

SUMMARY OF TENTATIVE AGREEMENT

BETWEEN

**COMMUNICATIONS WORKERS OF AMERICA
DISTRICT 2-13**

AND

FRONTIER COMMUNICATIONS

AUGUST 2023



FRONTIER WEST VIRGINIA – SUMMARY TENTATIVE AGREEMENT AUGUST 26, 2023

CWA and Frontier have reached a tentative agreement on the terms and conditions of employment for all CWA bargaining unit members at Frontier West Virginia. This four-year agreement will guarantee annual wage increases, maintain existing job security provisions, add jobs, maintain quality healthcare with modest increases in cost sharing, and expand retiree healthcare to all members in the bargaining unit as of ratification with some changes upon Medicare eligibility.

Duration of Contract:

If ratified by the membership, the term of the agreement will be retroactive to August 6, 2023, and will remain in effect until August 7, 2027.

1. Wages and Other Compensation

The combined annual wage increases will result in a compounded 13.1% base wage increase by the end of the contract. The yearly Corporate Profit Sharing payments of at least \$700 will continue and add to wage gains.

a. General Wage Increase

The agreement provides the increases listed below to all steps in the basic wage schedules on the dates indicated:

- August 6, 2023 (retroactive) – 3.25%
- August 4, 2024 – 3%
- August 3, 2025 – 3.25%
- August 2, 2026 – 3%
- Compounded increase: 13.1%

b. Corporate Profit Sharing

The Company will award Corporate Profit Sharing distributions in each year of the agreement, with a minimum distribution of \$700 each year.

2. Pensions and Retirement Security

a. Pension Plan

The Lump Sum Cash Out provisions will be continued through December 31, 2027.

b. Savings and Security 401(k) Plan

- For those eligible, the matching contribution of 100% (up to 6% of pay) and the Discretionary Contribution will be extended for plan years 2024, 2025, 2026, and 2027.
- The employee contribution maximum will be increased from 25% to 75%.
- Partial prepayment of loans will be permitted.

3. Preserving Job Security and Growing Jobs

a. Job Security Provisions Maintained

- Job security provisions won in past contracts, including no involuntary layoff or downgrade, will be maintained.
- Employees hired post-ratification of the 2017 contract are covered by existing provisions of the contract regarding layoffs, transfers, and other job protections which will remain in full force and effect.
- The 0.7% limitation on the Company's ability to relocate work out of the bargaining unit is preserved intact.
- The West Virginia State Base Call Center routing remains intact and is the same as described in the 2013 MOU.
- All provisions of the Broadband Network Employment Security Provisions (Exhibit IV) continue.
- Additional language added to Overtime Administration Letter of Understanding to address long term service difficulty issues.

b. More Jobs

Within 6 months of ratification of this agreement, Frontier will hire:

- 10 Regular Full-Time Engineering Assistants, and
- 25 Regular Full-Time Outside Plant Technicians.

4. Health and Welfare Benefits

Despite Frontier's attempt to significantly shift health care costs to employees over the life of the agreement, e.g., a 69% increase in contributions, the agreement provides for only modest changes. It also provides for enhancements to medical benefits and more. We retain one of the best medical plans across not only Frontier, but CWA, other unions, and various industries. No changes will be made to Dental or Vision¹.

a. Contributions

The chart below reflects the gradual increase in monthly employee contributions for 2024, 2025, 2026, and 2027. *The current 2023 contributions are shown for comparison.*

	MCN & MEP (Monthly)		EPO (Monthly)	
	Employee	Employee + Family	Employee	Employee + Family
2023	\$118	\$236	\$177	\$354
2024	\$126	\$252	\$189	\$378
2025	\$135	\$270	\$202.50	\$405
2026	\$145	\$290	\$217.50	\$435
2027	\$155	\$310	\$232.50	\$465

The \$100 wellness exam annual credit will remain unchanged and is reflected in the amounts above. Without the wellness exam annual credit, an additional \$8.33 per month will be charged.

¹ Unrelated to 2023 negotiations, the Wellness Committee, a joint Company and Union committee, has discussed ongoing concerns over an insufficient number of providers participating in the Davis Vision (the benefit administrator) network in some areas. The Committee is reviewing other Vision benefit administrator options and their networks. Information will be provided to you should a viable alternative be identified.

