UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission file number: 1-8606

Verizon Communications Inc.

(Exact name of registrant as specified in its charter)

Delaware	**23-2259884**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
140 West Street New York, New York	**10007**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 395-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.10 par value	New York Stock Exchange The NASDAQ Global Select Market London Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ✓ No __

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes __ No ✓

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ✓ No __

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any,

Report of Independent Registered Public Accounting Firm on Financial Statements

To The Board of Directors and Shareowners of Verizon Communications Inc.:

We have audited the accompanying consolidated balance sheets of Verizon Communications Inc. and subsidiaries (Verizon) as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2012. These financial statements are the responsibility of Verizon's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Verizon at December 31, 2012 and 2011, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2012, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Verizon's internal control over financial reporting as of December 31, 2012, based on criteria established in Internal Control–Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 26, 2013 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Ernst & Young LLP
New York, New York

February 26, 2013

our consolidated balance sheets as assets and liabilities. At December 31, 2012 the fair value of these interest rate swaps was not material, and at December 31, 2011, the fair value was $0.6 billion, primarily included in Other assets and Long-term debt. As of December 31, 2012, the total notional amount of these interest rate swaps was $1.3 billion. During 2012, interest rate swaps with a notional value of $5.8 billion were settled. As a result of the settlements, we received net proceeds of $0.7 billion, including accrued interest which is included in Other, net operating activities in the consolidated statement of cash flows. The fair value basis adjustment to the underlying debt instruments will be recognized into earnings as a reduction of Interest expense over the remaining lives of the underlying debt obligations.

Forward Interest Rate Swaps

In order to manage our exposure to future interest rate changes, during the second quarter of 2012, we entered into forward interest rate swaps with a notional value of $1.0 billion. We designated these contracts as cash flow hedges. In November 2012, we settled these forward interest rate swaps and the pretax loss was not material.

Cross Currency Swaps

Verizon Wireless previously entered into cross currency swaps designated as cash flow hedges to exchange approximately $1.6 billion of British Pound Sterling and Euro-denominated debt into U.S. dollars and to fix our future interest and principal payments in U.S. dollars, as well as to mitigate the impact of foreign currency transaction gains or losses. A portion of the gains and losses recognized in Other comprehensive income was reclassified to Other income and (expense), net to offset the related pretax foreign currency transaction gain or loss on the underlying debt obligations. The fair value of the outstanding swaps was not material at December 31, 2012 or December 31, 2011. During 2012 and 2011 the gains and losses with respect to these swaps were not material.

Prepaid Forward Agreement

During the first quarter of 2009, we entered into a privately negotiated prepaid forward agreement for 14 million shares of Verizon common stock at a cost of approximately $0.4 billion. We terminated the prepaid forward agreement with respect to 5 million of the shares during the fourth quarter of 2009 and 9 million of the shares during the first quarter of 2010, which resulted in the delivery of those shares to Verizon.

Concentrations of Credit Risk

Financial instruments that subject us to concentrations of credit risk consist primarily of temporary cash investments, short-term and long-term investments, trade receivables, certain notes receivable, including lease receivables, and derivative contracts. Our policy is to deposit our temporary cash investments with major financial institutions. Counterparties to our derivative contracts are also major financial institutions. The financial institutions have all been accorded high ratings by primary rating agencies. We limit the dollar amount of contracts entered into with any one financial institution and monitor our counterparties' credit ratings. We generally do not give or receive collateral on swap agreements due to our credit rating and those of our counterparties. While we may be exposed to credit losses due to the nonperformance of our counterparties, we consider the risk remote and do not expect the settlement of these transactions to have a material effect on our results of operations or financial condition.

Note 10

Stock-Based Compensation

Verizon Communications Long-Term Incentive Plan

The Verizon Communications Inc. Long-Term Incentive Plan (the Plan) permits the granting of stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance stock units and other awards. The maximum number of shares available for awards from the Plan is 119.6 million shares.

Restricted Stock Units

The Plan provides for grants of Restricted Stock Units (RSUs) that generally vest at the end of the third year after the grant. The RSUs granted prior to January 1, 2010 are classified as liability awards because the RSUs will be paid in cash upon vesting. The RSUs granted subsequent to January 1, 2010 are classified as equity awards because the RSUs will be paid in Verizon common stock upon vesting. The RSU equity awards are measured using the grant date fair value of Verizon common stock and are not remeasured at the end of each reporting period. Dividend equivalent units are also paid to participants at the time the RSU award is paid, and in the same proportion as the RSU award.

Performance Stock Units

The Plan also provides for grants of Performance Stock Units (PSUs) that generally vest at the end of the third year after the grant. As defined by the Plan, the Human Resources Committee of the Board of Directors determines the number of PSUs a participant earns based on the extent to which the corresponding performance goals have been achieved over the three-year performance cycle. The PSUs are classified as liability awards because the

PSU awards are paid in cash upon vesting. The PSU award liability is measured at its fair value at the end of each reporting period and, therefore, will fluctuate based on the price of Verizon common stock as well as performance relative to the targets. Dividend equivalent units are also paid to participants at the time that the PSU award is determined and paid, and in the same proportion as the PSU award. The granted and cancelled activity for the PSU award includes adjustments for the performance goals achieved.

The following table summarizes Verizon's Restricted Stock Unit and Performance Stock Unit activity:

(shares in thousands)	Restricted Stock Units	Performance Stock Units
Outstanding January 1, 2010	19,443	29,895
Granted	8,422	17,311
Payments	(6,788)	(14,364)
Cancelled/Forfeited	(154)	(462)
Outstanding December 31, 2010	20,923	32,380
Granted	6,667	10,348
Payments	(7,600)	(12,137)
Cancelled/Forfeited	(154)	(2,977)
Outstanding December 31, 2011	19,836	27,614
Granted	**6,350**	**20,537**
Payments	**(7,369)**	**(8,499)**
Cancelled/Forfeited	**(148)**	**(189)**
Outstanding December 31, 2012	**18,669**	**39,463**

As of December 31, 2012, unrecognized compensation expense related to the unvested portion of Verizon's RSUs and PSUs was approximately $0.4 billion and is expected to be recognized over approximately two years.

The RSUs granted in 2012 and 2011, and classified as equity awards, have weighted-average grant date fair values of $38.67 and $36.38 per unit, respectively. During 2012, 2011 and 2010, we paid $0.6 billion, $0.7 billion and $0.7 billion, respectively, to settle RSUs and PSUs classified as liability awards.

Verizon Wireless' Long-Term Incentive Plan

The Verizon Wireless Long-Term Incentive Plan (the Wireless Plan) provides compensation opportunities to eligible employees of Verizon Wireless (the Partnership). Under the Wireless Plan, Value Appreciation Rights (VARs) were granted to eligible employees. As of December 31, 2012, all VARs were fully vested. We have not granted new VARs since 2004.

VARs reflect the change in the value of the Partnership, as defined in the Wireless Plan. Similar to stock options, the valuation is determined using a Black-Scholes model. Once VARs become vested, employees can exercise their VARs and receive a payment that is equal to the difference between the VAR price on the date of grant and the VAR price on the date of exercise, less applicable taxes. All outstanding VARs are fully exercisable and have a maximum term of 10 years. All VARs were granted at a price equal to the estimated fair value of the Partnership, as defined in the Wireless Plan, at the date of the grant.

The following table summarizes the assumptions used in the Black-Scholes model during 2012:

	End of Period
Risk-free rate	0.19%
Expected term (in years)	0.62
Expected volatility	43.27%

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of the measurement date. Expected volatility was based on a blend of the historical and implied volatility of publicly traded peer companies for a period equal to the VARs expected life ending on the measurement date.

The following table summarizes the Value Appreciation Rights activity:

(shares in thousands)	VARs	Weighted-Average Grant-Date Fair Value
Outstanding rights, January 1, 2010	16,591	$ 16.54
Exercised	(4,947)	24.47
Cancelled/Forfeited	(75)	22.72
Outstanding rights, December 31, 2010	11,569	13.11
Exercised	(3,303)	14.87
Cancelled/Forfeited	(52)	14.74
Outstanding rights, December 31, 2011	8,214	12.39
Exercised	**(3,427)**	**10.30**
Cancelled/Forfeited	**(21)**	**11.10**
Outstanding rights, December 31, 2012	**4,766**	**13.89**

During 2012, 2011 and 2010, we paid $0.1 billion, respectively, to settle VARs classified as liability awards.

Stock-Based Compensation Expense

After-tax compensation expense for stock-based compensation related to RSUs, PSUs, and VARs described above included in Net income attributable to Verizon was $0.7 billion, $0.5 billion and $0.5 billion for 2012, 2011 and 2010, respectively.

Stock Options

The Plan provides for grants of stock options to participants at an option price per share of no less than 100% of the fair market value of Verizon common stock on the date of grant. Each grant has a 10-year life, vesting equally over a three-year period, starting at the date of the grant. We have not granted new stock options since 2004.

The following table summarizes Verizon's stock option activity:

(shares in thousands)	Stock Options	Weighted-Average Exercise Price
Outstanding, January 1, 2010	107,765	$ 44.52
Exercised	(372)	34.51
Cancelled/Forfeited	(50,549)	44.90
Outstanding, December 31, 2010	56,844	44.25
Exercised	(7,104)	35.00
Cancelled/Forfeited	(21,921)	51.06
Outstanding, December 31, 2011	27,819	41.24
Exercised	**(7,447)**	**35.20**
Cancelled/Forfeited	**(17,054)**	**45.15**
Outstanding, December 31, 2012	**3,318**	**34.69**

All stock options outstanding at December 31, 2012, 2011 and 2010 were exercisable.

The following table summarizes information about Verizon's stock options outstanding as of December 31, 2012:

Range of Exercise Prices	Stock Options (in thousands)	Weighted-Average Remaining Life (years)	Weighted-Average Exercise Price
$30.00-39.99	3,273	0.8	$ 34.58
40.00-49.99	45	0.3	42.99
Total	**3,318**	**0.8**	**34.69**

The total intrinsic value for stock options outstanding as of December 31, 2012 is not significant. The total intrinsic value of stock options exercised was $0.1 billion in 2012 and the associated tax benefits were not significant in 2012, 2011 and 2010. The amount of cash received from the exercise of stock options was $0.3 billion in 2012, $0.2 billion in 2011 and not significant in 2010. There was no stock option expense for 2012, 2011 and 2010.

Note 11

Employee Benefits

We maintain non-contributory defined benefit pension plans for many of our employees. In addition, we maintain postretirement health care and life insurance plans for our retirees and their dependents, which are both contributory and non-contributory, and include a limit on our share of the cost for certain recent and future retirees. In accordance with our accounting policy for pension and other postretirement benefits, operating expenses include pension and benefit related charges based on actuarial assumptions, including projected discount rates and an estimated return on plan assets. These estimates are updated in the fourth quarter to reflect actual return on plan assets and updated actuarial assumptions. The adjustment is recognized in the income statement during the fourth quarter or upon a remeasurement event pursuant to our accounting policy for the recognition of actuarial gains/losses.

Pension and Other Postretirement Benefits

Pension and other postretirement benefits for many of our employees are subject to collective bargaining agreements. Modifications in benefits have been bargained from time to time, and we may also periodically amend the benefits in the management plans. The following tables summarize benefit costs, as well as the benefit obligations, plan assets, funded status and rate assumptions associated with pension and postretirement health care and life insurance benefit plans.

Obligations and Funded Status

(dollars in millions)

	Pension		Health Care and Life	
At December 31,	**2012**	2011	**2012**	2011
Change in Benefit Obligations				
Beginning of year	**$ 30,582**	$ 29,217	**$ 27,369**	$ 25,718
Service cost	**358**	307	**359**	299
Interest cost	**1,449**	1,590	**1,284**	1,421
Plan amendments	**183**	(485)	**(1,826)**	–
Actuarial loss, net	**6,074**	3,360	**1,402**	1,687
Benefits paid	**(2,735)**	(2,564)	**(1,744)**	(1,756)
Annuity purchase	**(8,352)**	–	**–**	–
Settlements paid	**(786)**	(843)	**–**	–
End of Year	**$ 26,773**	$ 30,582	**$ 26,844**	$ 27,369
Change in Plan Assets				
Beginning of year	**$ 24,110**	$ 25,814	**$ 2,628**	$ 2,945
Actual return on plan assets	**2,326**	1,191	**312**	63
Company contributions	**3,719**	512	**1,461**	1,376
Benefits paid	**(2,735)**	(2,564)	**(1,744)**	(1,756)
Settlements paid	**(786)**	(843)	**–**	–
Annuity purchase	**(8,352)**	–	**–**	–
End of year	**$ 18,282**	$ 24,110	**$ 2,657**	$ 2,628
Funded Status				
End of year	**$ (8,491)**	$ (6,472)	**$ (24,187)**	$ (24,741)

Compensation Committee Report

The Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on such review and discussions, the Committee recommended to the Board of Directors, and the Board has approved, the inclusion of the Compensation Discussion and Analysis in this proxy statement and the Company's Annual Report on Form 10-K.

Respectfully submitted,

Human Resources Committee

Joseph Neubauer, Chairperson
Richard L. Carrión
Melanie L. Healey
M. Frances Keeth
Robert W. Lane
Clarence Otis, Jr.

Dated: March 8, 2013

Compensation Discussion and Analysis

The Human Resources Committee oversees the development and implementation of the total compensation program for Verizon's named executive officers. Throughout this discussion and analysis of compensation, we refer to the Board of Directors as the Board and the Human Resources Committee as the Committee.

For 2012, Verizon's named executive officers were:

Lowell C. McAdam	Chairman and Chief Executive Officer
Daniel S. Mead	Executive Vice President and President and Chief Executive Officer – Verizon Wireless Joint Venture
Francis J. Shammo	Executive Vice President and Chief Financial Officer
John G. Stratton	Executive Vice President and President – Verizon Enterprise
Randal S. Milch	Executive Vice President and General Counsel*

* Effective January 1, 2013, Mr. Milch was appointed Executive Vice President – Public Policy and General Counsel.

