

**SCHEDULE SB  
(Form 5500)**

Department of the Treasury  
Internal Revenue Service

Department of Labor  
Employee Benefits Security Administration  
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan  
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

**2014**

**This Form is Open to Public  
Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

<b>A</b> Name of plan WINDSTREAM PENSION PLAN		<b>B</b> Three-digit plan number (PN) ▶	001
<b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF WINDSTREAM SERVICES, LLC		<b>D</b> Employer Identification Number (EIN) 20-0792300	
<b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		<b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

<b>Part I Basic Information</b>			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2014</u>			
2 Assets:			
a Market value.....	<b>2a</b>	1037355609	
b Actuarial value.....	<b>2b</b>	1055267466	
3 Funding target/participant count breakdown			
	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	6141	615683406	615683406
b For terminated vested participants.....	4657	114862869	114862869
c For active participants.....	4071	273328228	293093234
d Total.....	14869	1003874503	1023639509
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions.....	<b>4a</b>		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	<b>4b</b>		
5 Effective interest rate.....	<b>5</b>	6.47%	
6 Target normal cost.....	<b>6</b>	9086666	

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

<b>SIGN HERE</b>	Lillian Jersa <i>LJ</i>	9-1-2015
	Signature of actuary	Date
LILLIAN JERSA, A.S.A.		1406256
	Type or print name of actuary	Most recent enrollment number
TOWERS WATSON		214-530-4200
	Firm name	Telephone number (including area code)
500 NORTH AKARD, SUITE 4100		
DALLAS TX 75201		
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014  
v. 140124

<b>Part II Beginning of Year Carryover and Prefunding Balances</b>		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	27201531
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year).....	0	26535777
9	Amount remaining (line 7 minus line 8).....	0	665754
10	Interest on line 9 using prior year's actual return of <u>1.20%</u> .....	0	7989
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		67832277
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.30%</u> .....		2601680
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return.....		318439
	c Total available at beginning of current plan year to add to prefunding balance.....		70752386
	d Portion of (c) to be added to prefunding balance.....		70752386
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....	0	71426129

<b>Part III Funding Percentages</b>			
14	Funding target attainment percentage.....	<b>14</b>	96.11%
15	Adjusted funding target attainment percentage.....	<b>15</b>	103.08%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	<b>16</b>	93.39%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	<b>17</b>	%

<b>Part IV Contributions and Liquidity Shortfalls</b>					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
03/07/2014	8265902	0			
<b>Totals ▶</b>			<b>18(b)</b>	8265902	<b>18(c)</b>
					0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.....	<b>19a</b>	0
	b Contributions made to avoid restrictions adjusted to valuation date.....	<b>19b</b>	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	<b>19c</b>	8174130

20	Quarterly contributions and liquidity shortfalls:		
	a Did the plan have a "funding shortfall" for the prior year? .....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? .....	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

**Part V Assumptions Used to Determine Funding Target and Target Normal Cost**

21 Discount rate:				
a Segment rates:	1st segment: 4.99%	2nd segment: 6.32%	3rd segment: 6.99%	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions)	<input type="checkbox"/> Prescribed - combined	<input checked="" type="checkbox"/> Prescribed - separate	<input type="checkbox"/> Substitute	

**Part VI Miscellaneous Items**

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment	27	

**Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years**

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

**Part VIII Minimum Required Contribution For Current Year**

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6)	31a	9086666	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:			
a Net shortfall amortization installment	Outstanding Balance	Installment	
	39798172	20256467	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)	34	29343133	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	21169003	21169003
36 Additional cash requirement (line 34 minus line 35)	36	8174130	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	8174130	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

**Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)**

41 If an election was made to use PRA 2010 funding relief for this plan:				
a Schedule elected	<input type="checkbox"/> 2 plus 7 years		<input type="checkbox"/> 15 years	
b Eligible plan year(s) for which the election in line 41a was made	<input type="checkbox"/> 2008	<input type="checkbox"/> 2009	<input type="checkbox"/> 2010	<input type="checkbox"/> 2011
42 Amount of acceleration adjustment	42			
43 Excess installment acceleration amount to be carried over to future plan years	43			

Schedule SB, line 22 - Description of Weighted Average Retirement Age  
 Windstream Pension Plan  
 EIN 20-0792300  
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Employees are assumed to retire  
 according to the rates in the following table:

All Participants		
Age	Retirement Rate	Probability Of Retirement
55	6.00%	6.00%
56	6.00%	5.64%
57	6.00%	5.30%
58	6.00%	4.98%
59	6.00%	4.69%
60	6.00%	4.40%
61	10.00%	6.90%
62	15.00%	9.31%
63	15.00%	7.92%
64	15.00%	6.73%
65	100.00%	38.13%
		100.00%
Weighted Average Retirement Age: 61.84		

Schedule SB, line 24 – Change in Actuarial Assumptions  
Windstream Pension Plan  
EIN 20-0792300  
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The following changes have been made since the prior valuation.

