



Embarq Retirement Pension Plan

Embarq Bargaining Unit Employees

WHAT IS INSIDE...

A Look At The Plan	1
First, Some History	2
Who Can Join The Plan	2
How Benefits Are Calculated	2
Sample Calculation	3
Vesting	3
About Service	3
What Is Continuous Service?	3
What Is Credited Service?	4
Types Of Retirement	5
Normal Retirement	5
Early Retirement	6
Special Early Retirement.....	6
Disability Retirement	8
Deferred Vested Retirement	8
Spouse Benefits	9
Postponed Retirement	10
How To Apply For Retirement Benefits	10
Retirement Application Form.....	10
Forms Of Payment	10
Automatic Forms Of Payment	10
Optional Forms Of Payment.....	10
Irrevocable Election.....	11
Naming A Beneficiary.....	11
Benefits From Other Plans	11
What Happens If You Return To Work After You Leave The Company	11
Status And Job Classification Of A Rehired Employee.....	12
What Happens If You Are Receiving Pension Benefits And Return To Work	12
How Your Pension Benefit Is Determined When You Retire Again	13
How To Appeal The Denial Of Retirement Benefits	13
Other Information	13
Social Security	13
If You Transfer To Another Embarq Company.....	14
If You Transfer In Or Out Of Bargaining Status	14
Participating Employers Of The Plan	14

Administrative Information	15
Plan Sponsor.....	15
Plan Administrator.....	15
Plan Financing	16
Service Of Legal Process.....	16
Plan Document.....	17
Termination Of Employment	17
Assignment Of Benefits.....	17
Top Heavy Plans.....	17
Your ERISA Rights.....	17
Plan Insurance	18
Definitions	19
Appendix Amendments	20

Amendment Or Termination

EMBARQ™ expects to continue the Embarq Retirement Pension Plan (the “Retirement Pension Plan” or the “Plan”), indefinitely. However, the Company reserves the right to amend, discontinue or terminate the Plan at any time for any reason. If the Plan is terminated, you will become fully vested in the benefits you have accrued to the date the Plan terminates (to the extent they are funded). None of the pension fund’s assets can revert to the Company until all benefits and other expenses payable by the Plan have been satisfied. In the event the Plan is terminated, members will be notified in advance as required by law as to the Plan’s proposed termination date.

This Summary Plan Description (“SPD”) of your Retirement Pension Plan has been created using simple terms and in an easy-to-understand format. If you have any questions after reading this SPD, you may contact the Employee Transitions Team through the Employee Resource Center by e-mail (retirement@embarq.com) or phone 1-888-722-4372.

The Embarq Retirement Pension Plan (the “Retirement Pension Plan” or the “Plan”) can help provide a financial foundation for your retirement years. Your pension benefits — together with other sources of retirement income — can replace part or all of your pre-retirement income. Embarq Corporation pays the full cost of your Retirement Pension Plan.

A LOOK AT THE PLAN

Here are some of the major provisions of the Plan:

PLAN FEATURES	
Pension Agreement	Specific flat dollar pension benefits are negotiated between Embarq and each bargaining unit based on Job Classifications. Each bargaining agreement includes the benefit amount earned per year specific to each Job Classification. See Job Classification and Pension Agreement in the Definitions section.
Benefit Amount	The monthly pension benefit amount is based on Job Classification, the Pension Agreement for your specific bargaining unit, your age and amount of Credited Service earned as of the effective retirement date.
Company Contributions	Embarq pays the full cost of your Retirement Pension Plan benefit. Company contributions are held in a trust fund until you begin and while you are receiving retirement benefits.
Vesting	You become vested in the Retirement Pension Plan — that is, you earn the right to receive plan benefits — after you complete 5 years of Continuous Service with a Participating Employer.
Types Of Retirement	<ul style="list-style-type: none"> ▶ Normal Retirement ▶ Early Retirement ▶ Special Early Retirement ▶ Disability Retirement ▶ Deferred Vested Retirement
When Benefits Are Paid	<ul style="list-style-type: none"> ▶ With 5 years of Continuous Service, benefits can begin at age 65 ▶ With 10 years of Continuous Service, benefits can begin as early as age 55 ▶ Disability Retirement benefits can begin at any age with 10 years of Continuous Service, assuming other eligibility requirements are met
Payment Options	<p>In addition to automatic forms of payment, the Plan provides several optional payment forms (subject to certain rules):</p> <ul style="list-style-type: none"> ▶ Lifetime Annuity ▶ Joint and Survivor Annuities (33 1/3%, 50%, 66 2/3% and 100%)



Questions?
Call the Employee Transitions Team through the Employee Resource Center at 1-888-722-4372.

FIRST, SOME HISTORY

When...	What...
2006	On May 17, 2006, Sprint Nextel Corporation created a transaction to spin-off Embarq Corporation. Embarq adopted the Embarq Retirement Pension Plan which is a spin-off of the Sprint Retirement Pension Plan (the "Sprint Plan").
1993	The Centel Retirement Pension Plan and the Centel Retirement Pension Plan for Bargaining Unit Employees were merged into the Sprint plan on December 31, 1993.
1990	The US Sprint Communications Company Pension Plan was merged in the United System Employee Retirement Pension Plan (the "USERP") on January 1, 1990, and the plan was restated as the Sprint Plan.
1966	The USERP was originally adopted on January 1, 1966.

