

APPENDIX 6 – LETTERS FROM PRIOR AGREEMENTS

(not printed – see website)

2012 Agreement

Career Transition	<u>AT&T Career Support Coordinator Committee</u>
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2009 Agreement

Compensation	<u>Article 39 Information Services</u>
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2005 Letters Extended

Letter G	<u>AT&T, CWA, IBEW Learning – Academic Awards</u>
Letter 00	<u>Article 10 – Twelve Month Review</u>
Letter a	<u>Administrative Intern Committee</u>

1998 Letters Extended

Letter e	<u>CSSC Scheduling</u>
Letter t	<u>Repair Distribution Services Employees</u>
Letter nn	<u>Article 10 – 60 Day Review</u>
Letter qq	<u>VRCP Change Notification</u>
Letter rr	<u>VRCP Winback Commitment</u>

1995 Letters Extended

Letter f	<u>Business Inquiry Representative</u>
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1989 Provisions – Groups Extended

Letter 6	<u>Night Tour</u>
Letter 15	<u>New York Vacation</u>
Letter 16	<u>Half Day Off, New York, Operator Services</u>

1989 Provisions – Individual Extended

Letter 6	<u>Overtime Payment Provisions</u>
Letter 7	<u>Overtime Limitations</u>
Letter 8	<u>Absence Control – New York</u>
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Letter 10	<u>Absence Control – New York</u>

Pre-2009 Agreements

Letter A	<u>Active and Retired Employee – Medical & Dental Benefits</u>
Letter I	<u>Commercial Work</u>
Letter T	<u>Pension Plan Benefits</u>
Letter g	<u>Elimination of Articles/Letter</u>
Letter x	<u>1995 Letters/Memos Elimination</u>
Letter yy	<u>Grandfathering Agreement for Sales Simulation Test</u>
Letter eee	<u>Titles & Wages</u>

(DD) Pre-2005 Agreements

Letter H	<u>Pension Plan Benefits</u>
Letter J	<u>Long Term Disability (LTD) – Related Benefits</u>
Letter K	<u>Coordination of Long-Term Disability with Pension</u>
Letter L	<u>Traditional Indemnity Deductible</u>
Letter P	<u>Savings Plan</u>
Letter Q	<u>Active Medical</u>
Letter R	<u>Retired Employee Medical and Dental Benefits</u>
Letter U	<u>Domestic Partner Benefit Coverage</u>
Letter V	<u>Sickness & Accident Disability Benefit Plan</u>
Letter W	<u>On-The-Job Accidental Death</u>
Letter X	<u>Legal Services</u>
Letter Y	<u>Long Term Care</u>

AT&T CAREER SUPPORT COORDINATOR COMMITTEE

April 8, 2012

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

Dear Ralph,

Re: AT&T Career Support Coordinator Positions

AT&T and CWA agree to continue the Joint Steering Committee to discuss matters related to the agreed upon reduction in the number of AT&T Career Support Coordinator Positions from three (3) to two (2). The Committee will consist of three (3) members from the CWA and three (3) from the Company. Among the topics of discussion will be:

- The transition of responsibilities involved in reducing the number of Coordinators from three (3) to two (2).
- Establishment of a plan to provide for the coordinators to back each other up when out of the office.

In addition the Company commits to the following;

- The Company will offer VTP to all three (3) current AT&T Career Support Coordinators in an effort to voluntarily reduce the existing number of coordinators. The VTP will have a cap of two (2).
- Should two (2) Coordinators volunteer to leave under the VTP offer, then the Union may backfill one (1) vacancy to bring the number of AT&T Career Support Coordinators to two (2). Should no one volunteer, normal surplus procedures shall apply using the first quarter 2013 surplus window.
- The VTP with a concurrent surplus will be offered in conjunction with the first (1st) quarter 2013 surplus window which is announced on 12/17/2012.
- The effective date of the change will be the end of the VTP offer process in January, 2013, assuming there are volunteers; or at the end of the surplus process in February, 2013.