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- The segment rates used to determine minimum funding requirements were changed to 4.99% (segment 1), 6.32% (segment 2), and 6.99% (segment 3).
- The required mortality table used to calculate the funding target and target normal cost was updated to include one additional year of projected mortality improvements.
- The assumed plan-related expenses added to the target normal cost were changed from \$1,850,000 to \$1,150,000.
- The mortality table used for lump sum conversion for non-Iowa participants was changed from the 2013 IRC Section 417(e) mortality table prescribed by the IRS to the 2014 IRC Section 417(e) mortality table prescribed by the IRS.
- The segment interest rates used for lump sum conversion for non-Iowa participants were changed to 4.99% (segment 1), 6.32% (segment 2), and 6.99% (segment 3).
- The termination rates were updated to reflect the results of the 2013 experience study.
- The retirement rates were updated to reflect the results of the 2013 experience study.
- The form of payment assumption was updated to reflect the results of the 2013 experience study.

Attained Age	Statistic	Total Years of Credited Service												
		< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up			
Under 25	Count	0	3	1	0	0	0	0	0	0	0	0	0	0
	Average Earnings													
25 to 29	Count	0	23	17	0	0	0	0	0	0	0	0	0	0
	Average Earnings		49,769											
30 to 34	Count	2	126	86	25	1	0	0	0	0	0	0	0	0
	Average Earnings		54,623	60,138	60,628									
35 to 39	Count	2	128	215	89	33	1	0	0	0	0	0	0	0
	Average Earnings		55,720	60,678	61,563	62,676								
40 to 44	Count	0	108	237	132	59	23	0	0	0	0	0	0	0
	Average Earnings		57,518	60,106	60,812	61,488	57,696							
45 to 49	Count	1	70	164	123	86	69	24	2	0	0	0	0	0
	Average Earnings		57,677	61,323	60,986	60,545	59,534	60,000						
50 to 54	Count	0	26	121	155	93	89	103	114	20	0	0	0	0
	Average Earnings		57,183	60,932	60,711	60,523	59,471	62,718	60,445	61,026				
55 to 59	Count	1	17	110	112	65	60	82	199	163	9	0	0	0
	Average Earnings			59,744	62,287	62,076	57,243	61,264	61,661	61,299				
60 to 64	Count	0	8	77	67	38	32	40	85	126	77	0	0	0
	Average Earnings			61,705	59,179	60,417	60,879	59,072	60,449	61,997	60,103			
65 to 69	Count	0	2	28	16	9	4	5	13	20	22	0	0	0
	Average Earnings			63,328					60,445	62,305				
70 & up	Count	0	0	2	8	0	0	0	1	0	2	0	0	0
	Average Earnings													

Census data as of January 1, 2014  
 Average earnings shown reflects only those participants accruing benefits under pay-related formulas as of January 1, 2014

Schedule SB, line 32 - Schedule of Amortization Bases  
 Windstream Pension Plan  
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Schedule of Amortization Bases  
 as of January 1, 2014

Type of Base	Date Established	Initial Amount	Remaining Amortization Period (Years)	Outstanding Balance	Amortization Payment
1 Shortfall	1/1/2010	\$ 155,783,223	3	\$ 74,460,174	\$ 26,037,994
2 Shortfall	1/1/2011	\$ 68,323,669	4	\$ 41,859,732	\$ 11,241,260
3 Shortfall	1/1/2012	\$ (115,769,152)	5	\$ (89,338,980)	\$ (19,648,872)
4 Shortfall	1/1/2013	\$ 24,874,459	6	\$ 21,930,980	\$ 4,151,350
5 Shortfall	1/1/2014	\$ (9,113,734)	7	\$ (9,113,734)	\$ (1,525,265)
<b>Total</b>		<b>\$ 124,098,465</b>		<b>\$ 39,798,172</b>	<b>\$ 20,256,467</b>

# Statement of actuarial assumptions and methods

## Economic Assumptions

### Interest rate basis:

- ▶ Applicable month September 2013
- ▶ Yield curve basis Segment rates

Interest rates:	Reflecting Corridors	Not Reflecting Corridors
▶ First segment rate	4.99%	1.37%
▶ Second segment rate	6.32%	4.05%
▶ Third segment rate	6.99%	5.06%
▶ Effective interest rate	6.47%	4.32%

### Annual rates of increase:

- ▶ Compensation:
  - ▶ Verizon Union 2.00%
  - ▶ Other Union 2.00%
  - ▶ Iowa Telecom 4.00%

### Assumptions used for lump sum conversion:

- ▶ Mortality
  - Non-Iowa participants: 2014 IRC Section 417(e) mortality table prescribed by the IRS
  - Iowa Telecom participants: TPF&C forecast mortality table for males with ages set back two years.
  
- ▶ Interest rates
  - Non-Iowa participants: Segment interest rates – 4.99% first segment (years 1-5), 6.32% second segment (years 6-20), and 6.99% third segment (years 21+).
  - Iowa Telecom participants: 3.00%

## Demographic Assumptions

**Inclusion Date** The valuation date coincident with or next following the date on which the employee becomes a participant.

**New or rehired employees** It was assumed there will be no new or rehired employees.

### Mortality

▶ **Healthy** Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA).