Executive Summary

Summary of 2012 Results

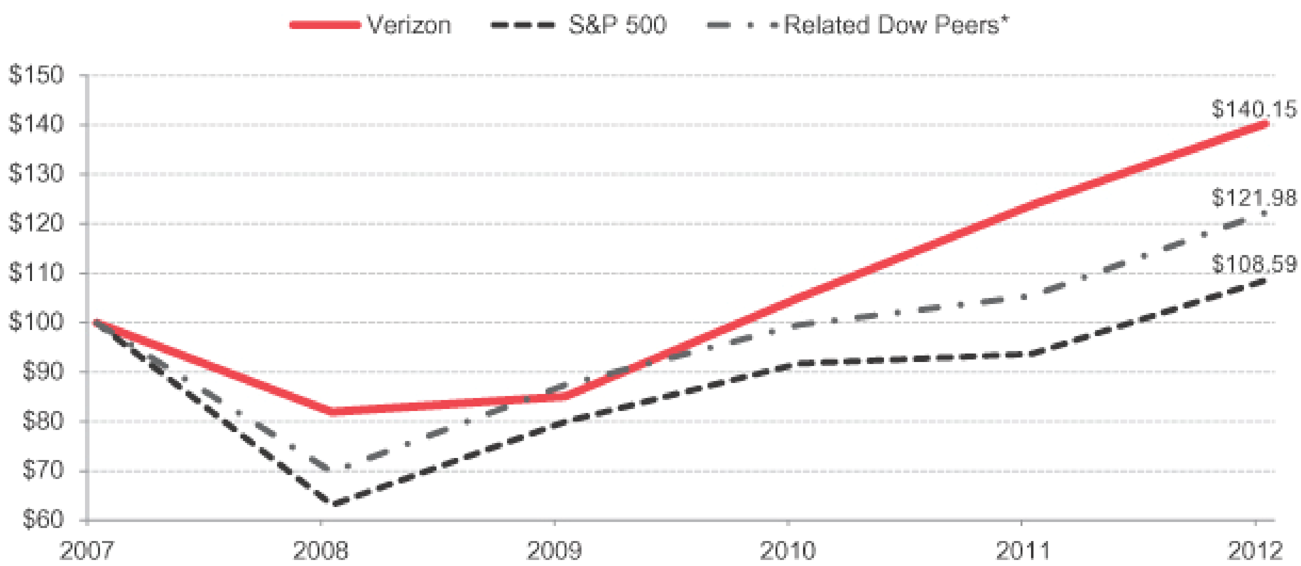
In 2012, Verizon produced generally strong results. These included:

Performance Metric [1]	2012 Result	Change from 2011
Adjusted EPS	$2.24	4.2%
Total Revenue	$115.8B	4.5%
Free Cash Flow	$15.3B	13.1%
Return on Equity	17.1%	167bps

[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures can be found in Appendix C to this proxy statement.

The chart below reflects how $100 invested in Verizon stock on December 31, 2007 would have grown to $140.15 on December 31, 2012, with dividends reinvested quarterly. It also shows how $100 invested in the Related Dow Peers* and $100 invested in the S&P 500 Index on December 31, 2007, with dividends reinvested, would have grown over the same five-year period.

Comparison of Five-Year Cumulative Total Shareholder Return



* Total shareholder return based on equal weighting methodology.

Summary of Key 2012 Compensation Decisions

Based on Verizon's business strategy and accomplishments in 2012, the Committee made the following key compensation decisions in 2012:

2012 Base Salary	After considering competitive peer pay practices, the Committee approved base salary increases of 10.3% for Mr. Mead, 3.7% for Mr. Shammo and 4.0% for Mr. Milch. In addition, in recognition of Mr. Stratton's promotion to Executive Vice President and President – Verizon Enterprise, the Committee increased Mr. Stratton's base salary by 12.5%. Mr. McAdam did not receive a base salary increase in 2012.
2012 Short-Term Incentive Awards	In connection with the Committee's review of competitive peer pay practices and to provide executives with additional focus and incentives to drive year-over-year growth and profitability, and further strengthen the relationship between pay and performance, the Committee expanded the payout range of the short-term incentive program for 2012 by decreasing the potential payout amount at threshold performance from 67% to 50% of target and by increasing the potential payout amount at maximum performance from 133% to 150% of target. Also, in connection with its review of competitive peer pay practices, the Committee modified the short-term target incentive opportunity (which is expressed as a percentage of base salary levels) by reducing the target percentage for the named executive officers other than the CEO from 112.5% to 110% and increasing the target percentage for the CEO from 187.5% to 250%. Based on the Company's performance against the measures the Committee established at the beginning of the year, each of the participants in the short-term incentive plan, including the named executive officers, received a 2012 short-term incentive award paid at 90% of its targeted level.

2012-2014 Long-Term Incentive Awards	In prior years, the long-term incentives awarded to the named executive officers as part of the annual equity grant consisted of performance stock units (referred to as PSUs) that vest based on Verizon's relative Total Shareholder Return (TSR) during the three-year performance cycle and restricted stock units (referred to as RSUs). The 2012 awards again consisted of PSUs and RSUs. However, for the 2012 award, the Committee made the following changes to the design of the PSUs to more closely align with Verizon's business strategy and drive shareholder value: • Added a three-year cumulative free cash flow metric; • Lowered the percent of the PSU awards that vest at the threshold TSR performance level from 50% to 32% of target while continuing to pay less than 100% for median TSR performance; and • Changed the TSR vesting scale so that each incremental percentage of achievement between the threshold and maximum performance levels results in a corresponding change in the percent of the PSU awards that vest.
2010-2012 Long-Term Incentives Earned	The Company's TSR for the 2010-2012 performance cycle ranked 3rd, or at the 94th percentile among the members of the Related Dow Peers as constituted on the date the grant was made. As a result of this achievement, each of the participants in the long-term incentive plan, including the named executive officers, vested in 200% of the number of PSUs that were granted to them, plus dividend equivalents credited pursuant to the terms of the award.
Mr. McAdam's 2009 Special Succession Planning PSU Award Earned	In December 2009, the Committee granted Mr. McAdam a special PSU award in connection with the Board's long-term succession planning efforts, which consisted of PSUs that would vest based on the Company's return on equity during the three-year performance period ending December 31, 2012. Based on the Company's performance against the award's performance measures, Mr. McAdam vested in 136% of the number of PSUs granted to him, plus dividend equivalents credited pursuant to the terms of the award. The PSUs were settled in shares, and Mr. McAdam must hold the shares he received for two years.

Summary of Executive Compensation Program and Practices

Our commitment to following industry-leading compensation and governance practices is reflected in the design of our compensation program. Some of these elements include:

Pay-for-Performance	Approximately 90% of our named executive officers' annual total compensation opportunity is variable, at risk and incentive-based. The primary components of our executive compensation program and their approximate percentage of the total compensation opportunity are as follows: • 10% fixed pay – annual cash base salary • 90% variable, performance-based pay – comprised of an annual cash incentive based on achievement of pre-established performance goals and a long-term incentive in the form of an equity-based award that vests after three years and is composed of PSUs and RSUs
Benchmarking Total Compensation	The Committee benchmarks each executive's total compensation opportunity against a single peer group, referred to as the Related Dow Peers and described beginning on page 38 and in Appendix B. The Committee references the 50th percentile of the Related Dow Peers for total compensation opportunity, with additional consideration given to the tenure and overall level of responsibility of a particular executive. For these purposes, total compensation opportunity consists of the named executive officer's base salary, targeted annual short-term incentive level and targeted long-term incentive level.

Compensation Best Practices	The Committee regularly considers competitive market trends and seeks to understand the views of shareholders when considering changes to existing policies. As a result of this process, the Committee has been a leader in adopting many best practices over the years, including: • Holding advisory votes on executive compensation beginning in 2009; • Maintaining a "claw back" policy to recapture and cancel incentive payments received by executives who engage in financial misconduct; • Settling RSUs and special succession-related awards in shares; and • Requiring the CEO to maintain share ownership equal to at least seven times his base salary and requiring the other named executive officers to maintain share ownership equal to at least four times their base salaries. In addition, as a result of the Committee's consideration of plan terms and components over the years, Verizon's executive compensation program has: • No guaranteed pension and supplemental retirement benefits; • No Section 280G and other tax gross-ups; • No executive employment agreements; • No cash severance benefits for the CEO; and • No single-trigger change in control equity payments.
Evaluation of Potential Linkage between Compensation and Risk Taking	When reviewing the compensation program and the performance metrics used under the program, the Committee considers the impact of the compensation program on the Company's risk profile. The Committee believes that Verizon's compensation program has been structured to provide strong incentives for executives to appropriately balance risk and reward consistent with the Company's enterprise business risk management efforts.
Shareholder Outreach Program	At the request of the Committee, management and the Committee's compensation consultant, Pearl Meyer & Partners (the Consultant), engage in a semiannual shareholder outreach program with certain institutional investors to discuss the design and operation of Verizon's executive compensation program. Management and the Consultant provide a report to the Committee on the results of that outreach. The Committee believes this program provides opportunities for shareholders to provide input on Verizon's executive compensation program and policies in addition to the annual say-on-pay vote.

The Role of Shareholder Say-on-Pay Votes and Shareholder Outreach

The Company provides its shareholders with the opportunity to cast an annual advisory vote on executive compensation (say-on-pay). At the Company's Annual Meeting of Shareholders held in May 2012, approximately 87% of the votes cast on the say-on-pay proposal at that meeting were voted in favor of the proposal. The Committee believes this affirms shareholders' support of the Company's approach to executive compensation.

Based on the shareholders' strong support for the Company's say-on-pay proposal in 2012 as well as in each of the preceding years that a say-on-pay vote has been held and the discussions with the Company's investors during the semiannual shareholder outreach program described above, the Company did not make fundamental changes to its approach to executive compensation in 2012. However, the Committee noted that during the Company's ongoing dialogue, certain of our shareholders expressed support for having a second, long-term financial performance metric for our PSU awards, in addition to the comparative TSR measure. The Committee took these views into account, along with its desire to further align the vesting of the PSUs with the successful achievement of our strategic goals, when it approved the addition of a free cash flow metric to the PSU awards in 2012.

Role of Benchmarking and Peer Group Selection

The Committee believes that it is appropriate to use the same peer group to benchmark executive pay opportunities and to evaluate Verizon's relative stock performance under its long-term incentive plan. For this

purpose, the Committee uses a single peer group that includes the 29 companies (other than Verizon) in the Dow Jones Industrial Average, plus Verizon's four largest industry competitors that are not included in the Dow Jones Industrial Average. This group is referred to as the Related Dow Peers. The Committee believes that this group of companies, comprised of similarly-sized companies based on market capitalization, net income, revenue and total employees that are included in an established and recognizable index, as well as Verizon's four largest industry competitors, is appropriate for the dual purpose of benchmarking executive pay opportunities and evaluating relative stock performance under the long-term incentive plan, because the companies in the Related Dow Peers represent Verizon's primary competitors for executive talent and investor dollars. Moreover, this peer group is self-adjusting so that changes in the companies included in the Dow Jones Industrial Average are also reflected in the Related Dow Peers over time. For this reason, the Committee believes that the Related Dow Peers provides a consistent measure of Verizon's performance and makes it easier for shareholders to evaluate, monitor and understand Verizon's compensation program.

To determine whether the compensation opportunities for executives are appropriate and competitive, the Committee compares each named executive officer's total compensation opportunity – which represents the aggregate total amount of the executive's base salary and target award amounts under the short-term and long-term incentive plans – to the total compensation opportunities for executives in comparable positions at peer companies. The Committee generally references the 50 th percentile of the Related Dow Peers for total compensation opportunity, although the total compensation opportunity may be above or below the 50 th percentile depending upon the tenure and overall level of responsibility of a particular executive. The Committee believes that this is an appropriate targeted level of total compensation opportunity because of Verizon's emphasis on performance-based incentive pay, Verizon's size relative to the Related Dow Peers and the fact that, unlike many of the companies in the Related Dow Peers, Verizon has eliminated certain fixed pay elements, including guaranteed defined benefit pension and supplemental pension benefits. Actual total compensation may fall above or below the targeted percentile based on annual and long-term performance results.

Appendix B to this proxy statement includes a chart that lists the companies included in the Related Dow Peers for 2012 compensation purposes, their market capitalization as of December 31, 2012, as reported by Bloomberg, and their net income attributable to the company, revenue and total number of employees, as of each company's most recent fiscal year-end as reported in SEC filings.

Compensation Objectives and Elements of Compensation

Compensation Objectives

The primary objectives of Verizon's compensation program are to:

- Align executives' and shareholders' interests through the use of performance-based compensation; and
- Attract, retain and motivate high-performing executives.

To promote a performance-based culture that further links the interests of management and shareholders, the Committee has developed a compensation program that focuses extensively on variable, performance-based compensation. As detailed below under "Elements of Compensation," the largest portion of our executives' total compensation opportunity is based on performance against challenging pre-established metrics, while fixed compensation in the form of base salary constitutes only a relatively small percentage of each executive's total compensation opportunity. In addition, our executive compensation program does not include such fixed compensation elements as guaranteed defined benefit pension and supplemental pension benefits.

In establishing the mix of incentive pay used in the Company's pay-for-performance program, the Committee balances the importance of meeting the Company's short-term business goals with the need to create shareholder value over the longer term. To help ensure that the interests of executives remain closely aligned with the interests of shareholders, target long-term compensation opportunities represent more than three times the target compensation opportunities related to short-term performance.

Additionally, to attract and retain executives, the Company's compensation program is designed to provide competitive compensation opportunities, which are established by referencing the 50 th percentile of the total compensation opportunities for comparable positions in the Related Dow Peers. The program also features three-year long-term incentive awards, including RSUs that vest based on the executive's continued employment through the end of the three-year performance cycle, and PSUs subject to both performance-based and time-based vesting requirements, to encourage high-performing executives to remain with the Company.

