



The LRO Connection

FALL NEWSLETTER

NEWS FROM YOUR LRO



President's Column

Dear Fellow Retiree,

Joseph.dombrowski@mac.com

As we enter the final quarter of 2014, we know there is much on the minds of Lucent retirees: We are approaching the annual healthcare enrollment period, an important decision making time for retirees, and there are many lingering questions regarding the May announcement by Alcatel-Lucent (A-L) of a pending pension buyout offer to be made sometime in 2015. There is a great thirst for information as we have seen a significant increase in visits to our website (www.lucentretirees.com) and questions submitted by our membership.

It is our goal to be as supportive as possible during this period and to offer through our various communication mediums - this newsletter, our website, and scheduled regional meetings - helpful planning information to assist you.

The **LRO Benefits** column included in this newsletter is intended to provide you with helpful suggestions in making important healthcare decisions for you and your family.

In the **LRO Pension Column**, we have attempted to summarize what we do know about the buyout offering (which is limited at this time), but also of our plans to keep retirees updated as information becomes available from A-L. Rest assured that we understand the importance of this subject to our entire retiree base. We will monitor this issue closely and pursue A-L to receive answers to many of the questions raised by our retirees. While the LRO cannot offer specific financial advice, we will support you with as much information as we can to assist you in that decision process.

On October 6 and 7, we will be hosting our final regional meetings of the year in Eatontown, N.J. We are planning two sessions because of the number of retirees in this area and the high demand. Because of the great interest, we plan to video record this session and place it on our website so that retirees across the county will have access to the presentations on healthcare, pensions, and legislative issues. We urge you to check the website frequently and take advantage of this recording and other important postings.

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Finally, I want to thank our membership for their support, and as you read the **Treasurer's Report**, you will note we have enjoyed a significant increase in the percentage of our membership who are supporting the LRO through dues payments. This helps provide the financial stability that allows us to carry out the many LRO activities and programs. It is also a vote of confidence to your entire volunteer board that you support their efforts on your behalf. Enjoy the newsletter!

Joe

LRO Benefits Team

Ron Hoth – rhoth@triad.rr.com

Herb Zydney - eherb@att.net



HEALTHCARE: WHAT'S HAPPENING FOR 2015

The Lucent Retirees Benefits Team, continues its activities on behalf of all retirees. We communicate issues with the Alcatel-Lucent Benefits Office and respond to individual requests. The Benefits Team web site, www.lucentretirees.com/benefitsteam, offers retirees the ability to read and download documents important to their healthcare decisions. Retirees can also share their experiences and read about others' at the LRO Message Board at <http://board.thelro.org/>.

This is the first full year of the Affordable Care Act's (ACA) influence on healthcare. ACA has had relatively little impact on employer plans and Medicare. The new healthcare exchanges could be of benefit to pre-Medicare retirees because in some cases ACA marketplace insurance may be less expensive than A-L's offering in part because of subsidies.

An important consideration when you are ready to select coverage:

- Check with your doctor and hospital to be sure they accept the healthcare plan that you are considering. For example, the United Healthcare website for Alcatel-Lucent says: "Please note: Our provider networks change periodically. A doctor listed in the directory when you enroll in a plan may not be available when your benefits become effective."

Special Note on Timing

- This year, there is more of an overlap between signup for Alcatel-Lucent's Medicare offering and the availability of commercial Medicare Advantage signup. You can learn about commercial Medicare Advantage plans at <http://medicare.gov> before the end of the A-L sign up period.
- For pre-Medicare retirees, the signup for ACA on <http://healthcare.gov> takes place after the closing of Alcatel-Lucent signup. If you are pre-Medicare, you can sign up for A-L, and then consider commercial ACA offerings beginning Nov. 15. If an ACA plan is better for you, cancel the A-L sign-up by calling the Benefits Help Line at 1-888-232-4111.

The following is information that may be of interest or value to you as you make your decisions about your healthcare coverage for 2015:

- **MEDICARE BACKGROUND:** A-L's retiree healthcare plan is considered to be a retiree-only plan, and therefore, is exempt from many of the mandates of the Affordable Care Act. This year, A-L has added a "Silver Sneakers" program that provides access to fitness centers. Even though you may be pleased with your current coverage and what is available to you for 2015, you should shop the market to compare plans available to you in your area. Your State Health

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(Continued from page 2) **LRO Benefits Team**

Insurance Information Organization (SHIP) can provide you with up to date available health insurance and prescription drug (Rx) plans' coverage and cost information for comparison purposes. You can find your SHIP contact data by going to www.lucentretirees.com/benefitsteam and then click on the link on the left, "Help in your State". Just scroll to your state listing, and it will provide you with the contact information. If possible, it would be well worth your while to sit down and meet with a SHIP counselor to explore options.