▶ **Disabled** Separate rates for non-annuitants (based on RP-2000 "Employees" table without collar or amount adjustments, projected to 2029 using Scale AA) and annuitants (based on RP-2000 "Healthy Annuitants" table without collar or amount adjustments, projected to 2021 using Scale AA).

**Termination** The representative rates at which participants terminate by age are shown below:

#### Percentage leaving during the year

Attained Age	Rate
25	7.78%
30	5.83%
35	4.95%
40	4.13%
45	3.50%
50	2.95%
55	3.15%
60	6.30%

**Disability (non-D&E/Iowa participants)**

75% of Table S-10 of 11<sup>th</sup> Railroad Retirement Board (modified).

The representative rates at which participants become disabled by age are shown below:

#### Percentage becoming disabled during the year

Age	Rate
30	0.45%
40	0.09%
50	0.39%
55	0.80%
60	1.86%
64	2.25%

**Disability (D&E participants)**

Not applicable

Disability  
 (Iowa participants)

The representative rates at which participants become disabled by age are shown below:

Percentage becoming disabled during the year	
Age	Rate
30	0.02%
40	0.04%
50	0.13%
55	0.24%
60	0.33%
64	0.33%

Retirement

For purposes of determining the Funding Target and Target Normal Cost (both disregarding at-risk assumptions), the rates at which participants retire by age are shown below:

Percentage retiring during the year	
Age	Rate
<=53	12%
54-60	6%
61	10%
62-64	15%
65+	100%

Benefit commencement date:

- ▶ Preretirement death benefit      Earliest possible commencement date
- ▶ Deferred vested benefit Age 65
- ▶ Disability benefit      Upon disablement for former Kerrville, former Valor, Verizon union, former CTC, and former Iowa Telecom benefits; Age 65 for all other benefits
- ▶ Retirement benefit      Upon termination of employment

Form of payment

Benefits that can be received in the form of a lump sum are assumed to be taken in that form.

Benefits that cannot be received in the form of a lump sum: 50% single life annuity, 15% joint and survivor annuity with 50% continued, 10% joint and survivor annuity with 75% continued, and 25% joint and survivor annuity with 100% continued.

Percent married

85%; used to value pre-retirement surviving spouse benefits and in determining the optional forms expected to be elected at commencement

Spouse age

Wife three years younger than husband

Covered pay

Assumed plan compensation for the year beginning on the valuation date was determined as plan compensation provided by Milliman for the prior year adjusted at the assumed compensation increase rate.

Administrative expenses

\$1,150,000

Cash flow

- 
- ▶ Amount and timing of contributions      Contributions are made on the last day required to meet quarterly and minimum funding requirements.
  - ▶ Timing of benefit payments      Annuity payments are payable monthly and lump sum payments are payable on date of decrement.

## Methods

Valuation date	First day of plan year
Funding target	Present value of accrued benefits
Target normal cost	Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year
Actuarial value of assets	Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22) . The average asset value must be within 10% of market value, including discounted contributions receivable (discounted using the effective interest rate for the 2013 plan year.)
Benefits Not Valued	All benefits described in the Plan Provisions section of this report were valued. Towers Watson has reviewed the plan provisions with Windstream Corporation and, based on that review, is not aware of any significant benefits required to be valued that were not.

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# Summary of plan provisions

## Plan Provisions

The most recent amendment reflected in the following plan provisions was adopted December 19, 2013.

### Covered employees

Employees covered by a collectively bargained agreement that are eligible to participate. However, employees covered under the National Pension Bargaining Agreement that are hired (or rehired) after February 29, 2012 are not eligible to participate in the plan. Also, Nebraska CBA employees hired after October 31, 2013 who elect not to participate in the plan are not covered.

Employees who were:

- Participants under the former Alltel Plan or Valor Plan on December 31, 2005, had attained age 40 with two or more years of vesting service as of December 31, 2005, and were employees of Windstream on or after June 21, 2006 and before January 1, 2007; or
- Participants of the Pension Plan of the Concord Telephone Company (CTC) on December 31, 2007; or
- Participants of the D&E Communications, Inc. Employees' Retirement Plan (D&E Non-union) and The Conestoga Telephone & Telegraph Company Pension Plan for Members of Local 1671 (D&E Union) on December 31, 2009.
- Former GTE employees who transferred employment to Iowa Telecom on July 1, 2000, members of the CWA who were hired between July 1, 2000 and December 31, 2000 and members of the IBEW who were hired between July 1, 2000 and May 31, 2001.

