

AGREEMENT

Between

**UNITED TELEPHONE COMPANY
OF NEW JERSEY, INC.
(Lafayette)**

and

Local 827, IBEW, AFL-CIO



Entered into January 19, 2007

Effective January 12, 2007

Expiration Date January 9, 2010

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THIS AGREEMENT made and entered into this 19th day of January 2007 between the UNITED TELEPHONE COMPANY OF NEW JERSEY, INC. with offices at Lafayette, New Jersey, corporations organized under the laws of the State of New Jersey, hereinafter called the "Company," and the LOCAL NUMBER 827, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, A.F.L.-C.I.O., with offices at 263 Ward Street, East Windsor, New Jersey, hereinafter called the "Union."

WITNESSETH:

1. Whereas, the COMPANY and the UNION have a mutual interest in effectuating harmonious working arrangements for the adjustment of differences by peaceful methods described hereinafter, and in promoting harmony and efficiency to the end that the employees, the COMPANY and the general public may be mutually benefited, the parties hereto agree with each other as follows to wit:

ARTICLE I

TERM OF AGREEMENT

This Agreement, when executed by the COMPANY and the UNION shall become effective **January 12, 2007** for all employees as defined in Article XIV of this Agreement. R

This Agreement shall continue in full force and effect for a three year period from the date of ratification unless written notice is received by either party from the other on or before sixty (60) days prior to the expiration date, requesting that this Agreement be amended or cancelled.

ARTICLE II

RECOGNITION

1. The COMPANY recognizes that the employees covered by this Agreement have the right to bargain collectively through representatives of their own choosing; therefore, it recognizes the Local 827, I.B.E.W., A.F.L.-C.I.O. as the sole and exclusive bargaining agent for all the employees covered in Articles XIV of this Agreement.
2. The COMPANY and the UNION agree that as a condition of

employment all present employees within the Bargaining Unit shall become and remain members of the UNION within thirty (30) days after the execution of this Agreement; and that all employees hired by the COMPANY after the execution of this Agreement shall become and remain members of the UNION within thirty (30) days after their hire. As a condition of employment, all employees becoming members of the UNION shall remain members of said UNION during the term of this Agreement.

3. Upon written authorization signed by any non-supervisory employee, as defined herein, the COMPANY shall deduct from the wages of such employee the amount authorized by said employee as his or her monthly UNION membership dues and shall pay over to the UNION the amount thus deducted, until such authorization is revoked by such employee in writing. The UNION shall pay the COMPANY the cost of making such deductions.
4. No representative of the UNION shall solicit membership in the UNION on productive time; that is, time for which the employee receives pay.
5. The UNION agrees for its members that they will individually and collectively perform loyal work and service, that they will use their influence and efforts to protect the property and interests of the COMPANY, and its good name and its service to the public.

ARTICLE III

NEGOTIATIONS AND AMENDMENTS

1. The COMPANY and the UNION agree to meet and deal with each other through their duly accredited officers and committees on matters relating to hours, wages and other definite conditions of employment of the employees covered by this Agreement.
2. All meetings shall be held upon reasonable request therefore from either party to the other. The time of and place for the meeting shall thereafter be mutually agreed upon, with each party giving due consideration to the convenience of the other; but meetings shall not be on the COMPANY'S time, insofar as STEWARDS or their Alternates are concerned.

ARTICLE IV

NEGOTIATION AND GRIEVANCE PROCEDURE

1. The COMPANY will recognize the duly elected employee UNION Stewards and their Alternates. The UNION will notify the COMPANY as to the identity of such Stewards and Alternates and will notify the COMPANY of any change in Stewards or Alternates.
2. Such Stewards or Alternates shall not absent themselves from work without the express permission of their Company Supervisor.
3. The Stewards and Alternates shall also act as the UNION's Grievance Committee, limited to three (3) employees **based on workload availability otherwise 2 employees will attend**. Local UNION officers, **Human Resource Representative(s) and Department Manager(s)** will meet with the UNION Grievance Committee as hereinafter outlined on matters pertaining to the administration of the provisions of this Agreement. R
4. Should a difference arise between the Company and Union with respect to the interpretation and application of this Agreement, there shall be no suspension of work. An earnest effort shall be made to settle any difference promptly in the following manner:
 - (a) STEP ONE - The aggrieved employee and steward shall take the grievance before the employee's immediate supervisor no later than thirty (30) calendar days of its occurrence. The supervisor agrees to meet with the steward and grievant within seven (7) calendar days of its notification. The supervisor shall verbally advise the steward and grievant of the decision concerning the grievance within seven (7) calendar days of its oral discussion. Every effort shall be made by the parties to settle the grievance at this level.
 - (b) STEP TWO - If the grievance is not satisfactorily settled after presentation in Step One, the grievance may then be taken to Step Two by submitting it in writing to the Human Resources designee not more than fifteen (15) calendar days after the supervisor's verbal reply. The written grievance shall contain the date the grievance occurred, name of the employee(s) involved, statement of facts, and, if applicable,

the contract clause(s) allegedly violated and the settlement requested. Any written grievance so not prepared shall be returned to the Union for correction and resubmitted no later than five (5) calendar days from the date of return. A meeting between a representative of the Local Union, the Union Grievance Committee, **Human Resource Representative(s) and Department Manager(s)** will be promptly convened at a mutually satisfactory time following such written notification. The Company shall provide its answer to the Union not more than fifteen (15) calendar days after the conclusion of the Step Two meeting.

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5. Any grievance arising because of a discharge shall be commenced at Step Two of the grievance procedure by filing a grievance in writing with the Human Resources designee within ten (10) calendar days of the date the grievant is notified of the discharge. Thereafter, any such grievance shall be handled as provided in Step Two.
6. It is understood by both parties that the Grievance Procedure as set forth above shall be strictly followed and that no grievances shall be considered outside of the complete grievance process. Unless a grievance is presented in the manner and periods provided, it shall be deemed not to exist.
7. No extension of time limitations as provided herein shall be allowed except by mutual agreement of both parties. The grievance may be carried to the next step of the Grievance Procedure if response time limits are not met by the Company as specified in the Grievance Procedure or as specifically extended by the parties.
8. In the event that the Company believes itself to be aggrieved in connection with this Agreement, it shall present its grievance in writing to the Chairman of the Union's Grievance Committee who shall discuss the matter with the Committee. The Committee shall immediately proceed to effect settlement of such grievance. A written response from the Chairman of the Union's Grievance Committee shall be represented to the Company within fifteen (15) calendar days following the Union's receipt of the Company's written grievance.

9. In the interest of resolving grievances at the lowest possible level, settlements of grievances shall not constitute a precedent for settlement of other grievances. A settlement arrived at in the course of the grievance procedure shall be limited to the specific occurrence out of which the grievance arose and to the particular employee or employees for whom the grievance is presented. The settlement shall be modified or voided only if the circumstances change and after discussion at the same level.
10. Any grievance which cannot satisfactorily be disposed of by the representatives of the Company and the Union in the manner herein provided may be submitted at the request of either party to arbitration as provided in Article V.
11. Union employee Stewards or Alternates and the Grievance Committee, with the approval of management, may be permitted to confer during working hours with management representatives on grievance matters without loss of time or pay. This clause does not cover time spent in arbitrating contract negotiations or Government agency proceedings.

ARTICLE V

ARBITRATION

1. All grievances that arise under Article IV which are not satisfactorily disposed of through the established grievance procedure, may be referred in writing by either party to arbitration pursuant to the provisions of this Article. This step must be taken within fifteen (15) days upon receipt of COMPANY'S letter of final position as outlined in Article IV, Section 4, Paragraph B. Otherwise, the case will be considered closed.
2. Within ten (10) calendar days after demand for arbitration the Company and the Union shall attempt to mutually agree upon an arbitrator. In the event the parties fail to agree on an arbitrator within the ten (10) days, the Union shall within five (5) days thereafter request the American Arbitration Association to furnish the parties with a list of seven (7) arbitrators from which the parties shall select an impartial arbitrator. After receiving the list of arbitrators, and within five (5) work days of its receipt, an arbitrator

shall be selected by each party alternately striking from the list of seven (7) names. The moving party shall make the first strike. The last name remaining on the list after each party has exhausted its strikes shall become the arbitrator.

The Company and the Union agree to the timely disposition of all arbitration cases and believe it is in the best interests of both parties to avoid delays in hearing cases. After demanding arbitration in accordance with #2 above, the case should be heard no later than 1 year from the date of filing. Any delays or postponements, other than scheduling conflicts or other extenuating circumstances, must be mutually agreed to between the parties. In absence of any delays or postponements, if the case has not begun within the 1 year timeframe, the case shall be deemed dropped and no further action to compel arbitration for the instant case shall be brought.

3. The jurisdiction and authority of the arbitrator and his opinion and award shall be strictly limited to interpretation of the written provisions of this Agreement. The arbitrator shall have no powers to add to, subtract from or in any way modify the terms of this Agreement.
4. Under the terms of this Agreement the arbitrator shall have authority only to interpret and apply the specific provisions of this Agreement which constitute the only basis upon which his decision shall be rendered.

It is agreed between the Parties that the arbitrator's authority in discipline (discharge and suspension) cases is limited to a finding of whether or not there is just cause for discharge or suspension.

The arbitrator shall have no authority to issue an award involving back pay when just cause has been found to exist.

If the arbitrator finds there was not just cause for discharge or suspension, the employee shall be reinstated with full back pay for all time lost; except any awards of back wages by an arbitrator shall be limited to the amount of wages the employee would otherwise have earned from his employment with the Company during the period involved, less any unemployment compensation or other compensation for personal services that he may have received from any source during that period.

5. Failure on the part of the Union or grievant(s) to strictly abide by the time limits prescribed in this Article shall result in the grievance being deemed to have been dropped. The time limits contained in this Article are to be strictly construed.

The decision of the arbitrator shall be final and binding upon both parties.

6. Each party shall bear the expenses of presenting and preparing its own case. Compensation and expenses of the arbitrator shall be borne equally by the Company and the Union.
7. There shall be no stoppage of work either by strike, sympathy strike, or lockout because of any dispute or during proceedings in connection with the possible amendment of this Agreement. All such matters should be handled as hereinbefore stated.

ARTICLE VI

WORKING REGULATIONS AND PRACTICES

1. Eight (8) hours shall constitute a normal workday.
2. Forty (40) hours, consisting of five (5) 8-hour days, shall constitute a normal work week; the work week to run on a calendar weekly basis.
3. The normal tour for scheduled Saturday work will be 8:00 a.m. to 4:30 p.m. with a one-half hour lunch period.
4. Normal working hours shall begin and end at the designated work locations of the Company. These locations to be Company garages and central offices only. The Company reserves the right to discontinue any reporting location. In the event a reporting location is discontinued, the displaced employees will be returned to Lafayette provided their job duties exist at Lafayette. Re-assignment of employees among the designated work locations will be handled on a voluntary basis based on seniority by job classification. In the event there are no volunteers, the least senior employees within the job classification will be assigned. The Company agrees to permit employees whom the Company deems qualified to volunteer for assignment to new work centers.

Furthermore, it is understood that any employee who is newly hired, rehired or recalled shall report to any location assigned by the Company.

5. Compensation at one and one-half (1 1/2) the employee's straight time rate shall apply to any time worked in excess of eight (8) hours in a day and to time worked on a sixth or seventh day of the week, which time is in excess of forty (40) hours in that week. Compensation at **one and one-half (1 1/2) the employee's straight time rate** shall apply to any time worked on Sunday. It is mutually agreed that overtime work is a condition of employment.
6. Fifteen (15) minute relief periods shall be provided for each employee in each half of the work day, provided that such period is of at least three (3) hours duration.
7. Employees shall be at their designated places ready to work at the regular scheduled starting time. Employees shall not quit working until their designated quitting time.
8. When an employee is assigned to duty or schooling which requires an overnight stay, the Company will pay the employee on the basis of a regular work week schedule.

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All business expense provisions will be managed in accordance with **Embarq's** Travel and Reimbursement Practice unless specifically mentioned otherwise in the collective bargaining agreement. It is agreed that sections 7.2 and 8.0 of this policy are not applicable unless agreed to between the parties.

Guidance rules regarding such expenses are as follows:

- (A) The Company will arrange for the employee's lodging and travel, including rental car when necessary.
- (B) When air transportation is used, the Company will make reservations at the lowest available rates. Transportation arrangements to and from the airport will be the employee's responsibility and the employee will be reimbursed for reasonable mileage to and from the airport and for long term parking upon the presentation of receipts.
- (C) For longer trips, where air travel would be the normal method,

the Company will reimburse the employee for reasonable mileage associated with the trip or the equivalent airfare, whichever is less, in case the employee wishes to use a personal vehicle. Employees shall be paid at straight time rates for normal flight time.

- (D) The Company will reimburse the employee for parking fees and taxis associated with such assignments. A receipt must be presented for reimbursement of these expenses.
 - (E) The Company will pay for transportation for an employee to return home for one (1) weekend for each two (2) weeks scheduled to be on assignment, provided the assignment is of at least three (3) weeks duration and the assignment will extend at least one (1) week beyond the weekend visit home.
 - (F) The Company will reimburse employees for reasonable phone calls, up to a maximum of twenty minutes per day.
 - (G) Employees shall pay for lodging, airline tickets, rental car if appropriate and other travel related expenses with a corporate credit card.
9. Employees shall be paid at the company-designated rate for mileage when using their personal vehicle for authorized business purposes.
10. An employee who is called in or assigned to work on a non-scheduled day, Monday through Saturday inclusive, will be paid one and one-half (1 1/2X) times his or her regular rate for all time worked.
11. It is mutually agreed that employees have a responsibility to accept callout when requested to do so in order to maintain customer service. Each employee on the list will be contacted according to the weekly schedule. If no employee responds to the callout, the Company may obtain the necessary workforce requirements as its discretion.

When an employee is called to work because of a service effecting condition at any time outside the regularly scheduled tour, he or she shall be paid a minimum of three (3) hours of overtime. Prior to 12:00 midnight, there are multiple callouts during the three hour

minimum of the initial callout, there shall be no pyramiding of callout pay. Between 12:00 midnight and 6:00 a.m., if multiple callouts occur during the three hour minimum of the initial callout, the second callout only may be pyramided. The maximum callout during the period 12:00 midnight to 6:00 a.m. shall be based upon two callouts. At the discretion of management, additional employees may be authorized to assist on the callout.

