Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2016** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A This return/report is for:
- [ ] a multiemployer plan
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
- [x] a single-employer plan
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report
- [ ] the final return/report
- [ ] an amended return/report
- [ ] a short plan year return/report (less than 12 months)

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [x]

D Check box if filing under:
- [x] Form 5558
- [ ] automatic extension
- [ ] the DFVC program
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

1b Three-digit plan number (PN) ▶ 017

1c Effective date of plan 07/01/1960

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
VERIZON COMMUNICATIONS INC

ONE VERIZON WAY,
BASKING RIDGE, NJ 07920

2b Employer Identification Number (EIN) 23-2259884

2c Plan Sponsor's telephone number 908-559-3342

2d Business code (see instructions) 517000

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2017	KEVIN CAMMARATA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/06/2017	KEVIN CAMMARATA
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)	Preparer's telephone number

3a Plan administrator's name and address ☐ Same as Plan Sponsor VERIZON EMPLOYEE BENEFITS COMMITTEE ONE VERIZON WAY, BASKING RIDGE, NJ 07920	**3b** Administrator's EIN 38-4008214 **3c** Administrator's telephone number 908-559-3342
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: **a** Sponsor's name VERIZON FLORIDA LLC	**4b** EIN 59-0397520 **4c** PN 001

5	Total number of participants at the beginning of the plan year	**5**	5292
6	Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1)	Total number of active participants at the beginning of the plan year	**6a(1)**	2737
a(2)	Total number of active participants at the end of the plan year	**6a(2)**	248
b	Retired or separated participants receiving benefits	**6b**	804
c	Other retired or separated participants entitled to future benefits	**6c**	1393
d	Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	2445
e	Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	275
f	Total. Add lines **6d** and **6e**.	**6f**	2720
g	Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h	Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	4
7	Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

1A 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

9b Plan benefit arrangement (check all that apply)

- **(1)** ☐ Insurance
- **(2)** ☐ Code section 412(e)(3) insurance contracts
- **(3)** ☒ Trust
- **(4)** ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- **(1)** ☒ **R** (Retirement Plan Information)
- **(2)** ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- **(3)** ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- **(1)** ☒ **H** (Financial Information)
- **(2)** ☐ **I** (Financial Information – Small Plan)
- **(3)** ☐ ___ **A** (Insurance Information)
- **(4)** ☒ **C** (Service Provider Information)
- **(5)** ☒ **D** (DFE/Participating Plan Information)
- **(6)** ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....……..… ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2016 Form M-1 annual report. If the plan was not required to file the 2016 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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). ▶ **File as an attachment to Form 5500 or 5500-SF.**	**2016** **This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
VERIZON COMMUNICATIONS INC

D Employer Identification Number (EIN)
23-2259884

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	**2a**	409234294
b Actuarial value	**2b**	424899787

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1133	77558140	77558140
b For terminated vested participants	1422	49081868	49081868
c For active participants	2737	249153033	309931607
d Total	5292	375793041	436571615

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	**4a**	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	5.87 %
6 Target normal cost	**6**	6975346

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

Signature of actuary	09/01/2017 Date
DANIEL F. MCFALL Type or print name of actuary	17-04341 Most recent enrollment number
AON CONSULTING, INC. Firm name	847-295-5000 Telephone number (including area code)
4 OVERLOOK POINT LINCOLNSHIRE, IL 60069 Address of the firm	

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 [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	430	16951003
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	430	10565510
9	Amount remaining (line 7 minus line 8)	0	6385493
10	Interest on line 9 using prior year's actual return of 0.15 %	0	9578
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.05 %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6395071

Part III Funding Percentages

14	Funding target attainment percentage	14	95.86%
15	Adjusted funding target attainment percentage	15	95.86%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	101.19%
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
03/17/2017	17000000	0			
04/13/2017	780000	0			
07/14/2017	2460000	0			
			Totals ► 18(b)	20240000	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 contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	18850362

20 Quarterly contributions and liquidity shortfalls:

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:

a Segment rates:

1st segment:	2nd segment:	3rd segment:	☐ N/A, full yield curve used
4.43%	5.91%	6.65%	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	58

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ 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. ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions 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 and excess assets (see instructions):

a Target normal cost (line 6)	31a	6975346
b Excess assets, if applicable, but not greater than line 31a	31b	2819644

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	18066899	746269
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 (lines 31a - 31b + 32a + 32b - 33)	34	4901971

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	36	4901971
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	18850362

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	13948391
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	42	
43 Excess installment acceleration amount to be carried over to future plan years	43	

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).	2016
Department of Labor Employee Benefits Security Administration	▶ **File as an attachment to Form 5500.**	**This Form is Open to Public Inspection.**
Pension Benefit Guaranty Corporation		

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500
VERIZON COMMUNICATIONS INC

D Employer Identification Number (EIN)
23-2259884

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

XEROX CORPORATION

16-0468020

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
36 49 50 64	NONE	201224	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AON CONSULTING INC.

22-2232264

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 16 49 50 64	NONE	53201	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MITCHELL & TITUS, LLP

13-2781641

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	30173	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

VERIZON COMMUNICATIONS INC

23-2259884

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50	EMPLOYER	25771	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WELLS FARGO CO

94-1347393

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 50	NONE	23053	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

DATABANK IMX LLC

25-1921937

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50	NONE	8044	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

a Name:	**b** EIN:
c Position:	
d Address:	**e** Telephone:

Explanation:

SCHEDULE D (Form 5500)	DFE/Participating Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

B Three-digit plan number (PN) ▶ 017

C Plan or DFE sponsor's name as shown on line 2a of Form 5500
VERIZON COMMUNICATIONS INC

D Employer Identification Number (EIN)
23-2259884

Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs)

(Complete as many entries as needed to report all interests in DFEs)

a Name of MTIA, CCT, PSA, or 103-12 IE: BELL ATLANTIC MASTER TRUST

b Name of sponsor of entity listed in (a): VERIZON COMMUNICATIONS INC

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
25-1448208-020	M	188153495

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

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a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

a Plan name

b Name of plan sponsor

c EIN-PN

SCHEDULE H (Form 5500)	Financial Information	OMB No. 1210-0110
Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500
VERIZON COMMUNICATIONS INC

D Employer Identification Number (EIN)
23-2259884

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		20240000
(2) Participant contributions	1b(2)		
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	409234294	188153495
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	409234294	208393495
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		25935768
k Total liabilities (add all amounts in lines 1g through1j)	1k	0	25935768
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	409234294	182457727

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	20240000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		20240000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		0
(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		18966343
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		39206343

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	36204707	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		36204707
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: **(1)** Professional fees	2i(1)	256624	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	1152832	
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		1409456
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		37614163

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		1592180
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		228368747

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified **(2)** ☐ Qualified **(3)** ☒ Disclaimer **(4)** ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: MITCHELL & TITUS, LLP **(2)** EIN: 13-2781641

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. **(2)** ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X	

			Yes	No	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	X		100000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X	
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X		
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X	
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X	
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3	4n			
o	Defined Benefit Plan or Money Purchase Pension Plan Only: Were any distributions made during the plan year to an employee who attained age 62 and had not separated from service?	4o			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)
FRONTIER COMMUNICATIONS PENSION PLAN	06-0619596	001
VERIZON PENSION PLAN FOR ASSOCIATES	23-2259884	016

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (See ERISA section 4021.)? ..... ☒ Yes ☐ No ☐ Not determined
If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 4000112. (See instructions.)

Part V Trust Information

6a Name of trust

6b Trust's EIN

6c Name of trustee or custodian

6d Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)	Retirement Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ **File as an attachment to Form 5500.**	**2016** **This Form is Open to Public Inspection.**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

A Name of plan
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500
VERIZON COMMUNICATIONS INC

D Employer Identification Number (EIN)
23-2259884

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): _____ _____

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3** 109

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☒ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☒ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☒ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☐ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☐ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☐ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☐ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:

Stock: 16 % Investment-Grade Debt: 33 % High-Yield Debt: 8 % Real Estate: 9 % Other: 34 %

b Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☒ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan? If "No," skip b	☐ Yes ☐ No
20b How did the plan satisfy the nondiscrimination requirements for employee deferrals under section 401(k)(3) for the plan year? Check all that apply:	☐ Design-based safe harbor ☐ "Prior year" ADP test ☐ "Current year" ADP test ☐ N/A
21a What testing method was used to satisfy the coverage requirements under section 410(b) for the plan year? Check all that apply:	☐ Ratio percentage test ☐ Average benefit test ☐ N/A
21b Did the plan satisfy the coverage and nondiscrimination requirements of sections 410(b) and 401(a)(4) for the plan year by combining this plan with any other plan under the permissive aggregation rules?	☐ Yes ☐ No

22a If the plan is a master and prototype plan (M&P) or volume submitter plan that received a favorable IRS opinion letter or advisory letter, enter the date of the letter _____/_____/_____ and the serial number _____.

22b If the plan is an individually-designed plan that received a favorable determination letter from the IRS, enter the date of the most recent determination letter _____/_____/_____.

VERIZON CORPORATE SERVICES GROUP INC. ET AL PENSION PLANS

Financial Statements
As of December 31, 2016 and 2015 and for the years then ended
With Independent Auditor's Report

VERIZON CORPORATE SERVICES
GROUP INC. ET AL PENSION PLANS

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

MITCHELL TITUS

INDEPENDENT AUDITOR'S REPORT

To the Verizon Employee Benefits Committee

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of the Verizon Management Pension Plan, Verizon Pension Plan for Mid-Atlantic and South Associates, Verizon Pension Plan for Associates, GTE Florida Incorporated Plan for Hourly-Paid Employees' Pensions, GTE Southwest Incorporated Plan for Hourly-Paid Employees' Pensions and the Verizon Wireless Retirement Plan, which comprise the statements of net assets available for benefits as of December 31, 2016 and 2015, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA), the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the investment information summarized in Note 1, which was certified by The Bank of New York Mellon, the trustee of the plans, except for comparing such information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the plans' investment assets and

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executes investment transactions. The plan administrator has obtained certifications from the trustee as of December 31, 2016 and 2015, and for the years then ended, stating that the investment information provided to the plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion on Financial Statements

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Report on Compliance of Form and Content with Department of Labor's Rules and Regulations

The form and content of the information included in the financial statements, other than that derived from the certified investment information, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Mitchell & Titus, LLP

October 5, 2017

Statements of Net Assets Available for Benefits
As of December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Plan's interest in Master Trust	$ 3,017,332	$ 3,322,001
Employer contribution receivable	1,109,430	185,208
Total assets	4,126,762	3,507,209
Liabilities		
Transfer to successor trustee payable	22,072	-
Total liabilities	22,072	-
Total net assets available for benefits	**$ 4,104,690**	$ 3,507,209
Plan's percentage interest in Master Trust	22.0%	20.9%

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Net assets available for benefits at beginning of year	$ 3,507,209	$ 4,315,473
Employer contributions	1,109,430	185,208
Benefits paid to participants	(561,340)	(975,698)
Administrative expenses	(37,272)	(27,855)
Transfers to successor trustee, net	(122,463)	-
Allocable share of Master Trust investment activities	209,126	10,081
Net assets available for benefits at end of year	**$ 4,104,690**	$ 3,507,209

The accompanying notes are an integral part of these financial statements.

Statements of Net Assets Available for Benefits
As of December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Plan's interest in Master Trust	$ -	$ 3,465,169
Employer contribution receivable	-	363,549
Total assets	-	3,828,718
Liabilities		
Accrued payable	-	19,328
Total net assets available for benefits	**$ -**	$ 3,809,390
Plan's percentage interest in Master Trust	0.0%	22.7%

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Net assets available for benefits at beginning of year	$ 3,809,390	$ 4,068,992
Employer contributions	-	363,549
Benefits paid to participants	(471,244)	(605,278)
Administrative expenses	(23,803)	(26,714)
Transfers (to)/from other plans	(3,495,909)	284
Transfers to successor trustee	(46,162)	-
Allocable share of Master Trust investment activities	227,728	8,557
Net assets available for benefits at end of year	**$ -**	$ 3,809,390

The accompanying notes are an integral part of these financial statements.

