

APPENDIX 6 – LETTERS FROM PRIOR AGREEMENTS

(not printed – see website)

Pre-2009 Agreements

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(DD) Pre-2005 Agreements

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(A) ACTIVE AND RETIRED EMPLOYEE – MEDICAL & DENTAL BENEFITS

Effective January 1, 2007 (unless otherwise set forth below), medical and dental benefits under the AT&T Medical Expense Plan for Occupational Employees (the “Active Medical Plan”) and the AT&T Corp. Postretirement Welfare Benefits Plan (the “Retiree Medical Plan”; plans together hereinafter referred to as the “Plans”) will continue for the duration of this Agreement with such changes described below (all such changes applicable to both Plans unless otherwise indicated) for all participating individuals, including eligible retired occupational employees (including LTD beneficiaries) who have retired prior to or retire during the term of this Agreement:

1 Retiree Medical/Dental Caps

The retiree medical and dental benefit cap shall be \$9,000 for each retired employee covered by the Retiree Medical Plan. Notwithstanding the cap, no premiums shall be charged to any eligible retired occupational employee for the duration of this Agreement for coverage under the point of service and traditional indemnity provisions of the Retiree Medical Plan.

2 Plan Deductibles

No amount for medical or prescription drug expenses shall be payable under the Plans until the following deductibles (adjusted for years subsequent to 2009 as set forth below in paragraph 6 below) have been satisfied by a participant:

Point-of-Service Plan

	<u>In-Network</u>	<u>Non-Network</u>
Individual	N/A	\$ 470
Individual plus One	N/A	\$ 940
Individual plus Two or More	N/A	\$1,410

Traditional Indemnity Plan

Individual	\$200
Individual plus One	\$400
Individual plus Two or More	\$600

3 Copayments and Coinsurance Amounts

Participants shall be responsible for the following co-payments and coinsurance amounts (adjusted for years subsequent to 2009 as set forth below in paragraph 6 and after satisfaction of applicable deductibles):

	<u>In-Network & Indemnity</u>	<u>Non-Network</u>
Physician Office Visit	\$20	20%
Major Medical/Physician Services	0%	20%
Emergency Room (non-admit)	\$75	\$75
Per Hospital Admission	\$200	\$200

The Plans shall not pay any such amounts set forth above.

Notwithstanding any other provision of this Section of the Agreement, the Plans shall not recognize for any purpose and shall not reimburse any amount for any expense incurred by a participant that is not a covered expense or is for a service that is not covered by the Plans.

4 **Out-Of-Pocket Maximum Amounts**

Maximum annual participant medical and prescription drug expenses under the Plans shall be limited to the following amounts (adjusted for years subsequent to 2009 as set forth below in paragraph 6):

	<u>In-Network & Traditional Indemnity</u>	<u>Non-Network</u>
Individual	\$1,000/Ind	\$2,500
Family Maximum	\$3,000	\$5,000

There shall be no lifetime maximum limit under the plans for in-network expenses. The individual lifetime maximum for non-network expenses shall be \$500,000 for the retiree's lifetime.

5 **Prescription Drugs**

Prescription drug expenses shall be reimbursed (after satisfaction of an annual prescription drug deductible of \$50 at retail per individual) subject to the following co-payments (adjusted for years subsequent to 2009 as set forth below in paragraph 6):

<u>Retail (30 Day Supply)</u>	
Generic	\$10
Formulary Brand	\$20
Non-Formulary Brand	\$40
<u>Mail Order (90 Day Supply)</u>	
Generic	\$20
Formulary Brand	\$40
Non-Formulary Brand	\$80

For non-network retail prescriptions, the participant shall pay the greater of the applicable network retail co-payment or the balance remaining after the plan pays 75% of the network retail cost of the prescription drug.

Maximum annual out of pocket expenses for prescription drugs shall be \$1,000 per individual, with a \$3,000 family maximum.

(a) **Mandatory Mail Order**

Maintenance medications shall be limited to an initial 30 day supply with two 30 day refills at retail after which no reimbursement at retail shall be made. Mail order shall be limited to a 90 day supply for each prescription or refill.

(b) **Generic Substitution-Member Pay the Difference**

Participants shall pay the generic co-payment and the difference in costs between a branded and generic drug when the brand is dispensed to the participant. This will fall under the current appeals process.

(c) **Cost Differential Appeal Process**

The Company shall establish an appeal process for participants who purchase a prescription at non-network retail in an emergency situation when a network pharmacy is not available. The appeal process shall provide that a participant shall be reimbursed for the difference in costs between network and non-network retail if it is determined that the participant had no reasonably available alternative in purchasing such prescription and a true emergency existed.

6 **Inflation Adjustments**

Effective for each year after 2009, the amounts set forth in this section of the Agreement for medical and prescription drug deductibles, co-payments and out-of-pocket maximums shall be adjusted annually at the same rate and in a manner consistent with adjustments for core SBC bargained medical benefit provisions.

(I) COMMERCIAL WORK

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA
Ms. Martha Pultar, Director, Telecommunications, IBEW
Mr. Peter A. Pusateri, Chairman, System Council T-3, IBEW

In recognition of our collective desire for an effective union-management relationship, the Company agrees to establish a team to discuss a workforce that could perform client hardware support work. Both parties understand that AT&T must bid for this work on a client-by-client basis. These discussions will need to include topics such as compliance with customer requirements (i.e., signing of documents, industry certifications, etc.).