The tobacco premium remains unchanged. If an employee or covered dependent uses tobacco products, the rates above will be increased by \$50 per month. The additional cost can be avoided by participation in a smoking cessation program or activity.

b. Deductibles and Out-of-Pocket Maximums

The chart below reflects the changes in deductibles and out-of-pocket maximums for 2024, 2025, 2026, and 2027. *The current 2023 deductibles and out-of-pocket maximums are shown for comparison.*

	MCN		MEP	
	In-Network	Out-of-Network	In-Network	Out-of-Network
ANNUAL DEDUCTIBLE (Deductibles apply to Out-of-Pocket Maximum.)				
Individual	2023: \$200 2024: \$225 2025: \$250 2026: \$275 2027: \$300	2023: \$850 2024: \$875 2025: \$900 2026: \$925 2027: \$950	2023: \$625 2024: \$650 2025: \$675 2026: \$700 2027: \$725	2023: \$850 2024: \$875 2025: \$900 2026: \$925 2027: \$950
Family	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate
OUT-OF-POCKET MAXIMUM				
Individual	2023: \$1400 2024: \$1450 2025: \$1500 2026: \$1550 2027: \$1600	2023: \$2200 2024: \$2250 2025: \$2300 2026: \$2350 2027: \$2400	2023: \$1500 2024: \$1550 2025: \$1600 2026: \$1650 2027: \$1700	2023: \$2400 2024: \$2450 2025: \$2500 2026: \$2550 2027: \$2600
Family	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate

c. Copays

Copays in the MCN and MEP options will remain unchanged except as follows. *2023 copays shown for comparison.*

- Specialist Office Visit copay:
 - 2023: \$30
 - 2024: \$30
 - 2025: \$30
 - 2026: \$30
 - 2027: \$35
- Emergency Room Visit copay (waived if admitted):
 - 2023: \$130
 - 2024: \$140
 - 2025: \$140
 - 2026: \$150
 - 2027: \$150

d. Maximum Allowed Amount

For comparison, the current 2023 Maximum Allowed Amount (“MAA”) for all out-of-network services and supplies is 200%.

- Effective January 1, 2025, for services and supplies (except those noted below) obtained from an out-of-network provider, the MAA will be defined as 190% of the national Medicare schedule.
- Effective January 1, 2025, for Covered Mental Health / Substance Abuse Services and Supplies, the MAA will be defined as 240% of the national Medicare schedule.

e. Enhancements

- Infertility Treatment – Effective January 1, 2024, the lifetime maximum for infertility treatment will increase to \$25,000.
- Hinge Health – Effective no later than January 1, 2024, the Hinge Health Program will be implemented. The voluntary program, provided at no cost to employees, addresses the top five musculoskeletal conditions through its Chronic Care Program and Prevention Program. The Chronic Care Program provides digital exercise therapy. The Prevention Program offers job-type specific, software only exercises.
- LiveHealth Online – Effective January 1, 2025, LiveHealth Online will be implemented. This online care service will offer virtual visits with healthcare professionals 24/7 for a copay of \$20.

f. New Plan Administrator

Anthem Blue Cross and Blue Shield will be the new plan administrator for the MCN and MEP options starting in the calendar year 2025.

g. EPO Option

- The EPO option will remain available to employees currently enrolled.
- Maximum copays will remain unchanged except as follows:
 - o Specialist Office Visit maximum copay \$35 in 2027 (*currently \$30*)
 - o Emergency Room Visit maximum copay \$140 in 2024 and 2025, and \$150 in 2026 and 2027 (waived if admitted) (*currently \$130*)
- Effective January 1, 2024, the lifetime maximum for infertility treatment will increase to \$25,000.
- Effective no later than January 1, 2024, the Hinge Health Program will be implemented.
- Effective January 1, 2025, LiveHealth Online will be implemented.

h. HMO Option

The Company notified the Union, effective January 1, 2024, the Aetna HMO Plan will be eliminated. Notice will be given to participants (currently 3).

i. Adoption Assistance Benefits

No later than January 1, 2024, the Frontier Adoption Reimbursement Program will be amended to provide reimbursement for certain expenses related to the surrogacy process.

5. Retiree Medical and Life Insurance Benefits

A goal for the Union was to secure retiree benefits for current employees who accreted from the former Bluefield and St. Marys bargaining units. This goal was achieved, despite the Company's overall effort to diminish retiree benefits.

Also, of importance was addressing the contributions required of retirees with a Net Credited Service Date ("NCSD") prior to August 3, 2008, caused by the company contribution caps being exceeded, as well as, increasing the dollar amount per year of net credited service for those with a NCSD on or after August 3, 2008. The Company refused to address the former but moved on the latter.

Citing mandatory accounting of Other Post Employment Benefits ("OPEB") liabilities and a need to reduce liabilities on its financial statement, Frontier proposed to completely eliminate medical coverage for future retirees once the retiree reaches Medicare eligibility. As proposed by the Company, coverage for the retiree's spouse would end as well regardless of age and Medicare eligibility. A coverage ending date associated with Medicare eligibility will be implemented, but not to the extreme degree the Company sought.

The following are changes to retiree medical and life insurance, subject to ratification of the agreement.

a. Retiree Medical Plan Design Changes

Changes made to the active healthcare plan will also apply for healthcare benefits of retirees except the deductibles for those retired on or before December 31, 2018, will remain unchanged, and for those retired or who will retire after December 31, 2018, will continue to be the deductible in effect on the date of retirement.

b. Active Employees Accreted into the Bargaining Unit in 2016

Employees formerly in the Bluefield and St. Marys bargaining units who accreted into the CBA 142 bargaining unit in 2016 and remain actively employed as of ratification of this agreement, will be eligible for the Frontier medical plan and life insurance benefit for Mid-Atlantic retirees in the same manner as Mid-Atlantic retirees with a NCSD on or after August 3, 2008 (see 5d below). The NCSD for accreted employees is August 7, 2016.