Statements of Net Assets Available for Benefits
As of December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Plan's interest in Master Trust	$ 7,272,092	$ 7,792,987
Employer contribution receivable	2,085,552	214,920
Accrued receivable	-	19,328
Total assets	9,357,644	8,027,235
Liabilities		
Transfer to successor trustee payable	50,161	-
Total liabilities	50,161	-
Total net assets available for benefits	**$ 9,307,483**	$ 8,027,235
Plan's percentage interest in Master Trust	50.0%	47.8%

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Net assets available for benefits at beginning of year	$ 8,027,235	$ 9,290,040
Employer contributions	2,085,552	214,920
Benefit paid to participants	(939,673)	(1,457,056)
Administrative expenses	(54,719)	(42,838)
Transfers from other plans sponsored by Verizon	803	458
Transfers to successor trustee, net	(331,533)	-
Allocable share of Master Trust investment activities	519,818	21,711
Net assets available for benefits at end of year	**$ 9,307,483**	$ 8,027,235

The accompanying notes are an integral part of these financial statements.

Statements of Net Assets Available for Benefits
As of December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Plan's interest in Master Trust	$ 188,153	$ 409,234
Employer contribution receivable	20,240	-
Total assets	208,393	409,234
Liabilities		
Transfer to successor trustee payable	25,936	-
Total liabilities	25,936	-
Total net assets available for benefits	**$ 182,457**	$ 409,234
Plan's percentage interest in Master Trust	1.0%	2.4%

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Net assets available for benefits at beginning of year	$ 409,234	$ 479,937
Employer contributions	20,240	-
Benefits paid to participants	(36,205)	(69,041)
Administrative expenses	(1,409)	(1,016)
Transfers to other plans sponsored by Verizon	(390)	(743)
Transfers to successor trustee	(227,979)	-
Allocable share of Master Trust investment activities	18,966	97
Net assets available for benefits at end of year	**$ 182,457**	$ 409,234

The accompanying notes are an integral part of these financial statements.

Statements of Net Assets Available for Benefits
As of December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Plan's interest in Master Trust	$ 3,932,476	$ 670,777
Employer contribution receivable	684,510	-
Total assets	4,616,986	670,777
Liabilities		
Transfer to successor trustee payable	36,929	-
Total liabilities	36,929	-
Total net assets available for benefits	**$ 4,580,057**	$ 670,777
Plan's percentage interest in Master Trust	24.6%	4.0%

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Net assets available for benefits at beginning of year	$ 670,777	$ 744,722
Employer contributions	684,510	-
Benefit paid to participants	(34,306)	(74,165)
Administrative expenses	(545)	(749)
Transfers from other plans sponsored by Verizon, net	3,495,495	1
Transfers to successor trustee	(274,681)	-
Allocable share of Master Trust investment activities	38,807	968
Net assets available for benefits at end of year	**$ 4,580,057**	$ 670,777

The accompanying notes are an integral part of these financial statements.

Statements of Net Assets Available for Benefits
As of December 31, 2016 and 2015
(in thousands)

	2016	2015
Assets		
Plan's interest in Master Trust	$ 317,405	$ 381,511
Employer contribution receivable	125,169	-
Total net assets available for benefits	**$ 442,574**	$ 381,511
Plan's percentage interest in Master Trust	2.4%	2.3%

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2016 and 2015
(in thousands)

	2016	2015
Net assets available for benefits at beginning of year	$ 381,511	$ 399,682
Employer contributions	125,169	-
Benefits paid to participants	(85,636)	(14,548)
Administrative expenses	(5,582)	(4,165)
Transfer from prior trustee	27	37
Allocable share of Master Trust investment activities	27,085	505
Net assets available for benefits at end of year	**$ 442,574**	$ 381,511

The accompanying notes are an integral part of these financial statements.

1. Description of the Plans

General

The following description of the Verizon Management Pension Plan (the "VMPP"), Verizon Pension Plan for Mid-Atlantic and South Associates (the "Mid-Atlantic Plan"), Verizon Pension Plan for Associates (the "VPPA"), GTE Florida Incorporated Plan for Hourly-Paid Employees' Pensions (the "Florida Plan"), GTE Southwest Incorporated Plan for Hourly-Paid Employees' Pensions (the "Southwest Plan"), and the Verizon Wireless Retirement Plan (the "Wireless Plan"), (collectively, the "Plans"), provides only general information on the Plans' provisions. Participants should refer to their respective Summary Plan Description and Plan Document for a complete description of the Plans' provisions.

The Plans are sponsored by Verizon Communications Inc. ("Verizon") or one of its subsidiary companies (the "Companies" or "Plan sponsors") and provide pension benefits as set forth in the respective Plan Documents. The Verizon Employee Benefits Committee ("VEBC") is the administrator of the plans, except for the Mid-Atlantic Plan, for which the plan administrator is the Chairman of the VEBC.

The Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Pension Benefits

The Plans are trusteed, noncontributory, defined benefit plans, which cover many of the employees and former employees of the sponsoring Companies. Pension benefits are based on compensation and service or on service only, as defined by the applicable Plan Document.

Generally, the Plans provide vesting for participants with five years of eligible vesting service or upon attainment of normal retirement age. Service with a prior Company or one of its affiliates, as defined by the Plans, is counted for vesting purposes. Prior benefits under merged Plans may have vested under a different schedule. Eligible employees, as defined in the respective Plan Document, typically have the opportunity to elect a lump sum, a life annuity, a joint and survivor annuity, or a certain and life annuity option as a form of retirement benefit payment, subject to the terms of each such plan.

The Wireless Plan was formerly named the Upstate Cellular Network Pension and amended several times to incorporate the pension plans of the various companies acquired by Verizon Wireless and its predecessors (AirTouch Cellular and the Alltel Corporation). The various benefit formulas have been frozen to new accruals at different dates in the past, including May 31, 2004 for the Transition Cash Balance Account, December 31, 2006 for AirTouch, and December 31, 2010 for Alltel. The actual freeze date may vary with individual circumstances. The Wireless Plan was last amended and restated in its entirety effective July 17, 2014, after Verizon acquired the shares of the Cellco Partnership held by Vodafone.

1. Description of the Plans *(continued)*

The Plans are now closed such that new employees hired on or after the applicable close date are not eligible to participate and earn pension benefits under the Plans. A number of plans or component plans are fully frozen with no pay or service accruals (the VMPP and the Wireless Plan). Additionally, the majority of the west associates had their Average Annual Compensation frozen according to the dates specified in the collective bargaining agreements.

Verizon offered a lump sum window to eligible participants in the VPPA, the Mid-Atlantic Plan, the Wireless Plan and MCI (a component of the VMPP). Eligible participants were permitted to participate in the Lump Sum Distribution Program generally from May 24, 2016 to July 29, 2016 (the "election window"). Eligible participants had to have terminated employment prior to January 1, 2016, have a vested benefit in the applicable plan(s), and were not otherwise eligible to elect a lump sum distribution under the plan(s). The options available during the election window were (1) lump sum distribution, (2) immediate annuity, or (3) no action.

On April 1, 2016, Verizon sold to Frontier Communications Corporation ("Frontier") its local exchange business and related landline activities in California, Florida and Texas. Pursuant to the Employee Matters Agreement ("EMA"), any Verizon pension benefits under a tax qualified pension plan (other than the Wireless Plan) relating to employees who transferred to Frontier were transferred to a successor pension plan maintained by Frontier. Upon closing of the transaction, approximately $1.012 billion of assets were transferred from the Plans to the successor pension plan sponsored by Frontier. Approximately $1.003 billion is reflected in the current period's financial statements as "Transfers to successor trustee." The remaining $9 million, which includes adjustments for gains and losses and interest from January 1, 2017 to the date of the transfer, will be included in the 2017 financial statements. Following the Frontier transaction, Verizon Communications Inc. became the sponsor of the VPPA, the Florida Plan and the Southwest Plan.

Effective December 31, 2016, the Mid-Atlantic Plan was merged into the Southwest Plan. On January 1, 2017, the Southwest Plan was renamed as the "Verizon Pension Plan for Mid-Atlantic and South Associates."

Funding Policy

The Plans' funding policy is for the Companies to contribute an amount which will meet the minimum funding requirement. The Plans have met the ERISA minimum funding requirements for the years ended December 31, 2016 and 2015. In accordance with the Pension Protection Act of 2006, all plans are required to use the Unit Credit Cost Method to determine the minimum contributions to the ongoing plan.

1. Description of the Plans *(continued)*

Information Certified by the Trustee

The assets of the Plans are included in the Bell Atlantic Master Trust (the "Master Trust") maintained by the Bank of New York Mellon ("BNY Mellon" or the "Trustee"). With the exception of the fair value hierarchy table in Note 5, all investment information disclosed in the financial statements and footnotes, including investments held at December 31, 2016 and 2015 and the Plans' allocable share of the Master Trust investment activities for the years ended December 31, 2016 and 2015, was obtained or derived from information supplied to the Plan administrator and certified as complete and accurate by BNY Mellon.

2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and in conformity with generally accepted accounting principles in the United States ("U.S. GAAP").

Use of Estimates

U.S. GAAP requires the Plans' administrator to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Administrative Expenses

Certain administrative fees are charged directly to the Plans as incurred or allocated to the Plans based on their pro rata share of Master Trust assets. Certain administrative expenses related to the Master Trust are allocated to the Plans and reflected in the Master Trust investment activities.

Benefit Payments

Benefit payments to participants are recorded upon distribution.

Plan Transfers

The Plan sponsors are permitted to transfer benefit obligations, subject to the provisions of ERISA, for certain participants who transfer employment between certain Companies that sponsor different pension plans. The Statement of Net Assets Available for Benefits of the Plans

2. Basis of Presentation and Summary of Significant Accounting Policies *(continued)*

as of December 31, 2016 includes net assets that were transferred in and out of the plans due to participant transfers during the 2015 plan year. Participant transfers during the 2014 plan year are included in the Statement of Changes in Net Assets Available for Benefits, as applicable, for the year ended December 31, 2015. The actual amount transferred is adjusted with trust earnings to the date of transfer.

Fair Value Measurements

As described in Note 1, the Plans hold an interest in the Master Trust. The Plans' interest in the Master Trust and investments held in the Master Trust are recorded at fair value.

Fair value of financial and non-financial assets and liabilities is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The three-tier hierarchy for inputs used in measuring fair value, which prioritizes the inputs used in the methodologies of measuring fair value for assets and liabilities, is as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities

Level 2 – Observable inputs other than quoted prices in active markets for identical assets and liabilities

Level 3 – No observable pricing inputs in the market

Financial assets and financial liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurements. The Plan sponsors' assessment of the significance of a particular input to the fair value measurements requires judgment, and may affect the valuation of the assets and liabilities being measured and their categorization within the fair value hierarchy. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

Risks and Uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that those changes could materially affect the amounts disclosed in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

2. Basis of Presentation and Summary of Significant Accounting Policies *(continued)*

Subsequent Events

Management evaluated subsequent events through October 5, 2017, the date the financial statements were available to be issued.

Recently Issued Accounting Standards

In February 2017, the Financial Accounting Standards Board issued the Accounting Standards Update ("ASU") No. 2017-06, "Employee Benefit Plan Master Trust Reporting." This ASU requires an employee benefit plan to disclose the plan's percentage interest in a master trust and a list of the investments held by the master trust, presented by general type, within the plan's financial statements. This ASU also removes the requirement to disclose the plan's overall percentage interest in a master trust for plans with divided interests and require that all plans disclose the dollar amount of their interest in each general type of investment. In addition, the ASU requires the disclosure of the master trust's other asset and liability balances and the dollar amount of the plan's interest in each of those balances. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and will be applied retrospectively. Early adoption is permitted. The Plans are currently evaluating the impact that this ASU will have on the presentation of the financial statements and disclosures.

3. Plan Termination

Except as limited by plan terms, any plan may be terminated at any time by action of the Board of Directors of the sponsoring Companies. All hourly and union plans are subject to collective bargaining obligations. The Company has no plans to terminate any of the Plans.

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

(A) Payment of benefits which were being paid to retired employees or beneficiaries on the date three years prior to the date of termination, and for employees or beneficiaries who would have been receiving benefits three years prior to the date of termination if the employee had retired prior to such earlier date and if the employee's pension had commenced as of the beginning of such three-year period;

(B) Vested portion of the benefits, which is guaranteed by the Pension Benefit Guaranty Corporation;

(C) Benefits to the extent that they are non-forfeitable; and

(D) Benefits accrued as of the date of termination.