Elements of Compensation

In setting total compensation at competitive levels, the Committee determines the appropriate balance between:

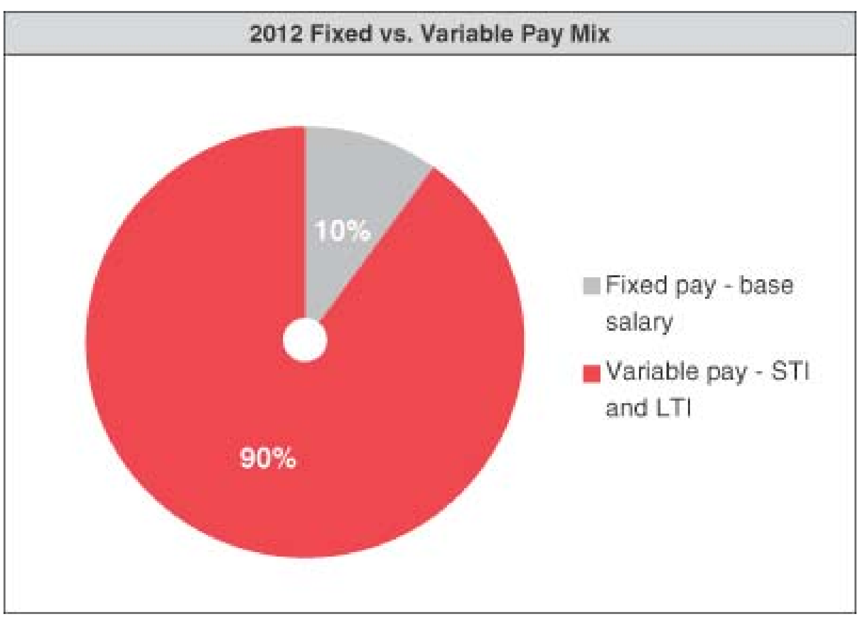
- Fixed and variable pay elements;
- Short- and long-term pay elements; and
- Cash and equity-based pay elements.

The following table illustrates the principal elements of Verizon's executive compensation program.

Pay Element	Characteristics	Primary Objective
Base salary	Annual fixed cash compensation	Attract and compensate high-performing and experienced executives
Short-term incentive opportunity (STI)	Annual variable cash compensation based on the achievement of annual performance measures	Incentivize executives to achieve challenging short-term performance measures
Long-term incentive opportunity (LTI)	Long-term variable equity awards granted annually as a combination of PSUs and RSUs	Align executives' interests with those of shareholders to grow long-term value and retain executives

As discussed above, the Committee references the 50 th percentile of the Related Dow Peers to benchmark the total compensation opportunity of each of our named executive officers. However, the Committee does not benchmark each element of a named executive officer's total compensation opportunity. Instead, consistent with the Committee's emphasis on a performance-based culture, the Committee has determined that a substantial majority of each named executive officer's total compensation opportunity should be variable and performance-based. Accordingly, the Committee determined in its business judgment to allocate approximately 10% of each executive's total compensation opportunity in the form of base salary, approximately 15% to 25% in the form of short-term incentive, and approximately 65% to 75% in the form of long-term incentive.

The following chart illustrates the approximate allocation of the named executive officers' total compensation opportunity for 2012 between elements that are variable, performance-based and fixed pay:



The named executive officers are also eligible to receive medical, disability and savings plan benefits that are generally provided to all management employees, as well as certain other benefits that are described under “Other Elements of the Total Compensation Program” beginning on page 47.

2012 Annual Base Salary

To determine an executive’s base salary, the Committee, in consultation with the Consultant, reviews the competitive pay practices of the Related Dow Peers for comparable positions and considers the scope of the executive’s responsibility and experience. In particular, the Committee focuses on how base salary levels may impact the market competitiveness of an executive’s total compensation opportunity. The Committee also discusses its assessment of the other named executive officers with the CEO. Based on its assessment, the Committee approved a base salary increase in 2012 of 10.3% for Mr. Mead, 3.7% for Mr. Shammo and 4.0% for Mr. Milch. In addition, in recognition of Mr. Stratton’s promotion to Executive Vice President and President – Verizon Enterprise, effective January 1, 2012, the Committee increased Mr. Stratton’s base salary by 12.5%. The base salary levels of Messrs. Mead, Shammo, Milch and Stratton were adjusted to reflect that approximately 10% of their total compensation opportunity would be in the form of base salary, with the total compensation opportunity for each of them benchmarked at approximately the 50^{th} percentile for similar positions within the Related Dow Peers. Applying this same methodology, the Committee determined that no adjustment was required to Mr. McAdam’s base salary in 2012.

2012 Short-Term Incentive Compensation

The Verizon Short-Term Incentive Plan, which is referred to as the Short-Term Plan, motivates executives to achieve challenging short-term performance goals. Each year, the Committee establishes the potential value of the opportunities under the Short-Term Plan, as well as the performance targets required to achieve these opportunities.

The Committee sets the values of the Short-Term Plan award opportunities as a percentage of an executive’s base salary. The applicable percentage for each named executive officer is based on the scope of the executive’s responsibilities and on the competitive pay practices of the Related Dow Peers for comparable positions. These award opportunities are established at threshold, target and maximum levels. For 2012, to provide executives with additional focus and incentives to drive year-over-year growth and profitability, the Committee expanded the payout range of the Short-Term Plan award opportunities by decreasing the award opportunity at the threshold level from 67% to 50% of target and by increasing the award opportunity at the maximum level from 133% to 150% of target. The Short-Term Plan award opportunities at the threshold, target and maximum levels for each of the named executive officers are shown in the Grants of Plan-Based Awards table on page 53.

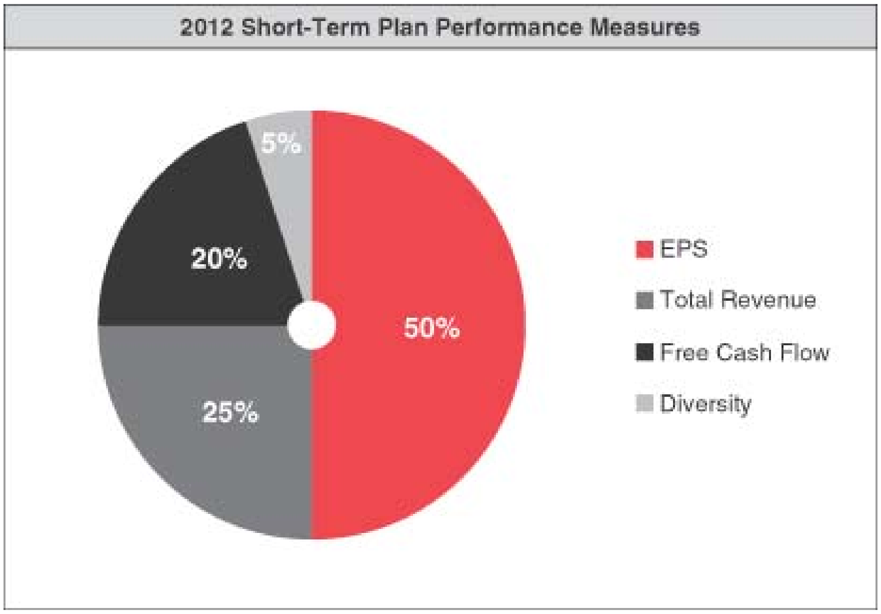
The following chart shows the 2012 Short-Term Plan target award opportunity for each of the named executive officers.

Named Executive Officer	2012 Short-Term Plan Target Award Opportunity ($)
Mr. McAdam	3,500,000
Mr. Mead	880,000
Mr. Shammo	770,000
Mr. Stratton	742,500
Mr. Milch	715,000

Mr. McAdam’s 2012 target award opportunity was increased from 187.5% to 250% of his base salary. In addition, in connection with the modification of the payout range of the Short-Term Plan award opportunities and the changes made to their base salaries in 2012, the 2012 target award opportunity of our named executive officers other than the CEO was decreased from 112.5% to 110% of their respective base salaries. The Committee determined that these adjustments were appropriate so that each executive’s target annual short-term incentive would fall within a range of approximately 15% to 25% of the executive’s benchmarked total compensation opportunity. Whether, and the extent to which, the named executive officers earn the targeted Short-Term Plan award is determined based on whether Verizon achieves performance measures established by the Committee at the beginning of the year.

Determination of Annual Performance Measures

The Committee reviews and establishes the performance measures for the Short-Term Plan on an annual basis to help ensure that the program design appropriately incentivizes executives to achieve challenging financial and operational performance goals. In the first quarter of 2012, the Committee reviewed and approved the following annual financial and operating performance measures for all corporate executives, including the named executive officers, and ascribed to each the weighting shown below as the percentage of the total Short-Term Plan award opportunity at target level performance.



Consistent with 2011, the Committee based the Short-Term Plan award opportunities for all corporate executives, including the named executive officers, primarily on three Company-wide financial performance measures, as determined by specific goals for adjusted EPS, revenue and free cash flow. These three measures were selected to reflect the Company's strategic goals of encouraging profitable operations, overall growth in the Company and efficient use of capital. The Committee believes that these performance measures are appropriate to incentivize the Company's executives to achieve outstanding short-term results and, at the same time, help build long-term value for shareholders.

Adjusted EPS. The Committee views adjusted EPS as an important indicator of Verizon's success. The Committee assigns the greatest weight to adjusted EPS in determining awards under the Short-Term Plan, because it is broadly used and recognized by investors as a significant indicator of Verizon's ongoing operational performance and is a clearly defined indicator of the Company's profitability. Adjusted EPS excludes non-recurring and non-operational items, including but not limited to impairments and gains and losses from discontinued operations, business combinations, changes in accounting principles, the net impact of pension and post-retirement benefit costs, extraordinary items and restructurings. As a result, adjusted EPS is not positively or negatively impacted from period to period by these types of items, so the Committee believes it better reflects the relative success of the Company's ongoing business.

Revenue. The Committee also views achievement of consolidated total revenue goals as an important indicator of the Company's growth and success in managing its capital investments. This measure also reflects the level of penetration of Verizon's products and services in key markets.

Free Cash Flow. The Committee views consolidated free cash flow as another important indicator of Verizon's success in delivering shareholder value, because investors often consider free cash flow as part of their equity valuation models. Free cash flow is determined by subtracting capital expenditures from cash flow from operations. The Committee believes that this type of cash flow measure is relevant for Verizon because Verizon's businesses require significant capital investment, and the level of free cash flow reflects how efficiently a business is managing its capital expenditures. Free cash flow also provides an indication of the amount of cash that the Company has available to return to shareholders in the form of dividends and to reduce its outstanding debt, which is an important financial goal.

Diversity. The Company is committed to promoting diversity among its employees and to recognizing and encouraging the contribution of diverse business partners to the Company's success. To reflect that important commitment, the 2012 performance measures also include a diversity measure. For 2012, the Committee determined that the diversity target would be measured for these purposes by the percentage of new hires and promotions at and above the manager level consisting of minority and female candidates and the levels of supplier spending at the corporate level with minority- and female-owned or operated firms.

The value of the Short-Term Plan award opportunity with respect to each performance measure varies depending on the Company's performance with respect to that measure. The Committee also has the discretion to modify awards based on other factors that it deems appropriate.

In addition, under the Short-Term Plan no awards may be paid if Verizon's return on equity for the plan year, calculated based on adjusted net income (ROE), does not exceed 8%, even if some or all of the other performance measures are achieved.

2012 Annual Performance Measures

The 2012 annual performance measures for all corporate executives, including the named executive officers, were:

- An adjusted EPS target range of $2.39 to $2.52;
- A consolidated total revenue target range of $115.0 billion to $115.6 billion;
- A consolidated free cash flow target range of $15.3 billion to $16.9 billion; and
- A diversity target of (i) having 50% of new hires and promotions at and above the manager level consist of minority and female candidates, and (ii) directing at least 14% of the overall supplier spending at the corporate level to minority- and female-owned or operated firms.

2012 Company Results and Annual Performance Awards

In 2012, Verizon reported generally strong results. Verizon's 2012 results [1] included:

- ROE of 17.1%;
- Adjusted EPS of $2.24, which, the Committee noted, would have been $2.31 after considering the impact of Superstorm Sandy;
- Consolidated total revenue of $115.8 billion;
- Consolidated free cash flow of $15.3 billion, which, the Committee noted, would have been $18.0 billion after considering the impact of Superstorm Sandy and the 2012 pension annuitization; and
- Diversity in new hires and promotions above target performance and supplier spending slightly below target performance.

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[1] A reconciliation of non-GAAP measures to the most directly comparable GAAP measures may be found in Appendix C to this proxy statement.

After considering the level of performance of each performance measure, and applying its business judgment based on its assessment of the level of achievement of each goal individually and collectively, the Committee and, for Mr. McAdam, the independent members of the Board, determine the final Short-Term Plan awards at a percentage of the target level for all participants. For 2012, the target payout percentage was determined to be 90% of the target level for all corporate executives. The following table shows the amount of the Short-Term Plan awards paid to each named executive officer.

Named Executive Officer	Actual 2012 Short-Term Plan Award ($)
Mr. McAdam	3,150,000
Mr. Mead	792,000
Mr. Shammo	693,000
Mr. Stratton	668,250
Mr. Milch	643,500

Long-Term Incentive Compensation

The Verizon Long-Term Incentive Plan, which is referred to as the Long-Term Plan, is intended to reward participants for the creation of long-term shareholder value over a three-year period. In considering the appropriate duration of the performance cycle under the Long-Term Plan, the Committee believes that it is important to establish a period that is longer than one year in order to meaningfully evaluate the performance of long-term strategies and the effect on value created for shareholders. Based on this consideration, the Committee determined that a three-year performance cycle for the Long-Term Plan awards was appropriate.

In prior years, the long-term incentives awarded to executives, including the named executive officers, as part of the annual equity grant consisted of performance stock units (referred to as PSUs) that vest based on Verizon's Total Shareholder Return (TSR) relative to the TSRs of the companies in the Related Dow Peers on the date of grant over the three-year performance cycle and restricted stock units (referred to as RSUs) that vest based on the executive's continued service with Verizon through the end of the three-year performance cycle. In late 2011 and early 2012, the Committee, with the assistance of the Consultant, undertook a comprehensive review of the structure and mix of the annual equity compensation program. As part of that review, the Committee considered Verizon's business strategy and focus, feedback the Company received from our shareholders through the semi-annual shareholder outreach program, and market data on competitive pay practices of the Related Dow Peers. Based on this information, the Committee made the following changes to the design of the 2012 PSUs:

- Added a three-year free cash flow metric;
- Lowered the percent of the PSU awards that vest at the threshold TSR performance level from 50% to 32% of target while continuing to pay less than 100% for median TSR performance; and
- Changed the TSR vesting scale so that each incremental percentage of achievement between the threshold and maximum performance levels results in a corresponding change in the percent of the award that vests.