Accreted employees who at the time of accretion were eligible for retiree medical coverage and life insurance under the Bluefield or St. Marys contract may elect said coverage or opt out and elect Mid-Atlantic retiree medical coverage and life insurance (Basic Life Insurance benefit equal to \$20,000).

c. Retirees with a NCS D prior to August 3, 2008

- The monthly contribution required of retirees with a NCS D prior to August 3, 2008, will remain subject to the company contribution cap.
- Previously negotiated provisions for an additional plan option(s) and/or a Healthcare Reimbursement Account (“HRA”) if company contribution caps are exceeded remain in place. Implementation of either requires agreement between the Company and Union on the terms of additional plan options and/or an HRA.
 - o For 2024, the Company and Union have agreed on the terms of an HRA and Medicare Advantage Plan. The terms for each are unchanged from 2023.
- **2024 and After**
 - o Retirees with a NCS D prior to August 3, 2008, who retire on or after January 1, 2024, will be eligible for pre-Medicare medical coverage and 5 years of coverage once Medicare eligible.
 - o The spouse of such a retiree will be eligible for coverage until Medicare eligible.
 - o Dependents will be eligible for coverage until the retiree becomes Medicare eligible (based on age), provided otherwise eligible, or until the dependent becomes Medicare eligible.
 - o Notably, upon the death of the retiree, coverage for a non-Medicare eligible surviving spouse and dependents is not limited to 12 months. Instead, the spouse remains eligible for coverage until Medicare eligible. Other dependents remain eligible until the date on which the retiree would have become Medicare eligible based on age, providing otherwise eligible.
 - o Such retirees may opt out of medical coverage and elect the HRA referenced above, if implemented.

d. Retirees with a NCS D on or after August 3, 2008

- Retirees with a NCS D on or after August 3, 2008, hired prior to ratification, will continue to receive an annual benefit towards the cost of retiree medical coverage. Those currently retired or who retire before January 1, 2024, will receive \$480 pre-Medicare/\$240 Medicare for each completed year of net credited service (maximum 30 years). Those that retire on or after January 1, 2024, will receive \$576 pre-Medicare/\$288 Medicare for each completed year of net credited service (maximum 25 years).
- Such retirees are eligible for additional plan option(s) as referenced in 5c above, if implemented.
- For 2024 and each subsequent plan year, eligible retirees with a NCS D on or after August 3, 2008, who opt out of retiree medical plan coverage and obtain non-Company sponsored medical coverage, will have an HRA established by the Company credited in the amount of the annual benefit for which they are eligible. The HRA is subject to the rules and guidance of IRS Notice 2002-45 and agreement between the Company and Union on other terms.
- **2024 and After**
 - o Retirees with a NCS D on or after August 3, 2008, hired prior to ratification, and who retire on or after January 1, 2024, will receive an annual benefit for pre-Medicare medical coverage in the amount of \$576 for each completed year of net credited service (maximum 25 years).

- o Such retirees will be eligible for 5 years of medical coverage once Medicare eligible with an annual benefit of \$288 for each completed year of net credited service (maximum 25 years).
- o If the spouse of such a retiree is not Medicare eligible when the retiree becomes Medicare eligible (based on age), or upon the death of the retiree prior to Medicare eligibility (based on age), the annual benefit for a Medicare eligible retiree will be provided for coverage for the spouse until the spouse becomes Medicare eligible. This does not mean the spouse will receive a separate annual benefit while the retiree is receiving a benefit.
- o Dependents, provided otherwise eligible, will be eligible for coverage until the dependent becomes Medicare eligible, or the annual benefit described above ends except in the case of the retiree's death, which will continue to be governed by current plan provisions.
- o Such retirees may opt out of medical coverage and elect the HRA referenced above, if implemented.

e. Employees Hired On or After the Effective Date of Agreement

Employees hired on or after the effective date of this agreement will not be eligible to participate in the retiree medical or life insurance plan.

6. Other Benefit

- a. **Training Advisory Council ("TAC")** – The TAC will be continued under the same terms that governed TAC under the 2017 MOU.
- b. **Advisory Council on Family Care ("ACFC")** – The ACFC will be funded annually beginning August 5, 2023.
- c. **Wellness Committee** – During the term of the 2023 MOU, the Company agrees to continue the Wellness Committee, under the same terms that governed the Wellness Committee under the 2017 MOU.

7. Work-At-Home Provisions

The agreement includes a Work-At-Home Letter of Understanding (available in its entirety at <https://bit.ly/WVVA-WorkAtHome>), which will become effective subject to ratification of the agreement.

Questions may be submitted in advance of the Contract Explanation Webinar at <https://bit.ly/WVVA-ContractQuestions>.