To the extent that net assets available for benefits exceed the amounts described above, such excess will be allocated as set forth in the applicable Plan Document.

4. Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic and lump sum payments that are attributable under the Plans' provisions to the service employees have rendered to date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated vested employees, (b) beneficiaries of employees who have died, and (c) present employees.

The Plans' actuary determines the actuarial present value of accumulated plan benefits by applying actuarial assumptions to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

4. Actuarial Present Value of Accumulated Plan Benefits *(continued)*

The significant actuarial assumptions used in the valuations as of January 1, 2016 and 2015, for the actuarial present value of accumulated plan benefits are as follows:

(A) The 2016 present value was determined using the December 31, 2015 Aon Hewitt Above Median yield curve and the expected payouts for each plan. The level equivalent yield varied by plan with the range between 4.08% and 4.69%.

(B) The 2015 present value was determined using the December 31, 2014 Aon Hewitt Above Median yield curve and the expected payouts for each plan. The level equivalent yield varied by plan with the range between 3.66% and 4.29%.

(C) The assumed retirement age is based on normal rates of retirement, which are based on past experience and expectations of future retirements.

(D) The mortality tables used for the January 1, 2016 present values are as follows:

- Healthy lives - The RP-2006 Fully Generational Mortality Table projected using MP-2016 improvement scale. Associates use the blue collar version of the RP-2006 table and managers use the aggregate base table.

- Disabled lives - The RP-2006 Disabled Retiree Mortality Table projected using MP-2016 improvement scale except for the Wireless Plan that uses the same table as for healthy lives.

(E) The mortality tables used for the January 1, 2015 present values are as follows:

- Healthy lives - The RP-2006 Fully Generational Mortality Table projected using MP-2015 improvement scale. Associates use the blue collar version of the RP-2006 table and managers use the aggregate base table.

- Disabled lives - The RP-2006 Disabled Retiree Mortality Table projected using MP-2015 improvement scale except for the Wireless Plan that uses the same table as for healthy lives.

4. Actuarial Present Value of Accumulated Plan Benefits *(continued)*

The actuarial present value of accumulated plan benefit information as of January 1, 2016 and 2015 are presented in the following tables (in thousands):

Actuarial Present Value of Accumulated Plan Benefits
As of January 1, 2016

		Vested Benefits					
	Plan	Participants Currently Receiving Benefits	Participants with Deferred Benefits	Vested Benefits for Other Participants	Total Vested Plan Benefits	Nonvested Benefits	Total
1	VMPP	$ 801,702	$ 1,259,635	$ 2,336,902	**$ 4,398,239**	$ 480,564	**$ 4,878,803**
2	Mid-Atlantic	2,058,206	301,036	1,878,596	**4,237,838**	624,449	**4,862,287**
3	VPPA	5,610,201	501,183	3,272,165	**9,383,549**	886,430	**10,269,979**
4	Florida	88,642	57,774	278,141	**424,557**	70,583	**495,140**
5	Southwest	77,675	50,257	164,496	**292,428**	35,578	**328,006**
6	Wireless	139,751	204,082	138,518	**482,351**	18,234	**500,585**

Actuarial Present Value of Accumulated Plan Benefits
As of January 1, 2015

		Vested Benefits					
	Plan	Participants Currently Receiving Benefits	Participants with Deferred Benefits	Vested Benefits for Other Participants	Total Vested Plan Benefits	Nonvested Benefits	Total
1	VMPP	$ 789,599	$ 1,420,433	$ 2,881,046	$ 5,091,078	$ 464,065	$ 5,555,143
2	Mid-Atlantic	2,241,108	433,759	2,104,846	4,779,713	531,066	5,310,779
3	VPPA	6,074,486	675,989	3,851,271	10,601,746	943,463	11,545,209
4	Florida	98,564	76,693	283,694	458,951	74,281	533,232
5	Southwest	86,563	54,028	199,238	339,829	38,010	377,839
6	Wireless	134,393	207,341	162,226	503,960	22,345	526,305

4. Actuarial Present Value of Accumulated Plan Benefits *(continued)*

Changes in the actuarial present value of accumulated plan benefits are as follows for the year ended January 1, 2016 (in thousands):

Changes in Actuarial Present Value of Accumulated Plan Benefits
For the Year Ended January 1, 2016

	Plan	Balance January 1, 2015	Interest Accumulation	Benefit Payments	Actuarial Assumptions	Other	Balance January 1, 2016
1	VMPP	$ 5,555,143	$ 185,624	$ (975,698)	$ (82,956)	$ 196,690	**$ 4,878,803**
2	Mid-Atlantic	5,310,779	214,484	(605,278)	(355,588)	297,890	**4,862,287**
3	VPPA	11,545,209	453,532	(1,457,056)	(680,798)	409,092	**10,269,979**
4	Florida	533,232	18,664	(69,041)	(14,728)	27,013	**495,140**
5	Southwest	377,839	12,723	(74,165)	(11,063)	22,672	**328,006**
6	Wireless	526,305	22,270	(14,548)	(35,698)	2,256	**500,585**

The following plan amendments and changes were effective after January 1, 2016 and the impact will be reflected in the actuarial valuations as of January 1, 2017:

- As a result of the Frontier sale on April 1, 2016, assets and liabilities related to the pension plans (other than the Wireless Plan) were transferred to Frontier. The actuarial present value of the liabilities transferred was approximately $1.1 billion, which decreased the actuarial present value of accumulated plan benefits.

- Certain terminated vested participants in the VMPP, the VPPA, the Mid-Atlantic Plan, and the Wireless Plan were offered a one-time opportunity to elect a lump sum optional form of payment during a limited window period in 2016. As a result of these lump sum distributions, the actuarial present value of accumulated plan benefits decreased by approximately $160 million.

These actuarial assumptions are based on the presumption that the Plans will continue. Were the Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. Investment in Master Trust

Master Trust

The Master Trust holds both defined benefit and defined contribution assets. Assets in the Master Trust are either pooled between defined benefit plans and defined contribution plans, or specific to defined benefit plans, or specific to the defined contribution plans.

On a monthly basis, investments, investment income and expenses are allocated to the Plans in accordance with their proportionate interest in the defined benefit portion of the Master Trust.

Valuation of Investments

Cash and cash equivalents include short-term investment funds (less than 90 days to maturity), primarily in diversified portfolios of investment grade money market instruments and are valued using quoted market prices or other valuation methods. The carrying value of cash equivalents approximates fair value due to the short-term nature of these investments.

Investments in securities traded on national and foreign securities exchanges are valued by the Trustee at the last reported sale prices on the last business day of the year or, if no sales were reported on that date, at the last reported bid prices. Government obligations, corporate bonds, international bonds and asset-backed securities are valued using matrix prices with input from independent third party valuation sources. Over-the-counter securities are valued at the bid prices or the average of the bid and ask prices on the last business day of the year from published sources or, if not available, from other sources considered reliable such as multiple broker quotes.

Commingled funds not traded on national exchanges are priced by the custodian or fund administrator at their net asset value ("NAV"). Commingled funds held by third-party custodians appointed by the fund managers provide the fund managers with a NAV. The fund managers have the responsibility for providing this information to the custodian of the respective plan.

Commingled funds, hedge funds, venture capital, corporate finance, natural resource and real estate limited partnership investments for which fair value is measured using the NAV per share as a practical expedient are not leveled within the fair value hierarchy and are included as a reconciling item to total investments in the Master Trust.

5. Investment in Master Trust *(continued)*

The following table summarizes redemption restrictions for investments of the Master Trust for which fair value is estimated using NAV per share as of December 31, 2016 (in thousands):

Asset Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Commingled funds:				
U.S. equity securities	$ 149,436	$ -	Daily	1-15 days
International equity securities	355,313	-	Daily	1-15 days
U.S. fixed income securities	263,140	-	Daily	1-15 days
International fixed income securities	146,322	-	Daily	1-5 days
Cash equivalents	86,668	-	Daily	1 day
Hedge funds	1,783,304	-	Monthly, Quarterly	2-90 days
Private markets:				
Real estate open ended	193,381	-	Quarterly	45-90 days
Real estate closed ended and Natural resources	564,944	410,112	No redemption rights	N/A
Private equity funds	1,928,386	697,227	No redemption rights	N/A
Total	$ 5,470,894	$ 1,107,339		

The investment manager of the entity values venture capital, corporate finance, and natural resource limited partnership investments. Real estate investments are valued at amounts based upon appraisal reports prepared by either independent real estate appraisers or the investment manager using discounted cash flows or market comparable data. Loans secured by mortgages are carried at the lesser of the unpaid balance or appraised value of the underlying properties. The values assigned to these investments are based upon available and current market information and do not necessarily represent amounts which might ultimately be realized. Because of the inherent uncertainty of valuation, estimated fair values might differ significantly from the values that would have been used had a ready market for the securities existed. These differences could be material.

Forward currency contracts, futures, and options are valued by the Trustee at the exchange rates and market prices prevailing on the last business day of the year. Both exchange rates and market prices are readily available from published sources. These securities are classified by the asset class of the underlying holdings.

Hedge funds are valued by the custodian at NAV based on statements received from the investment manager. These funds are valued in accordance with the terms of their corresponding offering or private placement memoranda.

5. Investment in Master Trust *(continued)*

Purchases and sales of investments in the Master Trust are reflected as of the trade date. Realized gains and losses on sales of investments are determined on the basis of average cost. Dividend income is recorded on the ex-dividend date. Interest earned on investments in the Master Trust is recorded on the accrual basis. Net appreciation/depreciation recorded by the Master Trust includes gains and losses on investments bought and sold as well as held during the year.

Investment Activities from Master Trust

While target allocation percentages will vary over time, the overall investment strategy is to achieve a mix of assets to meet projected benefit payments while taking into consideration risk and return. The initial target allocation for plan assets is designed so that 65% of the assets have the objective of achieving a return in excess of the growth in liabilities (comprised of public equities, private equities, real estate, hedge funds, high yield and emerging debt) and 35% of the assets are invested as liability hedging assets (typically longer duration fixed income). This allocation will shift as funded status improves to a higher allocation to liability hedging assets. Target policies will be revisited periodically to ensure they are in line with fund objectives.

The following table sets forth by level, within the fair value hierarchy, the investments in the defined benefit portion of the Master Trust at fair value as of December 31, 2016 (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
Investments				
Cash and cash equivalents	$ 1,217,029	$ -	$ -	$ 1,217,029
Equity securities:				
U.S. equities	1,107,773	-	203	1,107,976
International equities	775,574	-	301	775,875
Fixed income securities:				
U.S. treasuries and agencies	867,358	360,542	-	1,227,900
Corporate bonds	152,077	1,914,901	98,263	2,165,241
International bonds	20,472	496,444	12,650	529,566
Private placements	-	412,816	1,358	414,174
Real estate	-	-	663,906	663,906
Other investments:				
Private equity	-	-	654,588	654,588
Hedge funds	-	529,069	3,882	532,951
Total investments at fair value	$ 4,140,283	$ 3,713,772	$ 1,435,151	$ 9,289,206
Investments measured at NAV				5,470,894
Total investments	**$ 4,140,283**	**$ 3,713,772**	**$ 1,435,151**	**$ 14,760,100**

5. Investment in Master Trust *(continued)*

The Statements of Changes in Net Assets Available for Benefits reflect the allocable share of the Master Trust activities which include the realized gains or losses and the unrealized appreciation and depreciation in fair value of those investments, as well as interest and dividends earned.

The total fair value of the Master Trust investments at December 31, 2016 was approximately $14.9 billion, including approximately $139.8 million of investments specific to the defined contribution plans, for which separate financial statements are prepared. The Master Trust's interest and dividend income for the year ended December 31, 2016 was approximately $173.7 million and $46.3 million, respectively. The net appreciation of the Master Trust investments was $802.1 million for the year ended December 31, 2016.

