

Verizon retirees sue to stop transfer of pensions

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(AP)—Verizon retirees are suing the phone company because it's planning to transfer the responsibility to pay their pensions to an insurance company, where they will have fewer legal protections.

[Verizon Communications](#) Inc. said last month that it would transfer \$7.5 billion of its pension obligations, covering 41,000 management retirees, to Prudential Insurance. The deal effectively turns the company's defined-benefit pensions into annuities.

The Association of BellTel Retirees sued in federal court in Dallas, seeking a court order to halt the deal, which is set to close in December. They note that annuities aren't covered by the federal Pension Benefit Guaranty Corp.

Randal S. Milch, New York-based [Verizon](#)'s general counsel, says the suit lacks merit, adding that Prudential has a long history of providing group annuity benefits.

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