The parties agree that these discussions will begin within 2 weeks of the ratification date of the 2005 Agreement and conclude within 45 days. The parties agree this team shall not have the power to add to, subtract from, or otherwise amend the existing 2005 Agreement unless by mutual agreement.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ Ralph V. Maly, Jr.
Vice President, CWA

/s/ Martha Pultar
Director, Telecommunications, IBEW

/s/ Peter A. Pusateri
Chairman, System Council T-3, IBEW

Monthly Benefit Table

(Effective January 1, 2006)

For eligible employees whose net credited service is at least fifteen (15) years as of June 30, 1998, and who terminate employment on or after January 1, 2006, and before January 1, 2008, the Monthly Benefit Table shall be as follows:

<u>Pension Band</u>	<u>Dollar Amount</u>	<u>Pension Band</u>	<u>Dollar Amount</u>
101	33.76	119	59.43
102	35.18	120	60.83
103	36.62	121	62.25
104	38.02	122	63.70
105	39.46	123	65.09
106	40.89	124	66.53
107	42.35	125	67.97
108	43.75	126	69.37
109	45.20	127	70.80
110	46.60	128	72.22
111	48.04	129	73.65
112	49.44	130	75.07
113	50.89	131	76.51
114	52.29	132	77.92
115	53.72	133	79.34
116	55.16	134	80.81
117	56.56	135	82.18
118	58.00		

Monthly Benefit Table

(Effective January 1, 2008)

For eligible employees whose net credited service is at least fifteen (15) years as of June 30, 1998, and who terminate employment on or after January 1, 2008, the Monthly Benefit Table shall be as follows:

<u>Pension Band</u>	<u>Dollar Amount</u>	<u>Pension Band</u>	<u>Dollar Amount</u>
101	35.45	119	62.40
102	36.94	120	63.87
103	38.45	121	65.36
104	39.92	122	66.89
105	41.43	123	68.34
106	42.93	124	69.86
107	44.47	125	71.37
108	45.94	126	72.84
109	47.46	127	74.34
110	48.93	128	75.83
111	50.44	129	77.33
112	51.91	130	78.82
113	53.43	131	80.34
114	54.90	132	81.82
115	56.41	133	83.31
116	57.92	134	84.85
117	59.39	135	86.29
118	60.90		

Pension Band Credits
(Effective January 1, 2006)

For crediting periods beginning on or after January 1, 2006, for participants who were on the active roll of a participating company on or after January 1, 2006, the Pension Band Credit Table shall be as follows:

Pension	Years of Net Credited Service in Whole Years							
	<u>Band</u>	<u><5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>
101	952	1,113	1,269	1,586	1,904	2,226	2,699	3,173
102	985	1,152	1,319	1,647	1,976	2,310	2,799	3,294
103	1,029	1,202	1,370	1,714	2,053	2,399	2,916	3,428
104	1,068	1,247	1,425	1,781	2,132	2,488	3,022	3,556
105	1,108	1,291	1,481	1,848	2,209	2,582	3,139	3,690
106	1,141	1,336	1,525	1,904	2,282	2,671	3,239	3,812
107	1,185	1,380	1,575	1,971	2,371	2,760	3,356	3,940
108	1,219	1,425	1,630	2,037	2,449	2,855	3,462	4,074
109	1,264	1,474	1,681	2,104	2,527	2,944	3,579	4,207
110	1,296	1,514	1,731	2,165	2,599	3,027	3,678	4,330
111	1,341	1,564	1,786	2,231	2,677	3,122	3,790	4,457
112	1,375	1,603	1,837	2,298	2,755	3,217	3,901	4,591
113	1,419	1,653	1,887	2,360	2,839	3,306	4,012	4,724
114	1,452	1,697	1,937	2,421	2,911	3,389	4,118	4,842
115	1,491	1,742	1,986	2,488	2,988	3,484	4,229	4,976
116	1,531	1,792	2,043	2,555	3,067	3,579	4,346	5,109
117	1,575	1,831	2,098	2,621	3,144	3,668	4,452	5,243
118	1,608	1,875	2,149	2,683	3,217	3,751	4,558	5,359
119	1,647	1,926	2,198	2,750	3,294	3,846	4,669	5,493
120	1,686	1,971	2,248	2,810	3,378	3,935	4,786	5,626
121	1,726	2,015	2,304	2,877	3,456	4,034	4,892	5,760
122	1,759	2,053	2,349	2,938	3,529	4,118	4,992	5,877
123	1,803	2,104	2,404	3,005	3,606	4,207	5,109	6,010
124	1,848	2,154	2,460	3,072	3,685	4,296	5,226	6,144
125	1,882	2,193	2,510	3,139	3,762	4,391	5,332	6,277
126	1,920	2,238	2,560	3,200	3,834	4,480	5,431	6,394
127	1,964	2,298	2,621	3,278	3,929	4,586	5,570	6,550
128	2,009	2,337	2,677	3,339	4,007	4,675	5,682	6,683
129	2,037	2,382	2,716	3,395	4,074	4,753	5,777	6,789
130	2,075	2,421	2,766	3,456	4,146	4,836	5,877	6,912
131	2,115	2,466	2,822	3,522	4,224	4,931	5,988	7,046
132	2,154	2,510	2,872	3,589	4,301	5,025	6,099	7,179
133	2,193	2,560	2,921	3,656	4,385	5,115	6,216	7,307
134	2,231	2,604	2,972	3,712	4,457	5,198	6,317	7,430
135	2,265	2,644	3,022	3,779	4,536	5,293	6,428	7,563