The following employees are not eligible to participate:

- Employees covered by a collective bargaining agreement unless it is agreed that such employees would be eligible to participate in the plan;
- Employees covered by an agreement with the company which prohibits inclusion in the plan;
- Leased employees;
- Any person who is not treated as an employee for purposes of Internal Revenue Code Section 3401;
- Non-resident aliens who receive no earned income from the Employer;
- Employees of Affiliated Employers unless such Affiliated Employers have specifically adopted this plan in writing; and
- Employees of Wavetel, L.C.C. effective June 13, 2000

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Participation date	<p>Date following completion of 1,000 hours of service during the year following the date of first hour of service, or any plan year with greater than 1,000 hours of service.</p> <p>For Valor participants, date of hire if they complete 1,000 hours in first year of service.</p> <p>For CTC participants, the January 1 or July 1 coincident with or next following the attainment of age 21 and completion of one year of service.</p> <p>For D&amp;E Non-union and D&amp;E Union plan participants as of December 31, 2009, January 1, 2010.</p> <p>Other than employees covered by a collectively bargained agreement, former Valor participants, or CTC participants, no person shall become a participant in the Plan after December 31, 2005.</p> <p>Employees covered by the National Pension Bargaining Agreement that are hired (or rehired) after February 29, 2012 are not eligible to participate in the plan.</p> <p>Nebraska CBA employees hired after October 31, 2013 who elect not to participate in the plan will not become participants.</p>
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## Definitions

Vesting service	<p>One year for each plan year during which an employee has completed 1,000 hours of service.</p> <p>For Valor participants:</p> <ul style="list-style-type: none"> <li>• Service prior to January 1, 2007: number of whole one-year periods of vesting service credited under the Valor Plan as of December 31, 2006.</li> <li>• Service after January 1, 2007: credited one year for each plan year during which an employee has completed 1,000 hours of service.</li> </ul> <p>For D&amp;E participants, elapsed time from date of completion of one hour of service to date of termination.</p>
Benefit service	<p>One year for each plan year during which an employee has completed 2,000 hours of service, with one-twelfth year granted for each 166-2/3 hours of service completed for each plan year with less than 2,000 hours but at least 1,000 hours of service</p> <p>For non-bargaining participants:</p> <ul style="list-style-type: none"> <li>• Benefit service was frozen December 31, 2005 for participants who did not attain age 40 and two years of vesting service as of December 31, 2005.</li> <li>• Benefit service will be frozen December 31, 2010 for participants who attained age 40 and two years of vesting service as of December 31, 2005.</li> </ul>

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Accredited service	<p>Accredited service is determined on a calendar year basis with fractional credit based on hours of service and customary hours worked (usually 2,080).</p> <ul style="list-style-type: none"> <li>• For former Contel employees, accredited service includes the period of accredited service recognized under the Contel Pension Plan, if any, prior to the date of transfer to coverage under this plan.</li> <li>• For former Valor participants of the Kerrville plan, accredited service accruals begin January 1, 2003.</li> <li>• For former Valor participants who transferred from GTE Southwest, accredited service includes the period of credited service recognized under the pension plans sponsored by GTE Southwest, if any, prior to the date of transfer to coverage under this plan.</li> <li>• For former CTC participants, accredited service includes the period of credited service recognized under the CTC Plan, if any, prior to the date of transfer to coverage under this plan.</li> </ul> <p>Accredited service was frozen effective December 31, 2007 for the former CTC participants.</p> <p>Accredited service was frozen effective June 30, 2005 for salaried participants in the former Iowa Telecom Pension Plan.</p>
Net credited service	<p>For Aliant union participants, elapsed time worked from original employment date to termination date.</p>
Credited service	<p>For D&amp;E Non-union and Union participants, elapsed time from date of completion of one hour of service to date of termination.</p>
Compensation	<p>Total wages plus deferred compensation amounts, excluding non-wage taxable fringe benefits.</p> <p>For non-bargaining participants, compensation after December 31, 2005 will not be considered for participants who did not attain age 40 and two years of vesting service as of December 31, 2005.</p> <p>For non-bargaining participants, compensation after December 31, 2010 will not be considered for participants who attained age 40 and two years of vesting service as of December 31, 2005.</p> <p>For former CTC participants, compensation after December 31, 2007 will not be considered.</p> <p>For D&amp;E Non-union and Union participants, compensation after December 31, 2009 will not be considered.</p> <p>For hourly participants in the former Iowa Telecom Pension Plan, base rate of pay plus bonuses paid based on company performance and certain sales commissions.</p>

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Average annual compensation	<p>Average of the highest five consecutive years' compensation.</p> <p>For all D&amp;E union participants and D&amp;E Non-union participants hired on or before December 31, 1999 or after December 31, 2003: average of highest five consecutive years' compensation during the last ten years of credited service.</p> <p>For D&amp;E Non-union participants hired on or after January 1, 2000 and before December 31, 2003: average of all years' compensation earned during entire period of credited service.</p>
Benefit percentage	<p>The sum of the percentage accrual rates applicable to each year of benefit accrual service as set forth in the plan.</p>
Normal form of benefit	<p>Single participants: single life annuity</p> <p>Married participants: 50% joint and survivor annuity; if the spouse of a D&amp;E union participant predeceases a participant within two years after payments commence, the amount of the annuity reverts back to amount payable under the single life annuity option</p> <p>Former Kerrville plan benefit: 10-year certain and life annuity</p>
Social Security integration level	<p>The 35-year average annual earnings with respect to which Primary Social Security benefits would be payable assuming that earnings were equal to the maximum taxable wage base each year prior to termination of employment and the employee were age 65 on the date employment terminates.</p>
Normal retirement date (NRD)	<p>First of month coincident or next following age 65 and completion of five years of vesting service.</p> <p><b><u>Verizon union participants:</u></b></p> <p>First of month coincident or next following age 60 and completion of five years of vesting service if hired after age 60.</p> <p><b><u>CTC participants and D&amp;E Non-union participants:</u></b></p> <p>First of month coincident or next following age 65.</p>