Due to technological improvements, employees may be able to handle and resolve a call-out from home that does not require travel to the customer location. In this situation, the employee will be paid a one (1) hour minimum to resolve the problem at home. If the time worked exceeds one (1) hour, then the three (3) hour minimum will apply.

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The Company, at its discretion, may use a “stand-by” differential for any job title as stated in the Wage Schedules based on customer service requirements. Employees on stand-by will provide the service center with a telephone number where they can be contacted and be readily available to respond to service outages. An employee on stand-by will receive \$20.00 per weekday and \$25.00 per day on weekends and holidays. An employee who fails to respond to a service outage during the assigned stand-by period will forfeit stand-by pay for the remainder of the assigned period.

12. An employee who is called from his home at night and required to work during the night from 12:00 midnight or later and works at least four (4) hours shall have a rest period of five (5) hours before starting his normal tour. That portion, if any, of his recuperation period which extends beyond the starting hour of his regularly assigned tour shall be classed as excused time and payment for such time shall be allowed. In the event of a major storm, hurricane or similar general catastrophe employees shall work the hours required in which case the rights in the recuperation clause are waived.
13. **Home Garaging**
In the event employees are assigned to report to a customer location or in order to meet the needs of the business in the most efficient manner, the Company, at its discretion, may utilize a voluntary program of home garaging.

Home garaging, which authorizes employees to commute by Company vehicle between their home and assigned work location, will be utilized according to the following guidelines:

- (a) Under no circumstances will Company vehicles be driven for personal use. The use of a Company vehicle to transport unauthorized passengers, including family members, is not permitted. No alcohol or drugs will be permitted in Company vehicles.
- (b) Company vehicles must be locked and parked in the most secure locations available during the off-duty hours. The Company will be responsible for damages incurred due to vandalism, theft and acts of God, providing the vehicle was properly secured.
- (c) Employees participating in home garaging will be covered by Company insurance and Worker's Compensation for any authorized use of a Company vehicle, including driving to and from Company work assignments during non-paid time.
- (d) Routine maintenance and repair of Company vehicles will be coordinated with the Vehicle Mechanic on duty. Breakdowns will be handled in the most expedient manner available.
- (e) Employees assigned to a customer location/report center on a dedicated basis will arrive at the work location at the beginning of the scheduled tour and will leave the work location at the end of the scheduled tour, unless overtime is required. Paid time for call-out begins when the employee leaves home and ends when the call-out is completed at the customer location.
- (f) On occasion, employees will be required to report to the work center due to a meeting and may be required to receive work supplies and materials at home.
- (g) During PTO periods of one week or more, the employee may be required to return the vehicle to the work center.

- (h) Employees will adhere to all established safety procedures, motor vehicle regulations and state laws pertaining to the operation of a motor vehicle.
 - (i) Extenuating personal circumstances regarding voluntary home garaging will be referred to the immediate supervisor for consideration.
- 14. In cases of the death of a near relative (including spouse, parent, step-parent, child, step-children, sibling including step-brother or step-sister), requiring the employee to make funeral arrangements and/or attend the services, time off for the death and burial up to a maximum of five (5) days paid leave will be granted. In cases of the death of other covered relatives, a maximum of three (3) days of paid leave will be granted. Other covered family members include aunt, uncle, niece, nephew, grandparent, grandchild and in-law (including mother, father, son, daughter, brother, sister, and grandparent).
- 15. The COMPANY will furnish leather work gloves, rubber gloves and rainwear consisting of rain suits and rubber boots for working in inclement weather.
- 16. Uniform service will be provided by the COMPANY to motor vehicle mechanics capped at \$10.00 a week per mechanic.
- 17. The Professional Wear Program will be administered in accordance with the Company's practice.
 - (A) The Company will pay 100% of the cost. Uniforms will be provided to those classifications which the Company deems appropriate. Color, style and items of clothing will be determined by the Company.
 - (B) Garments will be replaced, with supervisory approval, on an as needed basis, upon presentation of the garment to be replaced.

(C) Employees will be required to wear uniforms that are, in the Company's judgment, properly maintained and presentable. The wearing of uniforms will be mandatory during all working hours.

(D) The Company reserves the right to amend, modify in whole or in part or discontinue the program at its sole discretion.

18. Subject to Company policy, regular employees (full and part-time) with six (6) or more months of service are eligible for the Embarq telephone concession plan.

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It is recognized that the Company has the exclusive right to amend, modify wholly or in part this plan.

19. Any full time employee who is subpoenaed as a witness, provided he is not a party to the proceedings, for all duly constituted Municipal, State and Federal courts, or who is lawfully summoned to serve on jury duty shall be paid by the Company at his base rate of pay, for all time necessarily consumed in performing such service, providing the employee immediately notifies his supervisor upon being served with the summons or subpoena. To be eligible for this benefit, employees who are dismissed or released from their subpoena or summons on any day prior to the end of their scheduled tour, shall either report directly for work or immediately contact his/her supervisor for instructions.

20. Emergency work of the type ordinarily done by the employees in the Bargaining Unit shall not be done by supervisory personnel, except in cases where qualified workmen are not available.

21. Meal time will not be paid time.

22. The work week will be five (5) consecutive days when the scheduled work week includes a Sunday. In a week in which a Friday or Saturday holiday occurs, the scheduled work week will be Sunday and three (3) consecutive days.

Scheduled tours ending after 9:00 p.m. shall be of eight (8) hours duration, including a thirty (30) minute lunch period. The employee may be required to remain at the job location.

23. In order to meet the needs of the business in the most efficient manner, the Company, at its discretion, may assign employees a compressed work week schedule Sunday through Saturday. Employees will rotate from a compressed to normal work week schedule based on business need as determined by management. Non-scheduled days during a compressed work week schedule will be consecutive. A compressed work week schedule will be administered in accordance with the following guidelines:

- (a) The scheduled hours for a compressed work week will be determined according to the work load and function. Employees who are assigned to a one-half hour lunch period during a ten hour tour will be required to remain at the work site.
- (b) The overtime rate will apply to all hours worked in excess of ten (10) hours in a day or forty (40) hours in a week.
- (c) PTO scheduled and granted during a compressed work week will be reported as ten or five hours.

Employees who request a PTO day or one-half PTO day with less than ten or five hours of time remaining will report PTO time and excused non-paid equivalent to ten hours.

- (d) When a holiday occurs during a compressed work week, the holiday will be paid on a ten hour basis. Employees required to work on the holiday will be paid one and one-half (1 1/2) the basic hourly rate for all hours worked in addition to holiday pay.
- (e) Tour differential is applicable to tours beginning before 7:00 a.m. and ending after 7:00 p.m.
- (f) Employees entitled to a fifth day of work in accordance with Article XI will be offered the opportunity for eight hours of work on a non-scheduled day.

24. POSTING PLANT WORK TIME SCHEDULES

In the case of those employees whose tours of duty come regularly within the same hours per day and the same days per week, no work time schedules will be posted.

In the case of those employees whose daily and weekly tours vary, work time assignments for each required day of work for the week in question will be posted during the third week preceding the work week involved.

Changes in work time schedules after posting may be made at the request of the employees if approved by management, and changes in posted schedules as regards to the days or hours of the day may be made by the COMPANY at any time, provided that if any such change is made less than one week (7 calendar days) preceding the work day involved, premium time shall be paid for only those hours worked outside the tour reflected in the posted schedule. When the COMPANY initiates a change in the posted work time schedule to cover an employee absence with less than a 48 hour notice preceding the work day involved, premium time shall be paid for only the hours worked outside the tour reflected in the posted schedule.

25. It is mutually agreed that during the life of this Agreement, that the provisioning, installation, maintenance and full installation of DSL services at the customer's location, may be assigned by the Company to qualified bargaining unit employees under the following conditions:

- (A) The Company will identify the number(s) of employees to be trained and certified on DSL installation.
- (B) The Company will select the employees who will receive the training and certification based on interest and aptitude as demonstrated through skills testing.
- (C) The Company may continue to utilize contractors with regards to DSL in compliance with Article XI, Subcontracting, of the Collective Bargaining Agreement.

26. Customer Service Technicians may be required to run cross connections (“jumpers”) in all locations, including central offices, if central office personnel are not readily available.

ARTICLE VII

LEAVES OF ABSENCE

1. No increase shall be made in an employee's rate of pay while on short-term disability or a military leave of absence.
2. Regular employees of the COMPANY covered by this Agreement, who voluntarily enlist in the Armed Forces, or are drafted into the service of the United States Government, during the life of this contract, shall be considered as "furloughed" employees and shall continue to accumulate seniority with the COMPANY during the time that they are in service, provided:
 - (a) Such employees are honorably discharged from the service;
 - (b) That such employees report for reemployment with the COMPANY within ninety (90) days (Merchant Marine - 40 days) after being eligible for discharge from the service of the United States;
 - (c) Are physically qualified to work; and
 - (d) If they comply with the service limitation provision of Section 9 of the Universal Military Training and Service Act.
3. Family Leave will be provided in accordance with regulations outlined in the Family Medical Leave Act (FMLA).

Notwithstanding anything to the contrary, where any one clause or article of this contract is applicable to a request for a leave of absence as defined by the Family and Medical Leave Act of 1993, and the contract provides for a greater level of benefits than are required under the FMLA, the provisions of the contract shall prevail. In no instance shall the contract diminish any rights guaranteed under the Act.

The company shall have the final discretion with regards to those options where the employer is provided with discretion under the FMLA.

ARTICLE VIII

HOLIDAYS

1. The following days shall be understood to be holidays, within the limitations defined, for all regular employees:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

2. When any of these holidays falls on a Sunday, and custom causes it to be observed on the following Monday, it shall be so observed.
3. When a holiday, or a day observed therefore, falls on an employee's scheduled work day, it may be allowed as a day off, without deduction in pay. Any employee not scheduled to work on the holiday will be allowed one (1) day's straight-time pay for the holiday, and such holiday paid time shall be considered as time worked for the purpose of computing overtime. All holidays falling on a Saturday will be treated in like fashion with those which occur during the normal work week.
4. An otherwise eligible employee who does not report for work on a holiday when requested to do so, shall not receive holiday pay except in the case of verified illness, death in family or personal emergency reasons.
 - (a) Personal emergency reasons shall be limited to those reasons involving the health or welfare of the employee or his or her immediate family.
 - (b) **Employees who are absent on their regular scheduled workday immediately prior or immediately following the holiday shall not receive pay for the holiday unless excused by the company.**

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5. If an authorized holiday falls within an employee's PTO period, time off with pay will be granted, equal to the number of hours for which the employee would have been entitled to receive pay for the holiday. Such additional day must be selected at the same time the PTO week has been selected. This additional day will not necessarily be consecutive with a PTO period. Such additional day will be granted on no more than two (2) occasions to the same employee in any calendar year, except in extenuating circumstances, the Company may grant specific approval for more than two (2) such occasions in any calendar year.
6. For work on a holiday:
 - (a) Employees (if on a day otherwise normally scheduled to work) shall receive a total of one (1) day's straight-time pay for the holiday plus one and one-half (1 1/2) times their hourly straight-time pay for each hour worked on the holiday.
 - (b) Employees (if the holiday falls on a day not normally scheduled to work) shall receive one and one-half (1 1/2) times their straight-time pay for each hour worked on the holiday.
 - (c) The provisions contained herein for compensating an employee for time worked on a week day shall apply to all hours worked on an observed holiday during normal tour.
7. Premium pay for time worked on a holiday shall not be duplicated ("pyramided").

ARTICLE IX

PAID TIME OFF

Section 1

Paid Time Off (PTO) is a program where an employee manages his/her paid time away from work and has the flexibility to use PTO hours based on the employee's personal needs.

PTO hours are provided for all incidental absences from work. The employee must use all available PTO hours before hours can be taken unpaid, except in situations where FMLA-covered absences will exceed five consecutive days. In that case, the employee will have the opportunity to elect whether to take PTO hours or an unpaid absence. In all other situations, the employee will not have the opportunity to choose.

Section 2

Regular Full-Time employees will earn PTO based on their cumulative length of continuous service as shown in the following schedule. Regular

Part-Time employees will earn PTO based on their cumulative length of continuous service and on the basis of hours worked in relation to 2,088 hours per year.

<u>Length of Service:</u>	<u>Eligibility</u>
0 to fewer than 2 years	16 days
2 years but fewer than 5 years	18 days
5 years but fewer than 15 years	23 days
15 years but fewer 25 years	28 days
25 years and over	33 days

If an employee's hire date is on or before the 15th of a month, he/she will be credited with eligible hours for that first month. If an employee's hire date is after the 15th of a month, no credit would be given to the employee for the first month.

Section 3

The PTO year which shall be used in computing the amount of paid time off shall be from January 1st through December 31st of each year in which this Agreement continues in effect, except that in the anniversary year of 2, 5, 15, and 25 years the employee earns PTO at the higher rate for the entire year.

Section 4

The Paid Time Off program includes both Scheduled PTO and Unscheduled PTO. Scheduled PTO are those hours selected by the employee in accordance with the PTO selection process as outlined in Section Article. Unscheduled PTO occurs when an employee requests time away from work that is not pre-scheduled.

Scheduled PTO hours are included as part of a regular work week for overtime purposes. Unscheduled PTO hours are not included as part of the standard work week for overtime purposes.

Section 5

Employees retiring on pension will be given the full unused PTO to which they are entitled to by years of service.

Scheduling of PTO shall take into account both the service requirements and employee's preferences according to seniority of the employees. Where service requirements do not permit, an employee may be required to postpone or cancel his or her scheduled PTO for the current year. In the event that cancellation of earned PTO time is necessary, the employee will be paid the equivalent of his or her earned PTO time. This provision may be amended to permit postponement or carry-over (but not accumulation), up to March 31 of the following calendar year.

Section 6

PTO may not be accumulated from year to year, nor may PTO be postponed from one year to another. Employees are encouraged to schedule and take all PTO within the calendar year. However, due to business needs, an employee may not be able to take all of his or her PTO time in the current year. In these instances, up to 40 hours of carryover will generate automatically for use by March 31 of the following year. This includes employees on Short Term Disability and/or Worker's Compensation.

Employees may not receive pay in lieu of PTO.

Section 7

Scheduled PTO shall be on the basis of full calendar week or weeks except that one week of PTO, where the employee is eligible for two or more weeks, may be taken a day or days at a time. PTO taken a day or days at a time is subject to the following conditions:

1. One-week advance notice with supervisory approval. Supervisor can waive notice at his/her discretion.

2. Regular scheduled PTO in weekly increments take precedence over day or days at a time request.
3. Such requests will be honored on a first come, first served basis and not subject to seniority.

