Sample Rates**

<u>Age</u>	<u>Rates</u>
30	0.31%
40	0.63%
50	2.04%
60	4.90%
65	8.42%
70	9.10%

Sample Rates**Retirement Decrements³**

<u>Age</u>	<u>Rates</u>
Less than 56	5%
56-59	3%
60	15%
61-62	10%
63	30%
64	35%
65+	100%

Turnover Rates**Sample Rates
Years of Service**

<u>Age</u>	<u>0-1</u>	<u>1-2</u>	<u>2-3</u>	<u>Ultimate</u>
25	34.74%	26.05%	17.37%	8.57%
35	24.21%	18.16%	12.11%	5.71%
45	13.68%	10.26%	6.84%	2.86%
55	3.16%	2.37%	1.58%	0.00%

² All assumptions apply to not at-risk funding, at-risk funding, and accounting calculations unless noted otherwise.

³ At-risk funding calculations apply accelerated retirement assumptions as required by IRC Section 430.

Turnover Rates (continued)**Prior Plan 360:****Sample Rates**

<u>Age</u>	<u>Rates</u>
25	23.00%
35	17.33%
45	13.27%
55	10.80%

Prior Valor Plan:**Sample Rates**

<u>Age</u>	<u>Rates</u>
25	7.72%
30	7.40%
35	6.86%
40	6.11%
45	5.16%
50	3.62%
55	1.37%
60	0.13%
64	0.00%

Disability Decrements

75% of Table S-10 of 11th Railroad Retirement Board (modified)

Sample Rates

<u>Age</u>	<u>Rates</u>
30	0.45%
40	0.09%
50	0.39%
55	0.80%
60	1.86%
64	2.25%

Marital Status

85% of participants are assumed to be married.
Husbands are assumed to be three years older than their wives.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Actuarial Methods
Funding and FAS 35

Actuarial Cost Method:

Unit Credit Cost Method -- This is the prescribed method under PPA and FAS 35. Under this method a projected benefit is determined at every age at which a participant could receive a benefit. This benefit is based on accrued service and current pay. Different benefits will be calculated in accordance with the plan provisions for the different decrements. The accrued liability is determined by discounting the benefits to which the employee is expected to become eligible with interest from the valuation date to the payment date. The normal cost is the difference between the accrued liability determined as if the participant had an additional year of service and the otherwise calculated accrued liability.

Asset Method:

Plan assets are set equal to the Market Value of Assets.

**Mandated Interest Rates
For Funding Target:**

Segment rates based on the 24-month average of corporate bond yields.

The Applicable Month for the determination of the segment rates is January 2008.

FAS 87

Actuarial Cost Method:

Projected Unit Credit Cost Method -- This is the prescribed method under FAS 87. Under this method a projected benefit is determined at every age at which a participant could receive a benefit. This benefit is based on accrued service and pay projected to decrement. Different benefits will be calculated in accordance with the plan provisions for the different decrements. The accrued liability is determined by discounting the benefits to which the employee is expected to become eligible with interest from the valuation date to the payment date. The normal cost is the difference between the accrued liability determined as if the participant had an additional year of service and the otherwise calculated accrued liability.

Asset Method:

The market-related value of assets is equal to the market value of assets.

Amortization of prior service costs:

Unrecognized prior service costs are amortized over the average remaining service of active participants.

Amortization of gains/losses:

Any unrecognized gains/losses, not already being amortized over 5 years, up to the 17.5% corridor (greater of PBO and MVA) are amortized over average future service. Unrecognized gains/losses in excess of the 17.5% corridor are amortized over 5 years.

Funding and Accounting

Employees Valued:

All active and inactive participants are included in this valuation.

Benefits Valued

To the best of our knowledge, all benefits have been included in the liabilities, in accordance with the actuarial assumptions.

Section 415 Limits:

Benefits were limited in accordance with section 415(b), which equals \$185,000 per annum on a straight life basis.

Events and Trends Not Included

We are not aware of any event or trend which has not been taken into account that would have a material impact on this valuation.

Attachment to 2008 Form 5500

Plan: Windstream Pension Plan

EIN: 20-0792300 PN: 001

Schedule SB, Part V – Statement of Actuarial Assumptions/Methods

Other Procedures

No actuarial accrued liability is held for non-vested, inactive participants who have a break in service, or for non-vested participants who have quit or been terminated even if a break in service had not occurred as of the valuation date.