Pension Band Credits
(Effective January 1, 2008)

For crediting periods beginning on or after January 1, 2008, for participants who were on the active roll of a participating company on or after January 1, 2008, the Pension Band Credit Table shall be as follows:

Pension	Years of Net Credited Service in Whole Years							
	<u>Band</u>	<u><5</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30-34</u>
101	1,000	1,169	1,332	1,665	1,999	2,337	2,834	3,332
102	1,034	1,210	1,385	1,729	2,075	2,426	2,939	3,459
103	1,080	1,262	1,439	1,800	2,156	2,519	3,062	3,599
104	1,121	1,309	1,496	1,870	2,239	2,612	3,173	3,734
105	1,163	1,356	1,555	1,940	2,319	2,711	3,296	3,875
106	1,198	1,403	1,601	1,999	2,396	2,805	3,401	4,003
107	1,244	1,449	1,654	2,070	2,490	2,898	3,524	4,137
108	1,280	1,496	1,712	2,139	2,571	2,998	3,635	4,278
109	1,327	1,548	1,765	2,209	2,653	3,091	3,758	4,417
110	1,361	1,590	1,818	2,273	2,729	3,178	3,862	4,547
111	1,408	1,642	1,875	2,343	2,811	3,278	3,980	4,680
112	1,444	1,683	1,929	2,413	2,893	3,378	4,096	4,821
113	1,490	1,736	1,981	2,478	2,981	3,471	4,213	4,960
114	1,525	1,782	2,034	2,542	3,057	3,558	4,324	5,084
115	1,566	1,829	2,085	2,612	3,137	3,658	4,440	5,225
116	1,608	1,882	2,145	2,683	3,220	3,758	4,563	5,364
117	1,654	1,923	2,203	2,752	3,301	3,851	4,675	5,505
118	1,688	1,969	2,256	2,817	3,378	3,939	4,786	5,627
119	1,729	2,022	2,308	2,888	3,459	4,038	4,902	5,768
120	1,770	2,070	2,360	2,951	3,547	4,132	5,025	5,907
121	1,812	2,116	2,419	3,021	3,629	4,236	5,137	6,048
122	1,847	2,156	2,466	3,085	3,705	4,324	5,242	6,171
123	1,893	2,209	2,524	3,155	3,786	4,417	5,364	6,311
124	1,940	2,262	2,583	3,226	3,869	4,511	5,487	6,451
125	1,976	2,303	2,636	3,296	3,950	4,611	5,599	6,591
126	2,016	2,350	2,688	3,360	4,026	4,704	5,703	6,714
127	2,062	2,413	2,752	3,442	4,125	4,815	5,849	6,878
128	2,109	2,454	2,811	3,506	4,207	4,909	5,966	7,017
129	2,139	2,501	2,852	3,565	4,278	4,991	6,066	7,128
130	2,179	2,542	2,904	3,629	4,353	5,078	6,171	7,258
131	2,221	2,589	2,963	3,698	4,435	5,178	6,287	7,398
132	2,262	2,636	3,016	3,768	4,516	5,276	6,404	7,538
133	2,303	2,688	3,067	3,839	4,604	5,371	6,527	7,672
134	2,343	2,734	3,121	3,898	4,680	5,458	6,633	7,802
135	2,378	2,776	3,173	3,968	4,763	5,558	6,749	7,941

(g) ELIMINATION OF ARTICLES/LETTERS

During our recent negotiations we have discussed the elimination of articles, and associated language and letters which had appeared in the 1995 Agreement because they are, as a result of trivestiture, no longer populated in AT&T.

As we agreed, in the event the Company during the term of the 2005 Agreement, re-introduces the titles to which this language applied, or introduces into the bargaining unit, titles performing substantially similar duties, it will enter into negotiations with the Union over the terms and conditions of employment applicable to those employees, understanding that the Union will use the eliminated article language as a base document, with the understanding that either party may propose modification to or elimination of that language.

(x) 1995 LETTERS/MEMOS ELIMINATION

The Company and the Union as a result of the 1998 negotiations have agreed to eliminate the following letters/memos from the 1995 agreement since we believe the provisions are no longer applicable to any AT&T employee.

- (e) Best in Class
- (h) Sales Commission Plans Other Agreements
- (l) Distribution Technologies Transitions Team
- (t) L-Level
- (dd)(k) MMS Wage Protection
- (dd)(w) Building Mechanic
- (dd)(z)(9) Operator Services - Transportation/Ohio
- (dd)(z)(10) Permanent Assignment to Another Office Upstate New York
- (dd)(z)(11) California Release Time
- (dd)(z)(12) 15% Differential, New York
- (dd)(z)(13) Last Day Worked Before Christmas, New Jersey
- (dd)(z)(14) Overtime Work - Michigan
- (dd)(aa)(11) Vacation Selection and Entitlement
- (aa)(aa)(12) Voluntary Overtime - PNB

If subsequent to 1998 negotiations, any AT&T employees are identified as still covered by any of these eliminated letters/memos, the Company will reactivate the original letter/memo for those specific employees under the original provisions of such letters/memos for the duration of the 1998 Agreement.

(yy) GRANDFATHERING AGREEMENT FOR SALES SIMULATION TEST

Current and future employees in the title of Customer Sales and Service Specialist (CSSS) located in Reynoldsburg, Ohio; Mesa, Arizona; and Indianapolis, Indiana; and aligned to AT&T Classic Services, will be considered as having successfully completed the Sales Simulation (SS) test, which is a requirement of the Customer Sales and Service–Commission title (CSSS-C).