Section 8

PTO hours earned but unused will be paid out at termination.

Section 9

PTO eligibility schedules by job classification shall be posted by October 15, employee selection will begin November 1 and the entire selection procedure must be completed by December 31. Employees will be contacted in seniority order to select PTO and employees who do not make a selection at the time they are contacted must wait until all other employees are contacted.

Full weeks PTO will be selected prior to selecting individual days. PTO not selected by December 31 will be assigned from the remaining weeks available.

Individual days may be selected and scheduled or employees must select reserve time for these days. Individual days selected but not taken prior to the reserve time must be taken during the reserve time. The period during which reserve time may be scheduled shall extend from January 1 through March 31 of the following year.

Approved PTO schedules shall be posted by January 15. Once PTO schedules are completed, changes initiated by employees shall not be made unless acceptable both to the employees involved and to the COMPANY.

ARTICLE X

SENIORITY

1. New employees with less than twelve (12) months of continuous employment with the COMPANY shall be deemed to be without seniority rights. It is understood that upon satisfactory completion of the twelve (12) month period, employees shall be placed upon the seniority list as of their hiring date and be eligible to bid on posted vacancies. The Company shall have the right to discharge employees during this time period and such discharge shall not be subject to the arbitration provisions of this Agreement.

The twelve (12) month period for new employees may be extended by mutual agreement between the Company and the UNION.

2. Employees hired for special jobs shall be considered temporary employees for the duration of such project, up to a maximum of six (6) months. Temporary employees shall not participate in overtime if regular qualified employees are available for the performance of such overtime work as may be necessary.
3. Management employees returning to the bargaining unit will not be credited for seniority accrued while in management, except for system-wide pension and benefits.
4. Notices of all job vacancies, when and where determined to exist by the company will be posted to employees in a manner determined by the company. The posting will describe the job duties and the qualifications required for the position as determined by the company. The company will seek to fill the vacancy from those employees bidding based upon these qualifications. In the event two or more bidders have substantially equal qualifications, the bidder with the greater company-wide seniority shall be awarded the job.

At locations where employees have computer access and where technologically feasible, the company shall have the right to utilize an electronic method for posting job vacancies. The company shall provide training to employees before implementing an electronic method. The company shall notify the union in advance prior to implementing any electronic method.

If no employee bids or qualifies for the job, the company may fill the job at its discretion. An employee who is awarded the job will be restricted from the bidding process for a period of 24 months. This restriction will be waived should the company announce a layoff in the employee's job classification.

ARTICLE XI

SUBCONTRACTING

The company will not subcontract any work normally performed by bargaining unit employees should such subcontracting cause the layoff of bargaining unit employees. It is understood that certain work is not within the scope of bargaining unit employees; such as work for which employees are not equipped or trained.

ARTICLE XII

WORK FORCE ADJUSTMENT

The COMPANY shall determine the necessity for and extent of any required force adjustment. In the event it becomes necessary to lay off employees, the following procedures shall be applied:

1. Work force reductions will be by job classification and by inverse order of seniority. Employees wishing to volunteer for layoff will be selected in descending order of seniority.
2. The Company will notify the UNION and the employees designated for layoff at least fifteen (15) working days prior to the effective date of layoff. In lieu of such notice, the employee will be paid three (3) weeks' pay at the employee's basic weekly wage rate in addition to the employee's allotted severance allowance.
3. An employee who is about to be laid-off may request transfer to a job in the same or dissimilar job classification with the company providing all of the following qualifications are met:
 - (a) The job is vacant and at the Company's option will be filled or the incumbent employee has less company service

than the transferring employee. Company service is defined as the System Service date reflected in the employee's current E.I.R.

- (b) Transfers may only occur on a lateral or downward basis as determined by the maximum wage rates for the wage schedules involved.
 - (c) The transferring employee has had previously recognized experience in the Eastern Group in the job to be filled and was fulfilling the basic requirements of the job when he/she previously vacated the position; except a senior employee may displace a less senior employee in the Central Office Attendant, Coin Collector, Custodian and Material Handler classification, provided the employee is capable of performing the duties required for that classification without physical restriction.
 - (d) The transferring employee can perform, in the judgment of the Company, the basic requirements for competence in the job without additional training or physical restriction.
 - (e) In all cases, the most senior employee requesting transfer must displace the least senior employee in the occupational classification to which he/she is requesting transfer. Multiple requests to displace the same incumbent shall be granted on a seniority basis, as defined in Section 3, a., providing all elements of Section 3 are met by all employees requesting transfer.
4. Employees affected by work force reduction, who elect not to transfer, shall be separated without loss of recall rights or severance pay.
 5. Employees requesting transfer in order to avoid work force reduction must provide written notification of their intent to the Company within 5 calendar days following the work force reduction notification. Management shall review their request to determine compliance with Section 3 of this policy and shall advise the employee of the status of their transfer request within 5 calendar days following the receipt of the request for transfer.

Employees not complying with these time frames or not electing to transfer, may not elect to transfer after the expiration of the five (5) calendar day decision period specified in this section.

6. Employees who are displaced will be given notice as specified in Section 2 and may, if applicable, exercise their rights to transfer under the provision of this policy.
7. Travel and moving expenses resulting from transfer will be the sole responsibility of the transferring employee.
8. Employees temporarily working out of classification or location at the time of a work force reduction will be considered to be within their formal/permanent job title and original reporting center for purposes of this policy.
9. Employees granted transfer under the provisions of this policy will be prepared to report to their new work location/job at the time specified by the Company.
10. Laid-off employees will receive severance pay as follows:
 - (a) An employee with five (5) years of service or less will receive one week's pay for each year of service.
 - (b) An employee with more than five (5) years of service but not more than ten (10), will receive five (5) weeks' pay plus two (2) weeks' pay for each year of service between six (6) years and ten (10) years.
 - (c) Employees with more than ten (10) years of service will receive fifteen (15) weeks' of pay plus three (3) weeks' pay for each year of service thereafter, providing that in no event shall the severance pay exceed fifty-two (52) weeks' pay.
11. Service must be continuous as dated by the system service date. Fractional parts of years amounting to less than 6 months are disregarded. Fractions of 6 months or more are counted as a full year. Severance pay allowance applies only to regular, full-time employees, and is paid weekly for a maximum payment of 52 weeks.

12. The severance allowance of a returning employee ceases beginning the first day the employee is scheduled to return to work following recall. If an employee who has been laid off and paid a severance allowance is subsequently reemployed and again laid off, the severance allowance in the case of the subsequent layoff(s) is based upon the employee's aggregate length of service minus the number of weeks of severance allowance paid on a previous layoff(s).
13. **RECALL** - When rehiring in any occupational classification following a layoff, the Company will first offer the job to a more senior employee who meets the job's requirements defined in Section 3 and who was transferred from that classification due to the layoff. Refusal by an employee to accept reassignment to his/her pre-layoff position will relieve the Company of the obligation to offer such future assignments to the employee. If there is no such employee who was so transferred, then the Company will offer reemployment to those less senior employees who have been laid off in that occupational classification in the inverse order in which said employees were laid off.
14. The Company will have fulfilled its obligation hereunder with respect to any laid off employee, by offering reemployment by registered mail addressed to the laid off employee's latest address as shown by the records of the Company. Any such laid off employee must respond and be available for reemployment within seven (7) calendar days after the date of the offer; otherwise the laid off employee shall be deemed to have refused reemployment and the Company's obligation shall be terminated. Unavailability for reemployment within seven (7) calendar days after the date of the offer will result in the forfeiture of remaining severance pay and recall rights.
15. The Company shall not be obligated to recall any employee after one (1) year following the employee's last day worked.
16. Notwithstanding the provisions above, the Union and the Company may, by mutual agreement, establish some alternative procedure for accomplishing any force adjustment which may be necessary. The Company will not be obligated to implement alternatives proposed by the Union.

17. Central Office Technicians and Equipment Installers will be considered as the same title for layoff purposes.

ARTICLE XIII

EMPLOYEE INCOME PROTECTION PLAN FOR BARGAINING UNIT EMPLOYEES

- (A) If during the term of this agreement, the Company notifies the Union in writing that technological change (defined as changes in equipment or methods of operation) has or will create a surplus in any job title in any work location which will necessitate layoffs or involuntary permanent reassignments of regular full-time employees to different job titles involving a reduction in pay or to locations requiring a change of residence, or if a force surplus necessitating any of the above actions exists for reasons other than technological change and the Company deems it appropriate and in the exercise of its sole discretion, employees in the affected job titles and work locations who have at least twenty (20) years of continuous service (as defined in the United System Employee Retirement Plan) and whose age is at least 55 years as of the date of the Company's notice to the Union, may elect, in the order of seniority, and to the extent necessary to relieve the surplus, to leave the service of the Company and receive Employee Income Protection benefits described in paragraph b. of this section subject to the following conditions:
1. The Company shall determine the job titles and work locations in which a surplus exists, the number of employees in such titles and locations who are considered to be surplus, and the period during which the employee may, if he or she so elects, leave the service of the Company pursuant to this section. Neither such determination by the Company nor any other part of this section shall be subject to arbitration.
 2. The number of employees who may make such election shall not exceed the number of employees determined by the Company to be surplus.
 3. An employee's election to leave the service of the Company and receive Employee Income Protection benefits must be in writing and transmitted to the Company within 30 days from the date

the Company makes notification of any such change or surplus in order to be effective and such election may only be revoked within such 30-day period.

4. Employees who elect to receive benefits under the provisions of this section shall not be entitled to other severance pay benefits or other benefits which may be provided to laid-off employees but shall be entitled to receive those benefits applicable to retirees, if the employee elects to retire. No employee shall be required to retire in order to receive Employee Income Protection Plan payments.
 - (B) Employee Income Protection payments for employees who so elect to leave the service of the Company in accordance with paragraph a. shall begin within one month after such employee has left the service of the Company to continue until 48 payments have been made.
 - (C) For employees who so elect in accordance with paragraph a, the Company will pay monthly as Employee Income Protection payments, \$8.00 for each year of continuous service plus 35% of the employee's final basic weekly or equivalent wage rate but, in no case to exceed in aggregate a total of \$475.00 per month. The maximum amount of Employee Income Protection benefits payable shall in no event exceed a total of \$22,800.
 - (D) In no event shall the total of the Employee Income Protection payments exceed the equivalent of twice the employee's annual compensation at the basic weekly wage rate (or its equivalent) received during the year immediately preceding the termination of service.
 - (E) As used in this section, "annual compensation at the basic weekly rate (or its equivalent)" or "basic weekly wage rate (or its equivalent)" do not include tour or temporary differentials, overtime pay, or other extra payments.
 - (F) Payments hereunder shall cease upon the employment of a recipient by the Company or any affiliated or subsidiary companies of **Embarq** Corporation.
 - (G) In the event of the death of a recipient of Employee Income Protection payments before all of the monthly payments to which he

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is entitled have been made, the remaining amount shall be paid to the individual's estate.

- (H) When the surplus is not relieved by a sufficient number of employees accepting the Company's offer under provisions of this section, the Company may lay off employees as provided under other provisions of this Agreement.

NOTES:

1. Payday will be on alternating Fridays and the method of payment will be direct deposit. If a Friday payday is also a holiday, the preceding Thursday shall be the payday. Adjustments for overpayment or underpayment of hours in excess of 80 will be reflected on the following regularly scheduled payday.
2. It is mutually agreed that the growth of the business is beneficial to all employees. It is agreed and understood that all customer contact employees may be required to perform informal and direct sales work as part of their normal job duties. The Company has the right to establish sales incentive and promotional programs to stimulate sales of its products and services and will notify the Union prior to the implementation of any new program.

Nothing in this Agreement shall affect or limit the right of the Company to develop and implement, modify or delete such recognition programs, incentive programs as it chooses; or to pay such individual bonuses or commissions in such amounts or percentages as it may desire, to reward employees for improved performance or efficiencies or otherwise. If and to the extent that any such recognition programs, incentive programs, individual bonuses, or commissions may be awarded, such award shall not constitute a binding precedent or practice with respect to any future recognition programs, incentive programs, individual bonuses, or commissions.

The Company agrees to provide affected employees with a written statement of their incentive, bonus and/or commission plans, including any changes which might be made thereto from time to time, in advance of the effective date of such plan or changes. Such statement shall reflect the method of computation of such incentives, bonuses and/or commissions. Nothing in any such plan may penalize, or in any way disadvantage, an employee for not achieving any of the incentives offered.

The Company agrees to give 30 days advance notification to the Union and to allow feedback by the Union prior to notifying affected employees of the implementing, modifying, or deleting of any recognition programs, incentive programs, bonuses, or commissions under the provisions of this Section.

3. Wage increases due from the first to the 15th inclusive of the month will become effective on the Sunday closest to the first of the month. Wage increases due from the 16th to the end of the month will become effective on the Sunday closest to the first of the following month.
4. An employee engaged or reengaged as a regular employee may be employed at and progress from such a rate in excess of the established starting rate as may be commensurate with his previous training, employment and experience.
5. Employees transferred from a lower rated job to a higher rated job will begin the new job at the rate step on the higher wage schedule which is the same or immediately greater than his/her rate of pay on the lower wage schedule. The employee will progress on the new wage schedule 6 months from the starting date of the new job.
6. Employees who are permanently reassigned, voluntarily or involuntarily, to a lower rated job will receive the rate of pay of the appropriate rate step on the lower schedule. (Example: An employee at the 36-month step on the higher schedule will be paid the 36-month rate on the lower schedule.)
7. Employees working in any of the classifications covered under Article XIV of this Agreement may be required to work in another classification when necessary and so long as such does not cause an employee to be laid off.
8. Employees covered by the Agreement who are at the maximum rate in their classification and who are temporarily assigned and work for one complete tour in a classification with a higher maximum rate, shall be paid at the higher rate for the time worked in the classification with the higher maximum rate.

9. Employees who are in progression and who are temporarily assigned and work for one complete tour in a classification with a higher maximum rate shall be paid the hourly rate for their months of service as applicable in the higher classification's wage schedule for the time worked in the classification with the higher maximum rate.

DIFFERENTIALS:

Employees temporarily assigned in a group leader capacity or to assist management in the performance of non-bargaining unit work will receive a differential of \$1.50 per hour in addition to the rate of pay due for all such hours. Assignments as a group leader shall not exempt employees from performing their normal job duties to the extent possible.