Regards,

/s/Diane L. Bradley
AVP, Labor Relations

Concurred:

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

ARTICLE 39 INFORMATION SERVICES

April 5, 2009

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

Dear Ralph,

Re: Article 39 – Information Systems

This is to confirm our agreement reached during 2009 bargaining, in addition to the General Wage Increase as outlined in Article 15, the Company agrees to additional incremental increases for all non red-lined employees covered under Article 39 as follows:

- A one-half (.5%) increase effective upon ratification
- A one-half (.5%) increase effective July 4, 2010

Regards,

/s/ Lori J. Smith
Director, Labor Relations

Concurred:

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

(G) AT&T, CWA, IBEW LEARNING - ACADEMIC AWARDS (FORMERLY KK)

December 11, 2005

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

Mr. P. A. Pusateri, Chairman, System Council T-3, IBEW

Gentlemen:

Re: AT&T, CWA, IBEW Learning - Academic Awards

This will confirm our agreement regarding the eligibility of a child of a former employee to continue to receive previously awarded scholarship support under the Academic Awards Program.

In those situations where the Union has grieved the Company's action in dismissing an employee for cause, and a child of that employee has been previously awarded a scholarship under the Academic Awards Program, the Company agrees to continue to provide such scholarship support for a period not to exceed six months from the date of the employee's dismissal.

The parties agree that any grievance and/or arbitration relating to the dismissal shall be processed as expeditiously as possible under the appropriate collective bargaining agreement and shall be concluded within six (6) months from the date of the dismissal.

If the former employee is reinstated as a result of such dispute, then the dependent will continue to participate in the program. Otherwise, the dependent will be disqualified from further participation in the Academic Awards Program.

Regards,

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

Concurred:

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

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

(00) ARTICLE 10 – TWELVE (12) MONTH REVIEW

December 11, 2005

Mr. Ralph V. Maly, Jr.
Vice President
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Dear Ralph,

This is to confirm our understanding of discussions during the 2005 contract negotiations related to adherence to timelines as specified in Article 10-Arbitration.

The Union recognizes that it is the moving party throughout the grievance and arbitration process and carries the burden of timely submitting a written appeal to the next step.

The parties agree that for a twelve (12) month period following the date of ratification, a designated representative of both the Union and the Company will meet once per quarter to discuss any issues that arise concerning appeal deadlines and take corrective action on a case-by-case basis. This letter does not modify Article 10 in any respect.

Regards,

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

Concurred:

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

(a) ADMINISTRATIVE INTERN COMMITTEE

During 2005 Negotiations the Company and the Union agreed to continue the Administrative Intern Program Committee. The Committee will be comprised of three (3) CWA representatives and two (2) representatives from the Company. The responsibilities of the Committee will include:

- monitoring the ongoing operation of the AI Program
- analyzing overall AI results
- propose expansion to additional GCAs and locations (Must be approved by the CRC)
- address concerns raised as to the staffing of positions through ATS

The Committee shall meet every three (3) months but no later than the end of the month preceding the close of the quarter.

(e) CSSC Scheduling

During 1998 AT&T/CWA Local Contract Negotiations, discussions were held regarding issues surrounding tour selection and daily scheduling of employees. The parties agree that Local Union Officers and AT&T Managers in the Consumer Sales and Service Centers will meet periodically to review scheduling issues and concerns. The parties may discuss items including the tour preference process, alternative methods for scheduling, (i.e., basic tour scheduling) and employee communication processes which will assist employees in understanding the scheduling process.

The parties agree they will endeavor to mutually resolve these issues keeping in mind requirements of the business and needs of the employees. Scheduling of these meetings will begin immediately after ratification.

Sufficient time will be provided during initial training to make certain new employees have the information necessary to enable them to understand how office scheduling works and the impact of seniority on an individual's tour selection.

(t) Repair Distribution Services Employees

The parties have met and agreed upon a list of employees formerly covered by the provisions of an Agreement between AT&T and CWA who remained with AT&T following "trivestiture". The parties have agreed these individuals in the following titles will be reassigned to the new titles listed below:

Buying Analyst 30	to	Reports Clerk
Computer Equipment Operator	to	Senior Data Processing Clerk
Results Investigator	to	Reports Clerk
Secretary	to	Reports Clerk
Secretary No Steno	to	Reports Clerk
Statistic Analyst	to	Reports Clerk
Buying Analyst 30 (Tier 3)	to	Reports Clerk
Reports Clerk (Tier 2)	to	Records Clerk
Records Clerk (Tier 1)	to	Office Clerical Assistant

Each of these employees will be assigned to the top step of the applicable Wage Table in Appendix 5 of the AT&T Operations Agreement.