(eee) TITLES & WAGES

December 11, 2005

Mr. Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Re: Titles & Wages

During our recent contract negotiations the issue regarding an instance of employee movement to a new title where the movement results in a decrease in wages was raised.

The Company agreed to discuss this instance following contract ratification. If the parties reach agreement to modify any pay practices as a result, they will create the appropriate stipulation.

Regards,

/s/ Barbara A. Maniscalco
Labor Relations, Vice President

Concurred:

/s/ R. V. Maly, Jr.
Vice President, CWA

(H) PENSION PLAN BENEFITS

- 1 AT&T, the Communications Workers of America (“CWA”) and the International Brotherhood of Electrical Workers (“IBEW”) agree that the AT&T Pension Plan (“AT&TPP”) shall be changed in the following manner:
 - (a) The AT&TPP shall be amended to provide that, for active participants on or after January 1, 2004 and participants who have not commenced their pensions before that date, interest credits to Cash Balance Accounts shall be made at the effective annual interest rate of 4.5% for the period beginning January 1, 2004 and ending December 31, 2005, and 4% thereafter.
 - (b) Effective for service after January 1, 2004, the cash balance pension band credit amounts under the AT&TPP shall be increased by 5% (rounded to the nearest dollar) as set forth in Attachment 1.
 - (c) Effective as of September 1, 2003, for employees on roll on that date, the pension band formula shall be improved by 5% for “Eligible Employees” as defined in Paragraph (H)(4)(b), of the 2002 Agreement, by changing the Monthly Benefit Table under the Pension Band Formula as set forth in Attachment 2.

The Company shall develop specific plan provisions, subject to administrative and legal constraints, that are consistent with the changes set forth in the provisions below of this Memorandum of Agreement.

- 2 Improvement to the pension band formula for certain eligible employees who terminate employment after June 18, 2003.
 - (a) The AT&TPP shall be amended effective as of September 1, 2003, employees on roll on June 18, 2003, by changing the Monthly Benefit Table under the Pension Band Formula as set forth in Attachment 2.

PENSION PLAN BENEFITS - ATTACHMENT 1
PENSION BAND CREDITS

Pension Band	Years of Net Credited Service in Whole Years							
	0 – 4	5 – 9	10– 14	15– 19	20– 24	25– 29	30– 34	35+
101	898	1,050	1,197	1,496	1,796	2,100	2,546	2,993
102	929	1,087	1,244	1,554	1,864	2,179	2,641	3,108
103	971	1,134	1,292	1,617	1,937	2,263	2,751	3,234
104	1,008	1,176	1,344	1,680	2,011	2,347	2,851	3,355
105	1,045	1,218	1,397	1,743	2,084	2,436	2,961	3,481
106	1,076	1,260	1,439	1,796	2,153	2,520	3,056	3,596
107	1,118	1,302	1,486	1,859	2,237	2,604	3,166	3,717
108	1,150	1,344	1,538	1,922	2,310	2,693	3,266	3,843
109	1,192	1,391	1,586	1,985	2,384	2,777	3,376	3,969
110	1,223	1,428	1,633	2,042	2,452	2,856	3,470	4,085
111	1,265	1,475	1,685	2,105	2,525	2,945	3,575	4,205
112	1,297	1,512	1,733	2,168	2,599	3,035	3,680	4,331
113	1,339	1,559	1,780	2,226	2,678	3,119	3,785	4,457
114	1,370	1,601	1,827	2,284	2,746	3,197	3,885	4,568
115	1,407	1,643	1,874	2,347	2,819	3,287	3,990	4,694
116	1,444	1,691	1,927	2,410	2,893	3,376	4,100	4,820
117	1,486	1,727	1,979	2,473	2,966	3,460	4,200	4,946
118	1,517	1,769	2,027	2,531	3,035	3,539	4,300	5,056
119	1,554	1,817	2,074	2,594	3,108	3,628	4,405	5,182
120	1,591	1,859	2,121	2,651	3,187	3,712	4,515	5,308
121	1,628	1,901	2,174	2,714	3,260	3,806	4,615	5,434
122	1,659	1,937	2,216	2,772	3,329	3,885	4,709	5,544
123	1,701	1,985	2,268	2,835	3,402	3,969	4,820	5,670
124	1,743	2,032	2,321	2,898	3,476	4,053	4,930	5,796
125	1,775	2,069	2,368	2,961	3,549	4,142	5,030	5,922
126	1,811	2,111	2,415	3,019	3,617	4,226	5,124	6,032
127	1,853	2,168	2,473	3,092	3,707	4,326	5,225	6,179
128	1,895	2,205	2,525	3,150	3,780	4,410	5,360	6,305
129	1,992	2,247	2,562	3,203	3,843	4,484	5,450	6,405
130	1,958	2,284	2,609	3,260	3,911	4,562	5,544	6,521
131	1,995	2,326	2,662	3,323	3,985	4,652	5,649	6,647
132	2,032	2,368	2,709	3,386	4,058	4,741	5,754	6,773
133	2,069	2,415	2,756	3,449	4,137	4,825	5,864	6,893
134	2,105	2,457	2,804	3,502	4,205	4,904	5,959	7,009
135	2,137	2,494	2,851	3,565	4,279	4,993	6,064	7,135

PENSION PLAN BENEFITS - ATTACHMENT 2**Monthly Benefit Table****Effective September 1, 2003**

For Eligible Employees who terminate employment after June 18, 2003, the Monthly Benefit Table shall be as follows:

Pension Band	Dollar Amount	Pension Band	Dollar Amount
101	\$31.85	119	\$56.07
102	33.19	120	57.39
103	34.55	121	58.73
104	35.87	122	60.09
105	37.23	123	61.41
106	38.58	124	62.76
107	39.95	125	64.12
108	41.27	126	65.44
109	42.64	127	66.79
110	43.96	128	68.13
111	45.32	129	69.48
112	46.64	130	70.82
113	48.01	131	72.18
114	49.33	132	73.51
115	50.68	133	74.85
116	52.04	134	76.24
117	53.36	135	77.53
118	54.72		

(J) LONG TERM DISABILITY (LTD) - RELATED BENEFITS

For occupational employees who are not eligible for retirement-related benefits from AT&T and who commence receiving long-term disability benefits under the AT&T Long Term Disability Plan for Occupational Employees ("LTD Plan") on or after July 1, 1999, the following long-term disability-related benefits will be provided:

- 1 Fifteen (15) or More Years of Service. Employees with fifteen (15) or more years of service at the time they commence long-term disability benefits will be eligible for all retirement-related benefits. If the employee ceases to be eligible for the LTD Plan because of reasons other than attaining the maximum age under the LTD Plan, these retirement-related benefits will also cease. If the employee continues to be disabled at the time he or she attains the maximum age under the LTD Plan, retirement-related benefits will continue under the terms of the respective retirement-related plans and programs.
- 2 Less Than Fifteen (15) Years of Service. Employees with less than fifteen (15) years of service at the time they commence long-term disability benefits will be eligible for the following benefits:
 - (a) Medical benefits under the terms of the Retiree MEP, subject to the following:
 - (1) Continued eligibility for long-term disability benefits under the LTD Plan.
 - (2) Coverage and contributions will be the same as for retired employees with the exception that Medicare Part B reimbursements will not apply.
 - (b) Group basic and supplementary life insurance benefits will continue under the terms in effect immediately prior to this Agreement.

(K) COORDINATION OF LONG TERM DISABILITY WITH PENSION

Effective for long-term disability benefits commencing on or after July 1, 1999, participants in the AT&T Long Term Disability Plan for Occupational Employees ("LTD Plan") will not have their long-term disability benefits offset to the extent their pension benefits under the AT&T Pension Plan have not commenced, provided, however, that if pension benefit distributions have commenced, disability benefits under the LTD Plan will be offset by any pension distributions under the AT&T Pension Plan. The offset shall be equal to the amount of the single life annuity form of distribution for such participant regardless of the form of distribution elected by such participant (e.g., joint and survivor annuity, lump sum, etc.).

(L) TRADITIONAL INDEMNITY DEDUCTIBLE

Effective for occupational employees retiring on or after July 1, 1999, the annual deductible under the traditional indemnity provisions of the Retiree Medical Plan shall be \$200 per individual (\$600 maximum for a family).

(P) SAVINGS PLAN BENEFITS

1 Overview of Agreement

- (a) Effective on the dates set forth below in Paragraphs 2 through 4, the Company shall amend the AT&T Long Term Savings and Security Plan ("AT&TLTSSP") to:
 - (1) eliminate the six months of service requirement for participation, as described in Paragraph 2,
 - (2) change the method in which participant before-tax and after-tax contributions are determined and the method for determining the maximum Company matching contribution, as described in Paragraph 3,
 - (3) allow flexibility for investing Company matching contributions after distribution of all shares under the leveraged employee stock ownership portion of the AT&TLTSSP, as described in Paragraph 4, and
 - (4) allow basic weekly allotments based on a basic weekly rate of \$1,100 or more from August 1, 1998 through December 31, 1998.
- (b) The Company shall develop specific plan provisions, subject to administrative and legal constraints, that are consistent with the changes set forth in the provisions below of this Memorandum of Agreement.

2 Elimination of Six-Month Waiting Period

- (a) Effective January 1, 1999, the AT&TLTSSP shall be amended to provide that an individual shall be eligible to participate in the AT&TLTSSP if he or she is employed by a participating company as a regular, full-time or part-time occupational employee or has a status change from management to occupational.
- (b) Enrollment packages shall be provided to employees as soon as practicable after becoming eligible to participate and participant before-tax and/or after-tax contributions shall commence as soon as practicable following employee enrollment in the AT&TLTSSP.
- (c) There shall be no change in eligibility to receive Company matching contributions.

3 Participant and Company Matching Contributions

- (a) Effective January 1, 1999, the AT&TLTSSP shall be amended to provide that participants shall be eligible to contribute, on a before-tax or after-tax basis, from 2% to 16% (in 1% increments) of compensation (within the meaning of the AT&TLTSSP) paid to the participant.
- (b) Effective January 1, 1999, the AT&TLTSSP shall be amended to provide that Company matching contributions shall equal 66 2/3% of the first 6% of the compensation contributed by the employee.
- (c) Effective January 1, 1999, the AT&TLTSSP shall be amended to provide for the following rules for converting contribution elections:
 - (1) Each enrolled participant with an active contribution election at the maximum for his or her pay range will have that election converted to an election to contribute 6% of compensation;
 - (2) Each other enrolled participant will have his or her active contribution election converted to an election to contribute the nearest whole integer from 2% – 16% of compensation;

- (3) If a participant is contributing entirely on a pre-tax or after-tax basis, the participant's converted contribution election will continue to be on a pre-tax or after-tax basis, as applicable; and
- (4) If a participant's contribution election is a combination of pre-tax and after-tax, the election will be converted to pre-tax and after-tax proportionately to the nearest whole integer of compensation.

