

# Summary Plan Description



IMPORTANT BENEFITS INFORMATION

## East Program of the AT&T Pension Benefit Plan

This is an updated summary plan description (SPD) for the East Program (Program) of the AT&T Pension Benefit Plan (Plan). This SPD replaces your existing Program SPD and all of its summaries of material modifications.

Please keep this SPD for future reference.

NIN: 78-30070

## IMPORTANT INFORMATION

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In all cases, the official Plan documents govern and are the final authority on the terms of the AT&T Pension Benefit Plan (Plan). If there are any discrepancies between the information in this Summary Plan Description (SPD) and the Plan, the Plan documents will control. AT&T Inc. reserves the right to terminate or amend any and all of its employee benefit plans or programs, at any time for any reason. Participation in the Plan is neither a contract nor a guarantee of future employment.

### What Is This Document?

This SPD is a guide to your benefits under the East Program (Program), a program of the Plan. This SPD, together with the summaries of material modifications (SMMs) issued for this Program, constitute your SPD for this Program. See the “Eligibility and Participation” section for more information about eligibility for the Program and other Plan programs.

Este documento contiene un resumen, en inglés. Si usted tiene dificultad en entender este documento, entre en contacto por favor con Fidelity Service Center, **800-416-2363**.

### What Information Do I Need to Know to Use This SPD?

Eligibility, participation, benefit provisions, forms of payment and other provisions of the Program depend on certain factors such as your:

- Employment status (for example full-time or part-time)
- Job title classification
- Employer
- Service history (for example, hire date, Termination of Employment and Term of Employment)

To understand how the Program provisions affect you, you will need to know the above information. The Recordkeeper can provide these details. See the “Contact Information” section for information on how to contact the Recordkeeper.

### What Action Do I Need to Take?

You should review this SPD.

### How Do I Use This Document?

As you read this SPD, pay special attention to the key points at the beginning of most major sections and shaded boxes that contain helpful examples and important notes. While AT&T has provided these tools to help you better understand the Program, it is important that you read the SPD in its entirety, so that you can understand the details of the Program. Also, throughout this SPD, there are cross-references to other sections in the SPD. Please consult the Table of Contents to help you locate these cross-referenced sections.

Also, you need to keep your SPDs and SMMs for future reference. They are your primary resource for questions about the Program.

## Questions?

If you have questions regarding information in this SPD, call the Recordkeeper listed in the "Contact Information" section.

Si usted tiene alguna dificultad en entender cualquier parte de este documento, entre en contacto por favor con el Recordkeeper en la seccion de "Contact Information."

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## HIGHLIGHTS

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This SPD describes the Program effective Jan. 1, 2014, unless otherwise noted. This SPD includes changes made for readability and consistency with the governing Plan document. Some of the more significant changes to the SPD since the last restatement of this SPD in 2012 are listed below.

- Incorporation of changes made in summaries of material modifications (SMMs) distributed since the previously published SPD:
  - AT&T Pension Benefit Plan and AT&T Umbrella Benefit Plan No. 1, November 2012, NIN: 78-27571, which included:
    - The source of payment for Retiree Death Benefits.
    - Updates to the "Forms of Payment" section.
  - East Program of the AT&T Pension Benefit Plan, March 2013, NIN: 78-27930, which included:
    - Addition of a one-time cash balance credit for certain Employees active during 2012.
    - Clarification of the spousal consent explanation.
    - Amendment of the "Survivor Benefits" section.
    - Updates to the "Contact Information" section.
    - Changes to the list of Participating Companies.
- A new Benefits at a Glance chart has been added and provides a high-level bulleted list of certain provisions of the Program.
- Certain changes relating to compliance with legal requirements (e.g., change in the spouse definition due to a Supreme Court interpretation of the Defense of Marriage Act).
- Revising the Other Plan Information table to include:
  - A new Agent for Service of Legal Process.
  - New plan numbers due to the split of the AT&T Umbrella Benefit Plan (Umbrella) No. 1 into two plans: Umbrella No. 1 for former Employee benefits, and Umbrella No. 3 for active Employee benefits.
- Revision of the list of Participating Companies and Bargaining Units to add or remove companies and bargaining units, as applicable.
- Removal of references to groups that no longer participate in the Plan due to the spin-off of the Yellowpages groups in 2012.
- Information previously included in the AT&T Rules for Beneficiary Designations has been added to the SPD.

