

APPENDIX 6 – LETTERS FROM PRIOR AGREEMENTS

(not printed – see website)

2015 Agreement

Appendix 4	Metro Segment Incentive Compensation Plan
Other Benefits	Memorandum of Agreement – Single, One-Time Pension Contribution for Eligible Employees

2012 Agreement

Career Transition	AT&T Career Support Coordinator Committee
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2009 Letters Extended

Compensation	Article 39 Information Services
Pre-2015 Agreements	Standing Joint Subcommittee on Testing
Pre-2015 Agreements	(U) Retirement Policy Advisory Committee (Formerly O)

2005 Letters Extended

Letter G	AT&T, CWA, IBEW Learning – Academic Awards
Letter 00	Article 10 – Twelve Month Review
Letter a	Administrative Intern Committee
Letter (V)	Special Social Security Supplement
Letter (m)	Metro Segments – Performance Appraisals
Letter (s)	Pension Computation for Employees in Metro Segments
Letter (xx)	Customer Sales and Service-Commission (CSSS-S) title Change Agreement

1998 Letters Extended

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

1995 Letters Extended

Letter f	Business Inquiry Representative
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1989 Provisions – Groups Extended

Letter 6	Night Tour
Letter 15	New York Vacation
Letter 16	Half Day Off, New York, Operator Services

1989 Provisions – Individual Extended

Letter 6	Overtime Payment Provisions
Letter 7	Overtime Limitations
Letter 8	Absence Control – New York
Letter 9	Absence Control – New York
Letter 10	Absence Control – New York

Pre-2009 Agreements

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

(DD) Pre-2005 Agreements

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

METRO SEGMENT INCENTIVE COMPENSATION PLAN

1 DEFINITIONS

(a) FULL SALARY EQUIVALENT (FSE)

The Adjusted Rate.

(b) LEVERAGED BASE RATE

80% of the FSE wage rate.

(c) INCENTIVE

The actual amount earned above leveraged base rate. The plan target for this amount is 20% of FSE.

(d) BASE/INCENTIVEMIX

The ratio of leveraged base rate and the incentive wage. (80 / 20%)

(e) TARGET AVERAGE ANNUAL SALARY (TAAS)

The average earnings when considering Adjusted Rates (FSE) of all employees on the plan for each specific title across all wage areas and wage steps. The figures are based on wage step/wage area data from the end of each calendar year and will be updated to reflect any bargained wage increases upon their effective dates. The specific calculation is:

$$\text{TAAS} = \frac{\text{Total FSE wages for all sales employees in a title}}{\text{Total number of sales employees in a title}}$$

Notes:

- 1. Only those earnings up to 250% of attainment will be included in the TAAS calculation.**
- 2. Expenses associated with promotional incentives will not be included in the actual earnings when reviewing TAAS performance.**

(f) QUOTA

The objective established for an element. Quota assignment for all compensation elements will be established at the Headquarters level.

(g) PERCENT ATTAINMENT

The ratio of the actual credit achieved to quota, expressed in percentage format.

(h) CAP

The maximum cumulative percent of attainment to which incentive compensation payments apply.

(i) ELEMENT

Elements are the designated items used to identify, track, and measure individual and team performance. The element assigned is product sales.

(j) INDIVIDUAL AWARD

The incentive amount paid on individual percent attainment.

(k) TEAM AWARD

The incentive amount paid on the relevant team percent attainment.

2 PLAN STRUCTURE

(a) QUARTERLY REVIEW OF TAAS PERFORMANCE

The Metro Segment Oversight Committee (as described in Paragraph 5(k) of the Metro Segment Incentive Compensation Plan) is responsible for reviewing actual average earnings against TAAS, as well as, against the average actual FSE salary at the end of the quarter (which includes progression increases), and recommend plan changes if actual average performance falls outside established limits.

Failure to attend a scheduled meeting by the Union will authorize the Company to immediately implement any incentive compensation changes to achieve TAAS that it deems necessary.

For the purpose of reviewing TAAS, actual average earnings will be calculated for all personnel in a title, including new hires and employees on disability. The Company will provide the committee the actual average performance data for each title.