Other Considerations

The lump sum segment rates each apply to a specified period of cash flows. The first segment rate applies to cash flows occurring in year 1 – 5, the second segment rate applies to cash flows occurring in years 6 – 20, and the third segment rate applies to cash flows occurring in all years after year 20. For accounting purposes, the applicable segment rates were determined based on the timing of cash flows from the participant's date of decrement. For funding purposes, the applicable segment rates were determined based on the timing of cash flows from the valuation date (January 1, 2008) per proposed Treasury Regulation §1.430(d)-1.

The financial data submitted by the plan sponsor is being used without further audit. The census data submitted appears to be consistent with the data used for the prior valuation.

Changes Made by the Pension Protection Act of 2006

On August 17, 2006 the President signed into law the Pension Protection Act of 2006 (PPA). The minimum funding rules under PPA became effective for plan years beginning on or after January 1, 2008. PPA mandates certain assumptions and methods be used, and requires a plan to fund toward a 100% funded level. Plan sponsors must determine the minimum contribution by using the "unit credit" actuarial cost method, under which the contribution requirement for a year is equal to the actuarial present value of benefits expected to accrue during the year plus a seven-year amortization of unfunded amounts, including gains or losses.

In accordance with PPA, the Actuarial Cost Method has been changed from the Entry Age Normal Cost method to the Unit Credit method.

PPA has changed the way interest earned on contributions is applied toward the minimum required contribution amount. For the 2008 plan year all contributions will be discounted back to January 1, 2008 using the effective interest rate of 6.09%.

Changes Since the Prior Valuation

There have been no other changes to the actuarial methods since the prior valuation.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

Effective Date	Established as of June 21, 2006, most recently amended December 31, 2007.
Eligibility	<p>Employees covered by a collectively bargained agreement that are eligible to participate.</p> <p>Employees who were:</p> <ul style="list-style-type: none">• Participants under the former Alltel Plan or Valor Plan on December 31, 2005,• Attained 40 years of age with two or more years of vesting service as of December 31, 2005; and• An employee of Windstream on or after June 21, 2006 and before January 1, 2007.• Participants of the Pension Plan of the Concord Telephone Company on December 31, 2007 <p>The following employees are not eligible to participate:</p> <ul style="list-style-type: none">• Employees covered by a collective bargaining agreement unless it is agreed that such employees would be eligible to participate in the plan;• Employees covered by an agreement with the company which prohibits inclusion in the plan;• Leased employees;• Any person who is not treated as an employee for purposes of code section 3401;• Nonresident aliens who receive no earned income from the Employer;• Employees of Affiliated Employers unless such Affiliated Employers have specifically adopted this Plan in writing; and• Effective June 13, 2000, Employees of Wavetel, L.C.C.
Participation Date	<p>Date following the completion of 1,000 hours of service during the year following the date of first hour of service, or any plan year with greater than 1,000 hours of service.</p> <p>For Valor participants, date of hire if they complete 1,000 hours in first year of service.</p> <p>For Concord Telephone Company participants, the January 1 or July 1 on or next following the attainment of age 21 years and completion of 1 Year of Service.</p> <p>Other than employees covered by a collectively bargained agreement, former Valor participants, or former Concord Telephone Company participants, no person shall become a participant in the Plan after December 31, 2005.</p>

Vesting Service

One year for each plan year during which an employee has completed 1,000 hours of service.

For Valor participants:

- Service prior to January 1, 2007 is the number of whole 1-year periods of vesting service credited under the Valor Plan as of December 31, 2006.
- Service after January 1, 2007 will be credited one year for each plan year during which an employee has completed 1,000 hours of service.

Benefit Service

One year for each plan year during which an employee has completed 2,000 hours of service, with one-twelfth year granted for each 166 2/3 hours of service completed for each plan year with less than 2,000 hours but at least 1,000 hours of service.

For non-bargaining participants, benefit service was frozen effective:

- (i) December 31, 2005 for participants who have not attained age 40 or completed two or more years of vesting service as of December 31, 2005; and
- (ii) December 31, 2010 for participants who have attained age 40 and have completed two or more years of vesting service as of December 31, 2005.