- In addition to the SMMs above, the SPD incorporates any bargaining changes (not reflected in an SMM) including the following:
  - Enhanced Cash Balance Account as a result of the East Severance provisions.
  - Additional Cash Balance Credits for 2013.
  - Adding a minimum Interest Crediting Rate.
  - Modifying the “Eligibility and Participation” section to include transfer arrangements bargained between AT&T Mobility Services LLC CWA and other CWA bargaining units.

## USING THIS SUMMARY PLAN DESCRIPTION

### KEY POINTS

- *The AT&T Pension Benefit Plan provides Pension Benefits to Eligible Employees of Participating Companies.*
- *This SPD summarizes the eligibility requirements for and the benefits provided by the East Program.*

The AT&T Pension Benefit Plan (Plan) is a defined benefit pension plan sponsored by AT&T Inc. The Plan provides retirement benefits to Eligible Employees of Participating Companies.

Benefits under the Plan are provided through separate programs. A program is a portion of the Plan that provides benefits to a particular group of Participants or beneficiaries. Each Plan program applies to a different group of Employees as set forth below:

<b>Programs of the AT&amp;T Pension Benefit Plan</b>	<b>General Description of Participants</b>
AT&T Legacy Bargained Program	Certain bargained Employees of legacy AT&T Corp. who are residents of the U.S. and hired, rehired or transferred prior to specified dates.
AT&T Legacy Management Program	Certain management Employees of legacy AT&T Corp. hired or rehired before Jan. 1, 2007, who are residents of the U.S.
Bargained Cash Balance Program	Certain bargained Employees in the NIC contract, Appendix D in the AT&T West region, and the COS contract in the AT&T Midwest region who are hired, rehired or transferred prior to specified dates.
Bargained Cash Balance Program #2	Certain bargained Employees of legacy AT&T Corp., AT&T East, AT&T Midwest, AT&T Mobility, AT&T Southeast, AT&T Southwest and AT&T West regions hired, rehired or transferred after specified dates.
East Program	Certain AT&T East region bargained Employees hired, rehired or transferred prior to specified dates.
Management Cash Balance Program	Management Employees of legacy AT&T Corp., AT&T East, AT&T Midwest, AT&T Southeast, AT&T Southwest and AT&T West regions hired or rehired on or after Jan. 1, 2007, who are residents of the U.S. Also covers management Employees of AT&T Mobility hired or rehired on or after Jan. 1, 2006, who are residents of the U.S.
Midwest Program	Certain AT&T Midwest region bargained Employees hired, rehired or transferred prior to specified dates.
Mobility Bargained Program	AT&T Mobility bargained Employees represented by CWA – District 6 hired or rehired prior to Jan. 1, 2009.
Mobility Program	Certain AT&T Mobility bargained Employees hired, rehired or transferred prior to specified dates and certain management Employees of AT&T Mobility hired or rehired before Jan. 1, 2006, who are residents of the U.S.



Programs of the AT&T Pension Benefit Plan	General Description of Participants
Nonbargained Program	Certain management Employees of AT&T East, AT&T Midwest, AT&T Southwest and AT&T West regions hired or rehired before Jan. 1, 2007.
Southeast Management Program	Certain management Employees of the AT&T Southeast region hired or rehired before Jan. 1, 2007.
Southeast Program	Certain AT&T Southeast region bargained Employees hired, rehired or transferred prior to specified dates.
Southwest Program	Certain AT&T Southwest region bargained Employees hired, rehired or transferred prior to specified dates.
West Program	Certain AT&T West region bargained Employees hired, rehired or transferred prior to specified dates.
<i>Note: See the "Eligibility and Participation" section of each program's SPD for a more detailed description of eligibility for each Plan Program.</i>	

This document is the summary plan description (SPD) for the East Program (Program). The SPD summarizes the terms of the Program, including the particular eligibility requirements for coverage, the benefits provided, the conditions that must be met to qualify for Program benefits, the times and forms of payment of the Program's benefits, and other special Program provisions.