(nn) ARTICLE 10 – 60-DAY REVIEW

May 12, 2002

Mr. Jerry Klimm
Assistant to Vice President
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Dear Jerry,

This is to confirm our understanding of discussions during the 2002 contract negotiations related to Article 10 – Arbitration.

In an effort to avoid incurring unnecessary expense associated with last minute cancellation of arbitration hearings, a representative of the Company will endeavor to meet with a representative of the Union 60-days prior to the scheduled hearing date. During such meeting, the parties will review the merits of the grievance, consider any new information and explore the possibility of a resolution. If the parties are unable to mutually agree on a resolution, the grievance shall proceed to arbitration as previously scheduled.

Regards,

Stephen J. Moore
District Manager, Employee and Labor Relations

(qq) VRCP Change Notification

May 12, 2002

Mr. Ralph V. Maly, Jr., Vice President
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Dear Ralph,

This is to confirm the agreement reached during 2002 bargaining that when the Call Servicing Business Planning organization is approached to consider changes to the VRCP platform, or if the Call Servicing Business Planning members themselves meet to develop changes they will immediately notify the appropriate National CWA Staff Representative.

Regards,

Frederick N. Murray, Vice President
Employee and Labor Relations

(rr) VRCP Winback Commitment

May 12, 2002

Mr. Ralph V. Maly, Jr., Vice President
Communications Workers of America
501 Third Street NW
Washington, DC 20001

Dear Ralph,

This is to confirm the agreement reached during 2002 bargaining that if or when the Call Servicing organization activates the proposed Winback prompt on the VRCP Platform, no Operator will be dismissed for failure to meet Winback targets for the 6-month period following activation.

Regards,

Frederick N. Murray, Vice President
Employee and Labor Relations

(f) Business Inquiry Representative

Effective with ratification of the 1989 Agreement, a new job title, Business Inquiry Representative, was created. The duties generally include investigating and responding to billing inquiries from large business customers regarding AT&T products and/or services including voice and data products, enhanced network services both dedicated and switched. Individuals in this position also investigate/resolve billing disputes for business customers and other internal and external organizations dealing with business customers as well as administering special billing arrangements, analyzing customer accounts, establishing/negotiating credit levels, security deposits or advance payments. Business Inquiry Representatives recommend upgrades or changes in service/equipment to resolve customer's communication problems, bridge to sale of appropriate AT&T products and/or services, refer to alternative sales channel organization as appropriate and access various data systems to retrieve or input customer information.

(6) Night Tour

For employees assigned to a title listed in Article 35 (Sales) or Article 36 (Support), who are assigned to an administrative unit whose employees were, on May 26, 1989, covered under terms of the 1986 Agreement between AT&T Information Systems, Inc. and Communications Workers of America, the night tour shall be defined, for the term of the 1989 Agreement as a regularly scheduled tour which falls wholly or partially within the period from 6:00 PM - 6:00 AM. During the same period and for the same employees the day tour shall be defined as a regularly scheduled tour which falls wholly within the period from 6:00 AM - 6:00 PM.

(15) NEW YORK VACATION SCHEDULE MEMORANDUM AGREEMENT

Vacations (New York - IS Plant Locals)