The Committee believes that adding a free cash flow performance measure to the PSU mix provides an additional focus on Verizon's strategy to increase profitability and capital efficiency over the long-term, provides executives with an easily measurable and tangible goal, and provides an appropriate balance between absolute and relative long-term performance measures. The addition of a second performance measure was also consistent with input the Company received from certain shareholders through its shareholder outreach program. The Committee believes that modifying the vesting scale from a stepped scale between performance levels to a smooth interpolation between performance levels will further align the interests of executives with increasing shareholder value and will motivate strong performance. The terms of the 2012 PSUs are discussed in more detail below under " *Terms of 2012 PSU Awards.* " The Committee did not make any changes to the mix between PSUs and RSUs or to the terms of the RSU awards for 2012.

Consistent with the 2010 and 2011 awards, the 2012 PSUs are payable in cash, and the 2012 RSUs are payable in Verizon shares. The Committee believes that paying PSUs in cash and RSUs in shares creates an appropriate balance between the potential impact on shareholder dilution from paying awards in shares and cash flow considerations, and that both types of awards further align executives' interests with those of Verizon's shareholders as the ultimate values of the awards are based on the value of Verizon's common stock. In addition, paying the 2012 RSU awards in shares is consistent with Verizon's policy of requiring a significant level of equity ownership by our named executive officers.

The value of each PSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in PSUs. The dividend equivalents are only paid to the extent that PSUs are vested and earned. The Committee determines an executive's total compensation opportunity by assuming that he or she will earn 100% of the PSUs initially awarded in any performance cycle. However, the number of PSUs that are actually earned and paid is determined based on Verizon's achievement of the pre-established performance goals over the three-year performance cycle. The final value of each PSU is based on the closing price of Verizon's common stock on the last trading day of the year that the performance cycle ends. As a result, awarding PSUs provides a strong incentive to executives to deliver value to Verizon's shareholders.

On the date the long-term incentive is awarded, the Committee also establishes the number of RSUs that may be earned based on the executive's continued employment with the Company through the end of the three-year award cycle as reflected in the award agreement. The value of each RSU is equal to the value of one share of Verizon common stock and accrues dividend equivalents that are deemed to be reinvested in RSUs. The dividend equivalents are only paid to the extent that RSUs are vested and earned. The 2012 RSU awards are payable in shares at the end of the three-year award cycle and provide both a retention incentive and a performance incentive as the value of the award depends on Verizon's stock price.

2012 Long-Term Plan Award Opportunities

For 2012, each of the named executive officers received 60% of their 2012 Long-Term Plan award opportunity in the form of PSUs, of which two-thirds are eligible to vest based on Verizon's relative TSR performance and one-third is eligible to vest based on Verizon's cumulative free cash flow, and 40% in the form of RSUs. This allocation reflects the Committee's focus on encouraging both outstanding relative TSR performance and free cash flow creation and the retention of the Company's highly-qualified executive team.

The Committee generally establishes an executive's Long-Term Plan target award opportunity as a percentage of the executive's base salary. The Long-Term Plan target award opportunity for each of the named executive officers in 2012 was: 625% of base salary for Mr. McAdam, 525% of base salary for Messrs. Mead, Shammo and Stratton and 500% of base salary for Mr. Milch. The target award opportunities for Messrs. Mead, Shammo, Stratton and Milch increased over their 2011 target award opportunities solely as a result of their base salary increases identified above (*i.e.,* their target award opportunities, expressed as a percentage of their base salaries, did not change). The Committee determined that these award levels were appropriate so that each executive's target annual Long-Term Plan award opportunity would constitute a significant portion of the executive's benchmarked total compensation opportunity consistent with the objectives of the Company's pay-for performance program. The target award opportunity for an executive is allocated between PSUs and RSUs as noted above, and the target award opportunity allocated to each type of award is converted into a target number of shares using the closing price of Verizon's common stock on the grant date.

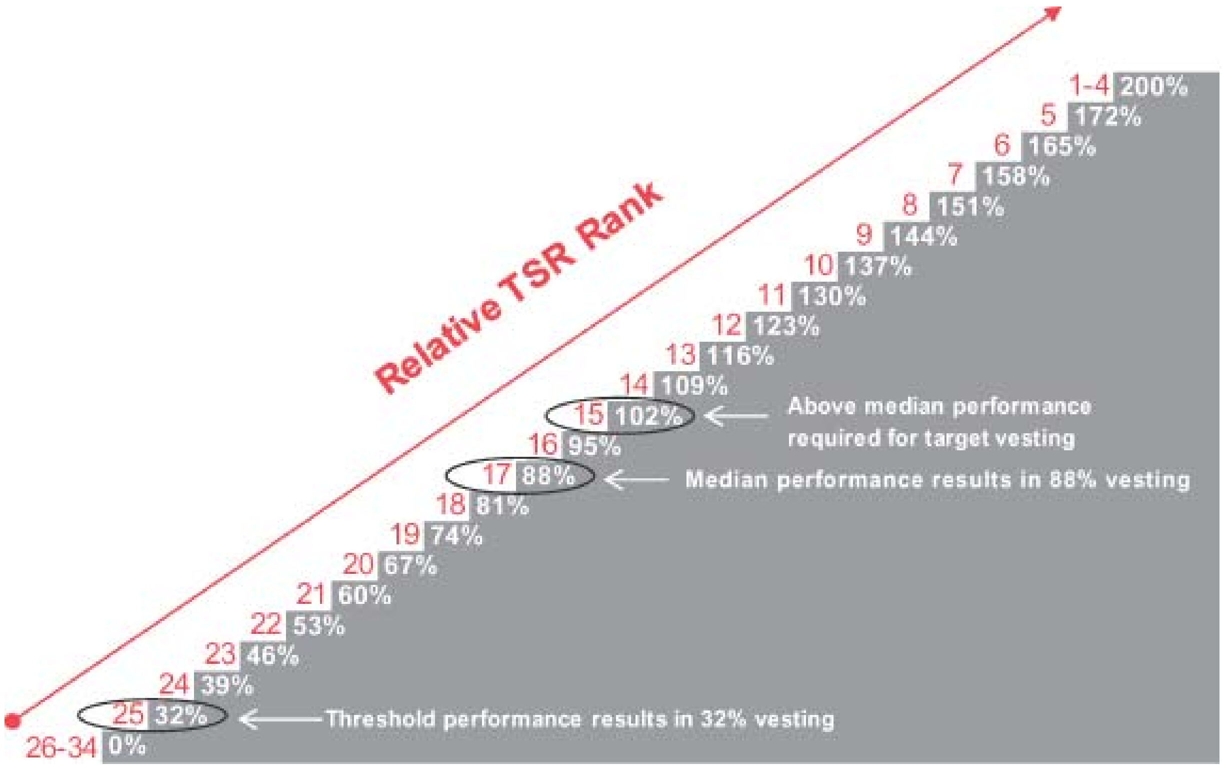
The following table shows the target value of the awards granted to the named executive officers during 2012 in connection with the annual long-term incentive compensation opportunity. Additional detail regarding the 2012 PSU awards, including the performance requirements, follows the table.

Named Executive Officer	2012 Long-Term Plan Target Award Opportunity ($)
Mr. McAdam	8,750,000
Mr. Mead	4,200,000
Mr. Shammo	3,675,000
Mr. Stratton	3,543,750
Mr. Milch	3,250,000

Terms of 2012 PSU Awards

Two-thirds of the number of PSUs awarded are eligible to vest based on Verizon's TSR as compared to the TSRs of the companies in the Related Dow Peers, as constituted on the grant date of the award, over the 2012-2014 performance cycle. One-third of the number of PSUs awarded is eligible to vest based on Verizon's cumulative free cash flow over the 2012-2014 performance cycle compared against the performance targets established by the Committee at the beginning of the performance cycle.

TSR Metric. The following chart shows the percentage of PSUs awarded for the 2012-2014 performance cycle that can vest based on Verizon's relative TSR positioning compared with the companies in the Related Dow Peers (referred to as TSR PSUs):



Verizon's TSR during the three-year performance cycle must rank at least 15th, or at the 58th percentile, among the Related Dow Peers in order for 100% of the target number of TSR PSUs to vest. Similarly, the maximum number of TSR PSUs (200% of target) will vest only if Verizon's TSR during the three-year performance cycle ranks among the top four companies in the Related Dow Peers, which corresponds to the 91st percentile or higher. If Verizon's TSR during the three-year performance cycle ranks below 25th, or below approximately the 27th percentile of the companies in the Related Dow Peers, none of the TSR PSUs will vest.

Free Cash Flow Metric. The percentage of PSUs awarded for the 2012-2014 performance cycle that can vest based on Verizon's cumulative free cash flow (FCF) (referred to as FCF PSUs) will be determined based on the extent to which Verizon's cumulative FCF over the performance cycle meets or exceeds the cumulative FCF performance levels that were established by the Committee at the beginning of the performance cycle. The performance levels range between 0% and 200% of the target number of FCF PSUs granted. FCF is determined by subtracting capital expenditures from cash flow from operations, and is subject to adjustment to eliminate the financial impact of significant transactions, changes in legal or regulatory policy and other extraordinary items.

At the end of the performance cycle, the number of FCF PSUs that will vest, if any, will be determined by comparing the actual performance of the Company against the performance objectives. The cumulative FCF target for the 2012-2014 performance cycle was set at a level that the Committee believes may be challenging in light of the economic environment, but attainable. For performance above or below the target level, the number of

FCF PSUs that will vest will range from 0% if performance is below the threshold cumulative FCF level and up to 200% for performance at or above the maximum cumulative FCF level. The number of FCF PSUs that will vest in between threshold and maximum performance levels will be determined by linear interpolation in between vesting percentage levels.

2010 PSU Awards Earned in 2012

With respect to the PSUs awarded in 2010, the Committee determined the number of PSUs that vested for a participant based on Verizon's TSR for the 2010-2012 three-year performance cycle relative to the TSRs of the Related Dow Peers as constituted on the date the award was granted. The following table shows the percentage of PSUs awarded for the 2010-2012 performance cycle that could vest based on a range of Verizon's relative TSR positioning compared with the companies in the applicable Related Dow Peers.

Verizon's Relative TSR Ranking Among the Companies in the Related Dow Peers	Corresponding Relative TSR Percentile Ranking Among the Companies in the Related Dow Peers	Percentage of Awarded PSUs that will Vest
1 – 4	91 st to 100 th	200%
5 – 8	79 th to 88 th	175%
9 – 12	67 th to 76 th	150%
13 – 16	55 th to 64 th	100%
17 – 21	39 th to 52 nd	75%
22 – 25	27 th to 36 th	50%
26 – 34	0 to 24 th	0%

Over the three-year performance cycle ending on December 31, 2012, Verizon's TSR ranked 3 rd, or in the 94 th percentile, when compared to the Related Dow Peers. As a result of this achievement, in early 2013 the Committee approved a payment to all participants of 200% of the number of PSUs awarded for the 2010-2012 performance cycle, plus dividend equivalents credited on those PSUs that vested pursuant to the terms of the award.

Mr. McAdam's 2009 Special Succession Planning PSU Award

In December 2009, the Committee granted Mr. McAdam a special PSU award in connection with the Board's CEO succession plan. The PSUs represented shares of Verizon common stock that would become payable after the completion of a three-year performance cycle ending on December 31, 2012, provided that the pre-established performance criteria were met and Mr. McAdam remained actively employed throughout the cycle. The number of PSUs that were eligible to vest at the end of the three-year performance cycle would be determined based on Verizon's average annual ROE during the performance cycle. No PSUs would vest unless Verizon's average annual ROE was at least 8%. Two times the number of PSUs granted would vest if Verizon's average annual ROE met or exceeded 17%. If Verizon's average annual ROE during the performance cycle was greater than the 8% threshold and less than the 17% maximum, the Committee would determine the extent to which the PSUs would vest between 50% and 150% of the number of PSUs awarded.

Over the three-year performance cycle ending on December 31, 2012, Verizon's average annual ROE was 15.8%. As a result, using linear interpolation between the applicable performance levels, the Committee recommended, and the independent members of the Board approved, in 2013 a payment of 136% of the number of PSUs awarded, plus accrued dividend equivalents credited on those PSUs that vested pursuant to the terms of the award. The PSUs were paid in shares in accordance with the terms of the award, and Mr. McAdam is required to hold the shares he received for at least two years following the payment date unless he dies or becomes disabled.

Other Elements of the Total Compensation Program

The Company also provides the named executive officers with certain limited personal benefits as generally described below. None of the named executive officers is eligible for any tax gross-up payment in connection with any of these benefits, including with respect to the excise tax liability under Internal Revenue Code Section 4999 related to any Section 280G excess parachute payments.

Transportation

The Company provides certain aircraft and ground transportation benefits to enhance the safety and security of certain named executive officers. These transportation benefits, even when classified as a perquisite under applicable SEC rules, also serve business purposes as they frequently enhance the ability of the executive to attend to business matters while in transit. Additional information on Company-provided transportation is included in footnote 4 to the Summary Compensation Table on page 52.

Executive Life Insurance

The Company offers the named executive officers and other executives the opportunity to participate in an executive life insurance program in lieu of participation in the Company's basic and supplemental life insurance programs. The executives who elect to participate in the executive life insurance program own the life insurance policy, and the Company provides an annual cash payment to the executives to defray a portion of the annual premiums. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 52.

Financial Planning

The Company provides a voluntary Company-sponsored financial planning benefit program for the named executive officers and other executives. Additional information on this program is provided in footnote 4 to the Summary Compensation Table on page 52.

Retirement Benefits

In 2006, the Committee determined that guaranteed pay in the form of pension and supplemental executive retirement benefits was not consistent with the Company's pay-for-performance culture. Accordingly, effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and supplemental defined benefit retirement plans. These legacy retirement benefits that were previously provided to Verizon's named executive officers are described in more detail under the section entitled "Pension Plans" beginning on page 55.

During 2012, all of Verizon's named executive officers were eligible to participate in the Company's tax-qualified and nonqualified retirement savings plans. These plans are described in the section entitled "Defined Contribution Savings Plans" beginning on page 57.

Severance and Change in Control Benefits

The Committee believes that maintaining a competitive level of separation benefits is appropriate as part of an overall program designed to attract, retain and motivate the highest quality management team. However, the Committee does not believe that named executive officers should be entitled to receive cash severance benefits merely because a change in control transaction occurs. Therefore, the payment of cash severance benefits is triggered only by an actual or constructive termination of employment.