WHO CAN JOIN THE PLAN

Participation in the Plan is automatic if you are an **active employee** of Embarq and covered under a bargaining agreement that provides for membership in the Retirement Pension Plan. Your participation begins on the first day of the month on or following the day you complete your service requirement as follows:

- ▶ You must work at least 1,000 hours during the first 12 months of employment. If you work less than 1,000 hours during that year, you become a Plan member on the January 1 following any calendar year in which you complete 1,000 hours of service.
- ▶ If you transferred from a non-bargaining job to a bargaining job covered under a Pension Agreement, your retirement benefit will continue to be determined under the non-bargaining formula until you have been in the bargaining job for 24 months (or 36 months if you transfer into a Centel bargaining unit). See the section titled **If You Transfer In Or Out Of Bargaining Status** for more detail on this subject.

You are **not eligible** to join the Plan if you are:

- ▶ a nonresident alien,
- ▶ an employee of a non-participating company (see the **Participating Employers Of The Plan** list found later in this SPD), or
- ▶ covered by a collective bargaining agreement that does not specifically provide for membership in the Retirement Pension Plan.

HOW BENEFITS ARE CALCULATED

Amounts used in this section are for illustration purposes only. The actual pension bands vary with each different Pension Agreement and each Job Classification, and depends if you had a Change In Status (see **Other Information** for what happens when you transfer).

If you have not been in your current Job Classification for at least 24 months, your pension band will be calculated using the Majority Job Classification, the Job Classification you have been in the majority of time during the 24 months just prior to your retirement effective date.

If there is no Majority Job Classification, your retirement benefit will be based on the Median Job Classification, the Job Classification on the median day for the 24 months prior to the retirement effective date.

Based on the Pension Agreement in effect at termination, the monthly benefit amount corresponding to your Job Classification and your age at retirement, is multiplied by your years of Credited Service.

Sample Calculation

Here is a sample calculation showing how a benefit is determined for a Normal Retirement. Assume the following:

- ▶ An employee is retiring at Normal Retirement (age 65).
- ▶ The employee has 27 years of Credited Service as of the date of retirement.
- ▶ The employee's Job Classification is "Service Representative" and the age 65 flat dollar benefit amount for the Pension Agreement in effect is \$36.30 per month.

The benefit calculation equals 27 years x \$36.30 for a Monthly Accrued Benefit of \$980.10.

VESTING

Vesting refers to your guaranteed right as a plan participant to receive a pension benefit at age 65. You are *vested* in the Retirement Pension Plan — and have the right to receive a pension benefit — after you complete 5 years of Continuous Service with a Participating Employer (see **Participating Employers Of The Plan** found later in this SPD).

ABOUT SERVICE

The Retirement Pension Plan counts your service with Embarq in two different ways...

Continuous Service

And

Credited Service

Although they appear to be similar, they play different roles in the Plan.



Continuous Service...
Is used to determine when you are vested and when you are eligible to receive pension benefits.

What Is Continuous Service?

You begin earning Continuous Service as soon as you start working for Embarq or one of its affiliates. Continuous Service is used to determine:

- ▶ when your pension benefit is vested; and
- ▶ when you are eligible to receive most pension benefits.

Starting in 1976, you earned a year of Continuous Service for each calendar year in which you completed at least 1,000 hours of service. Before 1976, Continuous Service was measured in years and months. Continuous Service was equal to the length of time between your service date and December 31, 1975, as long as you worked at least an average of 20 hours in each week.

So that your Continuous Service before 1976 can be expressed in complete years, a period of at least 6 months is rounded to a full year. For example, if your service date is March 1, 1965, you would have completed 10 years and 10 months by December 31, 1975. You would, therefore, receive 11 years of Continuous Service up to 1976.

If you were employed by an Embarq Company before it became part of Embarq, or by a Participating Employer that is not part of Embarq, the service you earned may be counted toward your Continuous Service. Contact the **Employee Transitions Team** through the **Employee Resource Center** at **1-888-722-4372** to see if your prior service can be included.

OTHER FACTORS THAT MAY COUNT TOWARD VESTING SERVICE

- ▶ Approved leaves of absence of not more than one month (or one year if the employer's written consent is obtained).*
- ▶ Temporary leaves of absence of up to 6 months.*
- ▶ Military leaves of up to 5 years.*
- ▶ Any absence that meets the requirements determined by the Employee Benefits Committee and results from sickness and disability leave, jury duty, certain types of military duty or disputes between labor and management.

*In accordance with certain regulations, leaves of absence beyond one month, temporary leaves of absence beyond six months and military leaves beyond five years may be included.



Credited Service is used to calculate your pension benefits.

What Is Credited Service?

Credited Service is the amount of service used in the calculation of your pension benefit. It includes periods of service with Participating Employers in the Plan, as shown in the list of **Participating Employers Of The Plan**, found later in this SPD. It also determines when you are eligible to receive Special Early Retirement.