- 1 For the 1984, 1985, and 1986 calendar years, the following shall be applicable:
 - (a) In each calendar year, the summer period shall be a twelve (12) week period. For the 1984 calendar year, it shall commence with the week ending June 23 and terminate with the week ending September 8. For the 1985 calendar year, it shall commence with the week ending June 22 and terminate with the week ending September 7. For the 1986 calendar year, it shall commence with the week ending June 21 and terminate with the week ending September 6.
 - (1) This twelve (12) week summer period described in Article 23.01 of the Collective Bargaining Agreement may be shifted by local management to conform more closely with local school vacation schedules. Such adjustment will be decided upon by local management and any adjustment in the beginning of the twelve (12) week summer period will result in a similar compensating adjustment in the closing date of the period.
 - (b) By November 15 of each year, the Company shall post vacation schedules for the following calendar year. Prior to the posting of these schedules, the Company shall afford the Union a period of fifteen (15) days during which period representatives of the Company and the appropriate Local Union shall discuss the vacation schedules for the following calendar year. Where any employee in any vacation group is required to take one week of vacation during the first four months of the calendar year in accordance with the schedules determined by the Company under Paragraph C of this Memorandum Agreement, the Company shall, during this fifteen (15) day period, give the appropriate Local Union the Company's reason for such requirement.
 - (c) Each employee in any vacation group who is entitled to take two (2) or more weeks of vacation in a calendar year may be required to take one of those vacation weeks during the first four (4) months of that calendar year in accordance with schedules determined by the Company. (These vacation groups are referred to hereafter as "affected groups").
 - (1) This one week of vacation which the employee may be required to take during the first four months may not be carried over into the following calendar year under Article 23.04 of the Agreement. However, employees may satisfy this one-vacation-week requirement with a vacation week carried over from the prior calendar year under Article 23.04 of the Agreement, provided that the week carried over is a week other than one required to be taken during the first four months of the prior calendar year.
 - (2) This one week of vacation which the employee may be required to take during the first four months may not be reserved as a vacation week for day-at-a-time vacation under Article 23.01 of the Agreement. Employees may not satisfy this one-vacation-week requirement with a day-at-a-time vacation week reserved from the prior calendar year under Article 23.01 of the Agreement.

- (3) The number of vacation weeks the Company shall schedule in each affected group for the summer period in each of the 1984, 1985, and 1986 calendar years shall be 48% of the total number of vacation weeks that all employees in that affected group are entitled to take in each of those years. These summer vacation weeks (i.e., 48%) shall be distributed over the summer period in accordance with schedules determined by the Company. This percentage is subject to the limitations outlined in Paragraph I below.
 - (4) The minimum number of vacation weeks that shall be scheduled for each affected group in each week of the calendar year outside the summer period and outside of the first four months of the year shall be equal to the highest number of vacation weeks scheduled by the Company for that affected group in any week of the summer period, subject to the limitations outlined in paragraph I below.
- (d) For vacation groups in which employees are not required to take one of their vacation weeks during the first four months of the calendar year, the percentages set forth in Paragraph (c)(3) above shall represent the minimum the Company will schedule in the summer period for the 1984, 1985, and 1986 calendar years, subject to the extent to which the vacation weeks in the summer period in any vacation group for any calendar year may be increased above the percentages set forth in Paragraph (c)(3) above shall be determined by the Company.
 - (e) The weeks included in the percentage figures set forth in Paragraphs (c)(3) and (d) above shall include the one week each employee is entitled to take in the summer period under Article 23.01 of the Agreement. The Company shall not be obligated to schedule additional vacation weeks above those percentage figures for the purpose of making available to any employee in the vacation group the one week each employee is entitled to take in the summer period.
 - (f) Once an employee has selected his vacation weeks to be taken in the summer period:
 - (1) He may not exchange any of his vacation weeks to be taken in the summer period for any vacation weeks that may become available in that period.
 - (2) He may not select additional weeks to be taken in the summer period that may become available in that period, except as follows:

Employees in any vacation group who were restricted in the selection of vacation weeks in the summer period because at the time of their vacation selection the number of employees who had not selected equaled the number of remaining open summer weeks may then select, in order of seniority, any additional week that may become available in that period as a result of a less senior employee not selecting the one week the employee is entitled to take in the summer period.
 - (3) He may exchange any of his selected weeks to be taken in the summer period for weeks selected to be taken in that period by other employees in his vacation group.