The Company was not a party to an employment agreement with any of the named executive officers in 2012. All senior managers of the Company (including each of the named executive officers other than Mr. McAdam) are eligible to participate in the Verizon Senior Manager Severance Plan, which provides certain separation benefits to participants whose employment is involuntarily terminated without cause from the Company. Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan and is not eligible for cash severance benefits upon a termination.

The Senior Manager Severance Plan is generally consistent with the terms and conditions of Verizon's broad-based severance plan that is provided to substantially all of Verizon's management employees (other than senior managers). Under the Senior Manager Severance Plan, if a participant has been involuntarily terminated without cause or, in the case of a named executive officer, if the independent members of the Board determine that there has been a qualifying separation **,** the participant is eligible to receive a lump-sum cash separation payment equal to a multiple of his or her base salary and target short-term incentive opportunity, along with continuing medical coverage for the applicable severance period. To the extent that a senior manager is eligible for severance benefits under any other arrangement, that person will not be eligible for any duplicative benefits under the severance plan. The plan does not provide for any severance benefits based upon a change in control of the Company.

Under the plan, the named executive officers (other than Mr. McAdam) are eligible to receive a cash separation payment based on a formula equal to two times the sum of their base salary and target short-term incentive opportunity. Other senior manager participants are eligible to receive a cash separation payment based on a formula equal to between 0.75 and two times their base salary and target short-term incentive opportunity depending on their position at the time of their separation from employment. In order to be eligible for any severance benefits, participants must execute a release satisfactory to Verizon and agree not to compete or interfere with any Verizon business for a period of one year after their separation from employment.

Consistent with the Committee's belief that named executive officers should not be entitled to receive cash severance benefits merely because a change in control transaction occurs, the Long-Term Plan does not allow "single trigger" accelerated vesting and payment of outstanding awards in connection with a change in control of Verizon. Under the Long-Term Plan, if, in the twelve months following a change in control the participant's employment is terminated without cause, all then-unvested PSUs will fully vest at the target level performance, all then-unvested RSUs will fully vest and PSUs and RSUs (including accrued dividend equivalents) will become payable on the regularly scheduled payment date after the end of the applicable award cycle. This provision of the Long-Term Plan was not changed, and remains in effect in the Long-Term Plan submitted for shareholder approval this year.

Stock Ownership Guidelines

To further align the interests of Verizon's management with those of its shareholders, the Committee has approved guidelines that require each named executive officer and other executives to maintain certain stock ownership levels.

- The guidelines require the CEO to maintain share ownership equal to at least seven times his base salary and require the other named executive officers to maintain share ownership equal to at least four times their base salaries.
- Executives are also prohibited from short-selling or engaging in any financial activity where they would benefit from a decline in Verizon's stock price.

In determining whether an executive meets the required ownership level, the calculation includes any shares held by the executive directly or through a broker, shares held through the Verizon tax-qualified savings plan or the Verizon nonqualified savings plan and other deferred compensation plans and arrangements that are valued by reference to Verizon's stock. The calculation does not include any unvested PSUs or RSUs. Each of the named executive officers is in compliance with the stock ownership guidelines. None of the named executive officers has engaged in any pledging transaction with respect to shares of Verizon's stock.

Recovery of Incentive Payments

The Committee believes that it is appropriate that the Company's compensation plans and agreements provide for the termination or repayment of certain incentive awards and payments if an executive engages in certain fraudulent or other inappropriate conduct. Accordingly, the Committee has adopted a policy that enables the Company to recapture and cancel certain incentive payments received by an executive who has engaged in financial misconduct. The Committee reviews this policy from time to time and will refine the current policy to take into account changes in applicable law, including, for example, any changes that may be required under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

Shareholder Approval of Certain Severance Arrangements

The Committee has a policy of seeking shareholder approval or ratification of any new employment agreement or severance agreement with an executive officer that provides for a total cash value severance payment exceeding 2.99 times the sum of the executive's base salary plus Short-Term Plan incentive target opportunity. The policy defines severance pay broadly to include payments for any consulting services, payments to secure a non-compete agreement, payments to settle any litigation or claim, payments to offset tax liabilities, payments or benefits that are not generally available to similarly-situated management employees and payments in excess of, or outside, the terms of a Company plan or policy.

Tax and Accounting Considerations

Federal income tax law generally prohibits publicly-held companies from deducting compensation paid to a named executive officer (other than a chief financial officer) that exceeds $1 million during the tax year unless it is based upon attaining pre-established performance measures that are set by the Committee pursuant to a plan approved by the Company's shareholders. The Committee has the flexibility to take any compensation-related actions that it determines are in the best interests of the Company and its shareholders including determining when to request shareholder approval of the Verizon incentive plans and when to award compensation that may not qualify for a tax deduction. The Committee considered the desirability of tax deductibility for performance-based executive compensation in determining to submit the Long-Term Plan to the shareholders for approval in 2009 and in resubmitting the Long-Term Plan to shareholders for approval this year. Compensation paid to the named executive officers under the Short-Term Plan, as well as the PSUs awarded under the Long-Term Plan, are generally intended to meet the performance-based exception for deductibility under the tax laws.

The Committee also considers the effect of certain accounting rules that apply to the various aspects of the compensation program available to the named executive officers. The Committee reviews potential accounting effects in determining whether its compensation actions are in the best interests of the Company and its shareholders. The Committee has been advised by management that the impact of the variable accounting treatment required for long-term incentive awards that are payable in cash (as opposed to fixed accounting treatment for awards that are payable in shares) will depend on future stock performance.

Compensation Tables

Summary Compensation Table

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Stock Awards [1] ($) (e)	Option Awards ($) (f)	Non-Equity Incentive Plan Compensation [2] ($) (g)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (h)	All Other Compensation [4] ($) (i)	Total ($) (j)
Lowell C. McAdam	2012	1,400,000	0	8,750,055	0	3,150,000	213,468	535,577	14,049,100
Chairman & CEO	2011	1,400,000	0	18,750,099[5]	0	2,362,500	127,181	480,719	23,120,499[5]
	2010	913,462	0	4,307,642	0	1,736,538	28,410	209,848	7,195,900
Daniel S. Mead Executive Vice	2012	794,231	0	4,200,026	0	792,000	388,096	225,253	6,399,606
President &	2011	725,000	0	3,806,258	0	734,063	175,217	220,103	5,660,641
President & CEO – Verizon Wireless Joint Venture	2010	598,077	0	2,565,964	0	815,625	68,475	133,690	4,181,831
Francis J. Shammo Executive Vice	2012	698,077	0	3,675,003	0	693,000	9,004	139,841	5,214,925
President & CFO	2011	675,000	0	3,543,775	0	683,438	4,499	144,351	5,051,063
	2010	611,538	0	2,677,535	0	759,375	5,024	106,416	4,159,888
John G. Stratton Executive Vice President & President – Verizon Enterprise	2012	673,558	0	3,543,796	0	668,250	31,776	143,629	5,061,009
Randal S. Milch Executive Vice	2012	648,077	0	3,250,020	0	643,500	58,366	125,949	4,725,912
President & General Counsel	2011	621,154	0	3,125,042	0	632,813	61,182	126,026	4,566,217

[1] The amounts in this column reflect the grant date fair value of the PSUs and RSUs computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. The grant date fair value of PSUs granted to the named executive officers in the designated year as part of Verizon's annual long-term incentive award program and, in the case of Mr. McAdam, the special PSU award granted in 2011 in connection with his appointment to CEO, has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believed was most likely to be achieved under the grants on the grant date. The following table reflects the grant date fair value of these PSUs, as well as the maximum grant date fair value of these awards based on the closing price of Verizon's common stock on the grant date if, due to the Company's performance during the applicable performance cycle, the PSUs vested at their maximum level:

	Grant Date Fair Value of PSUs				Maximum Value of PSUs			
Name	2010 ($)	2011 ($)	2011 Special Award ($)	2012 ($)	2010 ($)	2011 ($)	2011 Special Award ($)	2012 ($)
Mr. McAdam	2,584,573	5,250,034	7,000,031	5,250,033	5,169,146	10,500,068	14,000,062	10,500,066
Mr. Mead	1,539,578	2,283,755	NA	2,520,008	3,079,156	4,567,510	NA	5,040,016
Mr. Shammo	1,606,515	2,126,265	NA	2,205,002	3,213,030	4,252,530	NA	4,410,004
Mr. Stratton	NA	NA	NA	2,126,270	NA	NA	NA	4,252,540
Mr. Milch	NA	1,875,025	NA	1,950,012	NA	3,750,050	NA	3,900,024

[2] The amounts in this column for 2012 reflect the 2012 Short-Term Plan award paid to the named executive officers in March 2013 as described on pages 41-44.

[3] The amounts in this column for 2012 for Messrs. McAdam and Mead reflect the sum of the change in the actuarial present value of the accumulated benefit under the defined benefit plans and the above-market earnings on amounts held in nonqualified deferred compensation plans as follows: $155,288 and $58,180 for Mr. McAdam, and $244,965 and $143,131 for Mr. Mead. For Mr. Milch there was a reduction in pension value of $1,630 based on the applicable calculation formula. Messrs. Shammo and Stratton are not eligible for pension benefits. Accordingly, the amounts shown

in this column for 2012 for Messrs. Shammo, Stratton and Milch reflect above market earnings only. Verizon's defined benefit plans were frozen as of June 30, 2006, and Verizon stopped all future benefit accruals under these plans as of that date. All accruals under the Verizon Wireless pension plan were frozen as of December 31, 2006.

[4] The following table provides the detail for 2012 compensation reported in the "All Other Compensation" column:

Name	Personal Use of Company Aircraft [a] ($)	Personal Use of Company Vehicle [b] ($)	Company Contributions to the Qualified Savings Plan ($)	Company Contributions to the Nonqualified Deferral Plan ($)	Company Contributions to the Life Insurance Benefit [c] ($)	Other [d] ($)	All Other Compensation Total ($)
Mr. McAdam	89,467	18,821	18,675	263,512	137,917	7,185	535,577
Mr. Mead	1,917	0	18,554	94,909	90,504	19,369	225,253
Mr. Shammo	0	0	14,481	88,930	26,430	10,000	139,841
Mr. Stratton	0	0	18,675	86,846	23,763	14,345	143,629
Mr. Milch	0	0	18,634	76,959	20,356	10,000	125,949

[a] The aggregate incremental cost of the personal use of a Company aircraft is determined by multiplying the total 2012 personal flight hours by the incremental aircraft cost per hour. The incremental aircraft cost per hour is derived by adding the annual aircraft maintenance costs, fuel costs, aircraft trip expenses and crew trip expenses, and then dividing by the total annual flight hours.

[b] The aggregate incremental cost of the personal use of a Company vehicle is determined by (i) calculating the incremental vehicle cost per mile by dividing the annual lease and fuel costs by the total annual miles; (ii) multiplying the total 2012 personal miles by the incremental vehicle cost per mile; and (iii) adding the incremental driver cost (the 2012 driver hours for personal use multiplied by the driver's hourly rate).

[c] Executive life insurance is available to executives on a voluntary basis. Executives who choose to participate in this program are excluded from the basic and supplemental life insurance programs that Verizon provides to management employees. The executive owns the insurance policy and is responsible for paying the premiums. However, Verizon pays each executive an amount, which is shown in this column, that is equal to a portion of the premium. Executives who choose not to participate in the executive life insurance plan do not receive that payment. For all named executive officers the executive life insurance policy provides a death benefit equal to two times the sum of the executive's base salary plus his short-term incentive opportunity at the threshold level if the executive dies before a designated date. For Messrs. McAdam, Mead, Shammo and Stratton, this date is the latest of the participant's retirement date, the date on which the participant reaches age 60 or the fifth anniversary of plan participation. For Mr. Milch, this date is the earlier of five years post-retirement or the date on which he reaches age 65.

[d] This column represents the total amount of other perquisites and personal benefits provided, none of which individually exceeded the greater of $25,000 or 10% of the total amount of all perquisites. These other benefits consist of: (i) for Mr. McAdam, reimbursement of a portion of out-of-pocket fees for routine preventive medical examinations and home security; (ii) for Mr. Mead, financial planning services and personal travel; (iii) for Messrs. Shammo and Milch, financial planning services; and (iv) for Mr. Stratton, financial planning services and reimbursement of a portion of out-of-pocket fees for routine preventive medical examinations. The Company provides each of the named executive officers who elect to participate in the financial planning program with a financial planning benefit equal to the Company's payment for the services, up to $10,000. The aggregate incremental cost of personal travel for Mr. Mead is equal to the direct expense related to his spouse's attendance at a business event at the request of the Company. These expenses include lodging, ground transportation, meals and other travel-related items.

[5] As described in footnote 1, this amount includes the grant date fair value of the special equity award granted to Mr. McAdam in 2011 in connection with his appointment to CEO, with 70% of the award opportunity in the form of PSUs and 30% in the form of RSUs, which may become payable after the completion of the five-year performance cycle ending July 31, 2016, provided that Mr. McAdam remains continuously employed, subject to the terms of the award agreements. The number of PSUs that will vest at the end of the five-year performance cycle will be determined based on Verizon's average annual ROE during the performance cycle, and to the extent the performance criteria is achieved, the final award will include dividend equivalents that accrue on the vested portion of the award. No PSUs will vest unless Verizon's average annual ROE meets the minimum threshold of 10%. If Verizon's average annual ROE meets the target percentage of 15%, 100% of the nominal number of the PSUs granted will vest. A maximum of two times the nominal number of PSUs granted will vest if Verizon's average annual ROE is at least 20%. If Verizon's average annual ROE during the five-year performance cycle is greater than 10% but less than 15%, or is greater than 15% but less than 20%, the Committee will determine the extent to which the PSUs will vest, provided that the vested percentage must be between 50% and 100% and between 100% and 200%, respectively. The award will be settled in shares of Verizon common stock, and Mr. McAdam will be required to hold any shares he receives for at least two years following the vesting date unless he dies or becomes disabled.

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Plan-Based Awards

The following table provides information about the 2012 awards granted under the Short-Term Plan and the Long-Term Plan to each named executive officer.