Within seven (7) days of the quarterly review meeting, the Committee must develop plan change recommendations when actual average performance deviates from TAAS by more than + 10% or - 10%. These recommendations must be designed to bring projected average annual performance to TAAS levels. Retroactive adjustments to pay will not be made to remedy these situations. Committee recommendations will be forwarded to the Vice President - Metro Segment for review and concurrence. Should the Vice President not concur with the Committee recommendations, the proposal is remanded to the Committee for additional consideration. The Union may exercise the following third party rights if the Committee cannot reach agreement.

- (1) In the event the Committee cannot reach a joint recommendation on how to address a deviation in excess of + 10% or - 10%, the Company will prepare a recommendation within seven (7) days thereafter and submit it to the Union.
- (2) The Union will have seven (7) days to review the Company proposal. Inaction by the Union will constitute Union acceptance of the Company proposal. In this case, the Company may immediately implement its proposal. If the Union does not accept the Company's proposal, it may demand the Company's proposal be submitted to neutral third party selected from a list previously

agreed to by the parties. The Union's demand shall specify those portions of the Company proposal to which it objects.

- (3) Upon the Union's demand, the Company shall submit its proposed program to the neutral third party within fourteen (14) days of the Union's demand. The neutral third party will determine whether the Company's proposal is designed to reasonably enable affected employees to achieve the TAAS for the title and function in issue. The neutral third party will issue a written decision within fourteen (14) days of submission. The fee of the neutral third party will be borne equally by the Company and the Union.

If the neutral third party determines that the Company proposal is designed to reasonably enable affected employees to achieve TAAS for the title and function in issue, the Company may immediately implement its proposal.

If the neutral third party determines that the Company's proposal is not designed to reasonably enable the affected employees to achieve TAAS for the titles and function in issue, the neutral third party will advise the Company and Union of the specific deficiencies it finds in the plan. The Company will then propose a new or modified program for the titles and functions in issue, and submit it to the Union within seven (7) days. The Union will have the same review and neutral third party rights as described above.

By the third quarter 1998, the Union and the Company will each submit and agree upon the names of two potential neutral third parties should the need arise to exercise the dispute process.

This quarterly review process shall be the sole and exclusive means by which the Union may challenge recommended Plan changes due to the deviation from TAAS.

(b) ENROLLMENT IN THE COMPENSATION PLAN

Entrants to the Metro Segment Incentive Compensation Plan will be given information regarding The Plan upon joining the organization. Entrants will receive training (formal and on the job) at the appropriate full salary equivalent, i.e., they will not be eligible for incentive compensation. The length of training will be: Inbound Call Receipt Centers – sixty (60) days. After training, they will be enrolled in the compensation plan.

Any sales activities completed while the employee is in "training" status will not be eligible for compensation earnings. The earnings are to be paid only for sales activities completed during the month(s) the employee is assigned a quota.

Employees transferring back into a compensable function from a non-compensable function within Metro Segments will be placed on the Plan effective with the month of their transfer. If the employee was in the non-compensable function for greater than ninety (90) days, the employee may elect to remain on FSE for the initial thirty (30) days in the compensable function before being placed on the Plan. This time is to allow for any additional training that may be required for the new position.

Employees downgraded from a compensable management function into a compensable occupational function will be placed on the occupational compensation plan effective with the month of their transfer.

(c) RAMP-UP QUOTA

Ramp-up Quota - Product Element

All new entrants into the Metro Segment Compensation Plan will be given a Ramp-up Product Element quota for their first month on compensation. This ramp-up quota is applicable to only those employees who are on the Plan for the first time. The following matrix demonstrates the application of ramp-up quota for the product element quota for ICRC employees.

MONTH	STATUS	QUOTA
1	Training-Full Salary	N/A
2	Training-FullSalary	N/A
3	Compensation	75%
4	Compensation	100%

(d) PROMOTIONAL INCENTIVES

Promotional incentives, recognition awards, and discretionary time off may be used to focus and reward individual or team efforts. Expenses associated with these programs will not be included in the actual earnings when reviewing TAAS performance.

(e) EFFECTIVE DATES

An employee is assigned quota on the first of the month in which Compensation Plan participation begins.