Accredited Service

Accredited service is determined on a calendar year basis with fractional credit based on hours of service and customary hours worked (usually 2,080).

- For former Contel employees, accredited service includes the period of "accredited service" recognized under the Contel Pension Plan, if any, prior to the date of transfer to coverage under this plan.
- For former Valor participants of the Kerrville Plan, accredited service begins accruing January 1, 2003.
- For former Valor employees who transferred from GTE Southwest, accredited service includes the period of credited service recognized under the pension plans sponsored by GTE Southwest, if any, prior to the date of transfer to coverage under the plan.
- For former Concord Telephone Company employees, accredited service includes the period of "credited service" recognized under the Pension Plan of the Concord Telephone Company, if any, prior to the date of transfer to coverage under this plan.

Accredited service was frozen effective December 31, 2007 for the former employees of the Concord Telephone Company.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

Net Credited Service For Aliant union participants, elapsed time worked from original employment date to termination date.

Compensation Total wages plus deferred compensation amounts, excluding non-wage taxable fringe benefits, up to a maximum of \$230,000 (indexed).

For non-bargaining participants, compensation after December 31, 2005 will not be considered for participants who have not attained age 40 or completed two or more years of vesting service as of December 31, 2005, or December 31, 2010 for participants who have attained age 40 and have completed two or more years of vesting service as of December 31, 2005.

For former employees of the Concord Telephone Company, compensation after December 31, 2007 will not be considered.

Average Annual Compensation Average of the highest five consecutive years' compensation.

Benefit Percentage The sum of the percentage accrual rates applicable to each year of benefit accrual service as set forth in the plan.

Normal Form of Benefit The normal form of retirement benefit is a monthly benefit payable during the single lifetime of the retired participant.

Social Security Integration Level The 35-year average annual earnings with respect to which Primary Social Security benefits would be payable assuming that earnings were equal to the maximum taxable wage base each year prior to termination of employment and the employee were age 65 on the date employment terminates.

Normal Retirement Benefit

Eligibility Age 65 and completion of 5 years of vesting service.

Verizon union participants:

Age 60 and completion of 5 years of vesting service if hired after age 60.

Concord Telephone Company participants:

Age 65.

Benefit

The annual accrued benefit (payable monthly):

Alltel union participants:

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

**Normal Retirement
Benefit (Continued)**

The greater of (i) and (ii) below:

- (i) The benefit percentage times average annual compensation; and
- (ii) \$120.00 for each year of benefit service.

Former GTE union participants:

The normal retirement benefits is the sum of (i), (ii) and (iii) below:

- (i) 1.35% of average annual compensation multiplied by accredited service as of March 3, 1995.
- (ii) For the benefit service after March 3, 1995 and before May 24, 1998 for IBEW group, and for the benefit service after March 4, 1995 and before March 31, 1999 for CWA group, the greater of (a) and (b) below:
 - (a) The benefit percentage times average annual compensation; and
 - (b) \$10.00 for each year of benefit service.
- (iii) For each year of benefit service beginning May 24, 1998 for IBEW, and for each year of benefit service beginning March 31, 1999 for CWA:
 - (a) One percent (1%) of the participant's compensation plus,
 - (b) Four-tenths of one percent (0.4%) of the participant's compensation in excess of the Social Security taxable wage base.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

**Normal Retirement
Benefit (Continued)**

Non-union salaried participants:

For non-union participants not compensated on an hourly basis, the normal retirement benefit is the sum of (i), (ii) and (iii):

- (i) The greater of (a) and (b) below:
 - a. The benefit percentage at December 31, 1987 times the average annual compensation at December 31, 1987; and
 - b. \$10.00 for each year of benefit service at December 31, 1987.
- (ii) Four-tenths of one percent (0.4%) of a participant's average annual compensation (average rate of compensation for the highest three consecutive years during the period of service beginning January 1, 1966 and ending December 31, 1987) in excess of the Social Security covered compensation multiplied by benefit service as of December 31, 1987.
- (iii) For each year of benefit service after December 31, 1987:
 - a. One percent (1%) of the participant's compensation plus,
 - b. Four-tenths of one percent (0.4%) of the participant's compensation in excess of the Social Security taxable wage base.