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Monthly pension benefit

The annual accrued benefit as defined below divided by 12:

**National Pension Bargaining Agreement union participants (“Windstream Union”):**

The greater of (i) and (ii) below:

- (i) The benefit percentage multiplied by average annual compensation
- (ii) \$120 for each year of benefit service

**Alltel union participants:**

The greater of (i) and (ii) below:

- (i) The benefit percentage multiplied by average annual compensation
- (ii) \$120 for each year of benefit service

**Former GTE union participants:**

The sum of (i), (ii), and (iii) below:

- (i) 1.35% of average annual compensation multiplied by accredited service as of March 3, 1995
- (ii) For the periods March 4, 1995 to May 23, 1998 (IBEW group) and March 4, 1995 to March 30, 1999 (CWA group), the greater of (a) and (b) below:
  - (a) The benefit percentage multiplied by average annual compensation
  - (b) \$10 for each year of benefit service
- (iii) For each year of benefit service beginning May 24, 1998 (IBEW group) and beginning March 31, 2009 (CWA group), the sum of (a) and (b) below:
  - (a) 1% of compensation
  - (b) 0.4% of compensation in excess of the Social Security taxable wage base

**Non-union salaried participants:**

The sum of (i), (ii), and (iii) below:

- (i) The greater of (a) and (b) below:
  - (a) The benefit percentage at December 31, 1987 multiplied by average annual compensation at December 31, 1987
  - (b) \$10 for each year of benefit service at December 31, 1987
- (ii) 0.4% of average annual compensation (average rate of compensation for the highest three consecutive years during the period of service beginning January 1, 1966 and ending December 31, 1987) in excess of Social Security covered compensation multiplied by benefit service as of December 31, 1987

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(iii) For each year of benefit service after December 31, 1987, the sum of (a) and (b) below:

(a) 1% of compensation

(b) 0.4% of compensation in excess of the Social Security taxable wage base

**Aliant union participants:**

The greater of (i) and (ii) below:

(i) Minimum annual benefit based on table below:

Years of Credited Service	Minimum Annual Benefit
20 but less than 21	\$1,830
21 but less than 22	\$1,950
22 but less than 30	\$2,040
30 but less than 40	\$2,160
40 or more	\$2,280

(ii) Credited service multiplied by multiplier(s) based on table below (pension band rates are as of January 1, 2007):

Pension Band	Years of Credited Service		
	First 25 years	Years 25.001 – 30	Years 30+
1 – 7	\$418.44	\$439.68	\$460.56
8	\$432.72	\$454.32	\$476.28
9	\$447.00	\$469.32	\$491.52
10	\$460.68	\$484.32	\$506.88
11	\$474.84	\$498.96	\$522.60
12	\$488.88	\$513.48	\$537.72
13	\$503.28	\$528.24	\$553.56
14	\$517.68	\$543.00	\$568.92
15	\$531.12	\$557.88	\$584.28
16	\$545.28	\$572.88	\$599.88
17	\$559.44	\$587.16	\$615.60
18	\$573.48	\$602.40	\$630.60
19	\$587.28	\$616.80	\$646.44
20	\$601.68	\$631.80	\$662.28
21	\$615.84	\$646.92	\$677.40

**Verizon union participants (CWA and IBEW):**

The greater of (i) and (ii) below:

(i) 1.35% of average annual compensation multiplied by accredited service

(ii) Minimum annual benefit based on table below:

Years of Accredited Service	Minimum Annual Benefit
15 but less than 20	\$7,200
20 but less than 25	\$8,400
25 but less than 30	\$9,240
30 but less than 35	\$10,200
35 but less than 40	\$11,280
40 or more	\$12,480

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**Valor non-union participants:**

The greater of (i) and (ii) below:

- (i) The sum of (a) and (b) below:
  - (a) 1.15% of average annual compensation up to the Social Security integration level multiplied by accredited service
  - (b) 1.45% of average annual compensation in excess of the Social Security integration level multiplied by accredited service
- (ii) 1.35% of average annual compensation multiplied by accredited service

Benefit accruals for all Valor non-union participants were frozen as of December 31, 2006. Participants who attained age 40 and two years of vesting service as of December 31, 2005 continue to accrue benefits under the Windstream non-union salaried formula until December 31, 2010.

**Valor union participants:**

The sum of (i) and (ii) below:

- (i) 1.35% of average annual compensation multiplied by accredited service
- (ii) Minimum annual benefit based on table below:

Years of Accredited Service	Minimum Annual Benefit
15 but less than 20	\$5,429
20 but less than 25	\$7,046
25 but less than 30	\$8,663
30 but less than 35	\$10,280
35 but less than 40	\$11,897
40 or more	\$13,515

**CTC participants:**

The sum of (i) and (ii) below:

- (i) 1.1% of average annual compensation multiplied by accredited service (up to 40 years)
- (ii) 0.65% of average annual compensation in excess of the Social Security integration level multiplied by accredited service (up to 35 years)

Benefit accruals under the Plan for all former CTC participants were frozen as of December 31, 2007.