- **MEDICARE PRESCRIPTION DRUGS:** The A-L/Express Scripts Rx Plan is more expensive compared to some commercially available Part D plans. You can opt out of the prescription drug plan if you sign up for the A-L Medicare Advantage offering; however, there will be no reduction in premium. If you consider a commercial Medicare Advantage plan, a commercial Part D plan might offer additional savings.
- **PRE-MEDICARE RETIREES:** This year, Alcatel-Lucent will no longer offer a partial subsidy of some pre-65 retirees' premiums. The full cost will be shown in the "Your Benefits Resources" website posting. The Affordable Care Act (ACA) provides health care insurance through healthcare exchanges that could be of particular interest to pre-Medicare retirees, particularly if a spouse of a retiree is pre-Medicare. You can visit <http://healthcare.gov> to determine your coverage options. You will need to compare premiums and higher deductibles to the A-L plans. ACA offers both premium subsidies and deductible subsidies depending on income, so be sure to factor that into your decision-making.
- As a reminder, if you go with commercial plan coverage for 2015, you can re-enroll with A-L during a future open enrollment or "qualifying" period.

At the time this is going to press, we are not privy to what all the changes and premiums will be for the plans offered by A-L for 2015. We expect the plans and their coverage to be essentially the same. You will be able to get this data from Alcatel-Lucent - on line only - at <http://resources.hewitt.com/alcatel-lucent> beginning September 22nd.

LRO Pension Column

Frank Minter - fcminster@aol.com



By now, most of our retirees are aware that Alcatel-Lucent announced in May of this year its intent to offer a pension buyout to approximately 45,000 retirees and related beneficiaries in the U.S. management pension plan. The offer is expected to be made in 2015.

We know there is great interest among our retirees regarding this announcement, and in a letter dated June 30, 2014 to Mr. John Hickey, Vice President Global Benefits for Alcatel-Lucent, the LRO raised a number of questions for clarification.

A-L has responded that they are still in the process of working out the exact parameters of the offering, but did confirm their intent to make the offering sometime in mid-year 2015 with payout later that year. Since there are approximately 130,000 participants in the management pension plan, we do not know at this time how they will select those who will receive the offer.

Because of the great interest in this subject, the LRO has created a **Pension Buyout Corner** on our

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website (www.lucentretirees.com) and will update this column as additional information is received. As you know, the LRO cannot offer financial advice about this offer, but we will encourage retirees who receive the offer to seek professional advice from a financial advisor. The LRO does plan to explore creating a tool that would allow retirees to calculate a lump sum amount to compare with the offer from A-L. We will keep you informed as these plans evolve.

Our retirees should be aware that since the offer is to be made in 2015 it will take place before new mortality tables are used in 2016. The 2016 tables will likely show longer lives which increases pension obligations and therefore could increase any lump sum calculation.

Regarding the plan funding status, we reported in the Spring newsletter that at year-end 2013, fund assets for the combined management and occupational plans were \$30.192 billion with obligations of \$26.166 billion. This represented a funding level of 115.4%, an improvement from 109% the previous year.

Assets in the management fund at year end were \$19.287 billion with obligations of \$18.296 billion for a funding ratio of 105.4%. This compares with a ratio the previous year of 96.8%. Some part of the improvement was the transfer by A-L of 30,000 retired, deferred vested former represented employees from the occupational plan to the management plan, along with \$600 million more assets than obligations.

Since that time, you have received the required mandatory funding notice from A-L that reported two funding levels: On an actuarial basis at January 1, 2013 the level was 119.3% and on a fair market value basis at year-end 2013, the funding level was 108.4%. Remember, the actuarial rate of 119.3% was the result of the U.S. Congress passing legislation allowing higher discount rates that reduced pension obligations. The Congress has done this again in 2014 where the result will be lower pension contributions required by companies. This action will increase corporate profits, and therefore, also increase corporate income taxes. The NRLN, the LRO legislative arm, vigorously opposed this legislation, which simply allows corporations to defer required pension contributions to future years.