Aliant union participants:

The greater of (i) and (ii) below:

(i)	Years of Credited <u>Service</u>	Minimum Annual <u>Benefit</u>
	40 or more years	\$2,280
	30 but less than 40 years	2,160
	22 but less than 30 years	2,040
	21but less than 22 years	1,950
	20 but less than 21 years	1,830

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

Normal Retirement Benefit
(Continued)

Aliant union participants (continued):

- (ii) The normal retirement benefit is based on years of net credited service and is equal to the sum of (a), (b) and (c) below:

<u>Pension Band</u>	<u>First 25 Years</u>	<u>Years 25.001 through 30</u>	<u>Years after 30.001</u>
1-7	\$ 418.44	\$ 439.68	\$ 460.56
8	432.72	454.32	476.28
9	447.00	469.32	491.52
10	460.68	484.32	506.88
11	474.84	498.96	522.60
12	488.88	513.48	537.72
13	503.28	528.24	553.56
14	517.68	543.00	568.92
15	531.12	557.88	584.28
16	545.28	572.88	599.88
17	559.44	587.16	615.60
18	573.48	602.40	630.60
19	587.28	616.80	646.44
20	601.68	631.80	662.28
21	615.84	646.92	677.40

The above pension band rates are as of January 1, 2007.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

Normal Retirement
Benefit (Continued)

Verizon union participants (CWA and IBEW):

The greater of (i) and (ii) below:

(i) $1.35\% \times \text{average annual compensation} \times \text{accredited service.}$

(ii)	<u>Years of Accredited Service</u>	<u>Minimum Annual Benefit</u>
	40 or more years	\$11,700
	35 but less than 40 years	10,300
	30 but less than 35 years	8,900
	25 but less than 30 years	7,500
	20 but less than 25 years	6,100
	15 but less than 20 years	4,700

Valor non-union participants:

The greater of (i) and (ii) below:

(i) (a) + (b)

a. $1.15\% \times \text{average annual compensation up to the Social Security Integration Level} \times \text{accredited service.}$

b. $1.45\% \times \text{average annual compensation in excess of the Social Security Integration Level} \times \text{accredited service.}$

(ii) $1.35\% \times \text{average annual compensation} \times \text{accredited service.}$

Benefit accruals for all Valor non-union participants were frozen under the prior plan at December 31, 2006. Participants who had attained 40 years of age with two or more years of vesting service as of December 31, 2005 continue to accrue benefits under the Windstream non-union salaried formula until December 31, 2010.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

**Normal Retirement
Benefit (Continued)**

Valor union participants:

The greater of (i) and (ii) below:

(i) 1.35% x average annual compensation x accredited service.

(ii)	<u>Years of Accredited Service</u>	<u>Minimum Annual Benefit</u>
	40 or more years	\$12,870
	35 but less than 40 years	11,330
	30 but less than 35 years	9,790
	25 but less than 30 years	8,250
	20 but less than 25 years	6,710
	15 but less than 20 years	5,170

Concord Telephone Company participants:

The sum of (i) and (ii) below:

(i) 1.1% of Average Annual Compensation multiplied by Years of Accredited Service (max 40 years),

(ii) 0.65% of Average Annual Compensation in excess of Social Security Integration Level multiplied by Years of Accredited Service (max 35 years)

Benefit accruals under the Plan for all former employees of the Concord Telephone Company were frozen effective December 31, 2007.

Early Retirement Benefit

Eligibility

Age 55 with 20 years of vesting service, or Age 60 with 15 years of vesting service.

Verizon union participants and former Valor participants:

30 years of accredited service, or age plus accredited service total 76 with 15 years of accredited service.

Aliant union participants:

30 years of accredited service, age 50 with 25 years of net credited service, or age 55 with 20 years of net credited service.

Concord Telephone Company participants:

Age 55 with 20 years of vesting service

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

Benefit

The annual early retirement benefit (payable monthly) is the normal retirement benefit reduced by an early retirement factor.

Early retirement factors are:

"55/20" early retirement: One-fourth of one percent for each complete calendar month preceding the month in which such participant attains his 60th birthday.

"60/15" early retirement: One-fourth of one percent for each complete calendar month preceding the month in which such participant attains his 65th birthday.