Before 1976, Credited Service was measured in years and months. Credited Service was equal to the length of time between your service date and December 31, 1975, as long as you worked an average of 20 hours in each week.

Starting with 1976, Credited Service is expressed as years and portions of a year based on the hours of service accumulated during the year, as shown on the chart below for full-time employees regularly scheduled to work the hours indicated.

HOURS OF SERVICE FOR THE YEAR		AMOUNT OF CREDITED SERVICE FOR THE YEAR
40-HOUR WEEK	37 ½ HOUR WEEK	
1880 and above	1763 and above	1.00
1776-1879	1665-1762	.90
1671-1775	1567-1664	.85
1567-1670	1469-1566	.80
1463-1566	1372-1468	.75
1358-1462	1273-1371	.70
1254-1357	1176-1272	.65
1149-1253	1077-1175	.60
1045-1148	980-1076	.55
941-1044	882-979	.50
836-940	784-881	.45
732-835	686-783	.40
627-731	588-685	.35
523-626	490-587	.30
419-522	393-489	.25
314-418	294-392	.20
210-313	197-293	.15
80-209	75-196	.10
Less than 80	Less than 75	0

TYPES OF RETIREMENT

Normal Retirement

Normal Retirement age is 65. If you retire at age 65, you may begin receiving benefits on the first day of the month that falls on or follows your 65th birthday. If you retire after age 65, benefits can begin on the first day of the month following your retirement date. To receive benefits, you must:

- ▶ attain age 65
- ▶ have at least 5 years of Continuous Service or be employed on the 5th anniversary of your participation, if earlier, and
- ▶ terminate employment with Embarq.



65 is the Normal Retirement age.

Early Retirement

You may want to retire before age 65. To retire **early** and begin receiving benefits **before age 65**, you must:

- ▶ attain age 55,
- ▶ have at least 10 years of Continuous Service, and
- ▶ terminate employment with Embarq.

If you qualify and elect your benefits to begin *before age 65*, you are in effect electing the age 65 benefit you had accrued through your termination date with the Company to be paid over a longer period of time. To fund the longer period of payments, the Plan pays a percentage of the age 65 benefit based on your age when you retire. The percentage of the age 65 benefit is calculated and reflected within the flat dollar amounts in the pension tables for ages 55 through 64 in each Embarq Pension Agreement.



You may retire early — between ages 55 and 65 — if you have at least 10 years of service with Embarq.

Early Retirement Example: Assume you are a Service Technician and elect early retirement at age 58 with 27 years of service. The pension table reflects the age 58 flat dollar amount for your Job Classification is \$30.50. The flat dollar amount for your age and your Job Classification is multiplied by the total years of credited service as of the retirement effective date. The calculation is as follows:

$$\begin{array}{r}
 \$30.50 \text{ Age 58 monthly flat dollar amount} \\
 \times \\
 27 \text{ years of service} \\
 = \\
 \$823.50 \text{ monthly pension benefit for early retirement at age 58.}
 \end{array}$$

Special Early Retirement

You may qualify for Special Early Retirement benefits if, at your termination of employment with the Company, your age at your last birthday *plus* your Credited Service (in whole years) totals at least 75, *and*:

- ▶ your plant, site, installation or department is permanently shut down and you are not offered other work with a Participating Employer; or
- ▶ you are mentally or physically unable to perform the duties of your regular job (as determined by the EBC); or
- ▶ your job is eliminated due to merger, consolidation of operation, automation or reduction in the work force and you are not offered other work with a Participating Employer.

The Special Early Retirement benefit is calculated the same as Normal Retirement (**age 65 benefit**), with a percentage applied for early payment. The percentage applied to a Special Early retirement is greater

than the percentage applied to early retirement since the termination of employment is involuntary. If you meet the requirements for Special Early retirement, the benefit will be a percentage of the age 65 benefit you had accrued through your termination date with the Company based on your age.

Here is a chart reflecting the percentage of the age 65 benefit payable under the Special Early Retirement provision.

YOUR AGE WHEN BENEFITS BEGIN...	PERCENTAGE OF BENEFIT YOU RECEIVE...
50	62 ½
51	65
52	67 ½
53	70
54	72 ½
55	75
56	77 ½
57	80
58	82 ½
59	85
60	87 ½
61	90
62	92 ½
63	95
64	97 ½

Special Early Retirement Example: Assume you are eligible for a Special Early Retirement at age 56 with 25 years of service. The pension table reflects the age 65 flat dollar amount for your Job Classification is \$49.70. The age 65 flat dollar amount for your Job Classification is multiplied by the total years of credited service as of the retirement effective date. The result is multiplied by the Special Early percentage of benefit based on age. The calculation is as follows:

$$\begin{aligned}
 & \$49.70 \text{ Age 65 monthly flat dollar amount} \times 25 \text{ years of service} \times 77 \frac{1}{2}\% \\
 & = \\
 & \$962.94 \text{ monthly special early retirement benefit at age 56.}
 \end{aligned}$$

The percentage of benefit will be interpolated to reflect the exact number of years and months of age at retirement. For instance, when an employee is eligible for Special Early retirement at age 58 years and 7 months, the percentage will be .84. The age 58 percentage is 82 1/2 and the age 59 percentage is 85. The additional 7 months of age is calculated by dividing the difference of 2 1/2% by 7/12. Here's the math: $.025 / 12 = .002 \times 7 \text{ months} = .015$. The age 58 percentage of .825 is increased by .015 to equal .84.