Special Program provisions that are not fully described in this SPD apply to some individuals. Usually, these special provisions are the result of bargaining agreements, corporate transactions or agreements among AT&T and other companies. See *Attachment 1* for a description of the groups for whom special provisions apply. You may also obtain more information about these special provisions by contacting the Recordkeeper. See the "Contact Information" section for information on how to contact the Recordkeeper.

The Plan is a complex and technical legal document. While every effort has been made to make the description in this SPD as accurate as possible, this SPD could not include every relevant detail of the Plan. To the extent this SPD conflicts with the official Plan document, the official Plan document controls. Your right to any benefits under the Plan depends on the actual facts and terms and conditions of the Plan documents, and no rights accrue by reason of, or arising out of, any statement shown in or omitted from this SPD.

This SPD is not intended to, nor does it create, a contract of employment with any member of the AT&T Controlled Group.

Many sections of the SPD are related to other sections of the document. You may not have all of the information you need by reading just one (1) section. Therefore, it is important that you review all sections that apply to a specific topic. In addition, notes imbedded in the text are used throughout this SPD where needed to provide clarification, additional information or identify an exception or distinction applicable to certain Eligible Employees. These notes provide information that is important to fully understand the Program and the benefits it provides.

If you had a Termination of Employment before the distribution date of this SPD, some of the provisions of this SPD do not apply to you. In general, and unless otherwise provided, the provisions of this SPD that are related to eligibility, vesting, how your Pension Benefit is calculated and early retirement provisions may not describe the benefits available to you

depending on when your Termination of Employment occurred. Contact the Recordkeeper or refer to the SPD that was in effect at the time of your Termination of Employment for more information.

### Terms Used in This SPD

Certain terms used in this SPD have specific meanings. Many of the terms that use capital letters, such as Eligible Employee, are defined in the “Definitions” section. Other less widely used terms are defined where the term is used in this SPD. Understanding the meanings of all of the defined terms will help you better understand the information provided in this SPD.

## BENEFITS AT A GLANCE

The following *Benefits at a Glance* table is a summary of certain provisions in the Program. For more information on any specific Program provision, please see the detailed information provided later in this SPD.

Benefits	
<b>Eligibility and Participation</b>	
Eligibility	Bargained Employees of East Core CWA (excluding Appendix F of the East Core CWA contract) hired or rehired before Aug. 9, 2009.  Special rules apply for certain transfers, reclassifications and surpluses.
Participation	After 1 year of service
Vesting	100% after 3 years of service
<b>Pension Formula</b>	
Pension Benefit	Cash Balance Formula
Cash Balance Formula	Hypothetical account credited monthly with the following <ul style="list-style-type: none"> <li>• Basic Benefit Credits - 1/12 of your applicable annual service credit based on your Pension Compensation and Service Category</li> <li>• Interest Credits               <ul style="list-style-type: none"> <li>(a) 30-Year US Treasury rate from prior November</li> <li>(b) Minimum 4.00%</li> </ul> </li> <li>• Promotion Credits</li> </ul>
<b>Normal Retirement Age</b>	
Normal Retirement Age	Later of <ul style="list-style-type: none"> <li>• Age 65</li> <li>• 4 years of service</li> </ul>
<b>Early Retirement Pension</b>	
Early Retirement Pension Eligibility	Following Termination of Employment