4 Investment of Matching Contributions

Effective July 1, 2000 or, if later, the date of the final distribution of all shares under the leveraged employee stock ownership portion of the AT&TLTSSP, the AT&TLTSSP shall be amended to provide that:

1. participants may direct the investment of future Company matching contributions in the same manner as participant before-tax and after-tax contributions are directed, and
2. participants may elect to make fund exchanges of some or all of the balances in the Employer Shares Fund attributable to Company matching contributions and to direct the transfer of such balances to other investment options available under the AT&TLTSSP in the same manner as balances in investment options attributable to participant before-tax and after-tax contributions are permitted to be exchanged.

5 Contributions

Effective until December 31, 1998, the basic weekly allotments permitted to be contributed, effective August 1, 1998, are shown in Table 1 below. Further, such pay bands as described in Section 4.01 of the AT&TLTSSP shall be expanded to permit basic weekly allotments based on a basic weekly rate of \$1,100 and above, effective August 1, 1998.

TABLE 1

Basic Weekly Equivalent Rate	Amount of Allotment Weekly Equivalent
Up to \$200	\$5 or \$10
\$200 up to \$300	\$5, \$10, or \$15
\$300 up to \$400	\$5, \$10, \$15 or \$20
\$400 up to \$500	\$5, \$10, \$15, \$20 or \$25
\$500 up to \$600	\$5, \$10, \$15, \$20, \$25 or \$30
\$600 up to \$700	\$5, \$10, \$15, \$20, \$25, \$30 or \$35
\$700 up to \$800	\$5, \$10, \$15, \$20, \$25, \$30, \$35 or \$40
\$800 up to \$900	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40 or \$45
\$900 up to \$1,000	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, or \$50
\$1,000 up to \$1,100	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, \$50 or \$55
\$1,100 and over	\$5, \$10, \$15, \$20, \$25, \$30, \$35, \$40, \$45, \$50, \$55, or \$60

(Q) ACTIVE EMPLOYEE MEDICAL BENEFITS

The parties agree that, effective January 1, 1999, unless otherwise indicated, the following changes shall be made to the in-network or out-of-network or traditional indemnity provisions, as applicable, of the Medical Expense Plan and the applicable provisions of the Prescription Drug Plan:

In Network Changes

- Copayments for in network occupational therapy, physical therapy, speech therapy and nurse midwife services shall be eliminated.
- As soon as practical, the JHCCCC will review "GeoAccess" (or similar software) mapping reports using the carrier-defined access standards for all existing networks to assess the feasibility and benefits of adopting all new zip codes based upon those standards. Employees who reside outside the newly adopted network area will have the option during open enrollment every year, beginning with the open enrollment for the 2000 plan year, to voluntarily elect to be covered by the closest network to their residence.

Out of Network Changes

- Individual out of network deductible shall increase to \$450 annually (family maximum shall increase to \$900 annually).
- Employee coinsurance rate and the maximum out of pocket charges shall remain as are currently provided under the Plan.

Point of Service (In and Out of Network) and Traditional Indemnity Changes

The following changes shall be made to both the point of service (in and out of network) and out of area (traditional indemnity) benefits:

- The \$5000 maximum on air ambulance services shall be eliminated;
- Annual mammograms shall be available from and after age 40;
- The one visit maximum on well baby/newborn care shall be eliminated.

Prescription Drug Plan Changes

- Copayments for generic drugs at retail shall be lowered to \$3.
- Copayments for generic drugs through mail order shall be lowered to \$6.
- Copayments for multi-source drugs at retail and mail order shall be \$20. In no event will the co-payment exceed the cost of the brand name drug.
- Copayments for brand drugs through retail shall be increased from \$10 to \$11 and through mail order shall be increased from \$15 to \$16.
- Scripts for multi-source brands written as "Do Not Substitute" shall be subject to the brand co-payment of \$11 for retail and \$16 from mail order.

(R) RETIRED EMPLOYEE MEDICAL AND DENTAL BENEFITS

AT&T, the Communications Workers of America (“CWA”) and the International Brotherhood of Electrical Workers (“IBEW”) agree that, effective as of the date of this Agreement, postretirement medical and dental benefits for retired eligible occupational employees under the AT&T Corp. Postretirement Welfare Benefits Plan (the “Retiree Medical Plan”) will continue for the duration of this Agreement with such changes described and effective as of the dates set forth below for all eligible occupational employees who retired on or after March 1, 1990, including former employees who are covered by the Retiree Medical Plan due to their receipt of long term disability benefits under the AT&T Long Term Disability Benefit Plan for Occupational Employees (hereinafter referred to as the “Occupational LTD Participants”), and their covered dependents.

Effective for the period beginning June 1, 2002 and ending December 31, 2002, all eligible occupational employees who retired on or after March 1, 1990, including the Occupational LTD Participants, shall be responsible for making contributions toward medical and dental coverage under the Retiree Medical Plan in the amount of \$14 per month for single coverage and \$21 per month for family coverage.