**D&E Non-union participants:**

Upon normal retirement, a member receives a monthly retirement benefit which is equal to 1.1% of the member's average pensionable compensation up to and including covered compensation plus 1.5% of the member's average pensionable compensation in excess of covered compensation multiplied by his years of credited service ("New Formula") through September 30, 2006.

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For members of the D&E Plan before the merger hired prior to December 31, 1999, a member receives a monthly benefit equal to 1.6% of the member's average pensionable compensation multiplied by his years of credited service through September 30, 2006.

For members of the D&E Plan before the merger and hired between January 1, 2000 and December 31, 2003, a member receives 1.6% of the member's average pensionable compensation earned through December 31, 2003 multiplied by his years of credited service earned through December 31, 2003 ("D&E Post 2000 Formula") plus the greater of 1) D&E Post 2000 Formula and 2) New Formula for service beginning January 1, 2004 through September 30, 2006.

For members of the Buffalo Valley Plan prior to December 31, 2003, a member receives a monthly retirement benefit which is equal to 1% of the member's average pensionable compensation multiplied by credited service through December 31, 2003 plus the New Formula for service beginning January 1, 2004 through September 30, 2006.

For members of the Conestoga Plan prior to December 31, 2003, a member receives a monthly retirement benefit which is equal to 1.0% of average pensionable compensation multiplied by the first 20 years of credited service earned through December 31, 2003; plus 1.1% of average pensionable compensation multiplied by credited service in excess of 20 years but less than 30 years earned through December 31, 2003; plus 1.3% of average pensionable compensation multiplied by credited service in excess of 30 years but less than 40 years earned through December 31, 2003; plus 1.0% of average pensionable compensation multiplied by any remaining years of credited service earned through December 31, 2003 ("CTT Formula") plus the greater of 1) additional benefit that would have been earned under the CTT Formula and 2) benefit that would be earned under the New Formula for service beginning January 1, 2004 through September 30, 2006.

In no event may a member who was a participant of the retirement plan in effect on December 31, 2003, receive less than the normal retirement benefit he would have received had he retired on such date.

For service after October 1, 2006, upon normal retirement, a member receives a monthly retirement benefit which is equal to 1.1% of the member's average pensionable compensation multiplied by his years of credited service beginning October 1, 2006.

Benefit accruals for all former D&E Non-union participants were frozen as of December 31, 2009.

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**D&E Union participants:**

Annual accrued benefit: 1.0% of average annual compensation multiplied by the first 20 years of benefit service; plus 1.2% of average annual compensation multiplied by benefit service in excess of 20 years but less than 30 years; plus 1.3% of average annual compensation multiplied by benefit service in excess of 30 years but less than 40 years; plus 1.0% of average annual compensation multiplied by any remaining years of benefit service; plus, for those hired prior to July 7, 2005, \$48 multiplied by the number of years of benefit service.

Benefit accruals for all former D&E Union participants were frozen as of December 31, 2009.

**Iowa Telecom hourly participants:**

1.35% of average annual compensation multiplied by accredited service, but not less than minimum benefits outlined below:

Accredited service	Non-IBEW participants	IBEW participants
15-19.9999	\$4,700	\$4,350
20-24.9999	6,100	5,650
25-29.9999	7,500	6,950
30-34.9999	8,900	8,250
35-39.9999	10,300	9,550
40+	11,700	10,850

For former Contel employees: benefits based on the greater of:

- The sum of the frozen Contel benefit and the benefit determined from formula above (ignoring minimum) based on service that excludes Contel accredited service.
- The benefit from formula above that includes Contel accredited service.

**Iowa Telecom salaried participants:**

Frozen accrued benefit as of June 30, 2005

Monthly preretirement  
 death benefit

50% of the monthly pension benefit as of the participant's date of death payable to the spouse on the participant's earliest possible commencement date, as if the death date was a termination date.