Verizon union participants and former Valor participants: One-fourth of one percent for each full month preceding 30 years of accredited service or age 55.

Aliant union participants: Five-tenths of one percent for each month preceding 30 years of net credited service or age 55.

Concord Telephone Company participants: 1/180th for each of the first 60 months and 1/360th for each of the next 60 months by which the benefit commences prior to Normal Retirement Date.

Vested Benefit

Eligibility

Five years of vesting service.

Benefit

Payment of benefits is assumed to be paid at the normal retirement date. Payment may commence as early as age 55 and 20 years of vesting service, or age 60 and 15 years of vesting service. The normal retirement benefit amount is reduced by five-tenths of one percent for each complete calendar month preceding the month in which the participant reaches his normal retirement date.

For former Valor participants, the normal retirement benefit except that the annual minimum pension for union employees is based on the accredited service projected to normal retirement date then multiplied by the ratio of actual to projected vesting service. If accredited service is 15 years or more, a reduced pension may be elected payable when the sum of attained age and Accredited Service equal 76. Alternatively, if accredited service is 10 years or more, a reduced pension may be elected at age 55 or later. The reduction from age 65 is 6.67% for the first 5 years, 5% for the next 5 years, 3.33% for the next 5 years, and then actuarially reduced for any remaining years.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

**Vesting Benefit
(Continued)**

For former Concord Telephone Company participants, payment of benefits is assumed to be paid at the normal retirement date. Payment may commence as early as age 55 and 20 years of vesting service. The normal retirement benefit is reduced by $1/180^{\text{th}}$ for each of the first 60 months and $1/360^{\text{th}}$ for each of the next 60 months by which the benefit commences prior to Normal Retirement Date.

**Pre Retirement Death
Benefit**

Five years of vesting service.

Eligibility

Benefit

50% of the accrued benefit as of the participant's date of death payable to the spouse on the earliest date on which the participant would have been eligible to retire, as if the date of death was a termination date. Death after termination or retirement is paid to employee's beneficiary through an actuarial reduction of the benefit.

For former Valor participants, the spouse of an employee who dies in active service may begin payment on first of any month following death; and the spouse of a participant who dies after becoming eligible for a disability pension may begin payment on the first of month following death.

For former Concord Telephone Company participants, if the participant is not married, the designated beneficiary will receive the actuarial equivalent of the spousal benefit.

Disability Benefit

Eligibility

For participants covered by a collective bargaining agreement and not covered under an employer-sponsored Long Term Disability Plan, termination after 10 years of vesting service due to total and permanent disability prior to age 65. (There is no disability retirement benefit for CPN union participants who become disabled after January 1, 1991.)

For former Valor participants and former Concord Telephone Company participants, 15 years of accredited service and a disability which, in the opinion of the Committee and based on proper medical evidence, renders the employee unable to perform any occupation for which he is reasonably qualified and such disability is expected to be permanent.

Benefit

Benefit determined as for normal retirement considering benefit service up to the date of disability. The normal retirement benefit is unreduced at an early retirement age for former Valor participants.

Attachment to 2008 Form 5500
Plan: Windstream Pension Plan
EIN: 20-0792300 PN: 001
Schedule SB, Part V – Summary of Plan Provisions

Actuarial Equivalence

Windstream non-bargaining and union participants:
5% and RP-2000 Mortality Table for Combined Healthy lives
equally weighted for male and female mortality projected to
2007, assuming 25% blue collar and 75% white collar
employees.

All other union participants:
Uses various bases as defined by the plan.

Changes Since the Prior Valuation

Effective December 31, 2007, participants of the Pension Plan of the Concord Telephone Company were merged into the Windstream Pension Plan.

The following changes were reflected for former Concord Telephone Company participants:

- Participation was frozen as of December 31, 2007.
- The accrued benefit under the Concord Telephone Company Plan was frozen as of December 31, 2007.

There have been no other changes to the Plan Provisions.

