



Dear Verizon Employee,

In March 2021, Verizon will reward eligible employees for their contributions to the company's financial success with a Corporate Profit Sharing (CPS) award.

The CPS award is a lump sum payment and will be paid to eligible employees on **Mar 5, 2021** in a separate paycheck/direct deposit.

The minimum distribution for the 2020 plan year is \$700. The actual CPS award amount will be determined based on company financial results for 2020 and must be approved by the Verizon Board of Directors in Feb 2021. Additional information about the 2020 CPS award will be provided in March 2021.

You have the opportunity to defer the entire amount of your CPS award (minus appropriate taxes, deductions, union dues (if applicable)) into your Verizon Savings Plan account.

By deferring your CPS award into the Verizon Savings Plan, you can

- ◆ Set aside eligible compensation to build savings for the future.
- ◆ Defer any applicable current federal, state, and local taxes you'd pay on that compensation.
- ◆ Receive valuable company match from Verizon.

If you choose to defer your CPS award into the Verizon Savings Plan

- ◆ You must be actively contributing to the Verizon Savings Plan at the time the award is paid and meet all other eligibility criteria.
- ◆ The CPS award will be deferred into the Verizon Savings Plan on a before-tax basis subject to FICA (Social Security and Medicare) taxes at the time of the deferral.
- ◆ The applicable company matching contribution of the CPS deferral will be made to your account.

How to defer your CPS award to the Verizon Savings Plan

If you choose to defer your CPS award, you must make your election between **Jan 4, 2021 and Feb 5, 2021**. To make your election go to <http://netbenefits.com/Verizon>, then enter your Username and password. Go to the Quick Links drop down box and choose Contribution Amount. Scroll down to Profit Sharing and select the Profit Sharing Election link.

You can also call the Verizon 401(k) Savings Plan Service Center at 888.457.9333 from 8:30 AM through 12 midnight ET, Monday - Friday (except when the New York Stock Exchange is closed). Please note that the deferral period ends at **5:00 PM ET on Feb 5, 2021**.

No action is required if you choose NOT to defer your CPS award

If you choose not to defer your award, you will receive your CPS award payment on **Mar 5, 2021** in a separate check/direct deposit, with regular Verizon Savings Plan deductions and taxes withheld, as applicable. The award will also be subject to union dues, if applicable, and to all legally required deductions such as wage garnishments. Your Verizon Savings Plan deductions will be invested based on your investment election on record for current contributions. Employees with direct deposit for regular paychecks will have the CPS award directly deposited as well, to the same financial institution and bank account.

Check out the Verizon CPS Awards Q&A for more information. For general questions about CPS, please contact your supervisor.