Disability Retirement

If you cannot work because of an illness or injury, you may be eligible to receive a Disability Retirement benefit if you:

- ▶ have completed at least 10 years of Continuous Service before the disability occurs;
- ▶ provide medical evidence of **total and permanent** disability; and
- ▶ provide proof of receipt of Social Security disability benefits within 12 months of the Annuity Starting Date of your Disability Retirement.

Disability pension benefits continue for as long as you are **totally and permanently** disabled. You may be required to submit to a medical examination at the Company's expense or supply proof of continued eligibility for Social Security disability benefits.

A Disability Retirement benefit is calculated the same as a Normal Retirement. However, there is no reduction based on age if you qualify for disability benefits.

Disability retirements may elect a lifetime annuity form of payment, or if married, the 50% joint and survivor option is also available with benefits continuing after your death to your surviving spouse only.

Benefit Reductions During Disability

At most participating companies, short-term disability benefits from a company-sponsored welfare plan may continue after the disability retirement date. However, disability retirement benefits will be reduced by the amount of the short-term disability benefit. If the short-term disability benefit is greater, the retirement benefit will not begin until the short-term disability benefits end.

Disability retirement benefits are also reduced by any disability benefits received from government-sponsored programs (other than Social Security), such as Workers' Compensation.

Deferred Vested Retirement

If you leave the Company before you are eligible to retire, with at least 5 years of Continuous Service, you are entitled to receive a benefit payable at age 65. If you have at least 10 years of Continuous Service, you may elect to receive a pension payable as early as the first of the month following your 55th birthday. The amount of your benefit will be adjusted to account for the early commencement of your benefit.

The chart on the next page shows the percentage of benefit you will receive if you leave the Company before age 55 and have 10 or more years of Continuous Service and elect to receive your benefits before age 65.

The percentage of benefit will be interpolated to reflect the exact number of years and months of age at the time your pension payments begin. For instance, if you begin your benefits at age 61 years and 7 months you will receive the age 61 percentage plus 7/12 of the difference between age 61 percentage and the age 62 percentage.

Your Age When Benefits Begin...	Amount Of Benefit Your Receive...
55	37%
56	40%
57	44%
58	48%
59	53%
60	59%
61	65%
62	72%
63	80%
64	90%
65	100%

Spouse Benefits

The Spouse's Allowance provision can provide a pension benefit to your spouse from the Plan if you die, and:

- ▶ you were married for at least **12 consecutive months** immediately prior to your date of death;
- ▶ you were vested at the time of death; and
- ▶ you had not begun receiving retirement benefits.

If you die while an active employee, your spouse may begin receiving benefits the first of the month following your death. The amount of the benefit is calculated as an early retirement using the date of death as the termination date, with a 50% joint and survivor form of payment (see the section called *Forms Of Payment*). If you properly elect to receive a 66 2/3% or a 100% Joint and Survivor form of payment with your spouses, and you die before your annuity starting date, then your spouse will be entitled to a spousal allowance based on the form of Joint and Survivor annuity elected, instead of the 50% Joint and Survivor annuity. If you were less than age 55 at the time of death, the benefit is based on the flat dollar amount for retirement at age 55.



If you die before retirement, your spouse may receive spouse benefits.

If you die after you have terminated employment, the spousal benefit is paid as if you elected a 50% Joint and Survivor payment option. Your spouse can elect benefits to begin according to the following:

- ▶ If you had **at least** 5 years of service, benefits are payable only the first of the month following your 65th birthday.
- ▶ If you had **at least** 10 years of service, benefits can begin as early as the first of the month following your 55th birthday.

Early payment percentages of a Deferred Vested benefit apply if benefits commence before you would have been age 65. Spouse's Allowance benefits are paid only to your spouse throughout his or her lifetime with no further benefits payable to anyone else after death.

If prior to your death you elected to receive a 66 2/3% or 100% Joint and Survivor form of payment and you die before your Annuity Starting Date, then your spouse will be entitled to a spousal allowance based on the form of Joint and Survivor Annuity elected instead of the form described above. (Refer to the **Irrevocable Election** section in this SPD on page 11.

Postponed Retirement

If you continue working past age 65, pension benefits will be postponed as long as you continue to work for the Company. You will continue accruing pension benefits for as long as you are employed by a Participating Employer. Pension benefits must begin on April 1 of the calendar year following the year in which you attain age 70 1/2, whether or not you continue working.

HOW TO APPLY FOR RETIREMENT BENEFITS

Retirement Application Form

When you are planning to retire, you will need to complete the Retirement Application form. Login to HR Self Service through EQIP and choose "Retirement Application" from the Myself menu to access the online version of this form. A paper version of this form is also available by calling the **Employee Resource Center** at **1-888-722-4372**. This form should be submitted to the **Employee Transitions Team** six months before your retirement date.