EDCR EFFECTIVE DATE	INCENTIVE PAY EFFECTIVE DATE
First through eighth of the month	First of the month
Ninth through end of the month	First of the next month

The above dates apply to any and all changes in employee status, e.g., moving on or off compensation plan; moves between salary ranges in order to determine when to apply new payout rates, etc. EDCR's will not be approved on a retroactive basis.

(f) PART-TIME EMPLOYEES

If business needs arise to engage part-time employees, the Company's intent is to move these employees to compensation. This would be reviewed with the Oversight Committee prior to implementation.

(g) ONGOING PLAN MANAGEMENT

The Company may alter quotas eligible for incentive compensation at any time. The

Company will not alter plan leverage factors, i.e., the base/incentive mix, without negotiating such change with the Union. It is the Company's intent to minimize changes to the compensation plan.

The decision of the Company concerning the interpretation and/or application of the Metro Segment Incentive Compensation Plan or a process of The Plan shall be controlling unless the Company is shown to have acted arbitrarily or in bad faith. Any such disputes may be submitted through the grievance process in accordance with Article 9, and if necessary, submitted to arbitration in accordance with Article 10.

3 MEASUREMENT PROVISIONS

(a) PRODUCT ELEMENT

The Company will compensate an individual for every product/service sale relevant to Metro Segment as identified in the monthly USOC product matrix. Product credit will be given for only those sales which the individual is responsible for and completes (i.e., order issued and completed with sales person's sales code).

Specific products may be given different weights in computing percent attainment. Services/weights may vary between Inbound Call Receipt Centers and Outbound Centers.

The Company's intent is to incent all sales that contribute to the financial viability and/or market share of Metro Segment. In addition, any promotion, feature, value package, etc., may be compensable, and if it is determined not to be compensable, the evaluation will be reviewed with the Oversight Committee.

(b) ATTAINMENT

Compensation will be based on the attainment of objective at the individual level on a monthly or year-to-date basis, and team level on either a monthly or year-to-date basis depending on the element. Year-to-date results begin with the employee's first month on the Plan (quota assigned), or at the beginning of a new calendar year. The year-to-date results continue through that calendar year as long as the individual remains on the same plan.

Following are examples of commission earnings paid against year-to-date performance:

Example	<u>January</u> Attainment	<u>YTD</u> Attainment	<u>February</u> Attainment	<u>YTD</u> Attainment
A	100%	100%	150%	125%
B	150%	150%	100%	125%

4 PAYOUT MULTIPLIERS AND RATES

- (a) For product sales a dollar amount is applied to the percent attainment of each sales person and/or team. This dollar amount is referred to as the "multiplier".

The dollar value of the multiplier is based on the salary range in which an individual falls, depending on their wage step/wage area. There are a number of multipliers associated with a set of salary ranges which are based on targeted full salary equivalent amounts (Salary Range Target).

The multipliers are designed so that, as close as possible, when 100% of objective/quota is reached, the incentive earned is 20%. During 2005 Bargaining, it was agreed that each salary range would have a spread of no more than \$2,000.

CAP

The maximum attainment level for payout purposes is 300%. Earnings above 250% will not be used for the purposes of calculating TAAS.

(b) COMPENSATION PAY DATES

Incentive earnings are paid no later than two months in arrears. There are cases where part of the earnings will be paid out in the first part of the third month because of short months. The Company will notify the Union in the fourth quarter of each year of the months in which this will occur for the upcoming year.

(c) OVERPAYMENT OF COMPENSATION

When an overpayment of compensation dollars is made to an employee, it must be repaid.

If an employee is paid through Electronic Funds Transfer (EFT), they can: Allow overpayment to true-up in the subsequent commission payment. If true-up will not occur by the next commission payment, the employee must submit a money order/cashiers check for the amount owed. The supervisor should call Strata Staff to obtain an accurate dollar amount due. The employee should then forward their money order/cashiers check to the AT&T Payroll office with a copy to their supervisor.

If an employee receives a "live" check, they can:

Return the check to the AT&T Payroll office with a copy provided to their supervisor.