The following table sets forth the changes in the fair value of the Level 3 investments for the year ended December 31, 2016 (in thousands):

	Opening Balance	Transfer Out	Transfer In	Acquisitions	Dispositions	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	Closing Balance
Investments								
Equity securities:								
U.S. equities	$ 2,176	$ -	$ 133	$ 670	$ (2,542)	$ (22)	$ (212)	$ 203
International equities	460	-	30	1,251	(1,252)	(2)	(186)	301
Fixed income securities:								
Corporate bonds	123,514	-	-	76,422	(102,885)	(3,225)	4,437	98,263
International bonds	18,516	-	-	6,367	(12,754)	(2,017)	2,538	12,650
Private placements	1,589	-	-	-	(276)	144	(99)	1,358
Real estate	846,677	-	-	44,184	(305,166)	209,973	(131,762)	663,906
Other investments:								
Private equity	659,641	-	-	59,269	(52,916)	39,409	(50,815)	654,588
Hedge funds	-	-	-	3,909	-	-	(27)	3,882
Total	**$ 1,652,573**	**$ -**	**$ 163**	**$ 192,072**	**$ (477,791)**	**$ 244,260**	**$ (176,126)**	**$ 1,435,151**

Assets are monitored to assess the appropriate levels assigned within the fair value hierarchy. Changes in economic conditions, such as bankruptcy, default or delisting, may require the transfer of an asset from one fair value level to another. When such transfer occurs, it is recognized as of the end of the reporting period. Transfers into Level 3 primarily reflect the absence of observable prices for equity securities.

5. Investment in Master Trust *(continued)*

The following table summarizes redemption restrictions for investments of the Master Trust for which fair value is estimated using NAV per share as of December 31, 2015 (in thousands):

Asset Type	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice
Commingled funds:				
U.S. equity securities	$ 368,128	$ -	Daily	1-15 days
International equity securities	560,043	-	Daily	1-15 days
U.S. fixed income securities	289,776	-	Daily	1-15 days
International fixed income securities	121,435	-	Daily	1-5 days
Cash equivalents	67,738	-	Daily	1 day
Hedge funds	1,786,265	-	Monthly, Quarterly	2-90 days
Private markets:				
Real estate open ended	174,459	-	Quarterly	45-90 days
Real estate closed ended and Natural resources	688,683	466,575	No redemption rights	N/A
Private equity funds	2,217,253	711,670	No redemption rights	N/A
Total	$ 6,273,780	$ 1,178,245		

5. Investment in Master Trust *(continued)*

The following table sets forth by level, within the fair value hierarchy, the investments in the defined benefit portion of the Master Trust at fair value as of December 31, 2015 (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
Investments				
Cash and cash equivalents	$ 1,374,585	$ 11,354	$ -	$ 1,385,939
Equity securities:				
U.S. equities	1,271,942	(567)	2,176	1,273,551
International equities	963,347	-	460	963,807
Fixed income securities:				
U.S. treasuries and agencies	876,609	357,282	-	1,233,891
Corporate bonds	178,689	1,725,995	123,514	2,028,198
International bonds	32,736	403,934	18,516	455,186
Mutual funds	13,369	-	-	13,369
Private placements	-	459,984	1,589	461,573
Real estate	-	-	846,677	846,677
Other investments:				
Private equity	-	-	659,641	659,641
Hedge funds	-	188,384	-	188,384
Total investments at fair value	$ 4,711,277	$ 3,146,366	$ 1,652,573	$ 9,510,216
Investments measured at NAV				6,273,780
Total investments	$ 4,711,277	$ 3,146,366	$ 1,652,573	$ 15,783,996

The Statements of Changes in Net Assets Available for Benefits reflect the allocable share of the Master Trust activities which include the realized gains or losses and the unrealized appreciation and depreciation in fair value of those investments, as well as interest and dividends earned.

The total fair value of the Master Trust investments at December 31, 2015 was approximately $15.9 billion, including approximately $101.9 million of investments specific to the defined contribution plans, for which separate financial statements are prepared. The Master Trust's interest and dividend income for the year ended December 31, 2015 was approximately $173.6 million and $68.7 million, respectively. The net depreciation of the Master Trust investments was $90.6 million for the year ended December 31, 2015.

5. Investment in Master Trust *(continued)*

The following table sets forth the changes in the fair value of the Level 3 investments for the year ended December 31, 2015 (in thousands):

	Opening Balance	Transfer Out	Transfer In	Acqusitions	Dispositions	Realized Gain/(Loss)	Change in Unrealized Gain/(Loss)	Closing Balance
Investments								
Equity securities:								
U.S. equities	$ 810	$ -	$ 1,525	$ 17	$ (158)	$ 141	$ (159)	$ 2,176
International equities	452	-	103	-	(9)	9	(95)	460
Fixed income securities:								
Corporate bonds	97,720	-	6,239	135,010	(108,914)	1,783	(8,324)	123,514
International bonds	18,451	(6,116)	-	10,820	(2,797)	(135)	(1,707)	18,516
Private placements	2,403	(2,022)	4,990	-	(924)	(1,979)	(879)	1,589
Real estate	691,635	-	109,039	179,991	(149,206)	69,746	(54,528)	846,677
Other investments:								
Private equity	761,524	(41)	-	76,020	(56,627)	25,232	(146,467)	659,641
Total	$ 1,572,995	$ (8,179)	$ 121,896	$ 401,858	$ (318,635)	$ 94,797	$ (212,159)	$ 1,652,573

Assets are monitored to assess the appropriate levels assigned within the fair value hierarchy. Changes in economic conditions, such as bankruptcy, default or delisting, may require the transfer of an asset from one fair value level to another. When such transfer occurs, it is recognized as of the end of the reporting period. Transfers from Level 3 to Level 2 for fixed income and private equity investments, which are included in the above table for year 2015, were the result of identifying observable prices for the underlying holdings, whereas transfers into Level 3 primarily reflect the absence of observable prices for equity securities, fixed income and real estate.

The following table reconciles the investments measured at fair value to the net assets in the defined benefit portion of the Master Trust (in thousands):

At December 31,	**2016**	2015
Total investments	$ 14,760,100	$ 15,783,996
Receivables	3,263,097	4,083,093
Non-interest bearing cash	62,776	92,309
Payables	(3,493,612)	(3,917,718)
Employer contribution receivable	4,024,901	763,677
Net assets per Master Trust	**$ 18,617,262**	$ 16,805,357

6. Derivatives

In the normal course of operations, the Master Trust's assets and liabilities may include derivative financial instruments. Derivatives are synthetic instruments used to get various market exposures with limited margin requirements and therefore with leverage risk involved. The contract or notional amounts disclosed in this footnote provide a measure of the Master Trust's involvement in such instruments but are not indicative of potential loss. The intent is to use derivative financial instruments to gain market exposure or as economic hedges to manage various risks such as market volatility risk, foreign currency exchange rate risk, interest rate risk or credit risk associated with the Master Trust's investment assets or to express investment managers' views of future market movements efficiently.

At December 31, 2016 and 2015, the Master Trust utilized futures, options, foreign currency forwards, interest rate and credit derivatives to manage risks such as price risk, foreign currency exchange rate risk, interest rate sensitivity and credit risk.

The following table presents the effect of gains/(losses) with respect to these derivative instruments, by type of derivative. The gains/(losses) are in the Statements of Changes in Net Assets Available for Benefits included in the "Allocable share of Master Trust investment activities" (in thousands):

Years Ended December 31,		**2016**		2015
Forward foreign currency exchange rate contracts	$	24,556	$	(12,194)
Futures		(8,319)		1,614
Options		103		(765)
Swaps		(5,659)		(8,544)
Total	**$**	**10,681**	$	(19,889)

Futures Contracts

Upon entering into a future contract on behalf of the Master Trust, the investment manager is required to pledge to the broker an amount of cash or securities equal to the minimum "initial margin" requirements of the exchange on which the contract is traded. Pursuant to the contract, the investment manager agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded on a daily basis by the trustee as a realized gain or loss equal to the difference in the value of the contract between daily closing prices.

6. Derivatives *(continued)*

The following table presents open futures contracts held by the Master Trust at December 31, 2016. The fair value presented in this table includes cumulative appreciation/(depreciation) of futures contracts, but only the current day's variation margin receivable/payable is reported in the Statements of Net Assets Available for Benefits under "Plan's interest in Master Trust" (in thousands):

Type of Contract	Number of Contracts Buy (Sell)	Expiration	Notional	Fair Value
Cash and Cash Equivalents	346	Short-term	$ 57,462	$ 24
Cash and Cash Equivalents	(298)	Short-term	(49,114)	476
Fixed Income	4,757	Short-term	696,509	(4,342)
Fixed Income	(984)	Short-term	(154,672)	(804)
Equity	11,902	Short-term	1,212,168	(5,032)
Equity	(2,896)	Short-term	(139,741)	1,235
Commodity	(55)	Short-term	(3,445)	124
Total			**$ 1,619,167**	**$ (8,319)**

The following table presents open futures contracts held by the Master Trust at December 31, 2015. The fair value presented in this table includes cumulative appreciation/(depreciation) of futures contracts, but only the current day's variation margin receivable/payable is reported in the Statements of Net Assets Available for Benefits under "Plan's interest in Master Trust" (in thousands):

Type of Contract	Number of Contracts Buy (Sell)	Expiration	Notional	Fair Value
Fixed Income	8,839	Short-term	$ 1,294,700	$ 5,033
Fixed Income	(781)	Short-term	(111,294)	317
Equity	11,218	Short-term	886,639	(1,380)
Equity	(4,442)	Short-term	(219,963)	(4,717)
Commodity	745	Short-term	40,425	(7,772)
Commodity	(774)	Short-term	(45,188)	11,001
Total			$ 1,845,319	$ 2,482

6. Derivatives *(continued)*

Option Contracts

Purchased and written option contracts are agreements between two parties giving the owner, under a purchased option, the right, but not the obligation, to buy or sell a specified item at a fixed price ("exercise" or "strike") during a specified period, and under a written option the obligation to buy or sell a specified item at a fixed price. When the investment manager buys or writes an option contract, a nonrefundable fee (the "premium") is paid or received by the Master Trust and is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options together with the option settlement amounts are recorded as realized gains or losses when the options expire. The difference between the premium and the amount paid or received on affecting a closing purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold or an adjustment to cost of the underlying investment if acquired upon exercise.

The following tables present the cost (premium received or premium paid) and fair value of written and purchased options held by the Master Trust (in thousands):

At December 31,	**2016**		2015	
Type of Contract - Written	**Cost/Shares (Premium Received)**	**Fair Value**	Cost/Shares (Premium Received)	Fair Value
Derivative Assets				
Cash and cash equivalents	$ (117,378)	$ (581)	$ (10,778)	$ (27)
Fixed income	(46,900)	(30)	(21,950)	(827)
Equity	-	(210)	-	(724)
Total	**$ (164,278)**	**$ (821)**	$ (32,728)	$ (1,578)

At December 31,	**2016**		2015	
Type of Contract - Purchased	**Cost/Shares (Premium Paid)**	**Fair Value**	Cost/Shares (Premium Paid)	Fair Value
Derivative Liabilities				
Cash and cash equivalents	$ 151,912	$ 1,241	$ -	$ -
Fixed income	-	-	43,690	470
Total	**$ 151,912**	**$ 1,241**	$ 43,690	$ 470

6. Derivatives *(continued)*

Foreign Currency Forward Contracts

Foreign currency forward contracts are agreements to exchange foreign currencies at a specified future date and rate, the terms of which are not standardized on an exchange. Risk arises both from the possible inability of the counterparties to meet the terms of the contracts (credit risk) and from the movements in foreign currency exchange rates (market risk). The contracts are recorded at fair value on the date the contract is entered into, which is typically zero.

The following table presents the contracts held by the Master Trust. The fair value presented in this table is reported in the Statements of Net Assets Available for Benefits under "Plan's interest in Master Trust" (in thousands):

	2016		2015	
	Notional	**Fair Value**	Notional	Fair Value
Derivative: Long (Domestic)	$ 1,689,912	$ 28,074	$ 2,117,321	$ 10,613
Derivative: Short (Domestic)	1,201,798	(4,578)	1,676,970	(22,898)
Cross Currency (Foreign)	218,247	1,060	68,741	91
Total	**$ 3,109,957**	**$ 24,556**	$ 3,863,032	$ (12,194)

Credit Derivatives

A credit default swap is a particular type of swap designed to transfer the credit exposure of fixed income products between two parties. In a credit default swap, the buyer of the swap makes payments to the swap's seller up until the maturity date of a contract. In return, the seller agrees that, in the event that the debt ("reference name") issuer defaults or experiences another credit event, the seller will pay the buyer the security's premium as well as all interest payments that would have been paid between that time and the security's maturity date.