Bottom line, our plan is presently well funded. The big unknown for all retirees is the pending buyout details and what further action A-L may take with the remaining plan participants. The LRO will monitor this closely.

Legislative Affairs

Bob Martina - rfjm9870@aol.com



You have the power and several alternatives to influence Congress.

Congressional report cards available.

You have seen many NRLN Action Alerts sent to you over the last decade. Responding to them is an important tool we have to influence Congress, but it isn't the only tool you can employ. Action methods are:

- **Responding to NRLN Action Alerts**
- **Composing your own message using the Action Alert process on any topic.**
- **Letter-to-the-Editor**

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- **Calling the local or Washington, D.C. office.**
- **Sending an e-mail with or without attachments to congressional office, local or DC**
- **Fax a message or mail a hard copy**
- **Local office visits. (These should be coordinated with our congressional district leaders)**
<http://www.nrln.org/directory.html>
- **Town Hall /Phone Town Hall Meetings. In this election period a good chance for them.**
- **Facebook (95% of congressmen have an account.)**
- **Twitter (a majority use it)**

Go to this NRLN web site for more details on using them, including Facebook accounts of congressmen, local office contacts and more. <http://www.nrln.org/documents/NRLN%20Choose%20Your%20Method%20to%20Influence%20Congress.pdf> You'll find out how easy it is to let your voice be heard.

Congressional "report cards" for each congressman and senator list co-sponsors of bills we support. Just plug in your zip code on the NRLN home page upper right and then follow the map to your state and congressman or senator. At the bottom of their page is a list of bills we support or oppose and if that member of congress co-sponsors it, a good indication of support. This is great information for use with any of the methods above and makes a great URL to be added to a Facebook message, particularly in this election year. If your congressman doesn't have a "Yes" in co-sponsor column for bills we support, maybe he should be asked why not. Congress will be back home campaigning until after the election.

Another great source of background for such initiatives are the papers the NRLN has prepared on our issues. The executive summaries are easy reading and a great handout. Talking points on the issues are also here. <http://www.nrln.org/talking.exec.sums.html>

As we go to press, the NRLN is conducting a fly-in to meet with key congressional staff members and some agencies on several issues. Of particular interest to us is the De-risking/ off loading pensions by corporations which eliminates pension protections under labor law (ERISA) and getting the information in the Annual Funding Notices (AFN) more current, as well as Prescription Drug and outpatient Medicare issues .

Your involvement would help move these issues along. Empower yourself.



REGIONAL LRO NEWS

The year 2014 has been another busy year for the LRO as we have continued our practice of hosting retiree meetings at key population centers across the country.

In February, the LRO leadership team met with retirees in the Villages of Florida, followed by a meeting in Atlanta, Georgia. Both sessions were extremely well attended. In March, we conducted our first teleconferenced session to a group of about 50 retirees in the Shreveport, Louisiana area. We intend to explore using that cost effective methodology next year in other locations with smaller concentrations of retirees. In June, the full leadership team met with retirees in Dallas, Texas.

To end the year, we have sessions planned on October 6 and 7 in Eatontown, New Jersey where we have a large concentration of Lucent retirees. Because we know there is great interest among our retiree base for information, we plan to video record this session and place the video on our website. We hope retirees across the country will take advantage of this opportunity to view the LRO presentations. To register to attend the Eatontown meetings, please visit our website at www.lucentretirees.com.

Treasurer's Report



Dick McCauley - dickmccauley@yahoo.com

We have seen a significant improvement in our dues collection thus far in 2014. Our members have responded positively, which has enabled the LRO to become more financially stable. We have experienced an increase of 136 active members since January, which includes 11 new **Lifetime Members**. We have achieved a 15% increase in dues revenue this year as compared to year 2013.

Your board believes it is important to have funds at hand to properly address legislative or Alcatel-Lucent issues that may negatively impact Lucent retirees. Your continued financial support is important to assure that we can effectively represent your interests and maintain effective communications through our website, our newsletter and our scheduled regional membership meetings.

For those members who have been regular financial supporters, we thank you on behalf of all Lucent retirees. If you have not yet renewed your dues, we urge you to do so today. You may pay your dues by using the form on the last page of the newsletter or by accessing our website at www.lucentretirees.com.