Grants of Plan-Based Awards

			Estimated Future Payouts Under Non-Equity Incentive Plan Awards [2]			Estimated Future Payouts Under Equity Incentive Plan Awards [3]						
Name (a)	Type of Award [1]	Grant Date (b)	Threshold ($) (c)	Target ($) (d)	Maximum ($) (e)	Threshold (#) (f)	Target (#) (g)	Maximum (#) (h)	All Other Stock Awards: Number of Shares of Stock or Units [4] (#) (i)	All Other Option Awards: Number of Securities Underlying Options (#) (j)	Exercise or Base Price of Option Awards ($/Sh) (k)	Grant Date Fair Value of Stock and Option Awards [5] ($) (l)
Mr. McAdam	STIP	—	1,750,000	3,500,000	5,250,000							
	PSU	3/2/2012				43,445	135,765	271,530				5,250,033
	RSU	3/2/2012							90,510			3,500,022
Mr. Mead	STIP	—	440,000	880,000	1,320,000		.					
	PSU	3/2/2012				20,853	65,167	130,334				2,520,008
	RSU	3/2/2012							43,445			1,680,018
Mr. Shammo	STIP	—	385,000	770,000	1,155,000							
	PSU	3/2/2012				18,247	57,021	114,042				2,205,002
	RSU	3/2/2012							38,014			1,470,001
Mr. Stratton	STIP	—	371,250	742,500	1,113,750							
	PSU	3/2/2012				17,595	54,985	109,970				2,126,270
	RSU	3/2/2012							36,657			1,417,526
Mr. Milch	STIP	—	357,500	715,000	1,072,500							
	PSU	3/2/2012				16,137	50,427	100,854				1,950,012
	RSU	3/2/2012							33,618			1,300,008

[1] These awards are described in the Compensation Discussion and Analysis on pages 41-47.

[2] The actual amount awarded in 2012 was paid in March 2013 and is shown in column (g) of the Summary Compensation Table on page 51.

[3] These columns reflect the potential payout range of PSU awards granted in 2012 to our named executive officers in accordance with the Company's annual long-term incentive award program, as described on pages 45-47. At the conclusion of the three-year performance cycle, payouts can range from 0% to 200% of the target number of units awarded based on Verizon's relative TSR position as compared with the Related Dow Peers and Verizon's cumulative free cash flow over the three-year performance cycle as described in more detail on pages 46-47. PSUs and the applicable dividend equivalents are paid only and to the extent that the applicable performance criteria for the award are achieved at the end of the award cycle. When dividends are distributed to shareholders, dividend equivalents are credited on the PSU awards in an amount equal to the dollar amount of dividends on the total number of PSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

[4] This column reflects the RSU awards granted in 2012 to the named executive officers in accordance with the Company's annual long-term incentive award program. When dividends are distributed to shareholders, dividend equivalents are credited on the RSU awards in an amount equal to the dollar amount of dividends on the total number of RSUs credited as of the dividend distribution date and divided by the fair market value of the Company's common stock on that date.

[5] This column reflects the grant date fair value of each equity award computed in accordance with FASB ASC Topic 718 based on the closing price of Verizon's common stock on the grant date. For PSUs, the grant date fair value has been determined based on the vesting of 100% of the nominal PSUs awarded, which is the performance threshold the Company believes is the most likely to be achieved under the grants.

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Outstanding Equity Awards at Fiscal Year-End

	Option Awards					Stock Awards				
Name (a)	Number of Securities Underlying Unexercised Options (#) Exercisable (b)	Number of Securities Underlying Unexercised Options (#) Unexercisable (c)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) (d)	Option Exercise Price ($) (e)	Option Expiration Date (f)	Number of Shares or Units of Stock That Have Not Vested [1] (#) (g)	Market Value of Shares or Units of Stock That Have Not Vested [2] ($) (h)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested [3] (#) (i)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested [4] ($) (j)	Grant Date
Mr. McAdam [5]	420,863	0	0	13.89	3/31/2014	105,030	4,544,648	275,706	11,929,799	2/3/2011
						88,928	3,847,915	414,996	17,956,877	8/1/2011
						93,696	4,054,226	164,436	7,115,146	3/2/2012
Mr. Mead	0	0	0	0	0	45,688	1,976,920	119,931	5,189,414	2/3/2011
						44,974	1,946,025	78,929	3,415,258	3/2/2012
Mr. Shammo	0	0	0	0	0	42,537	1,840,576	111,661	4,831,571	2/3/2011
						39,352	1,702,761	69,063	2,988,356	3/2/2012
Mr. Stratton	0	0	0	0	0	36,011	1,558,196	94,528	4,090,227	2/3/2011
						37,947	1,641,967	66,597	2,881,652	3/2/2012
Mr. Milch	0	0	0	0	0	37,511	1,623,101	98,467	4,260,667	2/3/2011
						34,801	1,505,839	61,076	2,642,759	3/2/2012

[1] The annual 2011 and 2012 RSU awards vest on December 31, 2013 and December 31, 2014, respectively. Mr. McAdam's 2011 special RSU award vests on July 31, 2016. RSUs accrue quarterly dividends that are reinvested into the participant's account as additional RSUs and will be included in the final RSU payment if the awards vest. This column includes dividend equivalent units that have accrued through December 31, 2012.

[2] This column represents the value of the RSU awards listed in column (g) based on a share price of $43.27, the closing price of Verizon's common stock on December 31, 2012.

[3] The annual 2011 and 2012 PSU awards vest on December 31, 2013 and December 31, 2014, respectively. Mr. McAdam's 2011 special PSU award vests on July 31, 2016. PSUs accrue quarterly dividends that are reinvested into the participant's account as additional PSUs. PSUs and the applicable dividend equivalents are paid if and to the extent that the applicable PSU award vests. As required by SEC rules, the number of units in this column represents the 2011 PSU awards at a 175% vesting percentage, the 2012 PSU awards at a 117% vesting percentage, and Mr. McAdam's 2011 special PSU Award at a 200% vesting percentage, in each case including accrued dividend equivalents through December 31, 2012 that will be paid to the executives if the awards vest at the indicated levels.

[4] This column represents the value of the PSU awards listed in column (i) based on a share price of $43.27, the closing price of Verizon's common stock on December 31, 2012.

[5] Each option award listed for Mr. McAdam represents unexercised partnership value appreciation rights granted by Verizon Wireless, his employer on the date the rights were granted. When he exercises these rights he will receive a cash amount equal to the difference between the then current value of the corresponding Verizon Wireless partnership rights over the exercise price for such rights as reported in the table. The Option Awards section of the table shows the number of unexercised partnership value appreciation rights held by Mr. McAdam at year-end, the exercise price and expiration date of the award. The values in the Stock Awards section of the table are attributable to grants of Verizon RSU and PSU awards.

Value Realized from Stock Options and Certain Stock-Based Awards

The following table reports the number of options that the named executive officers exercised in 2012 and the value realized from the vesting of the following stock-based awards:

- 2010 PSUs that vested on December 31, 2012;
- 2010 RSUs that vested on December 31, 2012; and

- Mr. McAdam’s 2009 special PSU award that vested on December 31, 2012.

In 2013, based on the Company's relative TSR as compared with the Related Dow Peers, the Committee approved a vested percentage of 200% of the target number of PSU awards granted for the 2010-2012 performance cycle for all participants, including the named executive officers. The values of the 2010 PSU awards upon vesting for Mr. McAdam, Mr. Mead, Mr. Shammo, Mr. Stratton and Mr. Milch were $9,439,776, $5,822,826, $6,075,986, $5,111,523, and $5,545,513, respectively, and the value of the 2010 RSUs upon vesting for Mr. McAdam, Mr. Mead, Mr. Shammo, Mr. Stratton and Mr. Milch were $3,146,626, $1,940,941, $2,025,346, $1,703,859 and $1,848,523, respectively. In 2013, based on the Company's average annual ROE during the performance cycle, the independent members of the Board approved a vested percentage of 136% of the target number of PSUs granted to Mr. McAdam under his special 2009 PSU award. The value of Mr. McAdam's 2009 special PSU award upon vesting was $10,263,964.

Option Exercises and Stock Vested

	Option Awards		Stock Awards	
Name (a)	Number of Shares Acquired on Exercise (#) (b)	Value Realized on Exercise ($) (c)	Number of Shares Acquired on Vesting [1] (#) (d)	Value Realized on Vesting [1,2] ($) (e)
Mr. McAdam	0	0	528,088	22,850,366
Mr. Mead	0	0	179,426	7,763,767
Mr. Shammo	0	0	187,227	8,101,332
Mr. Stratton	0	0	157,508	6,815,382
Mr. Milch	0	0	170,881	7,394,036

[1] The amounts include dividend equivalents that were credited on the PSU and RSU awards that vested on December 31, 2012 in accordance with the terms of the awards.

[2] The amounts in this column include $3,881,884 for Mr. Mead and $739,404 for Mr. Milch that were deferred under the Verizon Executive Deferral Plan in 2013 when the amounts would have otherwise been paid.

Pension Plans

Effective June 30, 2006, Verizon froze all future pension accruals under its management tax-qualified and nonqualified defined benefit pension plans. All accruals under the Verizon Wireless defined benefit retirement plan (tax-qualified and nonqualified) were frozen as of December 31, 2006. Each of the named executive officers other than Messrs. Shammo and Stratton is eligible for a frozen pension benefit.

Verizon Management Pension Plan and Verizon Excess Pension Plan. The Verizon Management Pension Plan is a tax-qualified defined benefit pension plan and the Verizon Excess Pension Plan is a nonqualified defined benefit pension plan. Messrs. Mead and Milch are eligible for benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. Mr. McAdam is not eligible for benefits under either of these plans because he was employed by Verizon Wireless prior to January 1, 2007. Under the Verizon Management Pension Plan and the Verizon Excess Pension Plan, the normal retirement age is age 65 with at least 5 years of service and the early retirement age for unreduced benefits is age 55 with 15 or more years of service, and total age plus years of service equal to at least 75. Mr. Mead is eligible for early retirement benefits under the Verizon Management Pension Plan and the Verizon Excess Pension Plan. For Messrs. Mead and Milch, their benefit under the Verizon Excess Pension Plan is based on the cash balance formula noted below, and each of them is vested in the benefit.

Until June 30, 2006, Mr. Milch earned pension benefits under a cash balance formula that provided for retirement pay credits equal to between four and seven percent (depending on age and service) of annual eligible pay for each year of service. Under the cash balance formula, a participant's account balance is also credited with monthly interest based upon the prevailing market yields on certain U.S. Treasury obligations. Eligible pay under the Verizon Management Pension Plan consisted of the employee's base salary and the short-term incentive award, up to the IRS qualified plan compensation limit. Pension benefits for all eligible pay in excess of the IRS limit were provided under the Verizon Excess Pension Plan based on the cash balance formula. At the time that the tax-qualified and nonqualified pension plans were frozen to future pension accruals on June 30, 2006, plan participants were provided with a one-time additional 18 months of benefits as a transition matter.

As a former employee of GTE Wireless Incorporated, Mr. Mead earned a pension benefit under the Verizon Management Pension Plan based on the better of two highest average pay formulas. The first formula was based on 1.35% of his average annual eligible pay for the five highest consecutive eligible years of service. The second formula was based on eligible pay for the five highest consecutive eligible years of service and was integrated with social security, with a 1.15% accrual for eligible pay under the social security integration level and a 1.45% accrual above the social security integration level. Both of these formulas were discontinued on May 31, 2004 for former GTE Wireless Incorporated employees employed by Verizon Wireless, and Mr. Mead ceased to accrue a pension under those formulas on May 31, 2004. Effective October 23, 2005, Mr. Mead transferred from Verizon Wireless to Verizon, and he started to again earn a pension under the better of (i) the 1.35% highest average pay formula or (ii) the cash balance formula. Mr. Mead's service with Verizon Wireless from June 1, 2004 through October 22, 2005 was excluded from any pension calculation. As noted above, accruals under the 1.35% highest average pay formula and cash balance formula were frozen effective June 30, 2006.

At the time of Mr. Mead's transfer from Verizon Wireless to Verizon effective October 23, 2005, the value of his nonqualified benefit was determined as a lump sum, and a nonqualified cash balance account was created under the Verizon Excess Pension Plan using this value as the opening balance as of November 1, 2005. Mr. Mead earned retirement pay credits equal to 7% (based on age and eligible service) of annual eligible pay in excess of the pay cap for each year of service after October 23, 2005, including monthly interest credits. As noted above, accruals under the nonqualified cash balance formula were frozen effective June 30, 2006.

Verizon Wireless Retirement Plan. In 2001, Verizon Wireless consolidated the pension plans of several predecessor companies under the Verizon Wireless Retirement Plan. Mr. McAdam is entitled to both a tax-qualified and a nonqualified pension benefit under this plan. Mr. McAdam's tax-qualified pension benefit was determined under two formulas: (i) for the period from January 1, 2001 until May 31, 2004, a cash balance formula that provided pay credits equal to two percent of annual eligible pay up to the IRS compensation limit (under the cash balance formula, a participant's account balance is also credited on an ongoing basis with interest credits based upon the 30-year Treasury bond); and (ii) a final average pay formula based on 24 years of service multiplied by 1.45% of Mr. McAdam's average annual eligible pay for the five final consecutive years for each year of service through the end of 2006. The normal retirement age under the Verizon Wireless Retirement Plan is 65. The early retirement age (for unreduced benefits) under the plan is 55. Mr. McAdam is eligible for early retirement benefits under the plan. In 2008, the Verizon Wireless Retirement Plan was amended to recognize eligibility service and age increases for employees who transferred to Verizon on or after January 1, 2001. As a result, Mr. McAdam continues to earn service towards early retirement benefits, based on his frozen pension accrual service as of December 31, 2006. Mr. McAdam's nonqualified plan benefit was determined using the 1.45% final average pay formula and was calculated based on 10 years of service and only included his eligible pay in excess of the IRS compensation limit through the end of 2006, at which time no further adjustments to eligible pay were recognized under the plan. For Mr. McAdam, eligible pay consisted of base salary and the short-term incentive award. No participant under the plan was eligible for cash balance credits under the nonqualified portion of the plan.

The following table illustrates the actuarial present value as of December 31, 2012 of pension benefits accumulated by the named executive officers, other than Messrs. Shammo and Stratton who are not eligible for pension benefits.