These triggering events may include the market standard of failure to pay on indebtedness, bankruptcy of the reference credit, debt restructuring, or the acceleration of indebtedness. The seller of such protection may not be required to make payments until a specified amount of losses has occurred with respect to the portfolio and/or may only be required to pay for losses up to a specified amount.

6. Derivatives *(continued)*

The following table presents the credit derivatives held by the Master Trust. The fair value presented in the table is reported in the Statements of Net Assets Available for Benefits under "Plan's interest in Master Trust" (in thousands):

	2016		2015	
	Notional	**Fair Value**	Notional	Fair Value
Derivative Assets				
Credit default swaps	$ 15,866	$ (150)	$ 14,607	$ 21
Total	**$ 15,866**	**$ (150)**	$ 14,607	$ 21
Derivative Liabilities				
Credit default swaps	$ 136,650	$ 1,924	$ 223,812	$ (349)
Total return swaps	137,500	(12,683)	154,570	(2,162)
Total	**$ 274,150**	**$ (10,759)**	$ 378,382	$ (2,511)

Interest Rate Derivatives

An interest rate swap is a bilateral contract between a buyer and a seller under which the buyer and seller agree to exchange payments based on interest rate movements, typically fixed versus floating rates on an agreed upon notional amount. Counterparty risk, or the risk associated with the party one enters into a contract with, is an important consideration for all forms of contractual agreement that are settled over-the-counter.

The following table presents the interest rate derivatives held by the Master Trust. The fair value presented in the table is reported in the Statements of Net Assets Available for Benefits under "Plan's interest in Master Trust" (in thousands):

	2016		2015	
	Notional	**Fair Value**	Notional	Fair Value
Derivative: Long (Domestic)	$ 392,845	$ 1,926	$ 223,488	$ 450,243
Derivative: Short (Domestic)	-	(84)	232,647	(456,297)
Total	**$ 392,845**	**$ 1,842**	$ 456,135	$ (6,054)

7. Securities Lending

The Master Trust maintained a Securities Lending Agreement (the "Agreement") with the Trustee. The Agreement, updated as of June 17, 2013, includes domestic and international securities. The securities on loan may be sold at the manager's discretion, in which case the Trustee will reallocate or recall positions in order to satisfy sale delivery. Securities on loan may not be re-pledged by the Master Trust.

Securities on loan were approximately $941.5 million and $939.5 million as of December 31, 2016 and 2015, respectively. The collateral held by the trustee represents approximately 102.3% and 102.4% of the market value of securities on loans as of December 31, 2016 and 2015, respectively.

The Master Trust's exposure to credit loss related to the borrowing counterparty is reduced by the collateral securing the transaction and the Agreement which provides full indemnity against broker default by the Trustee. In addition, the Agreement requires collateral from the borrowing brokers of an amount equal to 102% and 105% of the fair value of the securities loaned for loans of U.S. securities and non-U.S. securities, respectively. The collateral primarily consists of cash, which was reinvested in a separately managed cash collateral account.

The Master Trust's net earnings derived from the Agreement were approximately $4.1 million and $2.5 million for the years ended December 31, 2016 and December 31, 2015, respectively.

8. Income Tax Status

The Plans have received determination letters from the Internal Revenue Service ("IRS") stating that the form or terms of the Plans are qualified under Section 401(a) of the Internal Revenue Code (the "Code") and therefore the related trust is exempt from taxation. The Florida plan, the Southwest plan, the VPPA, the VMPP, the Mid-Atlantic plan and the Wireless Plan received favorable determination letters on November 23, 2015, October 22, 2015, February 29, 2016, December 15, 2015, December 14, 2015, and November 17, 2015, respectively. Once qualified, the Plans are required to operate in conformity with the Code to maintain their qualification. The Plans' administrator believes the Plans are being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plans are qualified and the related trust is tax-exempt.

U.S. GAAP require plan management to evaluate uncertain tax positions taken by the Plans. The financial statement effects of a position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS. The Plans' administrator has analyzed tax positions taken by the Plans, and has concluded that as of December 31, 2016, there are no uncertain positions taken or expected to be taken. The Plans have recognized no interest or penalties related to uncertain tax positions. The Plans are subject to routine audits by taxing jurisdictions; however, there are no audits for any tax periods in progress. The Plans' administrator believes the Plans are no longer subject to income tax examinations for years prior to 2013.

9. Related-Party Transactions

Verizon Investment Management Corp. ("VIMCO"), an indirect, wholly-owned subsidiary of Verizon qualifies as a related party. VIMCO is the investment advisor for certain investment funds and received no compensation from the Plans other than reimbursement of certain expenses directly attributable to its investment advisory and investment management services rendered to the Plans.

The Companies are the sponsor of the Master Trust and the Plans whose assets are held in the Master Trust. The Companies employ the administrator of the various Plans and members of the administrator's staff. The Companies received no compensation from the Plans other than reimbursement of certain expenses directly attributable to administrative services rendered to the Plans.

BNY Mellon, as trustee of the Master Trust, rendered various trustee services to the Master Trust for which it was compensated in accordance with its agreements with the Companies and VIMCO.

VIMCO, the Companies and BNY Mellon are all parties-in-interest (as defined by ERISA) to the Master Trust and the Plans whose assets are held in the Master Trust. All of the related-party transactions described in this section are exempt from the prohibited transaction rules pursuant to statutory or administrative exemptions.

10. Commitments and Contingencies

The Master Trust has outstanding investment commitments to a number of private equity and private real estate investment vehicles. In total, the Master Trust has pledged private equity capital contributions of $608 million, real asset contributions of $481 million and a distressed asset contribution of $18 million at December 31, 2016. Historically, pledged contributions are drawn over the term of the investment (generally 10 years), although they may be called more quickly at the investment manager's discretion and in accordance with the terms of the governing documents. Other investments held by the Master Trust are generally liquidated to meet these capital commitments.

In November of 2012, a lawsuit was filed in Federal court in Dallas, Texas, relating to the Prudential annuity transaction pursuant to which approximately 41,000 pension annuitants in the VMPP were transferred to Prudential. The case challenges the validity of the Prudential annuity transaction and alleges several violations of ERISA. Verizon has been and continues to vigorously defend the case. The district court ruled in favor of Verizon. In August of 2015, the 5th Circuit court of appeals upheld that decision in favor of Verizon. The plaintiff then asked the Supreme Court to hear the claims of the class of participants who remained in the Verizon pension plan. The Supreme Court remanded the case back to the 5th Circuit for further review of whether the plaintiff representing the class of participants who remained in the Verizon pension plan has Constitutional standing. In September of 2016, the 5th Circuit again dismissed the case.

10. Commitments and Contingencies *(continued)*

The plaintiff again filed a cert petition to the Supreme Court. In March of 2017, the Supreme Court declined to review the case further. The case is now closed.

In the ordinary course of business the Plans may be involved in various legal proceedings. Where it is determined, in consultation with counsel based on litigation and settlement risks, that a loss is probable and estimable in a given matter, the Companies establish an accrual. In none of the currently pending matters is the amount of accrual material. An estimate of the reasonably possible loss or range of loss in excess of the amounts already accrued cannot be made at this time due to various factors typical in contested proceedings, including (1) uncertain damage theories and demands; (2) a less than complete factual record; (3) uncertainty concerning legal theories and their resolution by courts or regulators; and (4) the generally unpredictable nature of the litigation. The Plans' administrator does not expect that the ultimate resolution of any pending legal matter in future periods will have a material effect on the Plans' financial condition, but it could have a material effect on its results of operations for a given reporting period.

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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). ▶ **File as an attachment to Form 5500 or 5500-SF.**	**2016** **This Form is Open to Public Inspection**

For calendar plan year 2016 or fiscal plan year beginning 01/01/2016 and ending 12/31/2016

▶ **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
GTE FLORIDA INCORPORATED PLAN FOR HOURLY-PAID EMPLOYEES' PENSIONS

B Three-digit plan number (PN) ▶ 017

C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF
Verizon Communications Inc.

D Employer Identification Number (EIN)
23-2259884

E Type of plan: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2016

2 Assets:

a Market value	2a	409,234,294
b Actuarial value	2b	424,899,787

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	1,133	77,558,140	77,558,140
b For terminated vested participants	1,422	49,081,868	49,081,868
c For active participants	2,737	249,153,033	309,931,607
d Total	5,292	375,793,041	436,571,615

4 If the plan is in at-risk status, check the box and complete lines (a) and (b) [ ]

a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	5.87%
6 Target normal cost	6	6,975,346

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 DANIEL F. McFALL DFM — 09/01/2017

Signature of actuary — Date

DANIEL F. MCFALL — 1704341

Type or print name of actuary — Most recent enrollment number

AON CONSULTING, INC. — 847-295-5000

Firm name — Telephone number (including area code)

4 OVERLOOK POINT

LINCOLNSHIRE IL 60069

Address of the firm

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 [ ]

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	430	16,951,003
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	430	10,565,510
9	Amount remaining (line 7 minus line 8)	0	6,385,493
10	Interest on line 9 using prior year's actual return of 0.15%	0	9,578
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.05%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections		
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	6,395,071

Part III Funding Percentages

14	Funding target attainment percentage	14	95.86%
15	Adjusted funding target attainment percentage	15	95.86%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	101.19%
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
03/17/2017	17,000,000	0			
04/13/2017	780,000	0			
07/14/2017	2,460,000	0			
			Totals ► 18(b)	20,240,000	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 contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	18,850,362

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [ ] Yes [X] 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:

a Segment rates:	1st segment: 4.43 %	2nd segment: 5.91 %	3rd segment: 6.65 %	☐ N/A, full yield curve used

b Applicable month (enter code)	**21b**	4
22 Weighted average retirement age	**22**	58

23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ 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. ☒ Yes ☐ No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ☐ Yes ☒ No

26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. ☒ Yes ☐ No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	**27**	

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions 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 and excess assets (see instructions):

a Target normal cost (line 6)	**31a**	6,975,346
b Excess assets, if applicable, but not greater than line 31a	**31b**	2,819,644

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	18,066,899	746,269
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 (lines 31a - 31b + 32a + 32b - 33)	**34**	4,901,971

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	0	0

36 Additional cash requirement (line 34 minus line 35)	**36**	4,901,971
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	**37**	18,850,362
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	**38a**	13,948,391
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	**38b**	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	**39**	0
40 Unpaid minimum required contributions for all years	**40**	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☐ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☐ 2011

42 Amount of acceleration adjustment	**42**	
43 Excess installment acceleration amount to be carried over to future plan years	**43**	

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2016

Date		Amount	Days to Discount to 1/1/2016 at 5.87%		Interest Adjusted Contribution
March 17, 2017	$	17,000,000	441	$	15,870,828
April 13, 2017		780,000	468		725,133
July 14, 2017		2,460,000	560		2,254,401
Total Contribution	$	20,240,000		$	18,850,362

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
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Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age. The retirement ages are weighted in proportion to active participant counts to determine final weighted average retirement age of 58.