MAKE US YOUR SOURCE OF NEWS

There's a lot happening these days in healthcare and pensions. Stay informed with the LRO website. The very latest about the pension buyout is in the left column. Anything that directly affects Lucent retirees appears in the center column of our home page the next day. And every day, extracted from news media nationwide, there are four to ten new articles listed in the right column that keep you up-to-date on events, legislation, opinion, and more items of interest to retirees.

Our **BENEFITS section provides up-to-date information about healthcare options. Our **IN MEMORIAM** page lists the latest deaths in our group and allows you to submit names of colleagues and relatives.**

Stay informed! Visit <http://www.lucentretirees.com> every day. If you use Internet Explorer and would like to make us your homepage, choose settings, then internet options, and type our address in the 'home page' box.

Alcatel-Lucent Update

Alcatel-Lucent's CEO Says, 'We Are Now Back on Track'

In a Sept. 11, 2014 article in Light Reading, Alcatel-Lucent CEO Michel Combes says the company has come a long way in getting its financial house in order and is focused on innovating, partnering and finding new customers.

Combes, who became CEO in April 2013, said, "After 18 months on this journey, we are now back on track. We have demonstrated renewed profitability and a clean asset portfolio. The journey isn't yet finished, but is on track to reach its target."

Alcatel-Lucent reported a net loss of \$389 million for the second quarter in July, but said comparable sales grew about 5%, offset by exchange rate variations, exclusion of the managed services business and other factors. Second-quarter revenues totaled \$4.39 billion, down about 4.7% from a year ago.

The company is mainly supported by service provider customers, which will continue, but the company will also have to find new growth segments, Combes said. It's finding those in cable providers, big enterprises, web-scale players, government and the cloud. Alcatel-Lucent will focus over the next 18 months on extending its scope to these new segments, Combes said.

- History Corner - Richmond Works 1973 -1996

The Richmond Works Printed Circuit Board factory received a lot of notoriety in the 1980s for its fully operational integrated manufacturing process. In 1983, Richmond was honored with the national LEAD Award by the Society of Manufacturing Engineering (CASA Association) and then garnered numerous recognitions from various publications such as **FORTUNE** magazine and **Modern Material Handling**.

The LEAD Award for "Leadership and Excellence in the Application and Development of Computer Integrated Manufacturing" is a unique and prestigious recognition with only two other entities having received it in previous years. As a result, **FORTUNE** magazine cited the Richmond plant as one of the "Ten Best in America". Other publications, similarly, wrote about the Richmond process.

The Richmond plant was the largest manufacturer of printed circuit boards under one roof in the world. Manufactured were flexible boards processed in continuous rolls of copper clad Mylar (measured in miles per week), double sided rigid and multilayer as well as connectorized (pin inserted) boards.

Digital design data received over the network from Bell Labs and other customers were processed automatically to produce the artwork and numerical tooling which was then distributed to machines and test facilities throughout the plant. Customer orders likewise were received over the net which were then dispatched in priority sequence to the factory floor. All manufacturing instructions and tooling were accessed "real Time" and production lots routed throughout the factory.

In the 1980s, computer integrated manufacture was a rarity, so software and processors had to be developed. Networking computers was an art and required some innovative thinking and design in order to seamlessly move information around and through the factory. Richmond accomplished all of this well ahead of its peer manufacturers.

The Richmond Works had over 140 acres of land and the total gross square footage was in excess of 700,000 square feet after the additions in the 1980s were completed. Flexible circuits boards, double sided rigid boards, multilayer boards, and connectorized (pin inserted) boards were manufactured in the main plant plus a leased facility on Glen Alden Drive. After the final additions were made to the main plant, all manufacturing was done at the 4500 S. Laburnum Plant. At the time of peak production, over 2,000 employees were located at the Richmond Works. The major customers were the Oklahoma City, Merrimack Valley, Columbus, North Carolina, Denver, Indianapolis, and Dallas Works locations.

The Plant incorporated the latest Environmental Controls available at that time including state of the art waste treatment, air pollution abatement, and solvent recovery systems.

With the downturn in the telecommunications industry, the plant was sold to Via Systems in 1996 and eventually closed in 2000. The site is now a large shopping complex with hotels, retail stores and restaurants. A round-about at the entrance displays a plaque recognizing the employees who formerly worked in the plant. The Richmond Works - a major part of our shared Western Electric history.