<b>Benefits</b>	
Early Retirement Pension Amount	<ul style="list-style-type: none"> <li>• A monthly annuity equal to your Cash Balance Account projected to Normal Retirement Age then converted to an Actuarially Equivalent monthly annuity</li> <li>• Enhanced Annuity if               <ul style="list-style-type: none"> <li>(a) 30 years of service or at least age 55 on or before your Termination of Employment with 20 years of service</li> <li>(b) you elect your benefit to be paid as an annuity</li> </ul> </li> </ul>
Forms of Payment	<p><u>Satisfies Modified Rule of 75</u></p> <ul style="list-style-type: none"> <li>• Single Life Annuity</li> <li>• 50% J&amp;S Annuity w/ pop-up</li> <li>• 75% J&amp;S Annuity w/ pop-up</li> <li>• Annuity with Lump Sum Certain (if elect within 90 days of Termination of Employment)</li> <li>• Lump sum</li> <li>• Partial Lump Sum (if elect within 90 days of Termination of Employment) - Temporary Employees excluded</li> </ul> <p><u>Does Not Satisfies Modified Rule of 75</u></p> <ul style="list-style-type: none"> <li>• Single Life Annuity</li> <li>• 50% J&amp;S Annuity w/ pop-up (if terminated on or after Mar. 31, 1995)</li> <li>• 50% J&amp;S Annuity (if terminated prior to Mar. 31, 1995)</li> <li>• 75% J&amp;S Annuity w/ pop-up (if terminated on or after Mar. 31, 1995)</li> <li>• 75% J&amp;S Annuity (if terminated prior to Mar. 31, 1995)</li> <li>• Annuity with Lump Sum Certain (if elect within 90 days of Termination of Employment)</li> <li>• Lump sum</li> <li>• Partial Lump Sum (if elect within 90 days of Termination of Employment) - Temporary Employees excluded</li> </ul>
Survivor Benefits	Available for Spouse, Legally Recognized Partner or other Designated Beneficiary
Death Benefit	<ul style="list-style-type: none"> <li>• Active Employee Death Benefit</li> <li>• Retiree Death Benefit</li> <li>• Claim for benefit must be filed within 1 year of death</li> </ul>

## ELIGIBILITY AND PARTICIPATION

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### KEY POINTS

- *Only Eligible Employees may participate in the Program.*
- *Eligible Employees will become Participants in the Program after completing one (1) Year of Participation Service.*
- *Participation in the Program ends when you are no longer an Eligible Employee.*

### Eligible Employee

You are an Eligible Employee if you are an Employee of a Participating Company listed in Appendix A and you are either:

- A Bargaining Unit Employee covered by an Applicable Collective Bargaining Agreement listed in Appendix A.
- Covered by an Applicable Collective Bargaining Agreement and temporarily promoted to a management position (also known as an acting title) for one (1) year or less.

Generally, you are a Bargaining Unit Employee if:

- Your job title and classification are included in a collective bargaining agreement between your Employer and a union.
- You are a “confidential employee” as defined by the National Labor Relations Act.

You are **not** eligible to participate in this Program if:

- You are hired or rehired on or after Aug. 9, 2009.
- You are an Employee covered by Appendix F of the AT&T East Core Contract - CWA District 1, Appendix F of the AT&T Midwest Core Contract - CWA District 4, Appendix J of the AT&T Southwest Core Contract - CWA District 6, or Appendix E of AT&T West Core Contract - CWA District 9, who transfers on or after Aug. 9, 2009 to the AT&T East Core Contract - CWA District 1 (except if specifically included under any of the special rules that follow this section).
- You are a Bargained Employee that transfers on or after Aug. 17, 2012 from AT&T Mobility Services LLC - All CWA Districts to AT&T Corp. Core Contract - CWA.
- You are specifically excluded under any of the special rules listed in this section.
- You are currently earning a pension benefit under any other Plan program.
- You are a “leased employee” (as defined in the Internal Revenue Code).
- You are classified, designated or treated by your Participating Company as an independent contractor.

- You are a nonresident alien receiving no U.S.-earned income from a Participating Company.
- You are a resident of the Commonwealth of Puerto Rico.
- You are a Management Employee. Generally, you are a Management Employee if your job title and classification are not included in a collective bargaining agreement between a Participating Company and a union.