Changes Made by the Pension Protection Act of 2006

On August 17, 2006 the President signed into law the Pension Protection Act of 2006 (PPA). The minimum funding rules under PPA became effective for plan years beginning on or after January 1, 2008. PPA mandates certain assumptions and methods be used, and requires a plan to fund toward a 100% funded level. Plan sponsors must determine the minimum contribution by using the "unit credit" actuarial cost method, under which the contribution requirement for a year is equal to the actuarial present value of benefits expected to accrue during the year plus a seven-year amortization of unfunded amounts, including gains or losses.

The mortality table used to determine the funding target (previously current liability) has been changed from the 2007 Optional Combined Table (per Treasury Regulation § 1.412 (l)(7)-1) to the IRS 2008 Static Mortality table. The effective funding interest rate is 6.09% and is based on expected future benefit payments under the plan and the IRS mandated segment rates. The first, second, and third January 2008 monthly segment rates are 5.31%, 5.92%, and 6.43%, respectively, and were used in determining the funding target.

The lump sum conversion mortality table has been updated from the 1994 Group Annuity Reserve Table, projected to 2002 per Revenue Ruling 2001-62 in 2007 to the IRS 2008 Applicable Mortality Table in 2008.

The lump sum conversion rate for ERISA funding calculations has been updated from 5.00% in 2007 to three segment rates, each applying to cash flows during a specified period, in 2008. The first, second, and third segment rate assumptions for funding purposes are 5.31%, 5.92%, and 6.43%, respectively.

Other Changes Since the Prior Valuation

The interest rate used for FAS No. 35 decreased from 8.50% in 2007 to 8.00% in 2008. The interest rate used for FAS No. 87 increased from 5.92% in 2007 to 6.36% in 2008. The FAS No. 87 long-term asset return rate decreased from 8.50% in 2007 to 8.00% in 2008. The FAS No. 87 salary scale assumption decreased from 3.50% in 2007 to 3.00% in 2008.

The Funding salary scale assumption decreased from 5.50% in 2007 to 3.00% in 2008.

The lump sum conversion rate for accounting purposes has been updated from 5.00% in 2007 to three segment rates, each applying to cash flows during a specified period, in 2008. The first, second, and third segment rate assumptions are 5.00%, 6.00%, and 6.50%, respectively.

The mortality table used for FAS No. 35 and FAS No. 87 has been updated from the 1994 Group Annuity Mortality table in 2007 to the RP – 2000 Combined Mortality table (projected to 2008) in 2008.

There have been no other changes to actuarial assumptions since the prior valuation.

Changes Made by the Pension Protection Act of 2006

On August 17, 2006 the President signed into law the Pension Protection Act of 2006 (PPA). The minimum funding rules under PPA became effective for plan years beginning on or after January 1, 2008. PPA mandates certain assumptions and methods be used, and requires a plan to fund toward a 100% funded level. Plan sponsors must determine the minimum contribution by using the "unit credit" actuarial cost method, under which the contribution requirement for a year is equal to the actuarial present value of benefits expected to accrue during the year plus a seven-year amortization of unfunded amounts, including gains or losses.

In accordance with PPA, the Actuarial Cost Method has been changed from the Entry Age Normal Cost method to the Unit Credit method.

PPA has changed the way interest earned on contributions is applied toward the minimum required contribution amount. For the 2008 plan year all contributions will be discounted back to January 1, 2008 using the effective interest rate of 6.09%.

Changes Since the Prior Valuation

There have been no other changes to the actuarial methods since the prior valuation.

A schedule of active plan participant data is required to be attached to the annual Form 5500. Form instructions stipulate that average salary need not be displayed for cells with less than 20 participants.

I. All Active Participants

Attained Age	YEARS OF CREDITED SERVICE																	
	0 to 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39	
	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.	No.	Avg. Comp.
Under 25	2	-	43	-	1	-	0	-	0	-	0	-	0	-	0	-	0	-
25 to 29	4	-	220	-	125	-	3	-	0	-	0	-	1	-	0	-	0	-
30 to 34	2	-	216	-	311	-	49	-	2	-	0	-	0	-	0	-	0	-
35 to 39	2	-	168	-	361	-	143	-	52	-	0	-	0	-	0	-	0	-
40 to 44	0	-	107	-	290	-	97	-	99	-	64	-	12	-	0	-	0	-
45 to 49	2	-	52	-	270	-	115	-	106	-	109	-	267	-	40	-	0	-
50 to 54	2	-	45	-	228	-	69	-	86	-	76	-	261	-	290	-	42	-
55 to 59	2	-	41	-	173	-	63	-	38	-	54	-	154	-	185	-	212	-
60 to 64	1	-	21	-	94	-	27	-	23	-	22	-	46	-	48	-	123	-
65 to 69	0	-	1	-	13	-	2	-	1	-	1	-	7	-	2	-	9	-
70 & up	0	-	0	-	3	-	0	-	1	-	0	-	0	-	1	-	1	-
	17	-	914	-	1,869	-	568	-	408	-	326	-	748	-	566	-	387	-
																	5,871	-

Note: See chart III for average salary.