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## Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	<p>Retirement prior to NRD after attainment of the following:</p> <p>Earlier of 1) age 55 and 20 years of vesting service, or 2) age 60 and 15 years of vesting service</p> <p><b><u>Verizon union and former Valor participants:</u></b></p> <p>Earlier of 1) 30 years of accredited service, or 2) age plus accredited service greater than or equal to 76 (with at least 15 years of accredited service)</p> <p><b><u>Aliant union participants:</u></b></p> <p>Earlier of 1) 30 years of accredited service, 2) age 50 and 25 years of net credited service, or 3) age 55 and 20 years of net credited service</p> <p><b><u>CTC participants:</u></b></p> <p>Age 55 and 20 years of vesting service</p> <p><b><u>D&amp;E Non-union participants:</u></b></p> <p>Age 55 and 5 years of credited service</p> <p><b><u>D&amp;E Union participants:</u></b></p> <p>Earlier of 1) 55 and 10 years of vesting service, 2) 30 years of vesting service, or 3) age (at least 55) and years of vesting service (at least 5) totaling 80 or more.</p> <p><b><u>Iowa Telecom participants:</u></b></p> <p>Salaried: age plus accredited service greater than or equal to 76 (with at least 15 years of accredited service)</p> <p>Hourly: Earlier of 1) 30 years of accredited service, or 2) age plus accredited service greater than or equal to 76 (with at least 15 years of accredited service)</p>
Postponed retirement	Retirement after NRD
Vested termination	<p>Termination for reasons other than death or retirement after completing five years of vesting service</p> <p><b><u>D&amp;E Non-union participants:</u></b></p> <p>Termination for reasons other than death or retirement after completing five years of credited service</p>
Disablement	<p>For participants covered by a collective bargaining agreement and not covered under an employer-sponsored long-term disability plan: 10 years of vesting service and permanent and total disability prior to NRD.</p> <p><b><u>Valor and CTC participants:</u></b></p> <p>15 years of vesting service and a disability which, in the opinion of the Committee and based on proper medical evidence, renders the employee unable to perform any occupation for</p>

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which he is reasonably qualified and such disability is expected to be permanent.

**Iowa Telecom participants:**

Disability after attainment of 15 years of accredited service, and qualification for Social Security disability benefits.

Preretirement death

Death while eligible for normal, early, postponed, or deferred vested retirement benefits, with a surviving spouse

### Benefits Paid Upon the Following Events

Normal retirement

Monthly pension benefit determined as of NRD

Early retirement

Monthly pension benefit reduced by the early retirement reduction defined below:

“55/20” early retirement: 0.25% for each complete calendar month preceding the month in which participant attains age 60

“60/15” early retirement: 0.25% for each complete calendar month preceding the month in which participant attains age 65

**Verizon union and former Valor participants:** 0.25% for each complete calendar month preceding 30 years of accredited service or age 55

**Aliant union participants:** 0.5% for each complete calendar month preceding the month preceding 30 years of net credited service or age 55

**CTC participants:** 1/180th for each of the first 60 complete calendar months and 1/360th for each of the next 60 complete calendar months by which the commencement date precedes NRD

**D&E Non-union participants:** 0.5% for each of the first 60 complete calendar months and 0.333% for each additional complete calendar month by which the commencement date precedes NRD. If the member was i) hired on or before December 31, 1999 or ii) was part of the Buffalo Valley Plan or Conestoga Plan on or before December 31, 2003, and has attained age 55 and his age plus years of credited service at date of early retirement equal or exceed 80, his early retirement benefit is payable immediately with no reduction for the earlier commencement date.

**D&E Union participants:** 1/180th for each of the first 60 complete calendar months and 1/360th for each of the next 60 complete calendar months by which the commencement date precedes NRD. If the participant attained 30 years of vesting service or has age (at least 55) and years of vesting service (at least 5) totaling 80 or more, the participants is entitled to receive an unreduced early retirement benefit commencing at his early retirement date.

**Iowa Telecom participants:** 0.25% for each complete calendar month preceding age 55 (maximum reduction of 18%). If minimum benefit applies, then no reduction will be made. For

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hourly participants, there is no reduction for early retirement if 30 years of accredited service has been completed.

Postponed retirement Monthly pension benefit determined as of actual retirement date

Vested termination Monthly pension benefit determined as of termination date

Benefit may commence upon attainment of earlier of 1) age 55 and 20 years of vesting service, or 2) age 60 and 15 years of vesting service in an amount equal to the monthly pension benefit reduced 0.5% for each complete calendar month by which the commencement date precedes NRD.

**Former Valor participants:**

Monthly pension benefit determined as of termination date, except that the annual minimum pension for union employees is based on the accredited service projected to NRD then multiplied by the ratio of actual vesting service over vesting service projected to NRD. A reduced pension may be elected if the participant's age plus accredited service is 76 or more (with at least 15 years of accredited service). Alternatively, a reduced pension may be elected at age 55 or later if the participant has attained 10 years of accredited service. The early commencement reduction is 6.67% for the first five years, 5% for the next five years, 3.33% for the next five years by which the commencement date precedes NRD plus an actuarial equivalent reduction for any remaining years of early commencement.

**Former CTC participants:**

Monthly pension benefit determined as of termination date

Benefit may commence upon attainment of age 55 and 20 years of vesting service in an amount equal to the monthly pension benefit reduced  $1/180^{\text{th}}$  for each of the first 60 complete calendar months and  $1/360^{\text{th}}$  for each of the next 60 complete calendar months by which the commencement date precedes NRD.

**Former D&E Non-union participants:**

Monthly pension benefit determined as of termination date

Benefit may commence upon attainment of age 55 in an amount equal to the monthly pension benefit reduced in a manner consistent with that used in determining the early retirement benefit.

**Former D&E Union participants:**

Monthly pension benefit determined as of termination date

Benefit may commence upon attainment of age requirement for an early retirement benefit in an amount equal to the monthly pension benefit reduced in a manner consistent with that used in determining the early retirement benefit.