FORMS OF PAYMENT

Automatic Forms Of Payment

At the time of retirement, your pension benefit is paid according to the automatic or *normal* form of payment for your marital status. These automatic forms are:

If You Are Single (Not Married)...	
Lifetime Annuity	You will receive the full monthly pension throughout your lifetime with no benefits paid to anyone else after your death.
If You Are Married...	
50% Joint And Survivor Annuity	You will receive an adjusted monthly pension throughout your lifetime. After your death, your surviving spouse will receive 50% of your monthly benefit throughout his or her lifetime with no benefits payable to anyone else after his or her death.

Optional Forms Of Payment

You may elect an **optional** form of payment with benefits continuing to a named beneficiary or **contingent annuitant**. The reduction to your benefit will be based on your beneficiary's age and the option you elect.

OPTIONAL PAYMENT FORMS AVAILABLE				
Life Annuity	You will receive a monthly pension benefit for as long as you live. Benefits are paid throughout <i>your lifetime only</i> — no other benefits are payable after your death.			
Joint And Survivor Annuity Options	With the following optional payment forms, you will receive a <i>reduced</i> monthly pension benefit for as long as you live. <i>Then</i> , after you die, your surviving beneficiary will receive a percentage of the monthly pension benefit you were receiving for the rest of his or her life.			
	33 1/3% Joint and Survivor Annuity	50% Joint and Survivor Annuity	66 2/3% Joint and Survivor Annuity	100% Joint and Survivor Annuity
	Pension benefits will be determined by your age and the age of your beneficiary when benefits begin.			

\$1,000 Or Less — If the actuarial value of your benefit is \$1,000 (or the maximum permitted by law), or less, you (or your beneficiary) will receive a single lump-sum payment.

Less than \$5,000 but more than \$1,000 -- If the actuarial value of your benefit is less than \$5,000 (or the maximum permitted by law), or more than \$1,000, you (or your beneficiary) may elect to receive a single lump-sum payment.

Irrevocable Election

The form of payment must be elected in writing before actual receipt of pension payments. In accordance with IRS regulations this election cannot be made more than 90 days prior to your Annuity Starting Date (see the **Definitions** section). Changes in the form of payment can be made up to the Annuity Starting Date. However, once payments begin, you may not change your payment election.

Naming A Beneficiary

When you retire you may name anyone as contingent annuitant or beneficiary; however, if you are married, your spouse must consent to your election **in writing** with a notarized signature.



When Annuity Payments Begin...

Your monthly annuity payments will begin the first of the month following, or coinciding with, your eligibility for Normal, Early, Special Early, Disability, or Deferred Vested Retirement.

BENEFITS FROM OTHER PLANS

Any retirement benefit you receive from this Plan will be reduced by the equivalent actuarial value of the retirement benefits you receive from a retirement plan of a Participating Employer which is based on the Credited Service you earn under this Plan. Your retirement benefit will not be reduced by the benefits you may receive from the Embarq Retirement Savings Plan, the Embarq Retirement Savings Plan for Bargaining Unit Employees, and the Centel Retirement Savings Plan for Bargaining Unit Employees.

Your monthly pension benefit will also be reduced by any disability benefits you receive from government-sponsored programs (other than Social Security), such as Workers' Compensation.

WHAT HAPPENS IF YOU RETURN TO WORK AFTER YOU LEAVE THE COMPANY

What happens when you return to work after you leave the Company depends on how long you were away and the dates of prior service. Typically...

Less Than One Year — If you were a Plan member when you left the Company and were gone less than one year, you will automatically resume participation in the Plan immediately upon your return to work. Your prior Credited and Continuous Service (see **Important Definitions** section) will be restored when you return to work.

More Than One Year — If you were a Plan member when you left the Company and you were gone longer than one year, you must complete one year of Continuous Service before resuming participation in the Plan. Your prior Credited and Continuous Service will be restored in the following manner:

- ▶ If you were vested and gone more than one year, you will retain any Continuous Service and Credited Service after completing one year of service after rehire.
- ▶ If you were not vested and you were gone more than one year, but less than 5 years, you will retain any Continuous Service and Credited Service after completing one year of service after rehire.
- ▶ If you were not vested when you left the Company and were gone for 5 or more years, or the number of years you were gone is greater than the number of years of service you had when you left the Company, you will retain prior Credited and Continuous Service when you have completed at least 5 full years of service after rehire.

However, if you received your benefit as a lump sum when you left the Company, you may not retain your Credited Service until you pay back the full amount of the lump sum you received (plus interest).

If you think you are eligible to have any prior service recognized by the Plan, you will need to complete and submit a **Bridging of Service** request form. This form can be found on EQIP under Employee Resource Center/Human Resources Info/Forms.

Status And Job Classification Of A Rehired Employee

If the rehired employee is covered by the same Pension Agreement for at least 183 days during both the 12-month period ending on the termination date and the 12-month period beginning on the rehire date, the Retirement Allowance shall be determined based on the provisions of that Pension Agreement.