- OR -

Allow overpayment to true-up in the subsequent commission payment. If true-up will not occur by the next commission payment, the employee must submit a money order/cashiers check for the amount owed. The supervisor should call Strata Staff to obtain an accurate dollar amount due. The employee should then forward their money order/cashiers check to the AT&T Payroll office with a copy to their supervisor.

If overpayment to the employee and repayment to AT&T are made within the same calendar year, the repayment is made in net dollars (after taxes). The supervisor

should call Strata Staff to get an accurate net dollar amount.

If overpayment occurs in a prior year and is being repaid in a subsequent year, then the repayment is made in gross (before taxes) dollars. This process ensures that the taxes are withheld accurately.

Employees may appeal cases of repayment hardship to their supervisor. These cases will be reviewed on an individual case basis by Strata Staff.

5 OTHER PROVISIONS

(a) PAY ADVANCES (DRAWS)

A compensation pay advance is available to provide earnings stability for individuals moving to Sales Compensation Plan participation. Compensation pay advances are appropriate for a limited period of time, no more than the initial two months in the Plan. Sales management must approve requests for pay advances, by completing the Incentive Pay Advance Agreement form which is also signed by the individual requesting the advance.

The maximum amount of a monthly advance is the difference between the individual's FSE and the individual's leveraged base salary for that month.

Recovery of the advance begins with the individual's first incentive payment. All outstanding advances are netted against sales incentive earnings until the total advance is repaid. Advances may be available when there is a change in the Plan which causes a delay in commission results/earnings. Under these circumstances the advance will be available only during the initial transition month, and the maximum advance may only be the portion of incentive target being delayed. If an individual moves off the Sales Compensation Plan prior to payback of the advance(s), the amount owed will be collected in accordance with the Overpayment of Compensation section.

(b) INDIVIDUAL ON DISABILITY BENEFITS

Sickness Disability: An absence of more than seven (7) consecutive calendar days resulting from an illness or off-the-job injury.

Accident Disability: A medically certified absence of one or more calendar days due to job related injury which is solely resulting from the course of employment.

The following provisions apply to sickness and accident disabilities:

- (1) Once disability coding begins, an employee is paid at Full Salary Equivalent (FSE) rate.
- (2) Measurement of all elements will continue through the end of the month the individual is on compensation prior to the disability.
- (3) For any month in which an individual is coded on disability on the 8th calendar day of the month, they will not be on compensation nor be assigned any quota.

(c) INDIVIDUAL ON A LEAVE OF ABSENCE (LOA)

Leveraged base pay treatment will end with the last day an employee works.

Measurement of all elements will continue through the end of the month the individual is on compensation prior to the leave of absence.

(d) INDIVIDUALS RETURNING FROM DISABILITY/LEAVE OF ABSENCE (LOA)

When an employee returns to active payroll, he/she will resume their previous leveraged base rate if they return on or before the 8th calendar day of the month. If an employee returns on the 9th calendar day or after, they will be on FSE until the first of the next month, when they go back on compensation.

Employees returning from a disability or LOA in excess of ninety (90) days, will be placed on FSE for the first thirty (30) days that they are back on the job full time. After the first thirty (30) days, returning employees will be placed on leveraged base rate compensation as described above.

If an employee returns from a disability or LOA on a Gradual Return to Work basis, e.g. working half days for a specified period of time, they will go back on Compensation when they return to a full time assignment.

When returning from disability, all year-to-date elements continue to be cumulated, but only for those months an individual was on compensation.

(e) QUOTA RELIEF

Quota relief shall be granted when an office is closed due to extreme situations, e.g. snow emergencies, earthquakes, flooding. Quota relief must be approved by Strata Staff.

(f) FSE FOR VACATION, UNION TIME, DISABILITY, ETC.

Full Salary Equivalent (FSE) payment is granted for the following:

- (1) Holidays and vacation time
- (2) Joint Union-Management activities, as defined in Article 6, Paragraph 4, and Grievance Meetings, as defined in Article 9, Paragraph 6
- (3) Jury/witness duty, death/funeral, and visit to medical office as defined in Article 20, Paragraph 3
- (4) Disability as defined in the AT&T Benefits Plan (and referred to in the Disability Section of the Compensation Plan).