- (g) An employee who is eligible for five (5) weeks of vacation must take one vacation week outside of the summer period. This one week may not be reserved as a vacation week for day-at-a-time vacation under Article 23.01 of the Agreement. The employee who is eligible for five weeks of vacation may be required by the Company to take one of those weeks during the first four months of the vacation year under Paragraph (c) above in accordance with schedules determined by the Company.
- (h) Vacation schedules shall not have "blocked-out" vacation weeks except where the vacation group involved historically has had vacation schedules with blocked-out weeks. However, vacation schedules may still have blocked-out weeks for vacation groups that may be subject to or involved with unusual service requirements or special projects within the meaning of Paragraph (i) below.
- "Blocked-out" weeks shall mean weeks on vacation schedules for which it is indicated that no employee may take vacation.
- (i) Notwithstanding Paragraphs (c)(3) and (4), and (d) above:
- Where there are unusual service requirements, such as political conventions or Olympics, or where there are special projects, such as cutovers, then in any calendar year the Company may reduce the percentages set forth in Paragraphs (c)(3) and (d) above and reduce the minimum number of vacation weeks set forth in Paragraph (c)(4) above for all vacation groups that may be subject to or involved with those unusual service requirements or special projects. However, the Company shall not eliminate entirely the summer vacation weeks provided for under Paragraphs (c)(3) and (4), and (d) above because of these unusual service requirements or special projects.
- (j) An employee will not be scheduled for an assignment on the Saturday before his or her vacation or be scheduled for assigned overtime on the Sunday after his or her vacation.
- (k) Vacation weeks, vacation days, and "H" days will be selected by employees in that sequence in a number of circulations to be determined by the company.
- (l) The maximum number of employees on vacation and "H" day and vacation day at any one time will not exceed the maximum number of employees permitted to be off as determined by management.
- (m) Vacation day conflicts will be treated in the same fashion as the Company now treats "H" day conflicts.
- (n) This Memorandum Agreement shall be effective as of August 7, 1983 and shall continue in effect throughout the full term of the Collective Bargaining Agreement contained in the Stipulation dated December 2, 1983. This Memorandum Agreement shall automatically terminate simultaneously with the termination of such Collective Bargaining Agreement. Collective Bargaining with respect to amendment or modification of this Memorandum Agreement shall occur only at the time such Collective Bargaining Agreement is terminated.

Note: This applies only to those work groups to which ATT-IS letter #23 applied on may 26, 1989. And will continue for the life of the 1989 Agreement.

(16) Half Day Off, New York, Operator Services

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This letter serves to confirm the Company's intent to continue the following practice for Operator Services Group A employees formerly represented by the Telephone Traffic Union, Downstate New York, and the Telephone Traffic Union, Upstate New York.

When it is the Company practice in any year to excuse employees for one-half (1/2) tour immediately prior to Christmas, full-time employees who are expected to be on the payroll for the period commencing with the day following Thanksgiving and ending December 31, shall be granted one-half (1/2) tour off duty with pay during such period. Part-time employees shall be granted time off with pay equivalent to one-tenth (1/10) of their hours normally scheduled in an average calendar week during this period, adjusted to the nearest one-quarter (1/4) hours.

This practice will terminate on January 1, 1992.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter apply only to those work groups to which the similar letter dated June 17, 1986 for William J. Barkley, Jr. to James E. Irvine applied on May 26, 1989.

(6) Overtime Payment Provisions

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning certain overtime payment provisions. Those Company employees who, pursuant to their respective applicable 1983 BOC agreements or contracts, were entitled to be paid for overtime hours worked immediately preceding or following their regularly scheduled tour and/or following their normally scheduled work weeks, and those employees engaged hereafter in the same or similar titles in the same work groups, shall, during the term of the 1989 Agreement, continue to be paid for such overtime in a manner consistent with the applicable provisions of the 1983 BOC agreement or contract that pertained in the geographic area.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

(7) Overtime Limitations

May 27, 1989

Mr. John Agee
Assistant to Vice President
Communications Workers of America
Two Executive Drive
First Floor
Somerset, NJ 08873

Mr. Larry Mancino
Assistant to Vice President
Communications Workers of America
District 1
80 Pine Street
37th Floor
New York, NY 10005

Gentlemen:

This will confirm our agreement, reached during recent collective bargaining negotiations, concerning limitations on the assignment of overtime work in certain circumstances during the term of the 1989 Agreement.

Those employees previously covered by the provisions of Article 17.06 of the agreement between the Union and New York Telephone Company (dated December 2, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 17.06.

Those employees previously covered by the provisions of Section 8, Article VI of the agreement between the Union and the Southwestern Bell Telephone Company (dated as of August 28, 1983), and those employees engaged hereafter in the same or similar titles in the same geographic area, shall continue to be treated in a manner consistent with the language contained in the provisions of Section 8, Article VI.

Those employees previously covered by the provisions of a letter dated August 16, 1980 from W. S. Pursell (General manager - Labor Relations and Personnel Administration of the Bell Telephone Company of Pennsylvania) to Mrs. Gale P. Dreves, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letter.

Those employees previously covered by the provisions of separate letters dated August 23, 1983 from J. R. Lawrie, Division Manager - Labor Relations, Diamond State Telephone Company, to Charlotte Jamieson and to Robert J. Wehde, and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the said letters.