If the rehired employee is covered by a Pension Agreement at the time of rehire but was not covered by a Pension Agreement at the time of termination, the Retirement Allowance during the 24-month period beginning on the rehire date shall be determined as a non-bargaining employee.

If the rehired employee was covered by a Pension Agreement before termination and upon rehire is not covered by a Pension Agreement, the employee will remain covered by the previous Pension Agreement until he has been in a non-bargaining status for 24 months.

If the rehired employee was covered by a Pension Agreement before termination and upon rehire is covered by a different Pension Agreement, the employee will remain covered by the Pension Agreement prior to termination until he has been covered under the new Pension Agreement for 24 months (if moving from a Centel bargaining unit into an Embarq bargaining unit, the coverage requirement is 36 months).

WHAT HAPPENS IF YOU ARE RECEIVING PENSION BENEFITS AND RETURN TO WORK

Your pension benefits shall be suspended during each calendar month that you return to work, or if you work at least 40 hours in a calendar month for Embarq or a Participating Employer. You should notify the

Plan Administrator or contact the **Employee Transitions Team** through the **Employee Resource Center** at **1-888-722-4372** if you work for the Company after receiving pension benefits.

SOME POINTS TO CONSIDER...

- ▶ The Plan has the right to reduce your future pension benefits to make up for benefits that should have been suspended had the Plan been notified of your re-employment.
- ▶ The Plan Administrator can assume you are working at least 40 hours in each month — and suspend pension benefits — until you can show you are working less than 40 hours per month.

How Your Pension Benefit Is Determined When You Retire Again

If you complete one year of Continuous Service upon return to work, and you did not receive a lump sum payment when you left the Company the first time, your benefit when you retire again is determined by using:

- ▶ your combined service both before and after the break;
- ▶ your flat dollar benefit at the time you retire again; and
- ▶ a reduction for the value of monthly benefits received before rehire.

HOW TO APPEAL THE DENIAL OF RETIREMENT BENEFITS

In accordance with ERISA, you have the right to appeal a denied benefit from this plan by writing to the Plan Administrator (see the section in this SPD titled **Plan Administrator**, page 15. Your request should include your name, address and social security number, the details of why your claim should be considered, and copies of any supporting documentation relevant to your claim.

If your request is denied in whole or in part, you or your contingent annuitant will receive a written notice from the Plan Administrator. This notice will explain:

- ▶ the specific Plan provisions on which the denial is based;
- ▶ any additional information (such as proof of age or information about your spouse) needed to reconsider the application and an explanation of why this information is needed; and
- ▶ the Plan's appeal procedure to the Benefit Administrative Committee (BAC).

Written notice will be provided to you within 90 days after you apply for a Plan benefit unless special circumstances require more time and the Plan Administrator informs you promptly in writing of the reason for the delay and the date you can expect to receive the notice.

You may file an appeal with the BAC, in writing, within 60 days of receiving a denial notice from the Plan Administrator. Your appeal should request a review of your benefits application by the BAC and explain the grounds for your request, along with any relevant facts or comments. The BAC will reconsider the application and give written notice of the decision. This second notice will be furnished within 60 days, or within 120 days if special circumstances require more time and the BAC informs you promptly in writing of the reason for the additional time and the date you can expect to receive the notice. The second notice will include the reason for the decision, with special reference to pertinent Plan provisions. This decision of the BAC will be final determination of the Plan.

OTHER INFORMATION

Social Security

You can start receiving Social Security benefits as early as age 62, and they continue for your lifetime. Both you and the Company contribute to this benefit by paying Social Security taxes. Through Medicare, Social Security may provide financial assistance for medical and hospital expenses. It can pay benefits if you become disabled, or if you die.

If You Transfer To Another Embarq Company

If you transfer to a Participating Employer which has not adopted this Plan, your service at the new company will be counted for determining breaks in service, vesting and eligibility for benefits. However, your service at the new company will not be counted for determining Credited Service. Contact the **Employee Transitions Team** through the **Employee Resource Center** at **1-888-722-4372** for details about these special rules.

If You Transfer In Or Out Of Bargaining Status

If you were covered under a collectively bargained Pension Agreement and transferred into a non-bargaining job, you will be eligible for non-bargaining benefits after you have been in the non-bargaining job for 24 full months.

If you transfer from a non-bargaining job to a collectively bargained job, you will be eligible for benefits under the collectively bargained Pension Agreement after you have been in the bargaining job for 24 full months.

Refer to the SPD for Centel Bargaining Unit Employees for details regarding transferring in or out of a Centel bargaining unit.

Participating Employers Of The Plan

Here is a list of the Participating Employers in this Plan.

- Embarq Corporation
- Carolina Telephone and Telegraph Company
- Central Telephone Company
- Central Telephone Company of Virginia
- Embarq – Florida, Inc.
- Embarq Logistics, Inc.
- Embarq Management Company
- Embarq Mid-Atlantic Management Services, Inc.
- Embarq Midwest Management Services Company
- Embarq Minnesota, Inc.
- Embarq Missouri, Inc.
- United 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

United Telephone Company of the Northwest

United Telephone Company of the West

ADMINISTRATIVE INFORMATION

Plan Sponsor

The Plan Sponsor is Embarq Corporation.