A differential of 10% of the basic hourly rate shall be paid for all hours worked after 7:00 p.m. and before 7:00 a.m.

ARTICLE XIV

PENSION AGREEMENT

The Company has adopted the **Embarq** Retirement Pension Plan (the "Retirement Pension Plan") and agrees to include employees covered by this Agreement as members of such Retirement Pension Plan in accordance with the Pension Agreement, which by reference thereto is incorporated herein and made part of this Agreement. Said Pension Agreement shall be continued without modification for the life of this Agreement; provided, however, the Company (and for this purpose only, "Company" shall include **Embarq** Corporation) retains the right to make such changes in the Retirement Pension Plan, in its sole discretion, as may be required to obtain a ruling from the Commissioner of Internal Revenue that the Retirement Pension Plan qualifies under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, and that the Trust implementing the Retirement Pension Plan is exempt from taxation under Section 501(a) of said Code, to satisfy any applicable state or federal statute, regulation, ruling, court decision or other law applicable to said Retirement Pension Plan, or to administer said Retirement Pension Plan in an orderly and efficient manner. Any such action taken by the Company in

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its sole discretion with respect to the Retirement Pension Plan shall apply to all similarly situated employees of the Company in a uniform manner. The Company pays all contributions to the Retirement Pension Plan.

PENSION AGREEMENT

Between

UNITED TELEPHONE COMPANY OF NEW JERSEY, INC.
(LAFAYETTE EMPLOYEES)

and

LOCAL UNION 827, IBEW, AFL-CIO

Section 1 - Embarq Retirement Pension Plan

The Company agrees to provide to Covered Members, through the **Embarq** Retirement Pension Plan (the "Retirement Pension Plan"), the benefits hereinafter specified in this Agreement effective **January 12, 2007**. All terms defined in the **Embarq** Retirement Pension Plan shall have the meaning specified therein unless the context of this Pension Agreement clearly indicates otherwise.

Covered Member shall mean an employee of United Telephone Company of New Jersey, Inc. (Lafayette employees) represented by Local Union No. 827 of the IBEW, AFL-CIO, who is a member of the Retirement Pension Plan pursuant to Article 2 of the Retirement Pension Plan.

The provisions of the Retirement Pension Plan, other than Section 3.2, Retirement Allowance on Termination of Employment or Retirement, including the rights of the Board of Directors of Embarq Corporation to make such amendments as it deems advisable with respect to all of the provisions of the Retirement Pension Plan other than those referred to specifically in this document, are incorporated herein by reference and shall be in full force and effect provided that continuous service and credited service shall be determined in accordance with definitions in Sections 1.13 (b), Continuous Service, and 1.15 (b), Credited Service, respectively of the Retirement Pension Plan, except as specifically provided to the contrary herein.

Anything contained in the Retirement Pension Plan to the contrary notwithstanding, the tables of monthly benefit per year of service hereinafter described shall apply to a Covered Member until revised by a subsequent Pension Agreement. This Pension Agreement shall terminate when the contract between the Company and the Bargaining Unit terminates. Upon

the termination of this Pension Agreement, if as of such date a subsequent Pension Agreement between United Telephone Company of New Jersey, Inc. (Lafayette employees) and Local Union No. 827 is not in force, the retirement allowance of any Covered Member shall be determined as of such date and shall not increase for any reason until the effective date of a subsequent Pension Agreement. No credited service shall be earned following such date. Continuous service shall continue to be earned in accordance with Section 1.13 (b), Continuous Service, of the Retirement Pension Plan. A Covered Member may retire as provided in the Retirement Pension Plan following such termination date and receive the retirement allowance determined as of the termination date, provided, that such allowance shall be adjusted as provided in the Retirement Pension Plan if it is paid in a form other than a life annuity or commences on a day other than the Covered Member's normal retirement date, as defined in the Retirement Pension Plan.

Section 2 - Eligibility for Benefits

The number of years of continuous service required to be eligible for an early or disability retirement allowance is 10 years, and for a vested retirement allowance is 5 years. The other requirements for eligibility for early and disability retirement allowances will not be changed.

Section 3 - Amount of Allowance

- (a) The amount of the retirement allowance payable in the form of a life annuity to a Covered Member who retires under normal or early retirement under Article 3, Retirement Allowance, of the Retirement Pension Plan shall be based on the Covered Member's age in years and completed whole months, job classification and credited service at termination of employment; and date of termination of employment, or normal retirement date if earlier, determined from the attached tables, by multiplying the appropriate monthly benefit per year of service by the number of years of credited service, subject to the provisions contained in Article 4, Provisions Relating to Pension Agreements, of the Retirement Pension Plan.
- (b) The amount of the retirement allowance payable in the form of a life annuity to a Covered Member who is retired under a Special Early Retirement Allowance as defined in Section 1.56 of the Retirement Pension Plan shall be equal to the benefit determined in

paragraph (a) above using the appropriate monthly benefit per year of service for a Covered Member age 65 at the time of the Covered Member's termination of employment, reduced by 5/24 of 1% for each month by which the Covered Member's actual retirement date precedes his normal retirement date.

- (c) The amount of the retirement allowance payable in the form of a life annuity to a Covered Member who is entitled to a deferred vested early retirement allowance as defined in Section 1.16 of the Retirement Pension Plan shall be equal to the benefit determined in paragraph (a) above using the appropriate monthly benefit per year of service for a Covered Member age 65 at the time of the Covered Member's termination of employment.
- (d) The amount of the retirement allowance payable in the form of a life annuity to a Covered Member who is retired under Disability Retirement under Section 3.3 of the Retirement Pension Plan shall be equal to the benefit determined in paragraph (a) above using the appropriate monthly benefit per year of service for a Covered Member age 65 at the time of the Covered Member's termination of employment.
- (e) Upon the death of a Covered Member described in Article 8, Spousal Allowance, of the Retirement Pension Plan prior to his normal retirement date or his retirement, whichever occurs first, an allowance shall be payable to and for the life of his surviving spouse, provided that he and said spouse have been married throughout the one-year period ending on the date of his death. The amount of the spouse's allowance payable to an eligible spouse shall be the benefit described in paragraph (a) above which would have been payable to such spouse had the Covered Member retired early in accordance with Section 1.20, Early Retirement Allowance, of the Retirement Pension Plan and benefits had commenced on the first day of the month preceding his date of death. If the Covered Member had not attained age 55, the benefit described in paragraph (a) above shall be that which applies at age 55.

ARTICLE XV

SAVINGS PLAN AGREEMENT

The Company has adopted the **Embarq** Retirement Savings Plan for Bargaining Unit Employees (the "Retirement Savings Plan") and agrees to include employees covered by this Agreement as members of such Retirement Savings Plan as soon as administratively feasible following ratification of this Agreement, in accordance with the Savings Plan Agreement as included below. In addition, the Company agrees to withhold employee contributions as provided in said Savings Plan Agreement and to make Company contributions thereto. Said Savings Plan Agreement shall be continued without modification for the life of this Agreement; provided, however, the Company (and for this purpose only "Company" shall include **Embarq** Corporation) retains the right to make such changes in the Retirement Savings Plan, in its sole discretion, as may be required to obtain a ruling from the Commissioner of Internal Revenue that the Retirement Savings Plan qualifies under Section 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended from time to time, and that the Trust implementing the Retirement Savings Plan is exempt from taxation under Section 501(a) of said Code, to satisfy any applicable state or federal statute, regulation, ruling, court decision or other law applicable to said Retirement Savings Plan, or to administer said Retirement Savings Plan in an orderly and efficient manner. Any such action taken by the Company in its sole discretion with respect to the Retirement Savings Plan shall apply to all similarly situated employees of the Company in a uniform manner.

SAVINGS PLAN AGREEMENT

between

UNITED TELEPHONE COMPANY OF NEW JERSEY, INC.
(LAFAYETTE EMPLOYEES)

and

LOCAL UNION 827, IBEW, AFL-CIO

Section 1 - **Embarq** Retirement Savings Plan for Bargaining Unit Employees

(a) The Company agrees to provide a means for employees to save for their retirement on a tax-deferred basis through the **Embarq** Retirement Savings Plan for Bargaining Unit Employees (the "Retirement Savings Plan"). Employee and Company contributions to said Retirement Savings Plan are specified in this Agreement. All terms defined in the Retirement

Savings Plan shall have the meaning specified therein unless the context of this Savings Plan Agreement clearly indicates otherwise.

Participation shall be in accordance with Article 2, Participation, of the Retirement Savings Plan.

Section 2 - Employee Contributions

(a) Basic Contributions

- i. Each Participant shall be allowed to have his wage reduced bi-weekly up to the appropriate maximum bi-weekly amount specified in Appendix C. Such bi-weekly wage reduction shall be in multiples of \$2 and shall be contributed to the Participant's account. Such bi-weekly wage reduction shall be known as "Basic Contributions."
- ii. The minimum Basic Contribution shall be \$10 for each bi-weekly pay period.

(b) Supplemental Contributions

Each Participant who has had his wage reduced by the appropriate maximum amount in Section 2 shall be allowed to have his wage reduced in multiples of \$2, which amount shall not exceed the amount specified in Appendix C. Such amount shall be known as Supplemental Contributions".

(c) Catch-Up Contributions.

Effective January 12, 2004, each eligible Participant shall be permitted to make Catch-Up contributions as defined in the plan document. Upon attainment of age 50, a participant may contribute an additional per year to the extent provided by Section 414(v) of the Internal Revenue Code and under procedures established by the Embarq Savings Plan Committee.

Section 3 - Company Contributions

- (a) The Company may contribute the Company matching contributions equal to the same percentage of the Participant's Basic Contribution as applies to non-represented employees
- (b) The Company may provide an increased Company contribution based on the same performance measurement standard that applies in the Retirement Savings Plan for non-represented employees.

Section 4 - Investment Options

- (a) As provided for in the Retirement Savings Plan, a certain number of investment options (funds) will be available for Participants to invest their own Contributions. The percentage of contributions allocated to any investment option shall be in whole percent increments with a minimum of five percent (5%) to an investment option.
- (b) The Company matching contribution for each Participant shall be invested as specified in the plan document for the Retirement Savings Plan.
- (c) The Company shall designate the investment vehicle for each investment fund and can change any investment vehicle at any time.

Section 5 - Services

Represented employees are included in the same processing services for transactions under the Retirement Savings Plan for the same fees as non-represented employees.

Changes to these services and fees, if any, will be made at the sole discretion of the Company. Such changes, however, will continue to be equal to the services and fees offered to non-represented employees.

Section 6 - Administration of the Retirement Savings Plan

At its sole discretion, the Company shall designate the agent for maintaining participant records and processing transactions for the Retirement Savings Plan. The Company may change the designated agent at any time.

Section 7 - Diversification

Effective January 11, 2004, the Retirement Savings Plan will provide diversification options for the Company contribution on the same basis that applies to non-represented employees.

ARTICLE XVI

MEDICAL INSURANCE

Flexible Benefits Program

Effective **January 12, 2007**, and continuing for the life of this Agreement, the Company agrees, subject to the limitations described below, to include employees subject to this agreement in the **Flexible** Benefits Plan as it is applicable to non-represented employees of the Company. The components of the **Flexible** Benefits Plan available to employees subject to this agreement include the following benefit options: Medical, Prescription Drug, Dental, Vision Care, **Supplemental Long-Term Disability**, Health Care Reimbursement Account, Dependent Day Care Reimbursement Account, Employee Life Insurance, Dependent Life Insurance, and Accidental Death and Dismemberment Insurance. **The Company agrees to provide eligible employees with Basic Long-Term Disability coverage.**

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The annual price tags for the medical, prescription drug, and dental coverage options under the **Flexible** Benefits Plan will be the same as those applicable to non-represented employees of the Company. On an annual basis, employees will be credited with benefit dollars the same as those applicable to non-represented employees of the Company.

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The Company, at its sole discretion, shall designate the insurance carrier(s) and the agent(s) for processing claims and other transactions for the **Flexible** Benefits Plan and the individual components thereof. The Company may change the insurance carrier(s) and/or the claims administrator(s) at any time provided that the Company first provides notice to the Bargaining Unit thereof.

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As provided in the various Summary Plan Descriptions, the Company reserves the right to amend or terminate any one of the various components of the Flexible Benefits Plan at any time, including changing the

deductible, co-payment, and maximum out-of-pocket amounts for certain health care options so long as the changes are uniformly applied to all eligible employees, both non-represented and bargaining unit employees.

VOLUNTARY BENEFITS PROGRAM

Effective as soon as administratively feasible, and continuing for the life of this Agreement, the Company agrees, subject to the limitations described below, to include employees of the Company. The components of the Voluntary Benefits program available to employees may include, but not be limited to, Automobile Insurance, Homeowners Insurance, Long Term Care Insurance, Pet Insurance, Universal Life Insurance coverages, Legal Services, and Critical Illness Insurance.

It is understood that employees will be responsible for the entire cost for each component of the Voluntary Benefits program. At its sole discretion, the Company may permit employees to have the required costs withheld through payroll deduction.

In addition, at its sole discretion, the Company shall designate the insurance carriers(s) and/or the agents(s) for the various components of the Voluntary Benefits program. The Company may change the insurance carrier(s) and/or the agent(s) at any time provided sufficient notice is given. The Company will provide the insurance carrier(s) and/or the agent(s) with all applicable employee information needed to offer the program. The Company also reserves the right to modify or terminate any one of the various components of the Voluntary Benefits program at any time so long as the changes are uniformly applied to all eligible employees, both non-represented and bargaining unit employees.

ARTICLE XVII

NON-DISCRIMINATION

1. The COMPANY and UNION agree they will abide by State and Federal laws and will not discriminate against any employee or group of employees because of their race, creed, color, sex, national origin or age or because the employee is handicapped, a disabled veteran, or a veteran of the Vietnam Era, or has a physical or mental disability. The Company shall have the right to take all actions necessary to comply with the Americans with Disabilities Act.

2. Any employee who engages in activities constituting sexual harassment will be subject to disciplinary action up to and including discharge. The Union shall support the Company's policy that sexual harassment by any employee against any other person will be cause for immediate and severe disciplinary action.

ARTICLE XVIII

BRIDGING OF SERVICE

1. Reengaged employees who have worked for a continuous period of five (5) years for the Company shall receive 100% credit for all previous periods of full time service.
 - (a) The above shall not apply for periods of less than six (6) months' continuous service.