Effective January 1, 2003 and for each month thereafter, all eligible occupational employees who retired on or after March 1, 1990, including the Occupational LTD Participants, shall be responsible for contributions (determined in accordance with the provisions set forth below) toward medical and dental coverage under the Retiree Medical Plan in the amount that represents their allocable portion of the medical and dental claims incurred by the Company for a specified prior plan year which exceed the “Aggregate Company Contribution” as set forth below for such year. For purposes of this determination, “Post-March 1, 1990 retirees” shall mean management and occupational employees (who retired on or after March 1, 1990) and former employees who are covered by the Retiree Medical Plan due to their receipt of long term disability benefits under the AT&T Long Term Disability Benefit Plan for Management Employees or the AT&T Long Term Disability Benefit Plan for Occupational Employees.

1 Retiree Medical Caps

Effective January 1, 2003, for purposes of determining the “Aggregate Company Contribution”, the retiree medical cap component shall be as follows (hereinafter referred to as “retiree medical caps”):

Under age 65 single:	\$3,700
Under age 65 family:	\$7,550
Age 65 & over single:	\$1,725
Age 65 & over family:	\$3,950

2 Aggregate Company Contribution

Effective January 1, 2003, the maximum “Aggregate Company Contribution” that the Company shall provide toward single or family medical and dental coverage under the Retiree Medical Plan for 2003 and for each year thereafter, shall not exceed the sum of the products of (a) and (b) (as separately determined) for each of the four retiree medical cap categories set forth above, where “(a)” equals the average number of the Post-March 1, 1990 retirees eligible to participate in each of the respective retiree medical cap categories (under age 65-single, under age 65-family, age 65 and over-single and age 65 and over-family) during the plan year that is two plan years immediately prior to the plan year for which the Aggregate Company Contribution is being determined, and “(b)” equals the

corresponding dollar amount set forth above for each of the four retiree cap categories, respectively.

3 Total Cost of Plan

Effective January 1, 2003, the total costs of the Plan for medical and dental claims under the Retiree Medical Plan for 2003 and for each year thereafter (hereinafter referred to as the "Determination Year") shall be determined in accordance with paragraphs (1), (2) and (3) below:

- 1) For purposes of calculating the total costs of the Plan, the Company will determine the sum of (a) the amount of claims for medical and dental coverage (for Post-March 1, 1990 retirees, and their respective covered dependents) for the plan year that is two plan years immediately prior to the Determination Year, and (b) the Retiree Medical Plan administrative fees (for Post-March 1, 1990 retirees, and their respective covered dependents) for the plan year that is two plan years immediately prior to the Determination Year.
- 2) Once the sum of (a) and (b) has been determined, such sum shall be reduced by the amount of claims for medical and dental coverage for (i) surviving lawful spouses (of Post-March 1, 1990 retirees) and their covered dependents under the family security program feature of the Retiree Medical Plan, (ii) class II dependents (of Post-March 1, 1990 retirees) and (iii) COBRA claims or such other claims where the participant is responsible for the premium, for the plan year that is two plan years immediately prior to the Determination Year.
- 3) The amount remaining after completion of (1) and (2) above shall be multiplied by (i) the medical consumer price index growth factor ("Medical CPI Growth Factor" – Medical CPI No. 1 divided by Medical CPI No. 2 in the same manner as has heretofore been used), and (ii) 1.04 (to reflect a 2% per year increase for utilization).

4 Aggregate Retiree Contributions

Effective January 1, 2003, the aggregate amount of contributions, if any, that all eligible occupational employees (who retired on or after March 1, 1990), including Occupational LTD Participants, shall be required to pay to continue to receive medical and dental coverage under the Retiree Medical Plan for 2003 and each year thereafter shall equal the difference (which yields a positive value) between (a) the total costs of the Plan (as described above in "Total Costs of Plan"), and (b) the "Aggregate Company Contribution". This difference is hereinafter referred to as the "Amount in Excess of the Caps". In the event that this difference is zero or less for a particular year, no contributions are required to be paid by eligible occupational employees (who retired on or after March 1, 1990), including Occupational LTD Participants, for medical and dental coverage under the Retiree Medical Plan for such year.

5 Monthly Retiree Contribution For Medical and Dental Coverage

Effective January 1, 2003, the monthly retiree contribution, if any, for medical and dental coverage under the Retiree Medical Plan for January 2003 and each month thereafter shall equal one-twelfth of the Amount in Excess of the Caps (as determined in accordance with the provisions set forth above), allocated in such manner among the eligible occupational employees (who retired on or after March 1, 1990 – including Occupational LTD Participants), so that the contribution for family medical and dental coverage shall be two times the contributions for single medical and dental coverage, respectively. As a result of the above calculation methodology, effective for the calendar year beginning January 1, 2003, all eligible occupational employees who retired on or after March 1, 1990, including

the Occupational LTD Participants, shall be responsible for making contributions toward medical and dental coverage under the Retiree Medical Plan in the amount of \$54 per month for single coverage and \$108 per month for family coverage. Such monthly retiree contribution may be paid from such retired occupational employee's monthly pension annuity under the AT&T Pension Plan.

An eligible retired occupational employee may waive medical and dental coverage under the Retiree Medical Plan during an annual enrollment period, which shall result in a deferral of coverage, and may be reinstated in the Plan, during the plan year for which coverage is deferred if: (a) a qualified change in family status for the retiree occurs, and (b) a timely election for reenrollment is made by the retiree. If these mid-year reenrollment conditions are not satisfied, the earliest time that medical and dental coverage may be reinstated prospectively for any year by the retiree who has waived coverage is during the first annual enrollment period for the Retiree Medical Plan occurring after such coverage was terminated.