Those employees previously covered by the provisions of Article 3.022 of the agreement between the Bell Telephone Company of Pennsylvania and the Union (formerly known as the Federation of Telephone Workers of Pennsylvania) (dated May 17, 1943 as last amended August 7, 1983), and those employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.022.

Those employees previously covered by the provisions of Article 3.10E of the agreement between the Union and the South Central Bell Telephone Company (dated August 28, 1983), and employees engaged hereafter in the same or similar titles in the same geographical area, shall continue to be treated in a manner consistent with the language contained in the provisions of Article 3.10E.

Regards,

Mary Anne Walk
Division Manager-Labor Relations

Note: The provisions of this letter will apply only to those employees whom the similar letter dated June 30, 1986 from C. L. Brumfield to R. J. Allen applied on May 26, 1989.

(8) Absence Control - New York

February 17, 1972

Mr. M. Don Sanchez, Area Director
Communications Workers of America
85 Worth Street
New York, NY 10013

Dear Mr. Sanchez:

This will confirm our understanding that before giving an employee a warning pursuant to the Absence Control Plan, the Company shall notify verbally the steward of the employee involved. If the employee does not object, the steward may be present when the employee is given the warning.

In addition, the Company agrees that before giving a final warning or a suspension prior to discharge under the provisions of this Plan, it shall notify verbally the Union Local. Unless the employee objects, an official of the Local may be present when such actions are taken.

Please indicate your agreement to the foregoing by signing and returning a copy of this letter to me.

Very truly yours,

R. E. Williams
Agreed by:

M. Don Sanchez
Communications Workers of America
Dated February 17, 1972

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

(9) Absence Control - New York

August 24, 1983

Mr. Lawrence Mancino
Area Director
Communications Workers of America
80 Pine Street
New York, NY 10005

Dear Mr. Sanchez:

This is to inform you of the Company's present intention to change administratively the guidelines for supervisors under the Company's Absence Control Program to reflect the following:

The first step of the Absence Control Program will not be applied to an absence of an employee which occurs after a year without any absences.

The Company will apply a seventh step to the absences of an employee with 25 or more years of net credited service.

Very truly yours,

A. M. Freije
Assistant Vice President

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

(10) Absence Control - New York

September 19, 1977

Mr. M. Don Sanchez, Area Director
Communications Workers of America
85 Worth Street
New York, NY 10013

Dear Mr. Sanchez:

This is to advise you that whenever an accident on the job occurs and results in absence, the Company will give consideration to not stepping the employee on the Absence Control Program.

Very truly yours,

Bernard C. Sissler
Assistant Vice President

Note: The provisions of this letter will apply only to those employees to whom it applied on May 26, 1989.

(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):

Retail (30 Day Supply)

Generic	\$10
Formulary Brand	\$20
Non-Formulary Brand	\$40

Mail Order (90 Day Supply)

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

(T) PENSION PLAN BENEFITS

Pension Band Multiplier

For employees who are on roll on or after January 1, 2006, the pension band multiplier tables (Pension Band Monthly Benefit Tables of the AT&T Pension Plan (the "Plan")) shall be increased by the percentages and at the dates set forth immediately below for employees who terminate on or after each such date:

6.0%	Effective January 1, 2006
5.0%	Effective January 1, 2008

1 Cash Balance Pension Band Credits

Effective January 1, 2006, (and at such other dates set forth immediately below) the pension band credit table of the Plan shall be increased by the percentages and at the dates set forth immediately below:

6.0%	Effective January 1, 2006
5.0%	Effective January 1, 2008

2 Cash Balance Interest Credits

Effective January 1, 2006 and for the duration of the Agreement, the interest crediting rate under the Plan applicable to cash balance accounts shall be 4%.

3 Employee Transfers

Effective immediately, the Plan (and such other AT&T benefit plans under which net credited service, NCS, is applicable) shall recognize, for all purposes under the Plan (or such other plans), including except as provided below in this sentence, for purposes of determining the appropriate cash balance credit under the pension band credit table, but not otherwise for the accrual or determination of the amount or appropriate formula of an employee's benefit under the plan, the prior service (NCS) recognized under any SBC pension plan of any employee who transfers from another SBC bargaining unit to a bargaining unit covered by the Plan.

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.