Males

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
50.5	3.00%	1.0000	1.52
51.5	3.20%	0.9700	1.60
52.5	3.40%	0.9390	1.68
53.5	3.80%	0.9070	1.84
54.5	6.40%	0.8726	3.04
55.5	7.80%	0.8167	3.54
56.5	8.60%	0.7530	3.66
57.5	9.20%	0.6883	3.64
58.5	10.80%	0.6249	3.95
59.5	13.40%	0.5574	4.44
60.5	17.60%	0.4827	5.14
61.5	28.50%	0.3978	6.97
62.5	35.40%	0.2844	6.29
63.5	25.20%	0.1837	2.94
64.5	50.00%	0.1374	4.43
65.5	30.00%	0.0687	1.35
66.5	30.00%	0.0481	0.96
67.5	30.00%	0.0337	0.68
68.5	30.00%	0.0236	0.48
69	100.00%	0.0165	1.15
	Weighted Average		**59.30**

Females

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
50.5	10.20%	1.0000	5.15
51.5	10.40%	0.8980	4.81
52.5	11.00%	0.8046	4.65
53.5	11.60%	0.7161	4.44
54.5	16.00%	0.6330	5.52
55.5	17.40%	0.5317	5.14
56.5	18.60%	0.4392	4.62
57.5	19.80%	0.3575	4.07
58.5	21.00%	0.2867	3.52
59.5	23.60%	0.2265	3.18
60.5	25.20%	0.1731	2.64
61.5	31.20%	0.1295	2.48
62.5	34.60%	0.0891	1.93
63.5	29.30%	0.0582	1.08
64.5	50.00%	0.0412	1.33
65.5	30.00%	0.0206	0.40
66.5	30.00%	0.0144	0.29
67.5	30.00%	0.0101	0.20
68.5	30.00%	0.0071	0.15
69	100.00%	0.0049	0.34
	Weighted Average		**55.94**

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2015), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.43%
2nd Segment Rate	5.91%
3rd Segment Rate	6.65%
Salary Increases	West Hourly unions that have not frozen AAC: 4.00% per year for ages less than 40, and 2.50% per year for ages 40 and over For West Hourly unions with frozen AAC, no promotions are assumed after freeze date, therefore, no future increases to AAC are reflected.
Lump Sum Conversion Rate	GATT rate 3.75%, 10-year T-Bond rate 2.75% (GATT—1.00%)
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of $210,000 and the section 401(a)(17) compensation limit of $265,000
Trust Expenses Included in Target Normal Cost	$1,860,000. The average of the three prior year's actual trust expenses reduced by investment related expenses and the prior year's PBGC premium. This average is then increased by the current year's expected PBGC premium and rounded to the nearest ten thousand.
Mortality Rates	
Healthy and Disabled	2016 Static Mortality Table for Annuitants and Non-Annuitants per section 1.430(h)(3)-1(e)
Lump Sum Conversions	GATT: Mortality basis in IRS Revenue Ruling 2001-62 10-Year T-Bond: 1971 TPFC Mortality Table for males set back two years

Optional Payment Form Election Percentage	
Active Participants	
Service Pension Eligible	90% elect lump sum payment, 10% elect life annuity
Not Service Pension Eligible	85% elect lump sum payment, 15% elect life annuity
Terminated Vested Participants	80% elect lump sum payment, 20% elect life annuity
Withdrawal Rates	See Table A
Disability Rates	See Table B
Retirement Age	
Active Participants	See Tables C & CT
Terminated Vested Participants	Age 60
Surviving Spouse Benefit	It is assumed that 100% of males and 100% of females have an eligible beneficiary. Beneficiaries are assumed to be the opposite gender as the participant. Female beneficiaries are assumed to be three years younger than the participant and male beneficiaries are assumed to be three years older than the participant.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, expected earnings, and asset transfers. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.
Expected Return on Assets	
2014 Plan Year	7.25%, limited to 6.99%
2015 Plan Year	7.25%, limited to 6.81%
2016 Plan Year	7.00%, limited to 6.65%
Retention Bonus	36% of total pay minus bonus
Actuarial Method	Unit Credit Cost method
Valuation Date	January 1, 2016
Decrement Timing	Middle of year decrements, with 100% retirement occurring at beginning of year

Actuarial Assumptions and Methods

Table A

Probability of Withdrawal

Age	Probability
< 21	.2000
21	.1700
22	.1400
23	.1200
24	.1100
25	.1000
26	.0900
27	.0800
28	.0700
29–31	.0600
32–34	.0500
35–38	.0400
39–64	.0300
65+	.0300

Actuarial Assumptions and Methods

Table B

Probability of Disability

Age	Male	Female	Age	Male	Female
19	0.000375	0.000375	45	0.002000	0.003000
			46	0.002250	0.003375
20	0.000375	0.000375	47	0.002625	0.003750
21	0.000375	0.000375	48	0.003125	0.004125
22	0.000375	0.000375	49	0.003500	0.004500
23	0.000375	0.000375			
24	0.000375	0.000375	50	0.004125	0.005000
			51	0.004875	0.005500
25	0.000075	0.000375	52	0.005750	0.006125
26	0.000375	0.000375	53	0.006625	0.006750
27	0.000375	0.000375	54	0.007625	0.007375
28	0.000375	0.000500			
29	0.000375	0.000500	55	0.008625	0.008000
			56	0.009625	0.008625
30	0.000375	0.000500	57	0.010750	0.009250
31	0.000375	0.000625	58	0.011875	0.010000
32	0.000375	0.000625	59	0.013125	0.010625
33	0.000375	0.000750			
34	0.000375	0.000750	60	0.014375	0.011250
			61	0.015750	0.012000
35	0.000500	0.000875	62	0.017250	0.012625
36	0.000500	0.001000	63	0.018875	0.013125
37	0.000625	0.001125	64	0.020500	0.013625
38	0.000750	0.001250			
39	0.000875	0.001500	65+	0.000000	0.000000
40	0.001000	0.001625			
41	0.001125	0.001875			
42	0.001250	0.002125			
43	0.001500	0.002375			
44	0.001750	0.002750			

Actuarial Assumptions and Methods

Table C—Retirements After 2017

Probability of Retirement

Male Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.018	.027	.058	.116	.300
20				.020	.053	.108	.300	1.000
25			.015	.039	.088	.300	1.000	
30			.026	.070	.300	1.000		
35		.042	.056	.300	1.000			
40		.065	.300	1.000				
45	.050	.300	1.000					
50	.300	1.000						
55	1.000							

Female Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.051	.071	.116	.155	.300
20				.055	.104	.143	.300	1.000
25			.051	.087	.126	.300	1.000	
30			.085	.116	.300	1.000		
35		.109	.110	.300	1.000			
40		.126	.300	1.000				
45	.200	.300	1.000					
50	.300	1.000						
55	1.000							

Actuarial Assumptions and Methods

Table CT—For 2013–2017 Retirements

Probability of Retirement

Male Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.036	.054	.116	.232	.300
20				.039	.106	.216	.300	1.000
25			.030	.078	.176	.300	1.000	
30			.052	.140	.300	1.000		
35		.084	.112	.300	1.000			
40		.130	.300	1.000				
45	.100	.300	1.000					
50	.300	1.000						
55	1.000							

Female Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.103	.143	.232	.310	.300
20				.110	.208	.286	.300	1.000
25			.102	.174	.252	.300	1.000	
30			.170	.232	.300	1.000		
35		.218	.220	.300	1.000			
40		.252	.300	1.000				
45	.400	.300	1.000					
50	.300	1.000						
55	1.000							

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, Part V—Summary of Plan Provisions

Effective Date	July 1, 1960. Restated January 1, 2014 with amendments through December 31, 2015
2016 Spinoff	Effective April 1, 2016, the assets and liabilities of the associates in the Florida Hourly plan transferred to Frontier Communications Corporation were spun off from this plan.
West Hourly Bargaining Changes	Average annual compensation has been frozen as of the pay freeze date below. Additionally, the plan is closed to new hires on or after the close date below.

Plan	Close Date	Pay Freeze Date
Florida CBA 55	01/01/2014	06/01/2014
Florida CBA 504	11/24/2013	03/01/2014
Florida CBA 11	04/27/2014	06/30/2014
Florida CBA 10	05/20/2014	07/31/2014
Florida CBA 114	07/21/2014	09/30/2014
Florida CBA 118	08/04/2014	09/30/2014
Florida CBA 92	04/11/2015	06/30/2015

2010 Voluntary Separation Incentive Offer	The Florida plan was amended to offer unreduced benefits for certain service pension eligible associates who separated from service under the offer.
2010 Spinoff	Effective June 30, 2010, the assets and liabilities of the associates in the Florida plan transferred to Frontier Communications Corporation were spun off from this plan.
Participation	Date of hire for all regular, hourly-paid employees provided date of hire is before the applicable Close Date.

Normal Retirement	
Eligibility	The later of age 65 or the fifth anniversary of the date of hire
Amount	The benefit determined under (1) or (2), whichever is applicable (1) For employees who are not former Contel employees, the greater of (a) or (b): (a) 1.35% of Average Annual Compensation times Accredited Service (b) Minimum benefit shown in Table A based on years of Accredited Service (2) For former Contel employees, the greater of (a) or (b): (a) The benefit calculated under the Contel pension plan as of the date of transfer to the GTE hourly plan. Plus The benefit equal to 1.35% of Average Annual Compensation times Accredited Service measured from the date of transfer to the GTE hourly plan (subject to the minimum benefit from Table A based on service from the date of transfer to the GTE hourly plan). (b) The benefit described in (1) above (including the minimum), using Accredited Service under the Contel pension plan plus Accredited Service under the GTE hourly pension plan. The pension determined under (1) or (2) above is offset by the annual amount payable from any other pension plan to which the company (or any other member of the controlled group) has contributed, but only to the extent that the benefit is attributable to employer contributions.

Early Retirement

Eligibility

Employees are eligible for early retirement after attaining:

(1) At least 15 years of Accredited Service and age plus Accredited Service (both unrounded) equal to or greater than 76 (Rule of 76), or

(2) At least 30 years of Accredited Service (regardless of age)

Amount

The benefit is computed in the same manner as the normal retirement benefit, but based on Average Annual Compensation and Accredited Service at termination of employment.

(1) For employees who are not former Contel employees, the pay-related benefit is reduced 3% for each year retirement precedes age 55, up to a maximum reduction of 18%. There is no reduction if the participant has 30 years of Accredited Service.

Early retirement reductions, if applicable, are applied to the pay-related formula prior to comparing to the minimum benefit shown in Table A.

(2) For former Contel employees, the benefit accrued under the Contel formula is reduced 4% for each year retirement precedes age 60. The benefit accrued under the GTE formula is reduced as described in (1) above.

Late Retirement

Eligibility

Retire after normal retirement date

Amount

The greater of the benefit calculated at termination and the accrued benefit at normal retirement date actuarially increased to date of termination.

Terminated vested participants who terminate before normal retirement date and retire after normal retirement date receive a lump sum payment equal to the missed payments from normal retirement date to actual retirement date.

Deferred Vested Retirement	
Eligibility	Five years of Vesting Service
Amount	The benefit is computed in the same manner as the normal retirement benefit, but based on Average Annual Compensation and Accredited Service at termination of employment. The minimum benefit for a deferred vested participant is equal to the applicable benefit from Table A based on Accredited Service projected to normal retirement then multiplied by the ratio of Vesting Service at termination of employment to projected Vesting Service at normal retirement. There is no minimum benefit for a deferred vested participant with less than 15 years of projected Accredited Service. Participants with at least 15 years of Accredited Service at termination of employment may commence an actuarially reduced benefit as early as the date the Rule of 76 is met. Participants with at least ten years of Accredited Service at termination of employment may commence an actuarially reduced benefit as early as age 55. See Table B for actuarial reduction factors.
Disability Retirement	
Eligibility	15 years of Accredited Service and total and permanent disability
Amount	The benefit is computed in the same manner as the normal retirement benefit, but based on Average Annual Compensation and Accredited Service at disability. There is no reduction for benefit commencement prior to normal retirement.
Preretirement Survivor's Benefit	
Eligibility	Five years of Vesting Service
Amount	The benefit that would have been payable had the participant been eligible for a service pension and terminated employment on the date of death, elected the 65% joint and survivor annuity and then died. There is no reduction for early commencement if the participant died while an active employee. Otherwise, the benefit is reduced under the provisions of the deferred vested retirement benefit.