6 Additional Benefits

For the life of the Agreement, each occupational employee who retired (or became an Occupational LTD Participant) on or after March 1, 1990 (including those who have not yet commenced payment of their pensions or have taken lump sum pension payments under the AT&T Pension Plan) will be provided a health care reimbursement account as an additional annual Plan benefit for each year in an amount required to provide full reimbursement of the required contributions for Single or Family coverage as described in the Additional Benefits provision of the 2002 Agreement .

7 Administration

The Company shall develop appropriate plan provisions, consistent with legal requirements, to effectuate the provisions above.

(U) DOMESTIC PARTNER BENEFIT COVERAGE

Eligible Benefit Plans and Effective Date

Effective January 1, 1999, AT&T, CWA and IBEW agree that the Company will permit regular full-time and part-time active occupational employees to enroll their Domestic Partners and such Domestic Partner's eligible dependent children in the following AT&T benefit plans:

- AT&T Medical Expense Plan for Occupational Employees
- AT&T Dental Expense Plan for Active Employees
- AT&T Vision Care Plan
- AT&T Occupational Group Legal Services Plan

Eligibility Criteria

For the purpose of this coverage, a Domestic Partner shall include an individual who:

1. Complies with any state or local registration process for Domestic Partners, if applicable,
2. Satisfies each of the specific criteria identified below and completes a Notarized Affidavit attesting to such:
 - The Domestic Partner is of the same gender as the employee,
 - The Domestic Partner resides in the employee's household,
 - They are both at least 18 years old,
 - They are mentally competent to enter into a valid contract,
 - They are unrelated and are not legally married,
 - They consider themselves to have a close and committed personal relationship, and have no other such relationship with any other person,
 - They are responsible for each other's welfare and financial obligations,
 - Any purported marriage by such individuals is not recognized by their state of residence, and
 - They provide such other information as the Company reasonably requests.

Coverage for Eligible Children of a Domestic Partner

Children of a Domestic Partner may be eligible for coverage if the children otherwise satisfy the definition of a Class I Dependent under the AT&T benefit plans listed above.

AT&T Families Provision

AT&T employees shall not be entitled to enroll another AT&T employee or AT&T retired employee as his or her Domestic Partner.

Benefit Plan Terms and Conditions

All usual terms and conditions of the above-referenced benefit plans shall apply to coverage for Domestic Partners.

COBRA Continuation Coverage

COBRA continuation coverage shall be available to Domestic Partners and their eligible dependents on the same basis as it is to other Plan participants.

Federal Income Tax

The value of Domestic Partner benefit coverage shall be subject to federal income tax, FICA and FUTA taxes. Taxes will be based on the COBRA premium rate for coverage. Taxable income will be reported on the employee's W-2 form.

Employee Contributions

Any required employee contributions shall be paid with after-tax dollars from the employee's paycheck, pension check or directly from employee, as applicable.

Termination of Coverage for a Domestic Partner

Coverage for a Domestic Partner and/or the Domestic Partner's Eligible Dependents shall terminate automatically at the end of the month in which any of the "ELIGIBILITY CRITERIA" are no longer applicable.

Eligible employees shall promptly inform the Company of changes which may affect their eligibility to receive Domestic Partner Benefits.

Coverage for an eligible Domestic Partner shall not be available for one year following the termination of coverage for a previous domestic partner.

Coverage for Domestic Partners of Retirees

Current employees who retire while covering a Domestic Partner and/or the Domestic Partner's Eligible Dependents will be permitted to cover the Domestic Partner and those Eligible Dependents under AT&T's Retiree Medical and Dental Expense Plans during retirement. No new Domestic Partner or Dependents can be added after retirement. Current retirees cannot cover Domestic Partners.

(V) SICKNESS & ACCIDENT DISABILITY BENEFIT PLAN

AT&T, the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) agree to modify the Sickness & Accident Disability Plan as follows:

- Add coordination of benefits with Social Security (Primary only) to the Sickness & Accident Disability Benefit Plan. Coordination begins as of the first day of disability eligibility coverage under Social Security and will be applied in the same manner and with the same procedures as under the LTD Plan.
- Change is effective with disabilities commencing July 1, 1998 or later. For any continuous disability in effect on June 30, 1998 benefits will continue to be administered according to the current Sickness & Accident Disability Benefit Plan.

(W) ON-THE-JOB ACCIDENTAL DEATH

AT&T, the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) agree to:

- Provide the on-the-job Accidental Death Benefit through an insurance program effective January 1, 1999, which will provide:
 - three (3) times annual pay coverage
 - paid to employee's beneficiary or estate
 - no workers compensation offset
 - benefit, as life insurance, is non-taxable income

(X) LEGAL SERVICES

AT&T, the Communications Workers of America (CWA) and the International Brotherhood of Electrical Workers (IBEW) agree to continue the Legal Services Plan with the following enhancements:

- **Uncontested Guardianship or Conservatorship (additional service)**
Legal services for establishing a guardianship or conservatorship over a person and her/his estate by the employee or spouse.
 - Obtaining a temporary guardianship or conservatorship, if necessary.
 - Gathering any necessary medical evidence, preparing paperwork, and attending the hearing.
- **Eviction and Tenant Problems (Tenant Only) (additional service)**
Legal services assisting the employee as a tenant in matters involving leases, security deposits, and other disputes with a residential landlord.

(Y) LONG TERM CARE

Effective January 1, 1999, the Company shall establish an employee pay-all Long Term Care Plan which is HIPAA (Health Insurance Portability and Accountability Act of 1996) qualified, and will be designed in a manner generally comparable to the design offered under the AT&T Long Term Care Plan for Management Employees.