ARTICLE XIX

OUTSIDE EMPLOYMENT

1. The COMPANY agrees that its employees may be gainfully employed by others or self-employed, provided that such employment does not interfere with or detract from an employee's ability to perform his work for the COMPANY or interfere with availability for such work.
2. The COMPANY nor the UNION condones the engagement of any employee in gainful employment for the purpose of the maintenance, administration, sales, repair, design, construction or installation of customer owned or leased equipment that is inter-connected with COMPANY facilities and which in turn provides a service, convenience or facility which is or may be available through COMPANY tariff offerings, gainful employment shall include personal work effort, supervision or training of other workers, and any consultation for which remuneration is made.
3. Should any violation of this Article occur, the employee shall be warned and if the violation continues said employee will be subject to normal disciplinary action.

ARTICLE XX

SAFETY

1. The Company shall make reasonable provisions for the safety of employees in the performance of their work. The Union shall cooperate in promoting the realization of the responsibility of each employee with regard to the prevention of accidents. The Company may issue safe working and operating practices to implement safe job performance.
2. A valid driver's license is a bona fide occupational qualification for any position requiring the operation of a company vehicle. When an employee in a driving position loses his/her license for Driving Under the Influence (DUI), the Company and the Union will meet to discuss the employee's situation.

The employee will be required to contact the Employee Assistance Program (EAP) for evaluation and a recommendation for treatment. The employee will also be required to sign a release authorizing the EAP to advise the Company about their findings. Failure to follow the treatment plan may result in discharge.

During the period of suspension, the employee may be temporarily reassigned to a non-driving position or to perform a special project. The employee's rate of pay will be adjusted accordingly, as provided for in Article XIV, Notes, 6. If no such employment is available, the employee must use all available vacation and floating holiday time prior to being granted any unpaid time.

Loss of a driver's license on a second occasion for any reason may result in discharge.

A period of ten years without second offense will remove the first incident from the employee's record.

3. The Company shall provide one calendar year reimbursement of up to \$75.00 for the purchase of safety footwear (shoes or boots) OR for the repair of existing safety footwear for designated employees who are required to wear safety footwear. Designated employees eligible for the reimbursement shall be determined by PPE hazard assessment by the Company (supervisor and Safety).

Reimbursement shall be provided to eligible employees through an expense report or through a similar process determined by the Company.

Receipts shall document proof of the purchase of safety footwear meeting the Company requirements and the ANSI Z41.1 Class 75 standard. Eligible employees may purchase safety footwear from the vendor of their choice.

The Company reserves the right to amend, modify, in whole or in part the program at its sole discretion.

ARTICLE XXI

Short Term Disability

EMBARQ - Short Term Disability

General Plan Information

1.01 What is contained in this document?

This document describes the Short Term Disability (STD) Plan (the Plan) and provides certain information required under the Employee Retirement Income Security Act of 1974, as amended “ERISA”. The Plan is a welfare benefit plan as defined in ERISA. Embarq Corporation “Embarq” costs of providing benefits under the Plan are financed out of its general assets, and, in some states, by purchasing disability insurance. In this document the Embarq Corporation is sometimes referred to as “we” or “us.” We refer to participants as “you.”

1.02 What is the purpose of the Plan?

If you qualify for benefits, this Short Term Disability (STD) Plan provides income protection when you cannot work at your usual job due to an injury or illness incurred either on or off the job. This Summary Plan Description (SPD) describes the benefits and coverage requirements for the benefits.

1.03 Who administers the Plan?

The plan administrator as defined by ERISA is the Employee Benefits Committee (EBC). The EBC is granted the authority to control and manage the operation and administration of the Plan. This authority includes the discretionary authority to determine eligibility for benefits and to construe the terms of the Plan.

The EBC has delegated day-to-day administrative responsibilities to the Director of Benefits, whose address currently is:

Attention: Director, Benefits

5454 W 110th St.

Mailstop: KSOPKJ0208

Overland Park, Kansas 66211

Embarq is also the Plan sponsor. Embarq's federal employer identification number is 22-1154045.

1.04 Which Embarq subsidiaries participate in the Plan?

Embarq and its subsidiaries that participate in the Plan, called "Participating Employers," are listed below:

EMBARQ Corporation

Carolina Telephone and Telegraph Company

Centel Corporation

Central Telephone Company

Central Telephone Company of Texas

Central Telephone Company of Virginia

Embarq Logistics, Inc.

Embarq Management Company

Embarq Midwest Management Services Company

Embarq-Florida, Inc.

Embarq Mid-Atlantic Telecom, Inc.

Embarq – Minnesota, Inc.

Embarq – Missouri, Inc.

Untied Telephone – Southeast, Inc.

United Telephone Company of Indiana, Inc.

United Telephone Company of Kansas

United Telephone Company of New Jersey, Inc.

United Telephone Company of Ohio

United Telephone Company of Pennsylvania, The

United Telephone Company of Texas, Inc.

United Telephone Company of the Carolinas

Untied Telephone Company of the Northwest

United Telephone Company of the West

1.05 What is the effective date of the Plan?

This Plan is effective May 17, 2006. We refer to this date as the "Effective Date." Benefits are available to covered Participants under this Plan beginning May 17, 2006.

This Plan supersedes any other plan providing benefits for income protection to employees of Participating Employers as of this Plan's Effective Date. We refer to these other plans as "Prior Plans" in this SPD.

2. Plan Coverage

2.01 Who is covered by the Plan?

You are covered by the Plan if you meet all of the following coverage criteria:

- Work for a Participating Employer;
- Are not represented by a labor union, or you are represented by a labor union that has bargained for coverage under this Plan;
- Meet one of the Plan's service requirement described in section 2.02, and
- Are a regular, full-time employee, or a regular, part-time employee scheduled to work 20 or more hours per week.

You are not covered by the Plan:

- If you do not meet any of the conditions for eligibility set forth above;
- After your last day worked when your employment with a Participating Employer ends for any reason;
- During any unpaid leave, other than leave under the Family and Medical Leave Act; or
- If this Plan is terminated.

2.02 What are the Plan's service requirements?

Your service requirement depends on your employment status on the Plan's Effective Date.

- If you were covered by a Prior Plan on the Effective Date, you will have met this Plan's coverage requirement on the Effective Date.
- If you were an employee of a Participating Employer on the Effective Date, but were not covered by a Prior Plan on that date, you will meet this Plan's service requirement on the date that you would have been covered under the Prior Plan.
- If you were hired on or after the Effective Date, you will meet this Plan's service requirement on the first day you are Actively at Work, after you have completed one year of Continuous Service with a Participating Employer.

2.03 Who is a “regular full-time” or “regular part time” employee?

The terms “regular full-time” and “regular part-time” employee refers to your designation in Embarq’s payroll system. Employees with a “temporary” designation are not “regular” employees. An individual who is not treated as a “regular” employee on the payroll records of a Participating Employer is not eligible for this Plan, even if a court or administrative agency determines the individual is a common law or other employee of a Participating Employer.

3. Plan Benefits

3.01 When am I entitled to benefits under the Plan?

If you are covered under the Plan, you are entitled to benefits when you meet all of the following criteria:

- You cannot work due to an illness or injury you incur either on or off the job;
- You have an absence due to that illness or injury that is 50% or more of your scheduled work hours each day and continues for more than seven consecutive calendar days, which is referred to as the Waiting Period; and
- You comply with the Claims Procedure described in Section 5.01 of the Plan.

You are not entitled to benefits under the Plan if any of the following apply to you:

- You are not covered by the Plan;
- You qualify for, or are receiving, benefits under a Prior Plan;
- You engage in any activity inconsistent with your application for STD benefits;
- You provide services to any other entity as an employee, consultant, contractor or volunteer;
- The health care providers signing any required forms under the Plan are not licensed by the state or states where the health care providers practice;
- You are not receiving care and treatment that is appropriate or consistent with your illness or injury;
- You have Cosmetic Surgery, except in cases where the Cosmetic Surgery is associated with an illness or injury;
- Fail to undergo an Independent Medical Examination “IME” (as that term is defined later in the Plan) the Plan Administrator deems necessary;

- You refuse to work if a Participating Employer is willing to make accommodations to any restrictions associated with your illness or injury;
- Your illness or injury is in conjunction with your confinement in a penal or correctional institution; or
- Your illness or injury is:
 - ➔ Caused by armed conflict;
 - ➔ The result of an illegal activity, including felonies, or attempted felonies;
 - ➔ Intentionally self-inflicted; or
 - ➔ The result of your active participation in a riot or act of terrorism.

If your employment with a Participating Employer is involuntarily terminated for reasons other than Cause while you are receiving STD benefits, you may continue receiving benefits until (i) your benefits are exhausted, (ii) your health care provider indicates you could have otherwise returned to work, with or without restrictions, or a health care provider providing an IME indicates you could have otherwise returned to work, with or without restrictions.

3.02 Who determines if my illness or injury prevents me from working?

As described in the Claims Procedure in section 5.01, your health care provider must certify that you are unable to work due to your illness or injury and set your return to work date. We may also require that you undergo an IME.

3.03 What is an IME?

An IME is an independent medical examination. For the IME, the Plan selects a health care provider who examines you to determine if you can work, and if not, whether your inability to work is a result of an illness or injury. If a health care provider performing an IME under the Plan determines you can work, with or without restrictions, your benefits under the Plan will cease. That is, you will not receive any further STD benefits unless the health care provider performing an IME under the Plan determines you can not work due to an injury or illness. If the health care provider performing an IME under the Plan indicates you are able to work, or, if you are unable to work, but not because of an illness or injury, the health care provider performing the IME under the Plan has final say and benefits will cease, even if your own doctor says you can not work due to an injury or illness. Your STD benefits may be suspended while an IME is pending.

3.04 If I become entitled to benefits under the Plan, how are my benefits determined?

Benefits under the Plan are based upon your length of service with Participating Employers. The Plan provides benefits up to a maximum of 26 weeks according to the following STD Benefit Payment Schedule:

STD Benefit Payment Schedule

If your length of service is:	Then benefits at 100% of Base Salary are paid for:	And benefits at 60% of Base Salary are paid for:
Less than one year	None	None
One year of service or more	Two weeks of STD benefits at 100% of your Base Salary for each full year of service up to a maximum of 26 weeks	26 weeks of STD benefits at 60% of your Base Salary, less the number of weeks of benefits at 100% of your Base Pay

3.05 If I become entitled to benefits under the Plan, when will they begin?

Your STD benefits will begin after your Waiting Period as described in 3.01.

3.06 If I become entitled to benefits under the Plan, when will they end?

Your STD benefits cease when any of the following apply to you:

- Your health care provider or a health care provider performing an IME under the Plan indicates you may return to work, with or without restrictions associated with your illness or injury;
- You receive the maximum amount of benefits you are entitled to under the Plan;
- You reach the end of your separation pay period under the Embarq Separation Plan; or
- your notice period under the Workers Adjustment and Retraining Notification Act (“WARN”), or the period during which you receive severance pay in lieu of notice under WARN;
- .

- If you begin receiving benefits under the Plan after you are notified in writing that your position with a Participating Employer will be eliminated (as explained in Section 4.01); or
- You are no longer eligible or qualified to receive benefits under the Plan;

Your job will generally be held open for you while you receive benefits under the Plan. However, nothing in this Plan should be construed as a limitation by a Participating Employer to eliminate positions or otherwise reorganize its operations. If you can not return to work when you are no longer eligible for benefits under the Plan, it is your responsibility to contact management and Human Resources to discuss your continued employment.

3.07 What is my Base Salary for purposes of determining my STD benefits?

STD benefits are based upon your Base Salary on your last day worked. If you are an exempt employee, your Base Salary is your weekly salary. If you are a non-exempt employee, your Base Salary is your hourly rate times your regularly scheduled weekly work hours. If you are eligible to participate in the Embarq Corporation Short Term Incentive Plan, sales incentive compensation plans, or any other similar compensation plans, you will earn incentive compensation, if any, according to the terms and conditions of such plans while you receive benefits under this Plan. Payments under the Embarq Corporation Short Term Incentive Plan, sales incentive compensation plans, or any other similar compensation plans are not included in your Base Salary for purposes of this Plan. Payments such as overtime and shift differentials are not included in your Base Salary for purposes of this Plan.

3.08 What happens if my health care provider does not release me on my original return to work date?

If your STD absence requires an extension for medical reasons, you must submit a Health Care Provider Extension form completed by your Health Care Provider. This form must state the reason for the extended absence, have a new estimated return to work date, and be submitted no later than three business days after your original estimated date of return. If your extension request is not received within three business days of your original expected date of return your STD benefits may be suspended or denied.

3.09 What must I do before I can return to work?

You must provide documentation from your health care provider indicating you are able to return to work with or without restrictions. We call this documentation a “Medical Release Form.”

3.10 What happens if I do not provide a Medical Release Form?

You will not be permitted to return to work and STD benefits will cease.

3.11 What if my doctor will not release me to return to work on a full-time basis, but will release me to work part-time?

You may qualify for Partial Benefits under the Plan if (i) your health care provider, or a health care provider performing an IME under the Plan, indicates you are able to return to work on a part-time basis (i.e., less than your regularly scheduled weekly or daily work hours), and (ii) a part time schedule is consistent with the Participating Employer’s allowable schedules of work. In order to qualify for partial benefits under the Plan, your health care provider, or a health care provider performing an IME under the Plan, must determine you are capable of working on a part-time basis and that you will be able to return to full-time within 90 days. Employees who can only return to work on a part-time basis permanently do not qualify for partial benefits under the Plan.

3.12 If I return to work after receiving Plan benefits, and I become entitled to Plan benefits a second time, must I satisfy the Waiting Period again?

If you return to work for more than 30 calendar days after receipt of Plan benefits, you must apply for benefits as outlined in Section 5.01 and you will not be eligible for Plan benefits until after you have satisfied the Waiting Period described in Section 3.01. If you return to work for 30 calendar days or less after receipt of Plan benefits, you are eligible to apply for Plan benefits a second time due to the same illness or injury (“Second Application Same Illness”) that caused you to be entitled to Plan benefits the first time without having to satisfy the Waiting Period, provided you apply for benefits within 15 calendar days of your first date of this absence. However, if you receive benefits for a Second Application Same Illness within 30 calendar days of your return, any additional application for benefits within that same 30 calendar day period will require that you satisfy the Waiting Period described in Section 3.04.