Forms of Payment

Normal Form	If married: A reduced benefit in the form of a 50% joint and survivor annuity with the spouse as contingent annuitant If single: A life annuity
Optional Forms	▪ Single life annuity ▪ 100% joint and survivor annuity ▪ 75% joint and survivor annuity ▪ 66-2/3% joint and survivor annuity ▪ 50% joint and survivor annuity ▪ 33-1/3% joint and survivor annuity ▪ 5-year certain and life ▪ Lump sum distribution

Definitions

Monthly Compensation	Monthly base rate of pay. Monthly Compensation excludes overtime, differentials, premiums, and other similar types of payment, but includes bonuses and commissions on account of sales and team-oriented short-term incentives as specified by the employee benefits committee.
Average Annual Compensation	Monthly Compensation during the highest 60 consecutive months divided by five. If less than 60 months of Monthly Compensation, the average is based on the number of months available.
Accredited Service	One year for each calendar year the employee is credited with 2,080 hours. If the employee is credited with less than 2,080 hours during a calendar year, Accredited Service for the year is equal to the number of hours credited during the year divided by 2,080. For employees with in-service distributions, Accredited Service begins on the later of January 1, 2000 or the distribution election date.
Vesting Service	One year for each calendar year the employee is credited with 1,000 hours. If the employee is credited with less than 1,000 hours during a calendar year, Vesting Service for the year is equal to the number of hours credited during the year divided by 2,080.

Special Benefit Provisions	
Retention Bonus	
Eligibility	Designated *f*GTE participants who remained employed throughout the Retention Bonus Period (April 1, 1999 through September 30, 2000)
Benefit Amount	An additional lump sum equal to 2% of the total monthly compensation for the 12-month period ending on the date the participant separates from service times the number of full calendar months (up to 18) worked during the Retention Bonus Period.
In-Service Distribution	Active participants age 55 or older who satisfied the Rule of 76 (76 age/service points with 15 years of service) on January 1, 2000 are eligible to elect an in-service distribution. The pension payable at subsequent retirement will be based on service after the election date.

Table A

Hourly Plan Minimum Benefits

Years of Accredited Service	Minimum Pension Schedule
15–19	$ 5,500
20–24	$ 7,000
25–29	$ 8,700
30–34	$10,400
35–39	$12,000
40+	$13,700

Table B

Deferred Vested Reduction Factors

Age	Factor	Age	Factor	Age	Factor
18	0.03100	36	0.09700	54	0.38300
19	0.03300	37	0.10300	55	0.41700
20	0.03500	38	0.11000	56	0.46700
21	0.03700	39	0.11800	57	0.51700
22	0.03900	40	0.12700	58	0.56700
23	0.04200	41	0.13600	59	0.61700
24	0.04400	42	0.14600	60	0.66700
25	0.04700	43	0.15600	61	0.73300
26	0.05000	44	0.16800	62	0.80000
27	0.05400	45	0.18000	63	0.86700
28	0.05700	46	0.19400	64	0.93300
29	0.06100	47	0.20900	65	1.00000
30	0.06500	48	0.22500		
31	0.06900	49	0.24300		
32	0.07400	50	0.26300		
33	0.07900	51	0.28400		
34	0.08400	52	0.31700		
35	0.09000	53	0.35000		

Changes in Plan Provisions Since the Prior Year

The funding valuation reflects the freeze of average annual compensation as of the pay freeze date below. Additionally, the plan is closed to new hires on or after the close date below.

Plan	Close Date	Pay Freeze Date
Florida CBA 92	04/11/2015	06/30/2015

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

April 1, 2016 Spin-Off

Effective April 1, 2016, a group of participants was spun off from this plan to a Frontier Communications pension plan as a result of the sale of Wireline assets in Florida, Texas, and California.

An IRC section 4044 asset allocation was done to determine the appropriate assets to spin off to the Frontier plan. Additionally, the April 1, 2016 funding balance was split using the methodology in Revenue Ruling 81-212.

For the January 1, 2016 funding valuation, the spin-off was reflected on a prorata basis, with the 2016 minimum required contribution (MRC) equal to 25% of the MRC before the spin-off plus 75% of the MRC after the spin-off (determined as of January 1, 2016).

The table below shows the key details of the calculations.

	Before Spin-Off	After Spin-Off	Prorated
Target Normal Cost	$ 16,622,810	$ 3,759,525	$ 6,975,346
Excess Assets	0	(3,759,525)	(2,819,644)
Shortfall Amortization Installment	2,985,075	0	746,269
Total Funding Requirement	$ 19,607,885	$ 0	$ 4,901,971

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 24—Change in Actuarial Assumptions

- The GATT lump sum interest rate assumption was lowered from 4.00% to 3.75% and the 10-year Treasury lump sum interest rate assumption was lowered from 3.00% to 2.75%.
- The lump sum election percentages were changed to 90% for retiring actives (SPEs) and 85% for terminating actives (DVPs).
- The expected return on assets was changed from 7.25% to 7.00% as of January 1, 2016.

These changes were made to better reflect the anticipated plan experience. The changes did not reduce the funding shortfall; as such, approval of the Commissioner is not required.

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2016

Number of Participants and Average Compensation

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25		2								
25-29	1	25 $62,686	5	4						
30-34	3	25 $68,779	55 $63,341	42 $61,510	1					
35-39	1	16	69 $64,791	112 $63,098	95 $62,434	1				
40-44	1	19	72 $65,304	114 $61,745	289 $63,586	26 $61,488	3			
45-49	3	15	63 $64,742	83 $63,009	266 $62,742	28 $62,149	93 $63,734	1		
50-54	1	17	47 $66,524	64 $65,429	194 $62,072	30 $62,928	112 $62,619	25 $63,201	12	
55-59	1	20 $76,466	31 $65,852	47 $68,493	131 $61,446	21 $65,073	71 $63,522	34 $65,776	71 $62,012	4
60-64		11	18	19	77 $59,953	8	19	13	20 $62,788	38 $61,942
65-69		4	4	1	6	1	3	1	3	12
70+				4	8					1

N-2,737

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 32—Schedule of Amortization Bases

Before Spin-off

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	$ 18,066,899	January 1, 2016	7	$ 2,985,075

Percent of Shortfall Allocated to Retained Population	0.00%

After Spin-off

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	$ 0	January 1, 2016	7	$ 0

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2016

Date		Amount	Days to Discount to 1/1/2016 at 5.87%		Interest Adjusted Contribution
March 17, 2017	$	17,000,000	441	$	15,870,828
April 13, 2017		780,000	468		725,133
July 14, 2017		2,460,000	560		2,254,401
Total Contribution	$	20,240,000		$	18,850,362

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

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

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age. The retirement ages are weighted in proportion to active participant counts to determine final weighted average retirement age of 58.

Males

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
50.5	3.00%	1.0000	1.52
51.5	3.20%	0.9700	1.60
52.5	3.40%	0.9390	1.68
53.5	3.80%	0.9070	1.84
54.5	6.40%	0.8726	3.04
55.5	7.80%	0.8167	3.54
56.5	8.60%	0.7530	3.66
57.5	9.20%	0.6883	3.64
58.5	10.80%	0.6249	3.95
59.5	13.40%	0.5574	4.44
60.5	17.60%	0.4827	5.14
61.5	28.50%	0.3978	6.97
62.5	35.40%	0.2844	6.29
63.5	25.20%	0.1837	2.94
64.5	50.00%	0.1374	4.43
65.5	30.00%	0.0687	1.35
66.5	30.00%	0.0481	0.96
67.5	30.00%	0.0337	0.68
68.5	30.00%	0.0236	0.48
69	100.00%	0.0165	1.15
	Weighted Average		**59.30**

Females

(a) Age	(b) Rate	(c) Weight	(d) Product (a) × (b) × (c)
50.5	10.20%	1.0000	5.15
51.5	10.40%	0.8980	4.81
52.5	11.00%	0.8046	4.65
53.5	11.60%	0.7161	4.44
54.5	16.00%	0.6330	5.52
55.5	17.40%	0.5317	5.14
56.5	18.60%	0.4392	4.62
57.5	19.80%	0.3575	4.07
58.5	21.00%	0.2867	3.52
59.5	23.60%	0.2265	3.18
60.5	25.20%	0.1731	2.64
61.5	31.20%	0.1295	2.48
62.5	34.60%	0.0891	1.93
63.5	29.30%	0.0582	1.08
64.5	50.00%	0.0412	1.33
65.5	30.00%	0.0206	0.40
66.5	30.00%	0.0144	0.29
67.5	30.00%	0.0101	0.20
68.5	30.00%	0.0071	0.15
69	100.00%	0.0049	0.34
	Weighted Average		**55.94**

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 24—Change in Actuarial Assumptions

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65-69		4	4	1	6	1	3	1	3	12
70+				4	8					1

N-2,737

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, line 32—Schedule of Amortization Bases

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Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
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Percent of Shortfall Allocated to Retained Population	0.00%

After Spin-off

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Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

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

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2015), each adjusted as needed to fall within the 25-year average interest rate stabilization corridor
1st Segment Rate	4.43%
2nd Segment Rate	5.91%
3rd Segment Rate	6.65%
Salary Increases	West Hourly unions that have not frozen AAC: 4.00% per year for ages less than 40, and 2.50% per year for ages 40 and over For West Hourly unions with frozen AAC, no promotions are assumed after freeze date, therefore, no future increases to AAC are reflected.
Lump Sum Conversion Rate	GATT rate 3.75%, 10-year T-Bond rate 2.75% (GATT—1.00%)
Benefit and Compensation Limits	Projected benefits and compensation are limited by the current IRC section 415 maximum benefit of $210,000 and the section 401(a)(17) compensation limit of $265,000
Trust Expenses Included in Target Normal Cost	$1,860,000. The average of the three prior year's actual trust expenses reduced by investment related expenses and the prior year's PBGC premium. This average is then increased by the current year's expected PBGC premium and rounded to the nearest ten thousand.
Mortality Rates	
Healthy and Disabled	2016 Static Mortality Table for Annuitants and Non-Annuitants per section 1.430(h)(3)-1(e)
Lump Sum Conversions	GATT: Mortality basis in IRS Revenue Ruling 2001-62 10-Year T-Bond: 1971 TPFC Mortality Table for males set back two years

Optional Payment Form Election Percentage	
Active Participants	
Service Pension Eligible	90% elect lump sum payment, 10% elect life annuity
Not Service Pension Eligible	85% elect lump sum payment, 15% elect life annuity
Terminated Vested Participants	80% elect lump sum payment, 20% elect life annuity
Withdrawal Rates	See Table A
Disability Rates	See Table B
Retirement Age	
Active Participants	See Tables C & CT
Terminated Vested Participants	Age 60
Surviving Spouse Benefit	It is assumed that 100% of males and 100% of females have an eligible beneficiary. Beneficiaries are assumed to be the opposite gender as the participant. Female beneficiaries are assumed to be three years younger than the participant and male beneficiaries are assumed to be three years older than the participant.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, expected earnings, and asset transfers. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.
Expected Return on Assets	
2014 Plan Year	7.25%, limited to 6.99%
2015 Plan Year	7.25%, limited to 6.81%
2016 Plan Year	7.00%, limited to 6.65%
Retention Bonus	36% of total pay minus bonus
Actuarial Method	Unit Credit Cost method
Valuation Date	January 1, 2016
Decrement Timing	Middle of year decrements, with 100% retirement occurring at beginning of year

Actuarial Assumptions and Methods

Table A

Probability of Withdrawal

Age	Probability
< 21	.2000
21	.1700
22	.1400
23	.1200
24	.1100
25	.1000
26	.0900
27	.0800
28	.0700
29–31	.0600
32–34	.0500
35–38	.0400
39–64	.0300
65+	.0300

Actuarial Assumptions and Methods

Table B

Probability of Disability

Age	Male	Female	Age	Male	Female
19	0.000375	0.000375	45	0.002000	0.003000
			46	0.002250	0.003375
20	0.000375	0.000375	47	0.002625	0.003750
21	0.000375	0.000375	48	0.003125	0.004125
22	0.000375	0.000375	49	0.003500	0.004500
23	0.000375	0.000375			
24	0.000375	0.000375	50	0.004125	0.005000
			51	0.004875	0.005500
25	0.000075	0.000375	52	0.005750	0.006125
26	0.000375	0.000375	53	0.006625	0.006750
27	0.000375	0.000375	54	0.007625	0.007375
28	0.000375	0.000500			
29	0.000375	0.000500	55	0.008625	0.008000
			56	0.009625	0.008625
30	0.000375	0.000500	57	0.010750	0.009250
31	0.000375	0.000625	58	0.011875	0.010000
32	0.000375	0.000625	59	0.013125	0.010625
33	0.000375	0.000750			
34	0.000375	0.000750	60	0.014375	0.011250
			61	0.015750	0.012000
35	0.000500	0.000875	62	0.017250	0.012625
36	0.000500	0.001000	63	0.018875	0.013125
37	0.000625	0.001125	64	0.020500	0.013625
38	0.000750	0.001250			
39	0.000875	0.001500	65+	0.000000	0.000000
40	0.001000	0.001625			
41	0.001125	0.001875			
42	0.001250	0.002125			
43	0.001500	0.002375			
44	0.001750	0.002750			