Attachment to 2008 Form 5500

Plan: Windstream Pension Plan

EIN: 20-0792300 PN: 001

Schedule SB, line 26 – Schedule of Active Participant Data

A schedule of active plan participant data is required to be attached to the annual Form 5500. Form instructions stipulate that average salary need not be displayed for cells with less than 20 participants.

II. Participants with Frozen Benefits

	YEARS OF CREDITED SERVICE																							
Attained Age	0 to 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total			
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp		
Under 25	2	-	37	-	1	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	40	-		
25 to 29	3	-	179	-	84	-	0	-	0	-	0	-	1	-	0	-	0	-	0	-	267	-		
30 to 34	2	-	173	-	224	-	22	-	0	-	0	-	0	-	0	-	0	-	0	-	421	-		
35 to 39	1	-	134	-	269	-	107	-	27	-	0	-	0	-	0	-	0	-	0	-	538	-		
40 to 44	0	-	62	-	119	-	41	-	19	-	8	-	1	-	0	-	0	-	0	-	250	-		
45 to 49	1	-	9	-	27	-	16	-	5	-	4	-	7	-	1	-	0	-	0	-	70	-		
50 to 54	1	-	7	-	13	-	8	-	2	-	1	-	8	-	7	-	0	-	0	-	47	-		
55 to 59	1	-	12	-	12	-	9	-	0	-	0	-	2	-	10	-	4	-	0	-	50	-		
60 to 64	0	-	3	-	5	-	2	-	1	-	1	-	0	-	1	-	3	-	0	-	16	-		
65 to 69	0	-	0	-	2	-	1	-	0	-	0	-	0	-	0	-	0	-	0	-	3	-		
70 & up	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	0	-	1	-	1	-		
	11	-	616	-	756	-	206	-	54	-	14	-	19	-	19	-	7	-	1	-	1,703	-		

Note: Benefit accruals were frozen for non-bargaining participants who have not attained age 40 or completed two or more years of vesting service as of December 31, 2005. Benefit accruals were also frozen for all former Concord Telephone Company participants as of December 31, 2007.

Schedule SB, line 26 – Schedule of Active Participant Data

III. Participants with Continuing Benefit Accruals

	YEARS OF CREDITED SERVICE																							
Attained Age	0 to 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total			
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp		
Under 25	0		6		0		0		0		0		0		0		0		0		0			
25 to 29	1		41	43,117	41	51,078	3		0		0		0		0		0		0		0			
30 to 34	0		43	44,543	87	51,951	27	52,109	2		0		0		0		0		0		0			
35 to 39	1		34	42,847	92	51,117	36	52,814	25	52,305	0		0		0		0		0		0			
40 to 44	0		45	41,287	171	55,782	56	52,590	80	60,605	56	57,974	11		0		0		0		0			
45 to 49	1		43	46,483	243	65,177	99	59,782	101	64,026	105	61,007	260	56,718	39	53,726	0		0		0			
50 to 54	1		38	46,408	215	56,747	61	55,696	84	61,337	75	66,825	253	60,251	283	59,887	42	58,607	0		0			
55 to 59	1		29	49,015	161	63,109	54	53,416	38	58,533	54	56,264	152	60,298	175	61,240	208	58,124	11		0			
60 to 64	1		18		89	57,689	25	64,842	22	55,200	21	58,230	46	59,290	47	64,434	120	60,168	51	59,174	440			
65 to 69	0		1		11		1		1		1		7		2		9		5		38			
70 & up	0		0		3		0		1		0		0		1		1		0		6			
	6		298		1,113		362		354		312		729		547		380		67		4,168			