If your Plan benefits ended because an IME determined you could return to work with or without restrictions, regardless of the number of days you return to work after receipt of Plan benefits, you will be required to satisfy the Waiting Period again before further benefits may become available and you will be required to submit a new application along with additional information to support the condition as noted in Section 3.06.

3.13 If I return to work after receiving Plan benefits, and I become entitled to Plan benefits a second time, do I start over on the STD Benefit Payment Schedule described in section 3.04?

If you return to work for less than 182 calendar days, your previous STD benefits will be considered in determining the amount and maximum period of benefits. In other words, you will continue on the STD Benefit Payment Schedule described in section 3.04 based on your service at the first time you became entitled to Plan benefits.

If you return to work for at least 182 calendar days, your previous STD benefits will not be considered in determining the amount and maximum period of benefits.

3.14 What happens if I am overpaid STD benefits?

Overpayments occur when you receive more STD benefits that you are entitled to receive under the Plan. The Plan may recover the overpayments by offsetting such amounts against future payments under the Plan or any other method permitted by applicable law.

4. Coordination with Other Compensation and Benefit Plans

4.01 How do STD benefits coordinate with other plans?

STD benefits coordinate with the Embarq Separation Plan based on when you are notified in writing that your position will be eliminated.

- If you are receiving STD benefits under this Plan when you are notified in writing that your position will be eliminated, you will continue receiving the STD benefits you are entitled to under this Plan and your separation benefits under the Embarq Separation Plan will begin thereafter.
- If you begin receiving STD benefits under this Plan after written notification, you will receive any STD benefits you are entitled to under this Plan only until your separation pay period ends under the Embarq Separation Plan and your STD benefits under this Plan will be offset by any severance benefits you receive under the Embarq Separation Plan or payments made in lieu of notice under WARN or any similar state or local laws. If you are eligible to

receive Workers Compensation benefits under state law and STD benefits under this Plan, your STD benefits will be coordinated with any Worker's Compensation benefits you receive. Your Plan benefits will be limited such that the sum of your Plan benefits and your Workers Compensation benefits will not exceed 85% of your Base Salary, unless otherwise required by state Workers Compensation laws. Social Security disability benefits and benefits under the Plan are also coordinated. You receive the maximum benefits available under this Plan and Social Security, but not the total sum of both benefits. Your Plan benefits will be limited such that the sum of your plan benefits and Social Security disability benefits will not exceed 100% of your Base Salary, unless otherwise required by Social Security laws. Benefits provided under state-mandated, non-occupational disability programs in the states of California, New York, New Jersey and Hawaii are also coordinated.

4.02 Will my employee benefits continue while I receive STD benefits?

Benefits offered under any other plan are subject to the laws pertaining to such plans and the terms and conditions of such plans.

4.03 How does California state disability benefits coordinate with benefits provided under the Plan?

Employees working in California who are eligible to participate in the Plan must apply for state benefits through the state Employment Development Department ("EDD") at the same time they apply for benefits under the Plan. If the EDD benefit is less than the amount of benefits the employee would receive under the Plan, the employee will receive the difference between the amount of the benefit paid by the EDD and the amount the employee otherwise would receive under the Plan upon receipt by the Plan of a Notice of Computation (i.e., an EDD check stub) from the employee. California EDD benefits are primary pay – any Plan benefits will be paid when we receive the notice of computation.

4.04 How does Hawaii state disability benefits coordinate with benefits provided under the Plan?

The Hawaii Temporary Disability Insurance ("TDI") benefit is available for employees who are currently working and have had at least 14 weeks of Hawaii employment both during which the employee was paid for 12 hours or more and met the minimum earnings requirement under the benefit provisions. If an employee is eligible to receive benefits under state law and begins receiving Short Term Disability benefits under Embark's Plan, the STD benefits will be coordinated with any state

mandated benefits the employee receives. The Hawaii State TDI benefit will pay primary and Embarq's STD benefit will pay secondary. If the Hawaii State TDI benefit is less than the amount of benefits the employee would receive under the Plan, the employee will receive the difference between the amount of the benefit paid by the TDI and the amount the employee otherwise would receive under the STD Plan.

4.05 How does New York state disability benefits coordinate with benefits provided under the Plan?

Any employee who is working or has worked for a covered employer in the state of New York for at least four consecutive weeks, may be eligible to receive state mandated New York Statutory Disability ("DBL") benefits. If an employee is eligible to receive benefits under state law and begins receiving Short Term Disability benefits under Embarq's plan, the STD benefits will be coordinated with any state mandated benefits the employee receives. The New York DBL benefit will pay primary and Embarq's STD benefit will pay secondary. If the New York DBL benefit is less than the amount of benefits the employee would receive under the Plan, the employee will receive the difference between the amount of the benefit paid by the DBL and the amount the employee otherwise would receive under the STD Plan.

4.06 How does New Jersey state disability benefits coordinate with benefits provided under the Plan?

The New Jersey Statutory Temporary Disability Benefit ("TDB") is available for any employee who is working or has worked for a covered employer in the state of New Jersey for at least 20 weeks and has earned the minimum wage requirements under the benefit provisions. If an employee is eligible to receive benefits under state law and begins receiving Short Term Disability benefits under Embarq's Plan, the STD benefits will be coordinated with any state mandated benefits the employee receives. The New Jersey TDB benefit will pay primary and Embarq's STD benefit will pay secondary. If the New Jersey TDB benefit is less than the amount of benefits the employee would receive under the Plan, the employee will receive the difference between the amount of the benefit paid by the TDB and the amount the employee otherwise would receive under the STD Plan.

4.07 If I receive STD benefits from this Plan and payments from another party for lost wages, do I need to reimburse the Plan for the benefits I received under the Plan?

The Plan can recover from other parties the STD benefits it pays to you. Because STD benefits are intended to reimburse you for the wages you

lose because of illness or injury, the Plan can “stand in your shoes” and recover from third parties, who caused or contributed to your illness or injury, the benefits you received under the Plan (where permitted by law). If the Plan has this “right of subrogation” you must do anything the Plan reasonably asks you to do to protect these rights and help the Plan recover from the third party. Additionally, by participating in the Plan, you agree that in the event you recover money from a third party (by way of judgment, settlement or otherwise) because they caused or contributed to your illness or injury for which benefits have been paid by the Plan, the Plan is entitled to reimbursement or indemnification for 100% of the STD benefits you received and can recover this amount from any judgment or settlement you receive from the third party. This provision applies even if there is a dispute about the amount or existence of a reimbursement or subrogation obligation by you or your counsel.

5. Claims Procedure

5.01 How do you make a claim for STD benefits?

You must apply for STD benefits by completing, signing and submitting all forms required by the Plan on or before the 15th calendar day from the date the Waiting Period was satisfied. The forms required by the Plan include:

- a signed application for STD benefits; and
- a Health Care Provider Form in which your physician documents your inability to work due to an illness or injury and your estimated return to work date.

The forms required by the Plan can be obtained through:

Employee Resource Center (ECR) at 888-722-4372 (4ERC)
Embarq.com (Select Corporate Profiles, then Disability Forms)
HR Self Serve
EQIP Benefit website

If you submit all completed required forms within the 15 calendar days from the date the Waiting Period was satisfied, your Plan benefits, if approved, will begin retroactive to the first day after your Waiting Period. If you submit all completed required forms after the 15 calendar days from the date the Waiting Period was satisfied, your Plan benefits, if approved, will begin prospectively on the date the Plan Administrator receives all the completed required forms under the Plan unless the Plan Administrator determines that the submission was late due to matters beyond your control. The Plan Administrator reserves the right to determine if your proof of loss is satisfactory.

5.02 For employees working in the state of California, how do you make a claim for California state disability benefits?

To ensure the maximum amount of disability benefits are received, employees must apply for state benefits through the California state Employment Development Department (“EDD”) at the same time they apply for Embark’s STD benefits. You may contact EDD at 1-800-480-3287 or visit www.edd.ca.gov to obtain the necessary forms for filing the state claim. Once you receive a copy of your notice of computation form (EDD check stub), you must fax it to the Disability Mgmt Group (DMG) at 913-523-9967. Employees must apply for the state benefit timely, or the state benefit could be denied wholly or in part.

5.03 For employees working in the state of Hawaii, how do you make a claim for Hawaii Temporary Disability Insurance (“TDI”) benefits?

To ensure the maximum amount of disability benefits are received, employees must apply for the TDI benefit at the same time they apply for Embark’s STD benefits by obtaining a Notice of Proof of Claim for Hawaii TDI form by using one of the following methods: Contact The Hartford’s (the claim administrator for the TDI program) Hawaii TDI Claim Office at 808-534-4908, your HR contact for Hawaii or the ESN at 800-697- 6000. Provide the form to your physician and have them fax it back to The Hartford. Once The Hartford receives notification of a claim, they will notify the DMG to complete the employer information portion of the form. Complete claim filing instructions can be found on EQIP, under Short Term Disability Plan, Submission Guidelines for Hawaii employees, or by contacting the ESN at 800-697-6000. It is important for employees to file their TDI claim within 90 days of the date of disability, or the state benefit could be denied wholly or in part.

5.04 For employees working in the state of New York, how do you make a claim for New York Statutory Disability (“DBL”) benefits?

To ensure the maximum amount of disability benefits are received, employees must apply for the DBL benefit at the same time they apply for Embark’s STD benefits by filing the DBL claim over the telephone with The Hartford (the claim administrator for the DBL program) at 800-741-4306, or you may file your DBL claim online at www.TheHartfordAtWork.com. Complete filing instructions can be found on EQIP, under Short Term Disability Plan, Submission Guidelines for New York employees, or by contacting the ESN at 800-697-6000.

5.05 For employees working in the state of New Jersey, how do you make a claim for New Jersey Statutory Temporary Disability Benefits (“TDB”)?

To ensure the maximum amount of disability benefits are received, employees must apply for the TDB benefit at the same time they apply for Embark’s STD benefits by filing the TDB claim over the telephone with The Hartford (the claim administrator for the TDB program) at 800-741-4306, or you may file your DBL claim online at www.TheHartfordAtWork.com. Complete filing instructions can be found on EQIP, under Short Term Disability Plan, Submission Guidelines for New Jersey employees, or by contacting the ECR at 888-722-4372.

5.06 What if benefits are denied under the Plan?

Within 45 calendar days of a denial letter, you or your authorized representative may provide a reconsideration request to appeal.benefit@sprint.com or in writing to:

Employee Resource Center
ATTN: Resolutions Analyst
5454 W. 110th St.
Mailstop: KSOPKR01
Overland Park, KS 66211

The Plan Administrator determines if you are covered by the Plan and if you qualify for benefits under the Plan. The Plan Administrator will generally determine claims for benefits under the Plan within 45 days of receipt of a claim. A written denial of a claim under the Plan will give specific reasons for the denial, reference specific Plan provisions on which the denial is based, describe any additional material necessary for you to perfect your claim, and explain the Plan’s claim review procedure. In special circumstances, a response to your claim may take more than 45 days. The Plan administrator may extend this period for up to 30 days if the Plan Administrator both determines that such an extension is necessary due to matters beyond the control of the Plan and notifies you before the end of the 45-day period of the circumstances requiring the extension and the date by which the Plan expects to render a decision.

If before the end of this 30-day period, the Plan Administrator determines that, due to matters beyond the control of the Plan, a decision cannot be rendered within that extension period, the period for making the determination may be extended for up to an additional 30 days, provided the Plan Administrator notifies the claimant, before the end of the first 30-day extension period, of the circumstances requiring the extension and the date as of which the Plan expects to render a decision. Within 180 days of receiving written notice of claim denial from the Plan Administrator, you or your authorized representative may appeal. This appeal should be in writing and directed to:

Benefit Administrative Committee
5454 W. 110th St.
Overland Park, KS 66211
Mailstop: KSOPKR01

In your appeal, include a copy of your denial letter from the Plan Administrator. You should state in your appeal the reasons you believe your claim was improperly denied and submit any additional information, material or comments you consider appropriate. You will receive a response to your appeal within 45 days. If more time is needed, you will be notified within 45 days after receipt of your request for review. In no event will a decision be made more than 90 days after receipt of your request for review.

You will be informed of the Benefit Administrative Committee's decision. The response will include the specific reasons for the decision as well as specific references to the appropriate Plan provisions on which the decision is based. The decision of the Benefit Administrative Committee is final.

6. ERISA Rights

6.01 As a participant in the Plan, am I entitled to certain rights and protections under ERISA?

As a participant in the Plan you are entitled to certain rights and protections under the ERISA. ERISA provides that all plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Plan administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public

Disclosure Room of the Pension and Welfare Benefit Administration.

Obtain, upon written request to the Plan administrator, copies of documents governing the operation of the plan, including copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

Prudent Actions by Plan Fiduciaries

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

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

Enforce Your Rights

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

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$ 110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or Federal court. If it should happen that plan fiduciaries misuse the plans money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

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

6.02 Can Embarq amend or terminate the Plan?

While Embarq expects to continue the Plan indefinitely, it has the right to amend or terminate the Plan at any time. Amendments may be made by action of Embarq's Employee Benefits Committee.

This document does not constitute a contract of employment for any particular period of time.

6.03 Who is the agent for service of legal process for the Plan?

The agent for service of legal process for the Plan is:

General Counsel

5454 W. 110th St.

Mailstop: KSOPKJ07-707

Overland Park, Kansas 66211

Service of legal process may also be made on the Plan Administrator.

6.04 What is the Plan's fiscal year and number?

The Plan is on a calendar year and the plan numbers are 537, 715.

7.0 INFORMATION FOR EMPLOYEES WORKING IN NEW YORK

IMPORTANT INFORMATION

Information for Employees of Embarq

WHO ARE SUBJECT TO THE NEW YORK DISABILITY BENEFITS LAW

Classes of Employees

All Employees

Such Employees may be eligible for the weekly indemnity disability benefits stated below, for disability commencing while employed.

AMOUNT OF WEEKLY BENEFIT

The amount of weekly indemnity to each Employee shall be an amount equal to the greater of (1) 50% of his average weekly earnings under regular employment practice, including overtime or other premium pay when part of regular earnings as of the date of commencement of disability, taken to the next higher multiple of One Dollar if not already a multiple thereof, subject to the statutory maximum or (2) 60% of the basic weekly wage, straight time, subject to the statutory minimum.