Actuarial Assumptions and Methods

Table C—Retirements After 2017

Probability of Retirement

Male Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.018	.027	.058	.116	.300
20				.020	.053	.108	.300	1.000
25			.015	.039	.088	.300	1.000	
30			.026	.070	.300	1.000		
35		.042	.056	.300	1.000			
40		.065	.300	1.000				
45	.050	.300	1.000					
50	.300	1.000						
55	1.000							

Female Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.051	.071	.116	.155	.300
20				.055	.104	.143	.300	1.000
25			.051	.087	.126	.300	1.000	
30			.085	.116	.300	1.000		
35		.109	.110	.300	1.000			
40		.126	.300	1.000				
45	.200	.300	1.000					
50	.300	1.000						
55	1.000							

Actuarial Assumptions and Methods

Table CT—For 2013–2017 Retirements

Probability of Retirement

Male Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.036	.054	.116	.232	.300
20				.039	.106	.216	.300	1.000
25			.030	.078	.176	.300	1.000	
30			.052	.140	.300	1.000		
35		.084	.112	.300	1.000			
40		.130	.300	1.000				
45	.100	.300	1.000					
50	.300	1.000						
55	1.000							

Female Participants

Entry	Years of Service							
Age	**15**	**20**	**25**	**30**	**35**	**40**	**45**	**50**
15				.103	.143	.232	.310	.300
20				.110	.208	.286	.300	1.000
25			.102	.174	.252	.300	1.000	
30			.170	.232	.300	1.000		
35		.218	.220	.300	1.000			
40		.252	.300	1.000				
45	.400	.300	1.000					
50	.300	1.000						
55	1.000							

Schedule SB Attachment (Form 5500)—2016 Plan Year
GTE Florida Incorporated Plan For Hourly-Paid Employees' Pensions
EIN: 23-2259884 PN: 017

Schedule SB, Part V—Summary of Plan Provisions

Effective Date	July 1, 1960. Restated January 1, 2014 with amendments through December 31, 2015
2016 Spinoff	Effective April 1, 2016, the assets and liabilities of the associates in the Florida Hourly plan transferred to Frontier Communications Corporation were spun off from this plan.
West Hourly Bargaining Changes	Average annual compensation has been frozen as of the pay freeze date below. Additionally, the plan is closed to new hires on or after the close date below.

Plan	Close Date	Pay Freeze Date
Florida CBA 55	01/01/2014	06/01/2014
Florida CBA 504	11/24/2013	03/01/2014
Florida CBA 11	04/27/2014	06/30/2014
Florida CBA 10	05/20/2014	07/31/2014
Florida CBA 114	07/21/2014	09/30/2014
Florida CBA 118	08/04/2014	09/30/2014
Florida CBA 92	04/11/2015	06/30/2015

2010 Voluntary Separation Incentive Offer	The Florida plan was amended to offer unreduced benefits for certain service pension eligible associates who separated from service under the offer.
2010 Spinoff	Effective June 30, 2010, the assets and liabilities of the associates in the Florida plan transferred to Frontier Communications Corporation were spun off from this plan.
Participation	Date of hire for all regular, hourly-paid employees provided date of hire is before the applicable Close Date.

Normal Retirement	
Eligibility	The later of age 65 or the fifth anniversary of the date of hire
Amount	The benefit determined under (1) or (2), whichever is applicable (1) For employees who are not former Contel employees, the greater of (a) or (b): (a) 1.35% of Average Annual Compensation times Accredited Service (b) Minimum benefit shown in Table A based on years of Accredited Service (2) For former Contel employees, the greater of (a) or (b): (a) The benefit calculated under the Contel pension plan as of the date of transfer to the GTE hourly plan. Plus The benefit equal to 1.35% of Average Annual Compensation times Accredited Service measured from the date of transfer to the GTE hourly plan (subject to the minimum benefit from Table A based on service from the date of transfer to the GTE hourly plan). (b) The benefit described in (1) above (including the minimum), using Accredited Service under the Contel pension plan plus Accredited Service under the GTE hourly pension plan. The pension determined under (1) or (2) above is offset by the annual amount payable from any other pension plan to which the company (or any other member of the controlled group) has contributed, but only to the extent that the benefit is attributable to employer contributions.

Early Retirement

Eligibility

Employees are eligible for early retirement after attaining:

(1) At least 15 years of Accredited Service and age plus Accredited Service (both unrounded) equal to or greater than 76 (Rule of 76), or

(2) At least 30 years of Accredited Service (regardless of age)

Amount

The benefit is computed in the same manner as the normal retirement benefit, but based on Average Annual Compensation and Accredited Service at termination of employment.

(1) For employees who are not former Contel employees, the pay-related benefit is reduced 3% for each year retirement precedes age 55, up to a maximum reduction of 18%. There is no reduction if the participant has 30 years of Accredited Service.

Early retirement reductions, if applicable, are applied to the pay-related formula prior to comparing to the minimum benefit shown in Table A.

(2) For former Contel employees, the benefit accrued under the Contel formula is reduced 4% for each year retirement precedes age 60. The benefit accrued under the GTE formula is reduced as described in (1) above.

Late Retirement

Eligibility

Retire after normal retirement date

Amount

The greater of the benefit calculated at termination and the accrued benefit at normal retirement date actuarially increased to date of termination.

Terminated vested participants who terminate before normal retirement date and retire after normal retirement date receive a lump sum payment equal to the missed payments from normal retirement date to actual retirement date.

Deferred Vested Retirement	
Eligibility	Five years of Vesting Service
Amount	The benefit is computed in the same manner as the normal retirement benefit, but based on Average Annual Compensation and Accredited Service at termination of employment. The minimum benefit for a deferred vested participant is equal to the applicable benefit from Table A based on Accredited Service projected to normal retirement then multiplied by the ratio of Vesting Service at termination of employment to projected Vesting Service at normal retirement. There is no minimum benefit for a deferred vested participant with less than 15 years of projected Accredited Service. Participants with at least 15 years of Accredited Service at termination of employment may commence an actuarially reduced benefit as early as the date the Rule of 76 is met. Participants with at least ten years of Accredited Service at termination of employment may commence an actuarially reduced benefit as early as age 55. See Table B for actuarial reduction factors.
Disability Retirement	
Eligibility	15 years of Accredited Service and total and permanent disability
Amount	The benefit is computed in the same manner as the normal retirement benefit, but based on Average Annual Compensation and Accredited Service at disability. There is no reduction for benefit commencement prior to normal retirement.
Preretirement Survivor's Benefit	
Eligibility	Five years of Vesting Service
Amount	The benefit that would have been payable had the participant been eligible for a service pension and terminated employment on the date of death, elected the 65% joint and survivor annuity and then died. There is no reduction for early commencement if the participant died while an active employee. Otherwise, the benefit is reduced under the provisions of the deferred vested retirement benefit.

Forms of Payment

Normal Form	If married: A reduced benefit in the form of a 50% joint and survivor annuity with the spouse as contingent annuitant If single: A life annuity
Optional Forms	▪ Single life annuity ▪ 100% joint and survivor annuity ▪ 75% joint and survivor annuity ▪ 66-2/3% joint and survivor annuity ▪ 50% joint and survivor annuity ▪ 33-1/3% joint and survivor annuity ▪ 5-year certain and life ▪ Lump sum distribution

Definitions

Monthly Compensation	Monthly base rate of pay. Monthly Compensation excludes overtime, differentials, premiums, and other similar types of payment, but includes bonuses and commissions on account of sales and team-oriented short-term incentives as specified by the employee benefits committee.
Average Annual Compensation	Monthly Compensation during the highest 60 consecutive months divided by five. If less than 60 months of Monthly Compensation, the average is based on the number of months available.
Accredited Service	One year for each calendar year the employee is credited with 2,080 hours. If the employee is credited with less than 2,080 hours during a calendar year, Accredited Service for the year is equal to the number of hours credited during the year divided by 2,080. For employees with in-service distributions, Accredited Service begins on the later of January 1, 2000 or the distribution election date.
Vesting Service	One year for each calendar year the employee is credited with 1,000 hours. If the employee is credited with less than 1,000 hours during a calendar year, Vesting Service for the year is equal to the number of hours credited during the year divided by 2,080.

Special Benefit Provisions	
Retention Bonus	
Eligibility	Designated *f*GTE participants who remained employed throughout the Retention Bonus Period (April 1, 1999 through September 30, 2000)
Benefit Amount	An additional lump sum equal to 2% of the total monthly compensation for the 12-month period ending on the date the participant separates from service times the number of full calendar months (up to 18) worked during the Retention Bonus Period.
In-Service Distribution	Active participants age 55 or older who satisfied the Rule of 76 (76 age/service points with 15 years of service) on January 1, 2000 are eligible to elect an in-service distribution. The pension payable at subsequent retirement will be based on service after the election date.

Table A

Hourly Plan Minimum Benefits

Years of Accredited Service	Minimum Pension Schedule
15–19	$ 5,500
20–24	$ 7,000
25–29	$ 8,700
30–34	$10,400
35–39	$12,000
40+	$13,700

Table B

Deferred Vested Reduction Factors

Age	Factor	Age	Factor	Age	Factor
18	0.03100	36	0.09700	54	0.38300
19	0.03300	37	0.10300	55	0.41700
20	0.03500	38	0.11000	56	0.46700
21	0.03700	39	0.11800	57	0.51700
22	0.03900	40	0.12700	58	0.56700
23	0.04200	41	0.13600	59	0.61700
24	0.04400	42	0.14600	60	0.66700
25	0.04700	43	0.15600	61	0.73300
26	0.05000	44	0.16800	62	0.80000
27	0.05400	45	0.18000	63	0.86700
28	0.05700	46	0.19400	64	0.93300
29	0.06100	47	0.20900	65	1.00000
30	0.06500	48	0.22500		
31	0.06900	49	0.24300		
32	0.07400	50	0.26300		
33	0.07900	51	0.28400		
34	0.08400	52	0.31700		
35	0.09000	53	0.35000		

Changes in Plan Provisions Since the Prior Year

The funding valuation reflects the freeze of average annual compensation as of the pay freeze date below. Additionally, the plan is closed to new hires on or after the close date below.

Plan	Close Date	Pay Freeze Date
Florida CBA 92	04/11/2015	06/30/2015

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

April 1, 2016 Spin-Off

Effective April 1, 2016, a group of participants was spun off from this plan to a Frontier Communications pension plan as a result of the sale of Wireline assets in Florida, Texas, and California.

An IRC section 4044 asset allocation was done to determine the appropriate assets to spin off to the Frontier plan. Additionally, the April 1, 2016 funding balance was split using the methodology in Revenue Ruling 81-212.

For the January 1, 2016 funding valuation, the spin-off was reflected on a prorata basis, with the 2016 minimum required contribution (MRC) equal to 25% of the MRC before the spin-off plus 75% of the MRC after the spin-off (determined as of January 1, 2016).

The table below shows the key details of the calculations.

	Before Spin-Off	After Spin-Off	Prorated
Target Normal Cost	$ 16,622,810	$ 3,759,525	$ 6,975,346
Excess Assets	0	(3,759,525)	(2,819,644)
Shortfall Amortization Installment	2,985,075	0	746,269
Total Funding Requirement	$ 19,607,885	$ 0	$ 4,901,971

GTE FLORIDA INC. PLAN FOR HOURLY-PAID EMPLOYEES PENSIONS
EIN: 23-2259884 P/N 017
Schedule of Assets (Held at End of Year)
Schedule H, Part IV, Line 4i–
As of December 31, 2016

Identity of Issuer, Borrower, Lessor or Similar Party	Description of Investments including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Current Value
Bell Atlantic Master Trust	Allocated share of investments in Master Trust	$ 188,153,495