Pension Benefits

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit [1] ($) (d)	Payments During Last Fiscal Year ($) (e)
Mr. McAdam	Verizon Wireless Retirement Plan - Qualified	29	1,173,877	0
	Verizon Wireless Retirement Plan - Nonqualified	10	1,772,254	0
Mr. Mead	Verizon Management Pension Plan	34	1,347,373	0
	Verizon Excess Pension Plan	7	3,388,944	0
Mr. Milch	Verizon Management Pension Plan	19	175,480	0
	Verizon Excess Pension Plan	8	107,527	0

[1] The values are based on the assumptions for the actuarial determination of pension benefits as required by the relevant accounting standards as described in note 11 to the Company's consolidated financial statements for the year ended December 31, 2012, as included in the Company's 2012 Annual Report to Shareowners. However, in accordance with the requirements for this table, the values are calculated using the executive's retirement at the earliest age at which he can retire without having the retirement benefit reduced under the plan. For Mr. McAdam, the assumptions are generally the same as described above.

Defined Contribution Savings Plans

The named executive officers are participants in the Company's tax-qualified defined contribution savings plan, the Verizon Management Savings Plan, which is referred to as the Savings Plan, and its nonqualified defined contribution savings plan, the Verizon Executive Deferral Plan, which is referred to as the Deferral Plan. The named executive officers participate in these plans on the same terms as other participants in these plans.

Under the terms of the Savings Plan, participants are eligible to defer up to 16% of their eligible pay into the Savings Plan up to the IRS qualified plan compensation limit. Verizon provides a matching contribution equal to 100% of the first 6% of eligible pay that any participant contributes to the Savings Plan. Under the Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit, short-term incentive compensation and long-term incentive compensation. Verizon provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the Deferral Plan. Deferrals of long-term incentive compensation, such as PSUs and RSUs, are not eligible for Company matching contributions. Participants in the Savings Plan and the Deferral Plan are eligible for an additional discretionary profit-sharing contribution of up to 3% of eligible pay, in the case of the Savings Plan, and eligible deferrals, in the case of the Deferral Plan. In determining whether to make a profit-sharing contribution, the Committee uses the same criteria it uses to determine the short-term incentive award paid to employees at the corporate level. For example, if the Short-Term Plan award for corporate employees is paid at target, employees would be eligible for up to an additional 2% profit-sharing contribution whether or not they participate in the Savings Plan or Deferral Plan. For 2012, the discretionary contribution was 1.5%.

Messrs. McAdam, Mead, Shammo and Stratton were participants in the Verizon Wireless Executive Deferral Plan while they were employed at Verizon Wireless. Under the Verizon Wireless Executive Deferral Plan, a participant may defer up to 100% of base salary in excess of the IRS qualified plan compensation limit and short-term incentive compensation. Verizon Wireless provides a matching contribution equal to 100% of the first 6% of base salary and short-term incentive compensation that a participant contributes to the plan. Participants are eligible for an additional discretionary profit-sharing contribution to the Verizon Wireless Executive Deferral Plan of up to 3% of eligible pay and eligible deferrals. In determining whether to make a profit-sharing contribution, the Verizon Wireless Human Resources Committee uses the same criteria used to determine the short-term incentive award paid to employees at the corporate level.

Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may elect to invest their deferrals in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to all plan participants under the Savings Plan. Participants in the Deferral Plan and the Verizon Wireless Executive Deferral Plan may generally elect to receive their benefits in a lump sum or installments, commencing on a separation from service or specific date elected by the participant.

Messrs. Mead and Milch also have account balances under the Income Deferral Plan (referred to as the IDP). The IDP is a nonqualified deferred compensation plan that was the predecessor to the Deferral Plan. The IDP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the IDP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the plan. Participants in the IDP do not receive matching contribution credits or retirement credits under the plan.

Messrs. McAdam, Mead, Shammo and Stratton also have account balances under the Verizon Wireless Executive Savings Plan (referred to as the ESP). The ESP is a nonqualified deferred compensation plan that was the predecessor to the Verizon Wireless Executive Deferral Plan. The ESP was amended to freeze the accrual of benefits under the plan as of the close of business on December 31, 2004. Participants in the ESP no longer accrue any additional benefits other than market-based investment earnings or losses on their individual accounts. No new deferrals were permitted after 2004. Participants retain the ability to invest their frozen accounts in the investment options available under the ESP. Participants in the ESP do not receive matching contribution credits or retirement credits under the plan.

The following table shows the 2012 account activity for each named executive officer and includes each executive's contributions, Company matching contributions, earnings, withdrawals and distributions and the aggregate balance of his total deferral account as of December 31, 2012.

Nonqualified Deferred Compensation

Name (a)		Executive Contributions in Last FY [1] ($) (b)	Registrant Contributions in Last FY [2] ($) (c)	Aggregate Earnings in Last FY [3] ($) (d)	Aggregate Withdrawals/ Distributions ($) (e)	Aggregate Balance at Last FYE [4] ($) (f)
Mr. McAdam	Verizon Executive Deferral Plan	210,750	263,512	331,694	0	4,327,090
	Verizon Wireless Executive Deferral Plan	0	0	18,399	0	437,756
	Verizon Wireless Executive Savings Plan	0	0	87,490	0	2,081,601
Mr. Mead	Verizon Executive Deferral Plan	530,301	94,909	671,350	0	11,184,201
	Verizon Income Deferral Plan	0	0	11,633	0	276,775
	Verizon Wireless Executive Deferral Plan	0	0	75,966	0	1,807,426
	Verizon Wireless Executive Savings Plan	0	0	70,189	0	1,422,038
Mr. Shammo	Verizon Executive Deferral Plan	85,814	88,930	313,344	0	2,845,291
	Verizon Wireless Executive Deferral Plan	0	0	5,597	0	133,168
	Verizon Wireless Executive Savings Plan	0	0	101,708	0	1,181,294
Mr. Stratton	Verizon Executive Deferral Plan	361,375	70,890	263,447	0	2,704,840
	Verizon Wireless Executive Deferral Plan	0	15,956	178,556	0	2,017,583
	Verizon Wireless Executive Savings Plan	0	0	267,446	0	3,207,253
Mr. Milch	Verizon Executive Deferral Plan	87,166	76,959	276,317	0	3,125,679
	Verizon Income Deferral Plan	0	0	310,281	0	4,898,081

[1] Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (c) and (j): for Mr. McAdam, $69,000; for Mr. Mead, $163,269; for Mr. Shammo, $44,807; for Mr. Stratton, $148,750; and for Mr. Milch, $23,884.

[2] The amounts listed in this column are also included in columns (i) and (j) of the Summary Compensation Table.

[3] Of the amounts listed in this column, the following amounts are also included in the Summary Compensation Table in columns (h) and (j): for Mr. McAdam, $58,180; for Mr. Mead, $143,131; for Mr. Shammo, $9,004; for Mr. Stratton, $31,776; and for Mr. Milch, $58,366.

[4] The aggregate amounts shown in columns (e) and (f) include the following amounts that were reported as compensation to the named executive officer in the Summary Compensation Table in previous proxy statements of the registrant:

- For Mr. McAdam, a total of $2,134,031 was reported (2008 to 2012);
- For Mr. Mead, a total of $1,132,175 was reported (2011 to 2012);
- For Mr. Shammo, a total of $304,128 was reported (2011 to 2012); and
- For Mr. Milch, a total of $164,097 was reported (2012).

Potential Payments upon Termination or Change in Control

The following summaries and tables describe and quantify the potential payments and benefits that would be provided to each of our named executive officers if a termination of employment or change in control of Verizon had occurred at the end of 2012 under Verizon's compensation plans and agreements.

Payments Made upon Termination

Regardless of the manner in which a named executive officer's employment terminates, the executive is entitled to receive amounts earned during the term of employment. This includes amounts accrued and vested under our pension plans and nonqualified deferred compensation plans, which are reported in the "Pension Benefits" and "Nonqualified Deferred Compensation" tables above. Those benefits are not included in the summaries and tables below.

In addition, amounts earned under our 2012 Short-Term Plan awards and amounts earned under our 2010 Long-Term Plan awards and, for Mr. McAdam, the special 2009 PSU award are not included in the summaries or tables below. Amounts earned under our 2012 Short-Term Plan awards are discussed in the Compensation Discussion and Analysis on pages 41-44 and are reported in the Summary Compensation Table on page 51. Amounts earned under our 2010 Long-Term Plan awards and Mr. McAdam's 2009 special PSU award are discussed in the Compensation Discussion and Analysis on page 47 and are reported in the Option Exercises and Stock Vested table on page 55. If a named executive officer's employment had terminated on December 31, 2012 for any reason other than for cause, the full amount of the 2012 Short-Term Plan award and the full amount of the 2010 Long-Term Plan awards, and Mr. McAdam's 2009 special PSU award in each case to the extent earned, would have been payable. These amounts would be determined and payable at the same time as awards are determined and paid to participating employees generally under those plans. In the event of a termination for cause, no amount would have been payable under these awards.

Potential Payments upon Qualifying Separation or Involuntary Termination Without Cause

Mr. McAdam. As Chairman and CEO, Mr. McAdam is not eligible to participate in the Senior Manager Severance Plan described below. Mr. McAdam is also not a party to an employment agreement with Verizon or any other agreement that would provide him with cash severance benefits in the event his employment is involuntarily terminated by Verizon without cause.

Senior Manager Severance Plan. Verizon provides severance benefits to certain employees, including all of the named executive officers other than the Chairman and CEO, under its Senior Manager Severance Plan. Under the plan, a named executive officer is eligible to receive severance benefits if he experiences a "qualifying separation" from Verizon, which is generally defined as an involuntary termination by Verizon without cause, a voluntary termination by the executive solely due to the executive's refusal to accept a qualifying reclassification or relocation (as those terms are defined in the plan) or a determination by the independent members of the Board that the named executive officer has incurred a qualifying separation. A severance benefit, if triggered, is payable to an executive only if the executive executes a release of claims against Verizon in the form satisfactory to Verizon and agrees not to compete or interfere with any Verizon business for a period of one year after termination from employment and always to protect Verizon's trade secrets and proprietary information.

If a named executive officer incurs a qualifying separation under the plan, he is eligible to receive the following benefits: (i) a lump-sum cash separation payment equal to two times the sum of his base salary and target short-term incentive opportunity; and (ii) continued medical, dental and vision coverage for two years.

In addition, if the executive's qualifying separation occurs prior to the last day of the year, the executive will receive a prorated Short-Term Plan award for the year in which the termination occurs, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are payable to participating employees generally under the plan. To the extent that an executive also becomes eligible for severance benefits under any outstanding agreement, plan or any other arrangement, the executive's cash severance payment under the Senior Manager Severance Plan will be reduced on a dollar-for-dollar basis by the amount or single-sum value of the severance benefits payable to the executive under such other agreement, plan or arrangement.

Other Benefits . Upon an involuntary termination of employment without cause, a named executive officer would also be eligible to receive financial planning and outplacement services for one year following termination on the same basis as provided to other senior executives. However, executives will only be entitled to receive financial planning services if they participate in the program in the year in which their employment terminates. Mr. McAdam did not participate in the financial planning program in 2012 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2012. In addition, under the terms of the executive life insurance plan, each named executive officer who is retirement eligible upon termination and who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement; or (ii) in the case of Mr. Milch, the later of the executive's attainment of age 65 or 15 years of plan participation. Retirement eligibility is generally defined as having attained 75 points (age plus years of service) with at least 15 years of service.

Estimated Payments. The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment been involuntarily terminated without cause or terminated for good reason on the last business day of 2012 and had incurred a qualifying separation under the Senior Manager Severance Plan.

Name	Cash Separation Payment ($)	Continued Health Benefits [1] ($)	Outplacement Services ($)	Financial Planning [2] ($)	Executive Life Insurance Benefit ($)
Mr. McAdam	0	0	0	0	255,555
Mr. Mead	3,360,000	22,903	14,500	10,000	88,013
Mr. Shammo	2,940,000	33,003	14,500	10,000	177,331
Mr. Stratton	2,835,000	33,003	14,500	10,000	185,050
Mr. Milch	2,730,000	33,003	14,500	10,000	144,002

[1] The amounts reflect Verizon's estimated cost of providing medical, dental and vision coverage for two years.

[2] Mr. McAdam did not participate in the financial planning program in 2012 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2012.

Potential Payments upon Death, Disability or Retirement

Under the terms of the executive life insurance plan, in the event of disability or a qualifying retirement, a named executive officer who continues to pay the annual premiums on the life insurance policy owned by the executive would be eligible to receive an annual payment from Verizon to pay a portion of the annual premium until: (i) in the case of Messrs. McAdam, Mead, Shammo and Stratton, the latest of the executive's attainment of age 60, the completion of 5 years of plan participation or qualifying retirement, or (ii) in the case of Mr. Milch, the later of the executive's attainment of age 65 or 15 years of plan participation. If the named executive officer dies, his beneficiary would be entitled to receive the proceeds of the life insurance policy owned by the executive, payable by the third-party issuer of the policy.

Under the Short-Term Plan, if the named executive officer's employment terminates due to death, disability or a qualifying retirement prior to the last day of the year, the executive would be eligible for a prorated Short-Term Plan award for the year in which the termination date occurred, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year and payable at the time that awards are generally payable to participating employees under the plan. As described above, if the executive's employment terminates on the last day of the year for any reason other than for cause, the full amount of the Short-Term Plan award, determined based on the actual level of achievement of the performance criteria under the Short-Term Plan for the applicable year, would have been payable.

In addition, upon death, disability or a qualifying retirement, each named executive officer would also be eligible to receive financial planning services for one year following termination on the same basis as provided to other senior executives, provided that they participated in the program in the year in which their employment terminates. Upon disability, the named executive officers would also be eligible for disability benefits under the tax-qualified and nonqualified disability plans.

Estimated Payments . The following table shows Verizon's estimate of the amount of benefits the named executive officers would have been entitled to receive had their employment terminated due to death, disability or qualifying retirement on the last business day of 2012.

Name	Executive Life Insurance Benefit [1] ($)	Disability Benefit [2] ($)	Financial Planning [3] ($)
Mr. McAdam			
Death	6,300,000	0	0
Disability	255,555	1,501,922	0
Retirement	255,555	0	0
Mr. Mead			
Death	2,800,000	0	10,000
Disability	88,013	1,409,898	10,000
Retirement	88,013	0	10,000
Mr. Shammo			
Death	2,450,000	0	10,000
Disability	177,331	435,717	10,000
Retirement	177,331	0	10,000
Mr. Stratton			
Death	2,364,000	0	10,000
Disability	185,050	438,668	10,000
Retirement [4]	0	0	0
Mr. Milch			
Death	2,276,000	0	10,000
Disability	144,002	1,895,509	10,000
Retirement [4]	0	0	0

[1] In the event of death, the amount represents the proceeds from the life insurance policy owned by the named executive officer, payable from the third-party issuer of the policy. In the event of disability or retirement, the amount, if any, represents the total amount of annual payments to the named executive officer to pay a portion of the life insurance policy owned by him, provided that the named executive officer continues to pay the annual premiums pursuant to the terms of the executive life insurance program.