The Plan Number is 001.

The IRS Employer Identification Number is 20-2923630.

The Plan is a defined benefit plan.

Plan Administrator

The Retirement Pension Plan is administered by the Employee Benefits Committee (the "EBC"). The EBC has named the Director – Benefits as Plan Administrator. The address of the EBC is:

Embarq Corporation Employee Benefits Committee 5454 West 110th Street Overland Park, KS 66211
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As provided in the Plan, the EBC has sole discretion in interpreting the terms and provisions of the Plan.

To carry out its responsibility in administering the Plan, the Employee Benefits Committee has the following duties:

- ▶ interpreting and construing the Plan;
- ▶ determining any questions concerning an employee's eligibility for participation and benefits under the Plan;
- ▶ determining the amounts of Plan benefits;
- ▶ prescribing Plan administrative procedures;
- ▶ authorizing the disbursement of money from the Plan fund;
- ▶ requiring any person to furnish information it requests as a condition to receiving benefits under the Plan;
- ▶ preparation of Plan reports; and
- ▶ the authority to delegate administrative responsibilities in connection with the Plan.

Plan Financing

The Retirement Pension Plan is classified as a defined benefit pension plan under the Internal Revenue Code. The Company makes contributions to a special Plan fund in such amounts, and at such times, as are actuarially determined to meet the funding requirements set by the Employee Retirement Income Security Act of 1974 (ERISA) for a plan of this type. The Company or the Plan fund pays all administrative costs associated with Plan operation. Company contributions to the Plan fund are deposited in a trust administered by:

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60690

The Trustee is appointed by the Employee Benefits Committee and is responsible for managing and investing all Plan funds for the exclusive benefit of Plan members. The Trustee invests the Plan's funds and pays out benefits to eligible members.

Service Of Legal Process

Matters of a legal nature should be directed to General Counsel at:

Embarq Corporation
General Counsel
5454 West 110th Street
Overland Park, KS 66211

Service of legal process may also be served on the Plan Trustee or the Plan Administrator. For routine questions about the Plan, however, you may call the **Employee Transitions Team** through the **Employee Resource Center** at **1-888-722-4372**. Plan records are kept on a calendar-year basis.

Plan Document

This SPD summarizes the official documents that legally govern the operation and administration of the Plan. Every effort has been made to make sure the information in this SPD is clear and accurate. However, in the case of any discrepancy, the provisions of the Plan document will govern.

Termination Of Employment

Nothing contained in this SPD shall give any person the right to be retained in the service of the Company; or interfere with the rights of the Company to discharge any person at any time without regard to the effect such discharge shall have upon rights, if any, under the Plan.

Assignment Of Benefits

For the protection of your interests and those of your dependents, your benefits under this Plan cannot be assigned and are not subject to garnishment or attachment, except under a Qualified Domestic Relations Order (QDRO) when properly served on the Plan. You have the right to request a copy of the Plan's Administrative Procedures for Processing Domestic Relations Orders from the Plan Administrator, at no charge. Questions regarding this process should be directed to the **Employee Transitions Team** through the **Employee Resource Center** at **1-888-722-4372**.

Top Heavy Plans

The Plan includes a set of rules that go into effect only if the Plan becomes "top heavy". According to the Internal Revenue Code, a plan is *top heavy* if at least 60% of the present value of all accrued Plan benefits are being paid to "key" employees. Generally, key employees are officers, certain shareholders, and highly compensated employees.

If the Plan becomes top heavy, it will provide special minimum benefits to participants who are not "key" employees. In addition, participants will become 100% vested in the accrued benefit after 3 years of Continuous Service, instead of 5 years of Continuous Service as described earlier in this SPD. This Plan is not expected to become top heavy. However, the status of the plan is monitored on an ongoing basis, and if it becomes top-heavy, you will be notified.

Your ERISA Rights

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

- ▶ Examine, without charge, all plan documents at the office of the Plan Administrator and at other specified locations, such as work sites. Plan documents include insurance contracts, summary plan descriptions, collective bargaining agreements, the annual financial statement and official documents filed with the U.S. Department of Labor and the Internal Revenue Service.
- ▶ Obtain copies of all plan documents and other information about the plan by writing to:

Embarq Corporation
Employee Benefits Committee
5454 West 110th Street
Overland Park, KS 66211

The Plan Administrator may charge you a reasonable amount for each page copied.

- ▶ Receive a summary of the annual financial report for the plan.
- ▶ Obtain a statement telling you whether you have a right to receive a pension at normal retirement (age 65) and what your benefit under the plan would be at normal retirement age if you stop working now. If you do not have a right to a pension, the statement will tell you how many more years you must work to earn the right to a pension. You must make a written request to receive the statement. The plan is not required to provide the statement more than once a year, but it will be provided free of charge.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who operate the plan and call them *fiduciaries*. Fiduciaries must act in the interest of the participants and beneficiaries of the plan. They must exercise prudence and good judgment in the performance of their duties and in the disposition of plan monies.

You cannot be discharged or discriminated against for pursuing a benefit or for exercising your ERISA rights. If a benefit claim is denied, in whole or in part, you must receive a written explanation of the reason for denial. You have the right to have the plan review and reconsider your claim.