(g) QUOTA RELIEF/FULL SALARY EQUIVALENT (FSE)

In no case may an employee be granted both quota relief and FSE to financially account for time not worked.

(h) CLOSE-OUT

Whenever an individual leaves a sales incentive plan, a close-out occurs. If AT&T owes the individual incentive pay, the payment should be made in the next monthly pay cycle after the final close-out review, or earlier if required by state law. If the individual owes payments to AT&T, the payment can be made by money order/cashiers check or from future salary payments. If the individual leaves the Company and the dollars owed are not covered by the final incentive check, the Headquarters Regional Staff Representative should be notified so that the amount can be included in final settlements with the individual in accordance with corporate policy and applicable laws. These settlements should contain the specific outstanding balance, method and time of repayment and include employee's acknowledgment.

Close-out assures appropriate incentive earnings for individuals changing assignments. The sales manager must evaluate all pending activity to be certain the transferring individual receives credit/debit for all appropriate results. It is the sales person's responsibility to ensure his/her manager receives all required paperwork and documentation which will assist the manager in determining the close-out results. This documentation must be submitted within thirty (30) days of any changes to the employee's status surrounding Plan participation.

Attainment up to the effective date of the move is documented and incentive pay accrued for results in the job and to be paid to the employee within sixty (60) days following the final close-out review, or earlier if required by state law. If the net incentive payment is negative, the amount due will be recovered through the Commission Overpayment policy which is addressed in Section 4(c).

The same care in closing out incentive plan results should occur in cases of resignation, dismissal, retirement or death of a plan participant.

(i) APPEAL PROCESS

The Appeal Process is available for special or unusual situations that warrant review and consideration of a non-standard compensation payment.

The sales person is responsible for submitting the appeal request, including all supporting documentation, to his/her supervisor for processing. The appeal must be approved by each level of management within the Branch and final approval rendered by the Sales Director. Cases of appeals requesting quota relief and/or requests to move into or out of the plan, must be appealed to Headquarters.

(j) FOCUSED SELLING GROUP

The Company may find it necessary to create independent sales groups that are focused on selling specific products or groups of products. If that should occur, the following principles shall be applied in the formation of such a group:

- A pilot study will first be conducted to determine the effectiveness, product weighting and quotas of a product focused group

- Staffing of such a group will occur in one of two ways:
 1. Metro Segment may determine to assign one entire center for a focused sales group.
 2. Metro Segment may decide to have a work group that is smaller in size than an entire center. If that occurs, the staffing procedure will be mutually agreed to between the Company and the Local Union.
- TAAS results for the focused selling group will be calculated separately and be managed to ensure equivalent TAAS results of other employees in the same title.
- Employees will not be negatively impacted as a result of changes in quotas due to the creation of the Focused Sales Group.
- Impact of the Focused Sales Group will be reviewed by the TAAS Oversight Committee.

(k) METRO SEGMENT OVERSIGHT COMMITTEE

AT&T and the CWA agree to the formation of a Joint Oversight Committee with Metro Segments, which will continue to serve as the official TAAS review committee as described in the Metro Segment Incentive Compensation Plan of the 1998 Agreement. In addition, it will address all aspects of the compensation plan (both opportunities and concerns) and any other key issues impacting the sales force's ability to earn compensation.

AT&T Metro Segment will share information regarding Business Operating Unit plans, as well as Business Operating Unit, Branch and individual results. This forum will provide the Union a meaningful voice in the decision making processes.

Each party will designate three representatives. Meetings will take place at least four times a year. Dates, locations and agendas of the meetings will be mutually established. Monthly updates will also be established to keep the Committee informed. Only members of the Committee, and mutually agreed upon guests, will attend the meetings. If the Committee feels its members need additional training to accomplish their work, the content and the providers of that training will be mutually agreed upon by the members.