[2] Assumes that each named executive officer would be immediately eligible for long-term disability benefits from Verizon's qualified and nonqualified disability benefit plans. Messrs. Shammo and Stratton do not participate in the nonqualified portion of the disability benefit. The assumptions used to calculate the value of the disability benefits include a discount rate of 4.2% and mortality and recovery based on the 1987 National Association of Insurance Commissioners Group Disability Table. These rates represent the probability of death or recovery between the date of disability and the payment end date. The qualified portion of the disability benefit for Messrs. McAdam, Mead, Shammo, Stratton and Milch is estimated at $490,688, $460,623, $435,717, $438,668 and $619,276, respectively, and the nonqualified portion of the disability benefit for Messrs. McAdam, Mead and Milch is estimated at $1,011,234, $949,275, and $1,276,233, respectively. In order to receive the nonqualified portion of the disability benefit, the executive must pay the premium associated with the qualified portion of the benefit.

[3] Mr. McAdam did not participate in the financial planning program in 2012 and, as a result, would not have been entitled to receive financial planning services if his employment had terminated on the last business day of 2012.

[4] Messrs. Stratton and Milch would not have been entitled to receive executive life insurance benefits or financial planning benefits because they had not fulfilled the eligibility requirements for retirement under the terms of those programs on the last business day of 2012.

Potential Payments upon Change in Control

Verizon does not maintain any plans or arrangements that provide for any named executive officer to receive cash severance or any other cash payments in connection with a change in control of Verizon. If the named executive officer's employment terminates in connection with or following a change in control, he would be eligible for the same benefits, if any, that would become payable to the executive upon his termination under the circumstances as described above. Under the Short-Term Plan, if a change in control occurs, all outstanding awards will vest and become payable on the regularly scheduled payment date.

Equity Awards

As is the case for all participants under the terms of the Long-Term Plan and the applicable award agreements, upon an involuntary termination of employment without cause, death, disability or qualifying retirement, each named executive officer's then unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and each named executive officer's then unvested PSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle, but only if and to the extent that the applicable performance criteria for the award are achieved at the end of the applicable award cycle. However, Mr. McAdam's special PSU and RSU awards granted in 2011 will be forfeited if Mr. McAdam retires prior to July 31, 2016. Under the Long-Term Plan, a qualifying retirement generally means to retire after having attained at least 15 years of vesting service (as defined under the applicable Verizon tax-qualified savings plan) and a combination of age and years of vesting service that equals or exceeds 75 points. As of December 31, 2012, Messrs. McAdam, Mead and Shammo were retirement-eligible under the Long-Term Plan.

In addition, under the terms of the Long-Term Plan and the applicable award agreements, if, in the 12 months following a change in control of Verizon, a participant's employment is involuntarily terminated without cause, all then-unvested RSUs will vest and be paid on the regularly scheduled payment date after the end of the applicable award cycle and all then-unvested PSUs will vest at target level performance and be paid on the regularly scheduled payment date after the end of the applicable award cycle.

Under the Long-Term Plan, a change in control of Verizon is generally defined as the occurrence of any of the following:

- Any person becomes a beneficial owner of shares representing twenty percent or more of Verizon's outstanding voting stock;
- Verizon consummates a merger, consolidation, reorganization or any other business combination; or
- The Board adopts resolutions authorizing the liquidation or dissolution, or sale of all or substantially all of the assets, of Verizon.

However, a change in control will not occur if:

- The amount of Verizon voting stock outstanding immediately before the transaction represents at least forty-five percent of the combined voting power of the corporation that survives the transaction;
- Verizon Directors constitute at least one-half of the board of directors of the surviving corporation;
- Verizon's CEO is the CEO of the surviving corporation; and
- The headquarters of the surviving corporation is located in New York, New York.

Estimated Payments. The following table shows the estimated value of the payouts that the named executive officers could have received in respect of their outstanding unvested equity awards if any of the following events occurred on the last business day of 2012: (i) a change in control of Verizon without a termination of employment; (ii) a change in control of Verizon and an involuntary termination of employment without cause; and (iii) a termination of employment as a result of an involuntary termination without cause, qualifying retirement, or death or disability. The amounts represent the estimated value of the RSU and PSU awards granted in 2011 and 2012, and in addition for Mr. McAdam, his special 2011 PSU and RSU awards, that would have been payable pursuant to the terms of the award agreements, calculated using the total number of units (including accrued dividends) on the last business day of 2012 and $43.27, Verizon's closing stock price on that date, and for the PSUs, assuming the award would vest at target performance levels. The actual amount payable under these awards can be determined only at the time the awards would be paid.

Name	Change In Control Without Termination ($)	Change In Control And Termination Without Cause ($)	Termination Without Cause ($)	Retirement [1] ($)	Death or Disability ($)
Mr. McAdam	0	34,323,581	34,323,581	21,497,228	34,323,581
Mr. Mead	0	9,807,362	9,807,362	9,807,362	9,807,362
Mr. Shammo	0	8,858,365	8,858,365	8,858,365	8,858,365
Mr. Stratton	0	8,000,407	8,000,407	0	8,000,407
Mr. Milch	0	7,822,394	7,822,394	0	7,822,394

[1] Messrs. Stratton and Milch would not have been entitled to receive any amount in respect of their outstanding unvested equity awards upon retirement because they had not met the eligibility requirements for retirement under the terms of the Long-Term Plan on the last business day of 2012.

Non-Employee Director Compensation

In 2012, each non-employee Director of Verizon received an annual cash retainer of $100,000, and the Chairperson of the Corporate Governance and Policy Committee received an additional annual cash retainer of $15,000, and the Audit and Human Resources Committee Chairpersons received an additional $25,000 annual cash retainer. The Presiding Director also received an additional annual cash retainer of $10,000. Each Director also received an annual grant of Verizon share equivalents valued at $150,000 on the grant date. No meeting fees were paid if a Director attended a Board or Committee meeting on the day before or the day of a regularly scheduled Board meeting. Each Director who attended such a meeting held on any other date received a meeting fee of $2,000.

In addition, in 2012, the Board established a committee composed of Ms. Keeth (Chairperson), Dr. Moose and Mr. Price to assist the Board in responding to a shareholder demand. The Chairperson received a cash retainer of $5,000, and each Committee member received a meeting fee of $2,000 for each of the five meetings held by the Committee during 2012.

A new Director who joins the Board receives a one-time grant of 3,000 Verizon share equivalents valued at the closing price on the date that the Director joins the Board.

All share equivalents are automatically credited to the Director's deferred compensation account under the Verizon Executive Deferral Plan and invested in a hypothetical Verizon stock fund. Amounts in the deferred compensation account are paid in a lump sum in the year following the year that the Director leaves the Board.

Under the Verizon Executive Deferral Plan, Directors may defer all or part of their annual cash retainer and meeting fees. A Director may elect to invest these amounts in a hypothetical cash account that earns a return rate equal to the long-term, high-grade corporate bond yield average as published by Moody's Investor Services or in the other hypothetical investment options available to participants in Verizon's Management Savings Plan.

Directors who served as directors of NYNEX Corporation participate in a charitable giving program. Under this program, when a participant retires from the Board or attains age 65 (whichever occurs later) or dies, one or more charitable contributions in the aggregate amount of $1,000,000 are made, payable in ten annual installments. Directors who served as directors of GTE Corporation participate in a similar program for which the aggregate contribution is $1,000,000, payable in five annual installments commencing upon the Director's death. The GTE and NYNEX programs are financed through the purchase of insurance on the life of each participant. The charitable giving programs are closed to future participants. In 2012, the aggregate cost of maintaining and administering the legacy charitable giving programs for all participants was $62,185.

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Director Compensation

Name (a)	Fees Earned or Paid in Cash [1] ($) (b)	Stock Awards [2] ($) (c)	Option Awards ($) (d)	Non-Equity Incentive Plan Compensation ($) (e)	Change in Pension Value and Nonqualified Deferred Compensation Earnings [3] ($) (f)	All Other Compensation ($) (g)	Total ($) (h)
Richard L. Carrión	104,000	150,000	0	0	10,584	0	264,584
Melanie L. Healey	106,000	150,000	0	0	0	0	256,000
M. Frances Keeth*	127,000	150,000	0	0	0	0	277,000
Robert W. Lane	110,000	150,000	0	0	4,214	0	264,214
Sandra O. Moose*	147,000	150,000	0	0	7,343	0	304,343
Joseph Neubauer*	131,000	150,000	0	0	0	0	281,000
Donald T. Nicolaisen*	137,000	150,000	0	0	0	0	287,000
Clarence Otis, Jr.	106,000	150,000	0	0	8,766	0	264,766
Hugh B. Price	114,000	150,000	0	0	1,381	0	265,381
Rodney E. Slater	104,000	150,000	0	0	0	0	254,000
John W. Snow**	52,000	150,000	0	0	0	0	202,000
Kathryn A. Tesija	8,333	145,850	0	0	0	0	154,183

* Denotes a Chairperson of a standing or special committee.

** Dr. Snow retired from the Board in May 2012 pursuant to the Board's retirement policy.

1 This column includes all fees earned or paid in 2012, whether the fee was paid in 2012 or deferred.

2 For each Director this column reflects the grant date fair value of the Director's 2012 annual stock award computed in accordance with FASB ASC Topic 718. For Ms. Tesija, this column reflects the grant date fair value of her annual share equivalents award valued at $12,500, which was prorated to reflect the portion of the year that she served on the Board, and includes the one-time grant of 3,000 Verizon share equivalents with the grant date fair value of $133,350 that she received upon her appointment to the Board on December 6, 2012, in each case based on the closing price of Verizon's common stock on the grant date. The following reflects the aggregate number of share equivalent awards and the aggregate number of option awards outstanding as of December 31, 2012 for each person who served as a non-employee Director during 2012: Richard L. Carrión, 83,562 and 21,065; Melanie L. Healey, 7,463 and 0; M. Frances Keeth, 33,729 and 0; Robert W. Lane, 43,877 and 0; Sandra O. Moose, 73,702 and 0; Joseph Neubauer, 91,759 and 7,798; Donald T. Nicolaisen, 40,649 and 0; Clarence Otis, Jr., 40,053 and 0; Hugh B. Price, 64,186 and 7,798; Rodney E. Slater, 16,212 and 0; John W. Snow, 33,229 and 0; and Kathryn A. Tesija, 3,281 and 0.

3 This column reflects above-market earnings on nonqualified deferred compensation plans. Non-employee Directors do not participate in any defined benefit pension plan.

Security Ownership of Certain Beneficial Owners and Management

Principal Shareholders

On January 31, 2013, there were approximately 2.9 billion shares of Verizon common stock outstanding. The following table sets forth information about persons we know to beneficially own more than five percent of the shares of Verizon common stock, based on our records and information reported in filings with the SEC.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock Inc. 40 East 52 nd Street New York, New York 10022	173,030,572	6.07

* This information is based on a Schedule 13G filed with the SEC on February 5, 2013 by BlackRock Inc., setting forth information as of December 31, 2012. The Schedule 13G states that BlackRock Inc. has sole voting power and sole dispositive power with respect to the 173,030,572 shares.

Directors and Executive Officers

In the following table, you can find information showing the number of shares of Verizon common stock beneficially owned by each of the named executive officers, each Director and all executive officers and Directors as a group as of January 31, 2013. This information includes shares held in Verizon's employee savings plans and shares that may be acquired within 60 days pursuant to the exercise of stock options and/or the conversion of certain stock units under deferred compensation plans. The aggregate number of shares owned by executive officers and Directors represents less than one percent of the total number of outstanding shares of Verizon common stock. Unless we have indicated otherwise, each individual and/or his or her family member(s) has or have sole or shared voting and/or investment power with respect to the securities. Executive officers and Directors also have interests in other stock-based units under Verizon deferred compensation plans and stock-based long-term incentive awards. We have included these interests in the "Total" column in the table below to show the total economic interest that the executive officers and Directors have in Verizon common stock.

Name	Stock [1]	Total [2]
Named Executive Officers:		
Lowell C. McAdam*	135,068	1,149,143
Daniel S. Mead	31,913	327,676
Francis J. Shammo	52,774	332,991
John G. Stratton	39,178	303,058
Randal S. Milch	65,209	290,126
Directors:		
Richard L. Carrión	19,906	100,407
Melanie L. Healey	—	7,463
M. Frances Keeth	—	33,729
Robert W. Lane	—	43,877
Sandra O. Moose	—	73,702
Joseph Neubauer	24,820	137,286
Donald T. Nicolaisen	—	40,649
Clarence Otis, Jr.	3,000	43,053
Hugh B. Price	10,255	72,042
Rodney E. Slater	—	16,212
John W. Snow**	3,740	3,740
Kathryn A. Tesija	—	3,281
All of the above and other executive officers as a group [3]	536,117	4,041,594

* Mr. McAdam also serves as a Director.

** Dr. Snow retired from the Board in May 2012 pursuant to the Board's retirement policy.

1 In addition to direct and indirect holdings, the "Stock" column includes shares that may be acquired pursuant to stock options that are or will become exercisable within 60 days and/or pursuant to the conversion of certain stock units under deferred compensation plans as follows: 12,247 shares for Mr. Milch; 18,661 shares for Mr. Carrión; 7,798 shares for Mr. Neubauer; and 10,197 shares for Mr. Price. The shares underlying the stock options and deferred compensation units may not be voted or transferred. No shares are pledged as security.

2 The "Total" column includes, in addition to shares listed in the "Stock" column, stock-based units under deferred compensation plans and stock-based long-term incentive awards, which may not be voted or transferred.

3 Does not include shares held by Dr. Snow, who retired from the Board in May 2012.

Section 16(a) Beneficial Ownership Reporting Compliance

SEC rules require that we disclose any late filings of stock transaction reports by our executive officers and Directors. Based solely on a review of the reports that we filed on behalf of these individuals or that were otherwise provided to us, our executive officers and Directors met all Section 16(a) filing requirements during calendar year 2012.