DESCRIPTION OF BENEFITS

Under the group policy the weekly indemnity disability benefits are payable commencing with the latest day of disability specified below following the discontinuance of regular remuneration:

- The eighth calendar day of any period of disability caused by accident, except that if the Employee is confined as a resident patient in a legally constituted hospital for three consecutive days during the first week of disability, indemnity shall be paid commencing with the date the Employee is hospital confined; or
- The eighth calendar day of any period of disability caused by sickness, except that if the Employee is confined as a resident patient in a legally constituted hospital for three consecutive days during the first week of disability, indemnity shall be paid commencing with the date the Employee is hospital confined, subject to the exclusions hereinafter contained. Such benefits are payable for not more than 26 weeks during any One period of disability.

EXCLUSIONS

Disability benefits are not payable

For any period of disability during which an Employee is not under the care of a physician, podiatrist, chiropractor or dentist authorized to render medical care under the workers' compensation law;

- For disabilities caused by injuries self-inflicted, or for disabilities resulting from injuries or sickness sustained in the perpetration of an illegal act;
- For any day of disability during which an Employee performs work for remuneration or profit, or for any day of disability for which the Employee is entitled to receive from his Employer or from a fund to which the Employer has contributed an amount equal to the disability benefits;
- For any period that the Employee is or would be subject to suspension or disqualification under the unemployment insurance law; or

- For any period for which benefits are payable to the Employee under the unemployment insurance law of any state or of the United States, or under any workers' compensation act, any other disability benefit or similar law, or under any employer's liability act or under the maritime doctrine of maintenance, wages and cure.
- Successive periods of disability caused by the same or related injury, sickness or pregnancy shall be considered as One period of disability only if separated by less than Two weeks of continuous active employment.
- The benefits are provided under the subject to the provisions of a group policy issued by The Hartford.

8.0 INFORMATION FOR EMPLOYEES WORKING IN NEW JERSEY

Notice of New Jersey Temporary Disability Benefits for All Employees of Embarq (called the Employer)

Effective July 1, 1986 this notice outlines the benefits available under a group policy issued by The Hartford to the Employer shown above. The group policy is the Employer's Private Plan of Temporary Disability Benefits as provided by the New Jersey Temporary Disability Benefits Law.

BENEFITS FOR NON-OCCUPATIONAL DISABILITIES ARE AVAILABLE WHILE EMPLOYED AND FOR THE FIRST TWO WEEKS AFTER COVERAGE STOPS IF NOT COVERED BY ANOTHER EMPLOYER.

WEEKLY BENEFIT

The amount of weekly benefit payable to an Employee shall be in accordance with (1) or (2) below, whichever is greater:

- (1) The weekly benefit is 66 2/3% of your average weekly salary or wage taken to the next lower multiple of \$1.00 if not already a multiple of \$1.00. It is subject to the statutory maximum.
- (2) The weekly benefit is 60% of your basic weekly earnings taken to the next lower multiple of \$1.00 if not already a multiple of \$1.00. If the Employee is entitled to benefit for any period of disability which does not amount to a full week, the benefits will be a multiple of 1/7 of the proper weekly benefit times the number of days in the period of disability.

The result will be taken to the next lower multiple of \$1.00 if not already a multiple of \$1.00.

MAXIMUM BENEFIT DURATION

Benefits are payable up to 26 weeks during any one period of disability.

Benefits are payable starting with the eighth calendar day of disability. If benefits for a period of disability are payable for three successive weeks, payment will be made for the

first seven calendar days of disability. The Employee must be at work for at least 14 calendar days between disabilities from the same cause or condition to have a new period of disability.

PLAN LIMITATIONS

Benefits are not payable for any of the following:

- Any period of disability during which you are not under the care of a physician, an optometrist, a dentist, a podiatrist or a chiropractor. The person must be legally licensed and acting within the range of the practice.
- Any period for which you have received or can receive benefits under any unemployment compensation or similar law, or disability or cash sickness benefit or similar law of the United States or of any state.
- Any period for which you have received or can receive benefits under any workers' compensation law, occupational disease law, or similar law of the United States or of any state. The term "benefits" does not include any benefits you have received or can receive from any previous permanent partial disability or permanent total disability.
- Any period which you would not qualify for Unemployment Compensation Benefits under Section 43:21-5(d) of the Revised Statutes of New Jersey. This will not apply if the disability begins before any period you would not qualify for benefits based on Section 43:21-5(d).
- In excess of an amount which, together with any remuneration the Employee continues to receive from the individual's employer during any period of disability would equal the amount of the individual's regular weekly wages immediately prior to the individual's disability.

EMPLOYEE'S PAYMENT

None

TO CLAIM BENEFITS

To claim benefits you must give The Hartford written notice of injury or sickness within 30 days after:

- The date of the accident causing the injury.
- The start of disability resulting from the sickness.

Written notice must be given:

- by the Employer, or
- by or in behalf of the covered Employee.

It must be given to The Hartford at its Home Office or to any authorized agent of The Hartford. The notice must contain the Employer's name and enough information to identify the covered Employee. The Hartford considers this adequate notice for payments of benefits. If it is not possible to give the notice within 30 days, it must be given as soon as possible. The Hartford will not reduce nor deny a claim if the notice is given as soon as reasonably possible. The Hartford will provide you with a claim form for filing proof of loss. This will occur after written notice has been given to The Hartford. If you do not receive it within 15 days after the notice is given, a claim can be filed without it by sending The Hartford written proof describing the situation. Valid proof of loss must be given to The Hartford at its Home Office within 30 days after the start of the period for which proof is given. If it is not possible to give the proof within 30 days, it must be given as soon as possible. The Hartford will not reduce nor deny a claim if the proof is given as soon as reasonably possible. The Hartford has the right to examine any person filing a claim. The Hartford may examine the person only once each week. The Weekly Benefit will be paid to you at the end of each week during a period for which The Hartford is liable. You may not sue on a health claim before 60 days after proof of loss has been given to The Hartford. You may not sue after three years from the time proof of loss is required. These conditions will not affect your right of appeal under the New Jersey Temporary Disability Benefits Law. A person claiming benefits under an approved private plan may not agree with the Employer or The Hartford as to benefits under the approved private plan. Under the provisions of the New Jersey Temporary disability Benefits Law, the person claiming benefits may file a complaint with the Division of Unemployment and Disability Insurance and Department of Labor.

The complaint must be filed One year after the start of the period for which benefits are claimed. The Division requires that an appeal be submitted in writing to the:

Disability Insurance Service
Bureau of Private Plans
Labor Building
John Fitch Plaza
CN 387
Trenton, NJ 08625

THE BENEFITS DESCRIBED HEREIN ARE SUBJECT TO THE PROVISIONS OF THE POLICY AND CONFORM IN ALL RESPECT WITH THE NEW JERSEY TEMPORARY DISABILITY BENEFITS LAW, AND WILL NEVER BE LESS LIBERAL THAN THE BENEFITS OTHERWISE PROVIDED BY SAID LAW.

THIS NOTICE SUPERSEDES ALL NOTICES PREVIOUSLY ISSUED.

9.0 INFORMATION FOR EMPLOYEES WORKING IN HAWAII

**Information for Employees of Embark
WHO ARE SUBJECT TO THE HAWAII TEMPORARY
DISABILITY INSURANCE BENEFIT LAW**

Classes of Employees

All Employees

Such Employees may be eligible for the weekly indemnity disability benefits stated below, for disability commencing while employed.

AMOUNT OF WEEKLY BENEFIT

For non-work-related injury or illness, the amount of weekly indemnity to each employee shall be an amount representing 58% of the worker's average weekly wage rounded off to the next higher dollar with the maximum amount correlated with the State unemployment Insurance maximum.

ELIGIBILITY

The employee must have been in Hawaii employment at least 14 weeks during each of which the employee was paid for 20 hours or more in the preceding the first day of disability and met the minimum earnings requirement under the benefit provisions. The 14 weeks need not be consecutive nor with only one employer. An employee must also meet the following conditions in addition to meeting the eligibility requirements:

1. Your illness or injury is not work related; not caused by your job.
2. Your illness or injury prevents you from performing your regular work.
3. Your disability is certified by a licensed Health Care Provider, surgeon, dentist, chiropractor, osteopath, naturopath, or an accredited practitioner of a faith-healing group.
4. You were employed immediately before the date you suffered your illness or injury, or if you were separated from your job, your disability occurred within two weeks from your separation date.

DESCRIPTION OF BENEFITS

Under the group policy the weekly indemnity disability benefits are payable commencing with the latest day of disability specified below following the discontinuance of regular remuneration:

- The eighth day of any period of disability, in other words, there is a seven consecutive- day waiting period, subject to the exclusions hereinafter contained. Such benefits are payable for not more than 26 weeks during any One period of disability.

EXCLUSIONS

Disability benefits are not payable

For any day of disability during which an Employee performs work for remuneration or profit;

- For disabilities caused by injuries that were willingly and intentionally self-inflicted, or for disabilities resulting from injuries or sickness sustained in the perpetration of a criminal offense;
- For any period that the Employee is or would be subject to suspension or disqualification under the unemployment insurance law; or
- For any period for which benefits are payable to the Employee under the unemployment insurance law of any state or of the United States, or under any workers' compensation act, any other disability benefit or similar law, or under any employer's liability act or under the maritime doctrine of maintenance, wages and cure.

The benefits are provided subject to the provisions of a group policy issued by The Hartford.

TO CLAIM BENEFITS

To claim benefits an employee must complete a form TDI-45 within 90 days after:

- the date the employee became disabled.

Written notice must be given:

- by the Employee; or
- by or on behalf of the covered Employee.

It must be given to The Hartford at its Home Office or to any authorized agent of The Hartford. The notice must contain the Employer's name and enough information to identify the covered Employee.

The Hartford considers this adequate notice for payments of benefits. If it is not possible to give the notice within 90 days, it must be given as soon as possible.

If an employee files a claim after 90 days, an employee may lose part of the benefits unless good cause can be shown. If an employee files a claim 26 weeks or more after the disability, the employee will not be entitled to any benefits.

The Hartford will provide the employee with the notice of the entitlement of benefits.

The weekly Benefit will be paid to the employee at the end of each week during a period for which The Hartford is liable.

A person claiming benefits under an approved private plan may not agree with the Employer or The Hartford as to benefits under the approved private plan. Under the provisions of the Hawaii Temporary Disability Insurance Benefits Law, the person claiming benefits may file an appeal with the State of Hawaii Department of Labor and Industrial Relations Division of Disability Compensation. The complaint must be filed within 20 days after the start of the period for which benefits are claimed.

THE BENEFITS DESCRIBED HEREIN ARE SUBJECT TO THE PROVISIONS OF THE POLICY AND CONFORM IN ALL RESPECT WITH THE HAWAII TEMPORARY DISABILITY INSURANCE BENEFITS LAW, AND WILL NEVER BE LESS LIBERAL THAN THE BENEFITS OTHERWISE PROVIDED BY SAID LAW.

THIS NOTICE SUPERSEDES ALL NOTICES PREVIOUSLY ISSUED.

10. Definitions

Actively at Work – You will be considered Actively at Work on a day which is one of the Employer’s scheduled work days if you are performing, in the usual way, all of the regular duties of your job. You will be deemed to be Actively at Work on a day which is not one of the Employers scheduled work days if you were Actively at Work on the preceding scheduled work day.

Cause - Violation of a Participating Employer’s policies, practices or procedures, as determined by the Participating Employer in its sole discretion.

Continuous Service – Service with a Participating Employer while Actively at Work from employee’s date of hire. Continuous Service does not include time spent on an Employee’s leave of absence, except for sick or family medical leave, jury or military duty, Paid Time Off, and incidental sick leave.

Cosmetic Surgery – Surgery that modifies the appearance of a physical feature, irregularity, or defect that is not the result of an illness or injury.

Employer – Embarq Corp and affiliated subsidiaries

Health Care Provider – A practitioner of a healing art who is: properly licensed; practicing within the scope of that license; and not subject to any disciplinary or other action by any board, association or insurance carrier.

Involuntary Termination – Termination of employment initiated by a Participating Employer.

Partial Benefits – STD benefits for which you are eligible, for any portion of your regularly scheduled work day in which you can not perform the regular duties of your job.

Partial Schedule – Less than your regularly scheduled weekly or daily work hours.

Prior Plan – The Short Term Disability Plan of benefits sponsored by the Participating Employer on the day before this Plan Effective Date.

Regular Full-Time Employee – This classification represents employees who are regularly scheduled to work 40 hours per week and are eligible for benefits.

Regular Part-Time Employee – This classification represents employees who are regularly scheduled to work at least 20 - 39 hours per week and are eligible for company benefits on a prorated basis.

GENERAL

1. All rules, schedules privileges and benefits heretofore in effect, which are not specifically mentioned or changed by the provisions contained herein, shall remain unchanged during the life of this Agreement. It is agreed that upon ratification of this contract that there are no existing side letters or letters of agreement between the parties.
2. Nothing in this Agreement shall be construed to require either of the parties to act contrary to any State or Federal Laws. In the event that any such condition arises, it is agreed that this Agreement shall be deemed to be modified in respect to either or both parties to the extent necessary to comply with such Law, Order or Declaration.
3. Employees transferred to a job in this bargaining unit from other work locations in **Embarq's** Local Telephone Division will transfer with Company seniority intact for all purposes, provided a reciprocal agreement exists in the employee's former location.
4. It is agreed that the Company has all the customary rights of management and that managing and directing the business and work force will include all areas not specifically limited by a provision of this Agreement.

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ARTICLE XXII ATTENDANCE MANAGEMENT

Attendance Management Program

Purpose:

The Company's ability to respond appropriately to customer service requirements depends upon the effective scheduling and availability of the entire workforce.

Acceptable attendance is a condition of employment; every employee is expected to report to work as scheduled and to avoid all but the most necessary absences.

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The purpose of the Attendance Management Policy is to establish consistent and acceptable standards for attendance which all employees are expected to meet and to stress the importance of regular attendance.

This policy is not intended to be a punitive program to discipline employees who are occasionally absent from work for a legitimate reason. However, when an employee is consistently absent or tardy, this policy will be utilized to alert the employee that his/her attendance is not acceptable and must be improved.

Procedure for Reporting Off Duty:

When unable to report to work as scheduled, employees must attempt to personally notify their immediate supervisor or appropriate management person as soon as possible prior to the beginning of the tour.