MEMORANDUM OF AGREEMENT

RE: Single, One-time Pension Contribution for Eligible Employees

Pursuant to the ratification of a new collective bargaining agreement between the Company and the Communications Workers of America the Company will provide eligible participants a single, one-time pension credit as follows:

1. **Eligibility:** Employees in the AT&T Legacy Bargained Program of the AT&T Pension Benefit Plan (“Legacy T Bargained Program”) who meet the following criteria: (i) with at least fifteen (15) years of Term of Employment (previously known as Net Credited Service) on or before January 1, 2016, (ii) who on or before January 1, 2016 are at least fifty-five (55) years of age, and (iii) were not at least age fifty-five (55) as of April 8, 2012 OR had less than fifteen (15) years of Term of Employment as of April 8, 2012.
2. **Single Pension Contribution:** Eligible Employees will receive a single lump sum addition of \$3700 to their Cash Balance Account in the Legacy T Bargained Program.
3. **Ongoing Participation in Pension Plan:** This single, one-time addition shall not alter ordinary participation in the Legacy T Bargained Program for Eligible Employees.
4. **Timing:** This one-time addition will be effective January 1, 2016 for Eligible Employees who are actively employed on January 1, 2016.

Agreed Upon by:

Date
/s/Bill Bates
Vice President, CWA

Date
/s/Diane Bradley
AVP, Labor Relations

STANDING JOINT SUBCOMMITTEE ON TESTING

AT&T and the CWA agree to continue a standing joint subcommittee on testing during the term of the 2009 Memorandum of Agreement. The subcommittee, to be appointed by the bargaining chairs, will consist of two (2) representatives from the CWA and two representatives from the Company.

Human Resource Research, part of AT&T Corporate Human Resources, is the organization with sole responsibility for the development or selection, validation, and authorization of all tests used in selection of candidates for AT&T occupational positions. Human Resource Research is responsible to ensure that such tests meet Federal and professional standards for relevancy and non-discrimination. Development of testing policy and procedures is also the sole responsibility of Human Resource Research.

If the subcommittee identifies a test currently in use which has not been authorized by Human Resource Research, the test will be suspended pending the outcome of a review and report to the subcommittee by Human Resource Research.

When a new test is implemented or a test or critical test score revised for an occupational title or titles, Human Resource Research will communicate to members of the subcommittee, prior to implementation or revision, the following pertinent information concerning the test:

- the purpose
- the long term objective
- the need for the test or change
- the title(s) for which it will be a requirement
- the BOUs which will use it

The subcommittee will endeavor to establish a procedure whereby it may be involved upfront in the process and in so doing will be provided such information as:

- The reason a test is being changed or developed;
- An overview of the test development plan;
- Feedback as the test or change is being developed.

The subcommittee will also determine what data, if any, is necessary to help the subcommittee answer questions about issues around current tests.

After receiving the information described above, if the subcommittee so requests, a meeting will be held to explore appropriate ways for the Company and the Unions to make available opportunities to assist employees in development of these new skills. The subcommittee will also be expected to identify and recommend ways to maximize the many advantages and resources offered through the Alliance and ARCs in meeting the goals described above.

In addition, the subcommittee may seek to understand, via discussions with Human Resource Research, factors that may contribute to an apparently lower than expected percentage of employees qualifying on a specific test. The subcommittee will also develop a process for verification of test records in instances when Company records are not available.

The subcommittee will meet upon request of the members, but no less than twice a year.

(U) retirement policy advisory committee (FORMERLY O)

- 1 The Company and the Unions shall continue for the duration of the Agreement, the Retirement Policy Advisory Committee (the "Committee"). The Committee will consist of two representatives from the Company and one representative each from the CWA and the IBEW. The Committee, which shall meet quarterly, may adopt such rules of procedure for its meetings and operations as it deems reasonable and appropriate.
- 2 The purpose of the Committee shall be to review and evaluate various retirement policies (including retiree health, pension, and health related design issues and other issues related to the provision of retiree benefits) of the Company, other companies, and industry in general, as well as review relevant literature, research, and studies, and consistent with such review and evaluation, to make general suggestions and recommendations to the Company about possible future changes to its various retirement programs and policies.