The editor thanks former Richmond Works employees Donald L. Sage, Robert C. Whiteman, and Bruce C. Fichter for contributing this article.

The LRO Connection

Join The LRO LRO dues are \$25 for Annual membership or \$350 for Lifetime membership. Additionally, you have the option of prepaying \$100 for a Five-Year membership and saving \$25. Please take time today to write your check to the LRO and mail it to: **LRO Inc., P.O. Box 816, Winter Haven, FL 33882** If you prefer to pay by credit card, visit the LRO Website at www.lucentretirees.com. **Please send a check, not cash.**

PLEASE COMPLETE THE ENTIRE MEMBERSHIP FORM AND ATTACH WITH YOUR CHECK

The LRO is a not-for-profit, tax-exempt organization. Dues and/or Contributions are not tax deductible.

LRO Membership Information

Renew My LRO Membership Register Me As A New LRO Member
 \$25 Annual Membership \$100 Five year prepaid Membership \$350 Lifetime Membership
 Name: _____ Email address: _____
 Mailing Address: _____ City: _____
 State: _____ Zip Code: _____ Phone: _____

The LRO Website allows dues-paying members to access the contact information of other members.

*If you **DO NOT** want your information accessed, check here*

Check one: Retiree with Pension Vested for Pension Surviving Spouse Management Non-Management
 Retirement Date _____ Company At Retirement _____ Years of Service _____
 How did you learn about LRO? from a friend/former co-worker; from the LRO web site; from News Articles;
 from Pioneers/Retiree Clubs; from Credit Union Publication Ad; Other (please specify) _____

Would you like to be contacted about joining one of the LRO committees such as Membership, Benefits, Regional, Pension, Legislative or Legal?
 Please specify: _____

Lucent Retiree Organization Contacts

www.lucentretirees.com

LRO Board of Directors

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President - Joe Dombrowski - joseph.dombrowski@mac.com - Phone: 480-766-3386
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Find the LRO on Facebook

If you are a Facebook user, please click on the link below - you will have to sign in, and it will take you to the LRO Facebook page. We are working to make this page informative. If you have suggestions, please contact Pam Rasmussen at pam_cougars@yahoo.com.

<http://www.facebook.com/#!/pages/Lucent-Retirees-Organization-LRO/119718694773981>

Important Contact Information

Alcatel-Lucent Benefits Center 1-888-232-4111
www.resources.hewitt.com/alcatel-lucent

Aetna Dental
 1-800-220-5479 (DMO) 1-800-220-5470 (PPO)
www.aetna.com

UHC Medicare Advantage Group PPO
www.uhcretiree.com/alcatel-lucent

For Information on coverage
 1-888.980-8117 (TTY:711)

For information about providers 1-877-842-3210

Express Scripts Medicare Prescription Plan
 1-800-230-0512 (If Medicare-Eligible)
 (TTY: 1-800-717-3231)

www.express-scripts.com

Express Scripts Prescription Plan
 1-800-336-5934 (If Non-Medicare-Eligible)
www.express-scripts.com

United Healthcare Traditional Indemnity 1-800-577-8567
Medicare-Facts about Medicare Parts A, B, C & D
 1-800-633-4227 (TTY: 1-877-486-2048)

SHIP contact information 1-800-MEDICARE
www.medicare.gov

MetLife Life Insurance 1-888-201-4612
MetLife Long-Term Care (LTC) 1-800-984-8651
Social Security Administration 1-800-772-1213
 Update Personal Info. on file w/ Medicare
 (TTY: 1-800-325-0778)

Your Benefits Resources Website
<http://resources.hewitt.com/alcatel-lucent>

Alcatel-Lucent Pension Service Center
 1-866-429-5764 (TTY: 1-866-429-5765)
 PSC International Number (collect) 1-904-791-2147

Alcatel-Lucent Advocacy Center 1-888-232-4111
 To escalate problem issues

Alcatel-Lucent website for Benefits News
www.benefitsanswersplus.com

LRO Website www.lucentretirees.com
LRO Benefits Email Address
benefits@lucentretirees.com

Alcatel-Lucent Added Benefits 1-800-622-6045
www.addedbenefitsaccess.com