**Iowa Telecom participants:**

Monthly pension benefit determined as of termination date, except that the annual minimum pension is based on the accredited service projected to normal retirement date then multiplied by the ratio of actual vesting service over vesting

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#### Disablement

service projected to normal retirement date. A reduced pension may be elected if the participant's age plus accredited service is 76 or more (with at least 15 years of accredited service); in this case, the reductions are the same as those for early retirement. Alternatively, a actuarially reduced pension may be elected at age 55 or later if the participant has attained 10 years of accredited service.

Monthly pension benefit determined as of the date of disablement, reduced according to the early retirement provisions of the plan.

**Valor participants:**

Monthly pension benefit determined as of the date of disablement unreduced for commencement prior to NRD.

**D&E Non-union participants:**

None.

**D&E Union participants:**

Monthly pension benefit payable immediately based on compensation and service as of date of disability.

**Iowa Telecom participants:**

Monthly pension benefit determined as of the date of disablement unreduced for commencement prior to normal retirement date.

#### Preretirement death

Monthly preretirement death benefit reduced according to the early retirement provisions of the plan.

**Valor participants:**

The spouse of a participant who dies in active service or after becoming eligible for a disability pension may begin payment on first of any month following the death of the participant.

**CTC participants:**

If the participant is not married, the participant's designated beneficiary will receive the actuarial equivalent of the spousal benefit upon the participant's death.

**Iowa Telecom participants:**

The spouse of a participant who dies in active service may begin unreduced payment on first of any month following the death of the participant.

The spouse of a vested participant who dies prior to payment of benefits may begin payment on first of any month following the death of the participant (not earlier than earliest retirement date). Payments prior to normal retirement date will be reduced based on the reductions described for early or vested termination retirement.

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Postretirement  
death

**D&E Non-union participants:**

\$5,000 for participants hired prior to October 1, 2006.

**D&E Union participants:**

\$5,000 from retirement until age 70. At age 70, the amount is reduced to \$3,000.

**Other Plan Provisions**

Actuarial equivalence

**Windstream non-union and union participants:**

5% interest rate and RP-2000 Combined, Healthy Mortality Tables projected to 2010 using Scale AA equally weighted for male and female mortality and reflecting a blend of 25% blue collar and 75% white collar rates

**D&E Non-union, D&E Union, and all other union participants:**

Various bases as defined by plan.

**Iowa Telecom participants:**

For monthly optional forms of payment, 7% interest rate and TPF&C 1971 Group Forecast Mortality Table for males with ages set back two years for participants and four years for beneficiaries.

Forms of payment

Optional forms of payment are a 100% joint and survivor annuity, 50% joint and survivor annuity, or 10-year certain and life annuity.

For participants covered by a collective bargaining agreement, the following optional forms of payment are also available:

- (i) A reduced Pension payable during the joint lifetime of the Participant and the Participant's Spouse, and continuing thereafter in the same reduced amount for the life of the Spouse, or in the original unreduced amount for the life of the Participant.
- (ii) A reduced Pension payable during the joint lifetime of the Participant and the Participant's Spouse, and continuing thereafter in an amount which is 50% of that reduced amount for the life of the Spouse, or in the original unreduced amount for the life of the Participant.

Optional forms of payment for prior plan benefits are defined in the plan.

**D&E Non-union participants:** optional forms of payment are a single life annuity, joint and survivor annuity with 50%, 75%, or 100% continued, life annuity with 5, 10, or 15 year certain period. Benefits accrued as of June 30, 1997 under the Buffalo Valley Plan can be paid in the form of a lump sum.

**D&E Union participants:** optional forms of payment are a single life annuity, joint and survivor annuity with 50%, 75%, or 100%

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continued, life annuity with 5, 10, or 15 year certain period.

**Iowa Telecom participants:** optional forms of payment are a lump sum, joint and survivor annuity with 33-1/3%, 50%, 66-2/3%, 75%, or 100% continued, and life annuity with a 5 year certain period.

Maximum on benefits and pay

All benefits and pay for any calendar year may not exceed the maximum limitations for that year as defined in the Internal Revenue Code. The plan provides for increasing the dollar limits automatically as such changes become effective. Increases in the dollar limits are assumed for determining pension cost but not for determining contributions.

### Future Plan Changes

No future plan changes were recognized in determining minimum contributions.

### Changes in Benefits Valued Since Prior Year

Nebraska CBA employees hired after October 31, 2013 who elected not to participate in the plan will never participate in the plan. Nebraska CBA employees hired on or before October 31, 2013 who elected to remain in the plan will continue to participate in the plan; those who elected to end participation in the plan will stop accruing benefits under the plan as of March 31, 2014.

## Schedule SB – Statement by Enrolled Actuary

Plan Sponsor	Windstream Corporation
EIN/PN	20-0792300/001
Plan Name	Windstream Pension Plan
Valuation Date	January 1, 2014
Enrolled Actuary	Lillian Jersa
Enrolled Number	14-06256

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years. The amounts of contributions and dates paid shown in Item 18 of Schedule SB were listed in reliance on information provided by the plan administrator and/or trustee.