(V) SPECIAL SOCIAL SECURITY SUPPLEMENT (FORMERLY M)

Effective December 11, 2005, Social Security Supplement payments, under the AT&T Pension Plan that were made available to designated eligible employees who were involuntarily terminated under a force adjustment program during specified periods during the term of the 1995 Memorandum of Agreement and subsequent agreements, shall be made available during the term of this Memorandum of Agreement subject to the following:

- (a) Eligibility for the payments under this provision shall be limited to eligible employees with fifteen (15) or more years of service as of June 30, 1998, who are involuntarily terminated (with less than thirty (30) years of service and at an age under age 55) with service pension eligibility under a force adjustment program at any time during the term of this Memorandum of Agreement and who elect to receive their pension benefit (commencing immediately upon termination) based on the traditional pension bands and only in the form of one of the lifetime annuity distribution options offered under the AT&T Pension Plan;
- (b) The amount of such Social Security Supplement payments shall equal the amount of the reduction in an employee's monthly annuity payment because of retirement prior to age fifty-five (55) (but not in excess of an employee's projected Social Security benefit at age sixty-five (65)), and the duration of such payments shall end on the first to occur of twelve (12) years of payments, attainment of age sixty-two (62) or the death of the retired employee.

(m) METRO SEGMENTS - PERFORMANCE APPRAISALS

During 2005 Bargaining, Metro Segments agreed that the following will not negatively impact the evaluation of performance for appraisals or for developmental plans:

1. Absence for union activities as defined in Article 4 - Paragraph 3
2. Joint Union/Management activities as defined in Article 6 - Paragraph 4
3. Grievance meetings as defined in Article 9 - Paragraph 6
4. Jury/witness duty, death/funeral and visits to the Medical office as defined in Article 20 - Paragraph 3
5. Vacation
6. Training for more than three (3) days during a month.

(s) PENSION COMPUTATION FOR EMPLOYEES IN METRO SEGMENTS

The pension benefit of employees who hold the Sales Representative and Customer Sales and Service Specialist - C job titles shall be determined as follows:

Except as provided below, the employee's existing pension band amount at the time of retirement or termination from service shall be adjusted by multiplying such amount by a compensation ratio. Such compensation ratio shall be determined as of the end of the latest thirty-six (36) month period ending each September 30, immediately preceding the date the pension is determined. The compensation ratio shall equal: (i) the sum of (a) the employee's total commissions paid in each such thirty-six (36) month period and (b) the employee's actual base wages paid in such period, divided by (ii) the sum of the three full salary equivalents in effect as of each September 30, of such thirty-six (36) month period. In no case shall the compensation ratio be less than one.

For an employee who is promoted, demoted, laterally transferred or hired into such a job title, such employee's pension benefit for the first twenty-four (24) months in such job title shall be determined in accordance with existing Plan rules, including those regarding promotions and demotions.

For an employee who has been in the job title for less than twenty-four (24) months, the compensation ratio adjustment referred to above shall not apply.

For an employee who has been in the job title for more than twenty-four (24) months but not for the full applicable thirty-six (36) month period, the compensation ratio for the period such employee has been in the job shall be determined on a pro rata basis.

For an employee who is on a Company approved leave of absence during any period within the thirty-six (36) month period, the applicable full salary equivalents shall be prorated based upon the number of months the employee is on the active payroll.

(xx) CUSTOMER SALES AND SERVICE-COMMISSION (CSSS-C) – TITLE CHANGE AGREEMENT

Effective December 11, 2005, the employees in the Customer Sales and Service Specialist-Commission (CSSS-C) title located in Reynoldsburg, Ohio, will be moved to the Customer Sales and Service Specialist title. Based on business strategy changes, if the Company determines it is appropriate to assign functions traditionally performed by the CSSS-C title to employees in Reynoldsburg, the Company will seek volunteers in seniority order to return to the CSSS-C title. If not enough employees volunteer to return to the CSSS-C title, the Company may force the necessary number of employees required to meet business needs in inverse order of seniority. Should repopulation occur, CSSS-C titled employees and CSSS titled employees will be considered as having the same title for force adjustment purposes and will be treated as such in accordance with Article 24, Paragraph 1 of this Agreement.

Should the CSSS-C title be repopulated, Appendix 4 of this Agreement will serve as the baseline document for incentive compensation for employees in that title. However, should the CSSS-C title be repopulated, either the Union or Company may request to bargain over appropriate modifications to Appendix 4. Such modifications to Appendix 4 must be by mutual agreement of the Union and Company.