When reporting off duty the following guidelines apply:

1. Notification must include the reason for absence, the expected duration of the absence and the employee's telephone number.
2. Employees must attempt to personally report the absence each day, except in cases of hospitalization or prolonged illness. Failure to provide proper notification of absence may subject an employee to disciplinary action up to and including discharge.
3. The approval of PTO time and/or unpaid time (both scheduled and unscheduled) is solely at the company's discretion based on operational needs of the business. Scheduled PTO are those hours requested by the employee and approved by management. Unscheduled PTO are those hours requested by the employee and not approved by management.

Provisions of the Attendance Management Policy

The following definitions apply in administering the Attendance Management Policy:

1. Absence – Failure of an employee to report to work as scheduled or remains at work as scheduled. Each absence equals 1 occurrence.

2. Tardy – Failure of an employee to report to work on time. Each tardy equals ½ occurrence.
3. FMLA – Qualifying absences under the Family and Medical Leave Act (FMLA) are not considered occurrences and will be excluded from this policy. All FMLA qualifying absences must be properly reported to the appropriate company designated representative.

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Supervisors may exercise reasonable discretion when determining if an occurrence should be counted toward corrective action.

Corrective action will be considered under just cause principles.

An absence from work for one or more consecutive days for the same reason is considered one occurrence. Consecutive day absences for different reasons will constitute more than one occurrence.

If an employee is absent from work for 3 consecutive scheduled work days without properly reporting the absence, the company will consider the employee's action job abandonment and employment may be terminated.

The company will provide the union with notification of any Corrective Action.

FOR THE COMPANY:

Joseph A. Basile
Employee Relations Manager II

FOR THE UNION:

John Miller
Executive Board Member
Local 827, IBEW, AFL-CIO

**U.T. OF NEW JERSEY - IBEW 827(Lafayette)
SAVINGS PLAN**

Schedule Number	BASIC SAVINGS			SUPPLEMENTAL SAVINGS		
	1/12/2007	1/12/2008	1/12/2009	1/12/2007	1/12/2008	1/12/2009
1	82	84	86	678	698	718
2	90	92	96	750	772	794
3	118	122	126	988	1018	1048
4	128	130	134	1058	1090	1124
5	128	132	136	1068	1100	1134
6	130	134	138	1086	1118	1152

UT of New Jersey – IBEW Local 827 (Lafayette)
PENSION PLAN
FLAT DOLLAR BENEFIT UNIT

MONTHLY BENEFIT PER YEAR OF SERVICE

January 12, 2007 to January 11, 2008

<u>JOB</u> <u>CLASSIFICATION</u> (1)	<u>WAGE</u> <u>SCHEDULE</u>	<u>AGES</u>										
		<u>65-70</u> (2)	<u>64</u> (3)	<u>63</u> (4)	<u>62</u> (5)	<u>61</u> (6)	<u>60</u> (7)	<u>59</u> (8)	<u>58</u> (9)	<u>57</u> (10)	<u>56</u> (11)	<u>55</u> (12)
1. Schedule 1	UX5	35.70	33.90	32.10	30.30	28.60	26.80	25.00	23.20	21.40	19.60	17.90
2. Schedule 2	UX4	39.50	37.50	35.60	33.60	31.60	26.60	27.70	25.70	23.70	21.70	19.80
3. Schedule 3	UX8	52.10	49.50	46.90	44.30	41.70	39.10	36.50	33.90	31.30	28.70	26.10
4. Schedule 4	UX3	55.80	53.00	50.20	47.40	44.60	41.90	39.10	36.30	33.50	30.70	27.90
5. Schedule 5	UX 2	56.30	53.50	50.70	47.90	45.00	42.20	39.40	36.60	33.80	31.00	28.20
6. Schedule 6	UX 1	57.30	54.40	51.60	48.70	45.80	43.00	40.10	37.20	34.40	31.50	28.70

UT of New Jersey – IBEW Local 827 (Lafayette)
PENSION PLAN
FLAT DOLLAR BENEFIT UNIT

MONTHLY BENEFIT PER YEAR OF SERVICE

January 12, 2008 to January 11, 2009

<u>JOB</u> <u>CLASSIFICATION</u> (1)	<u>WAGE</u> <u>SCHEDULE</u>	<u>AGES</u>										
		<u>65-70</u> (2)	<u>64</u> (3)	<u>63</u> (4)	<u>62</u> (5)	<u>61</u> (6)	<u>60</u> (7)	<u>59</u> (8)	<u>58</u> (9)	<u>57</u> (10)	<u>56</u> (11)	<u>55</u> (12)
1. Schedule 1	UX5	36.90	35.10	33.20	31.40	29.50	27.70	25.80	24.00	22.10	20.30	18.50
2. Schedule 2	UX4	40.80	38.80	36.70	34.70	32.60	30.60	28.60	26.50	24.50	22.40	20.40
3. Schedule 3	UX8	53.80	51.10	48.40	45.70	43.00	40.40	37.70	35.00	32.30	29.60	26.90
4. Schedule 4	UX3	57.70	54.80	51.90	49.00	46.20	43.30	40.40	37.50	34.60	31.70	28.90
5. Schedule 5	UX 2	58.20	55.30	52.40	49.50	46.60	43.70	40.70	37.80	34.90	32.00	29.10
6. Schedule 6	UX 1	59.20	56.20	53.30	50.30	47.40	44.40	41.40	38.50	35.50	32.60	29.60

UT of New Jersey – IBEW Local 827 (Lafayette)
PENSION PLAN
FLAT DOLLAR BENEFIT UNIT

MONTHLY BENEFIT PER YEAR OF SERVICE

January 12, 2009 to January 11, 2010

<u>JOB</u> <u>CLASSIFICATION</u> (1)	<u>WAGE</u> <u>SCHEDULE</u>	<u>AGES</u>										
		<u>65-70</u> (2)	<u>64</u> (3)	<u>63</u> (4)	<u>62</u> (5)	<u>61</u> (6)	<u>60</u> (7)	<u>59</u> (8)	<u>58</u> (9)	<u>57</u> (10)	<u>56</u> (11)	<u>55</u> (12)
1. Schedule 1	UX5	38.20	36.30	34.40	32.50	30.60	28.70	26.70	24.80	22.90	21.00	19.10
2. Schedule 2	UX4	42.30	40.20	38.10	36.00	33.80	31.70	29.60	27.50	25.40	23.30	21.20
3. Schedule 3	UX8	55.70	52.90	50.10	47.30	44.60	41.80	39.00	36.20	33.40	30.60	27.90
4. Schedule 4	UX3	59.70	56.70	53.70	50.70	47.80	44.80	41.80	38.80	35.80	32.80	29.90
5. Schedule 5	UX 2	60.20	57.20	54.20	51.20	48.20	45.20	42.10	39.10	36.10	33.10	30.10
6. Schedule 6	UX 1	61.20	58.10	55.10	52.00	49.00	45.90	42.80	39.80	36.70	33.70	30.60

**IBEW 827 – Lafayette, NJ
WAGE SCHEDULES**

Schedule 1 (UX5)	New Steps	Effective 01/12/07	Effective 01/12/08	Effective 01/12/09
Custodian (SW160) Plant Clerk (CL294)	Start	7.23	7.45	7.67
	Step 2	7.95	8.19	8.44
	Step 3	8.74	9.00	9.27
	Step 4	9.61	9.90	10.20
	Step 5	10.57	10.89	11.22
	Step 6	11.62	11.97	12.33
	Step 7	12.77	13.15	13.54
	Step 8	14.04	14.46	14.89
	Step 9	15.43	15.89	16.37
	Top	16.94	17.45	17.97

**IBEW 827 – Lafayette, NJ
WAGE SCHEDULES**

Schedule 2 (UX4)	New Steps	Effective 01/12/07	Effective 01/12/08	Effective 01/12/09
Material Handler (UN470) *Central Office Attendant(OP153)	Start	7.97	8.21	8.46
	Step 2	8.77	9.03	9.30
	Step 3	9.64	9.93	10.23
	Step 4	10.60	10.92	11.25
	Step 5	11.65	12.00	12.36
	Step 6	12.81	13.19	13.59
	Step 7	14.09	14.51	14.95
	Step 8	15.49	15.95	16.43
	Step 9	17.04	17.55	18.08
	Top	18.73	19.29	19.87

*Employees holding this title prior to 8/1/82 shall be grandfathered on Wage Schedule #5 for as long as they hold the job title. Future employees in the Central Office Attendant title will be placed on Wage Schedule #2.

**IBEW 827 – Lafayette, NJ
WAGE SCHEDULES**

Schedule 3 (UX8)	New Steps	Effective 01/12/07	Effective 01/12/08	Effective 01/12/09
Public Access Technician(UN236)	Start	9.97	10.27	10.58
	Step 2	11.03	11.36	11.70
	Step 3	12.21	12.58	12.96
	Step 4	13.50	13.91	14.33
	Step 5	14.94	15.39	15.85
	Step 6	16.52	17.02	17.53
	Step 7	18.27	18.82	19.38
	Step 8	20.21	20.82	21.44
	Step 9	22.35	23.02	23.71
	Top	24.69	25.43	26.19

**IBEW 827 – Lafayette, NJ
WAGE SCHEDULES**

Schedule 4 (UX3)	New Steps	Effective 01/12/07	Effective 01/12/08	Effective 01/12/09
Lineworker(CR181)	Start	11.19	11.53	11.88
	Step 2	12.31	12.68	13.06
	Step 3	13.54	13.95	14.37
	Step 4	14.90	15.35	15.81
	Step 5	16.40	16.89	17.40
	Step 6	18.05	18.59	19.15
	Step 7	19.86	20.46	21.07
	Step 8	21.86	22.52	23.20
	Step 9	24.05	24.77	25.51
	Top	26.47	27.26	28.08

**IBEW 827 – Lafayette, NJ
WAGE SCHEDULES**

Schedule 5 (UX2)	New Steps	Effective 01/12/07	Effective 01/12/08	Effective 01/12/09
Business Service Tech I (UN322) Vehicle Mechanic (CR186) Customer Service Tech I (CR530) Building Operations Mechanic (UN360)	Start	11.28	11.62	11.97
	Step 2	12.41	12.78	13.16
	Step 3	13.66	14.07	14.49
	Step 4	15.03	15.48	15.94
	Step 5	16.54	17.04	17.55
	Step 6	18.20	18.75	19.31
	Step 7	20.03	20.63	21.25
	Step 8	22.05	22.71	23.39
	Step 9	24.27	25.00	25.75
	Top	26.71	27.51	28.34

IBEW 827 – Lafayette, NJ

WAGE SCHEDULES

Schedule 6 (UX1)	New Steps	Effective 01/12/07	Effective 01/12/08	Effective 01/12/09
Business Service Tech I (UN200)	Start	11.46	11.80	12.15
Cable Splicer(CR184)	Step 2	12.62	13.00	13.39
Central Office Technician(TE170)	Step 3	13.88	14.30	14.73
CustomerService TechII (CR531)	Step 4	15.27	15.73	16.20
Field Engineer(CR185)**	Step 5	16.81	17.31	17.83
Equipment Installer(UN701)	Step 6	18.50	19.06	19.63
Customer Service Tech (CR535)	Step 7	20.35	20.96	21.59
**Employees holding this title prior to 1/22/98 shall be grandfathered on Wage Schedule #6 for as long as they hold this job title.	Step 8	22.40	23.07	23.76
	Step 9	24.66	25.40	26.16
	Top	27.14	27.95	28.79

Memorandum of Agreement
Between
United Telephone Company of NJ, Inc.
(Embarq Corporation)
and
IBEW Local 827
Lafayette, NJ

Voluntary Employee Transition Program

Purpose:

The purpose of the Voluntary Employee Transition (“VET”) Program is to enable long service employees to leave the Company and to allow the Company to manage the allocation of human resources.

General Provisions:

- The VET Program will be incorporated into the collective bargaining agreement as a Memorandum of Agreement.
- Prior to each election period, the Company will determine the number of employees who will be selected for the program. Unless otherwise determined by the Company, no more than ten percent (10%) of employees in the bargaining unit can be selected each year.
- The percent or number of employees to be selected and the specific wage classifications will be at the Company’s discretion, but determined prior to the announcement of each election period.
- The timing, location and methodology, if any, of replacing the employees selected for the VET Program will be at the Company’s discretion.
- At the Company’s discretion, one (1) election period will be available each calendar year of the agreement.
- The election period will last no longer than thirty (30) days.
- An employee electing to leave the Company may revoke their election, in writing, at any time during the election period.

- The last day of work for an employee selected to leave the Company will be no later than the end of the month following the month of the election period.
- An employee selected to leave the Company may elect to commence their benefit from the Embarq Retirement Pension Plan, if eligible, at any time after their last day worked.

Eligibility:

- An employee must have attained at least thirty (30) years of service with the Company prior to the election period.
- If more employees elect the program than have been designated by the Company, employees will be selected in order of seniority.
- Employees selected to leave the Company must sign a General Release Agreement.

Employee Transition Pay and Benefits

- An employee selected to leave the company will receive fifty-two (52) weeks of transition pay at seventy-five percent (75%) of their base wage in effect on their last day worked.
- Transition payments will be made on a bi-weekly basis, with mandatory tax withholding and deductions for benefits continued during the transition pay period.
- During the transition pay period, an employee will continue to participate in the Company's Flexible Benefits Program except that the employee will not be eligible for long-term disability coverage. The employee will continue to pay the employee's share of the cost of coverage based on the employee's eligible pay on their last day worked.
- An employee selected to leave the Company will receive up to five (5) additional annual allocations to their SHARE account under the Embarq Retiree Medical Plan.
- In exchange for signing the General Release Agreement, the Company will provide the employee with a special payment of \$500, which will be paid with first bi-weekly VET Program payment.

- In the event of the employee's death prior to receiving all of the bi-weekly transition payments, the remaining amount will be paid to the employee's estate in a lump sum payment.
- Transition pay and benefits under the program will end if the employee:
 - secures other employment with an EMBARQ company, or a competitor of the Company, as an employee, consultant or contractor, or
 - accepts employment with a vendor as an employee, consultant or contractor in a position that would provide services or support directly to an EMBARQ company, or
 - fails to cooperate with any Company request to verify the information necessary to determine if the severance pay period should end, unless such cooperation is prohibited by law.

This Memorandum of Agreement will expire on January 9, 2010.

 Joseph A. Basile
 Employee Relations Manager II

 John Miller
 Executive Board/
 Business Agent
 IBEW Local 827

Date: _____

Date: _____