There are steps you can take to enforce your ERISA rights. If you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. 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 Plan Administrator.

If your claim for benefits is denied or ignored, in whole or in part, you may file suit in a state or federal court. If plan fiduciaries misuse plan 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 if, for example, it finds your claim is frivolous.

If you have any questions about this statement or about your ERISA rights, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or on-line, or by writing to the:

Employee Benefits Security Administration U.S. Department of Labor 200 Constitution Avenue N.W. Washington, DC 20210

Plan Insurance

The Pension Benefit Guaranty Corporation (PBGC) insures certain benefits under this Plan if the Plan terminates. Generally, the PBGC guarantees most vested normal retirement age benefits, early retirement benefits, deferred vested retirement benefits and certain disability and survivor's benefits. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date the Plan is terminated. However, if a Plan has been in effect for fewer than 5 years before it terminates, or if benefits have been increased within 5 years before Plan termination, the whole amount of the Plan's vested benefits or the benefit increase may not be guaranteed. In addition, there is a ceiling on the amount of monthly benefit that the PBGC guarantees. This amount is adjusted periodically.

For more information on PBGC insurance protection and its limitations, ask the Plan Administrator or the PBGC. Inquiries to the PBGC should be addressed to:

PBGC
1200 K Street, N.W.
Washington, DC 20005-4026
(202) 326-4242 (not a toll-free number)

DEFINITIONS

Annuity Starting Date — the first date as of which distribution of a retirement allowance to a member is to begin.

Benefit Administrative Committee (BAC) – The BAC is a committee appointed by the Employee Benefits Committee with the specific responsibility of determining the validity of a participant's appeal of a claim for Plan benefits that has been denied by the Plan Administrator

Break-In-Service — is a period of time that you are not employed by the Company for 12 continuous months.

Change In Job Classification — When an employee moves from one wage bracket to another.

Change In Status — When an employee changes from non-bargaining to bargaining, or bargaining to non-bargaining, or moves from one bargaining unit to another.

Company — is defined as Embarq Corporation or its participating subsidiaries (see the **Participating Employers Of The Plan** section earlier in this SPD), or any successor by merger, consolidation, or sale of assets.

Continuous Service — is defined as the years and months which count toward being vested or eligible for most retirements, and generally includes service from your date of hire to termination of employment. It includes the aggregate Periods of Service with a Participating Employer.

Credited Service — determines the amount of service applied to calculating your pension benefit and includes the aggregate Periods of Service with Employers participating in the Plan (see the **Participating Employers Of The Plan** section earlier in this SPD).

Disabled — you are considered by the Retirement Pension Plan to be permanently and totally disabled (as defined by Social Security) if you miss work due to sickness or injury while employed by the Company.

Employee Benefits Committee (EBC) – The Retirement Pension Plan is administered by the EBC. This Committee reports to the Compensation Committee of the Board of Directors. The EBC shall be the plan administrator as defined by ERISA and have the authority to control and manage the Plan. The EBC has the responsibilities and duties and powers described in the Plan and any responsibilities and duties under the Plan which are not specifically delegated to anyone else. The EBC will consist of at least five members and the chairpersons are the vice president who has responsibility for benefits administration and the vice president who has responsibility for financial decision support or other vice presidents in the Embarq HR and Finance organizations. The chairpersons appoint the other members of the EBC.

Employer — is defined as Embarq Corporation or its participating subsidiaries, or any successor by merger, consolidation or sale of assets.

Hours Of Service — is defined as each hour that you are paid for being at work and certain hours for which you receive pay but are not actively working including holidays, vacation, illness, and disability.

Job Classification — the wage bracket that determines the amount of an employee's monthly benefit per year of service under a Pension Agreement.

Majority Job Classification Or Status — a Member's Job Classification or Status for a majority of the number of days in a specified period.

Median Job Classification — a Member's Job Classification on the day during a specified period which is the median day during that period. For purposes of this definition, a Member's Job Classification on the median day during a specified period is determined by (1) listing each Job Classification that applies to the Member during the specified period in ascending order of monthly benefit amount related to that Job Classification, and (2) adding up the number of days the Member was employed in each Job Classification beginning with the Job Classification with the smallest benefit amount until the Job Classification is determined which corresponds to the median day during the specified period.

Participating Employers – see the section in this SPD titled “Participating Employers of the Plan”, on page 14 for the list of Participating Employers.

Pension Agreement — an agreement pertaining to pension benefits which is part of a collective bargaining agreement between a Collective Bargaining Agent and Embarq.

Period Of Service — is a period beginning on an employee's employment commencement date and ending on the member's severance from service date.

Plan Year — is defined as the calendar year — January 1 through December 31.

APPENDIX AMENDMENTS

There are multiple appendices to the Embarq Retirement Pension Plan. These appendices apply only to certain groups of employees whose rights have been preserved according to the provisions of their predecessor company's pension plans.

The provisions of all of the Appendices to the Plan are not described in this SPD. You may obtain a copy of any Appendix by contacting the Plan Administrator in writing.