- **Special Rules for Employees Covered by Appendix F of AT&T East Core Contract – CWA District 1**

*If you are hired into Appendix F of the AT&T East Core Contract – CWA District 1, you are **not** eligible to participate in the Program, unless you were surplused from the AT&T East Core Contract – CWA District 1 and transferred in connection with such surplus to an Appendix F job title. In this case, you will continue to be eligible for the Program while you remain in any Appendix F job title.*

- **Special Rules for Employees Covered by Appendix F of the AT&T East Core Contract – CWA District 1, Appendix F of the AT&T Midwest Core Contract – CWA District 4, Appendix J of the AT&T Southwest Core Contract – CWA District 6, or Appendix E of AT&T West Core Contract – CWA District 9**

*If you are a member of this employee group (including an Employee on layoff status who is later rehired from such layoff with recall rights), and are transferred any time between Aug. 9, 2009, to April 7, 2012 to the AT&T East Core Contract – CWA District 1, you will become eligible to participate in the Program, but only while you continue in a job title covered by the AT&T East Core Contract – CWA District 1.*

- **Special Rules for Certain Hires, Rehires and Transfers**

Certain Hires, Rehires and Management Transfers

Effective Jan. 1, 2011, you are **not** eligible to participate in the Program if you were:

- Hired or rehired on or after Aug. 9, 2009.
- Hired or rehired before Aug. 9, 2009 as a Term Employee or Temporary Employee and reclassified as a Regular Employee on or after Aug. 9, 2009. Note that “Regular Employee,” “Term Employee” and “Temporary Employee” are as defined under the applicable bargaining agreement. You may contact the Recordkeeper if you have questions about whether this provision applies to you.
- In a management position on Aug. 8, 2009 and transferred on or after Aug. 9, 2009, to AT&T East Core Contract – CWA District 1.

Transfers Between Bargained Positions on or After the Applicable Date

Effective Jan 1, 2011, you are **not** eligible to participate in the Program if:

- You are a member of to AT&T East Core Contract – CWA District 1 (including Employees who are on a layoff with recall rights) on Aug. 8, 2009, and transfer to another bargaining unit listed in this special rule on or after Aug. 9, 2009. If you transfer back from such bargaining unit on or after Aug. 9, 2009, you again will become eligible for this Program.
- You are **not** a member of AT&T East Core Contract – CWA District 1 on Aug. 8, 2009, and transfer to such group on or after Aug. 9, 2009, from any employee group not specifically covered by one (1) of the situations listed below in this special rule.

## Current Employees

Effective Jan 1, 2011, you **are** eligible to participate in the Program if:

- You (i) are a member of any of the bargaining units below (or a Nonmanagement Nonunion Employee) including Employees who are on a layoff with recall rights on the Applicable Date (see below) for that bargaining unit, (ii) are eligible for a Plan program, and (iii) become a member of AT&T East Core Contract – CWA District 1 after the Applicable Date listed below.

### Applicable Date – Aug. 8, 2009

- AT&T Billing Southeast, LLC – CWA District 3
- AT&T Corp. - CWA
- AT&T Midwest Core Contract – CWA District 4 (including Appendix G)
- AT&T Southeast Core Contract – CWA District 3
- AT&T West Core Contract – CWA District 9
- AT&T Southwest Core Contract – CWA District 6
- BellSouth Telecommunications, LLC (National Directory & Customer Assistance) – CWA District 3
- BellSouth Telecommunications, LLC (Utility Operations) – CWA District 3
- SBC Global Services, Inc. (COS) – CWA District 4

### Applicable Date – Dec. 31, 2010

- AT&T Services, Inc. (Tier 1) – CWA
- AT&T Services, Inc. (Tier 2) – CWA

## **Participation**

A Participant is an individual eligible to accrue Program benefits. You become a Participant in the Program if you are an Eligible Employee and complete one (1) Year of Participation Service.

You complete one (1) Year of Participation Service when you have completed a 12-month Period of Service. Special rules apply if there is a break in your service. See the “Break in Service Rules” section for more information about these special rules.

Your active participation in the Program ends when you are no longer an Eligible Employee. However, you may still be considered a Participant of the Program for purposes of obtaining any unpaid Pension Benefit credited to you under the Program.

You will not be eligible to earn any additional benefit under the Program after you cease to be an Eligible Employee. If you are re-employed or otherwise become an Eligible Employee again, special rules apply. See the “Break in Service Rules” section for more information.

## YOUR PROGRAM BENEFITS

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### KEY POINTS

- *If you have a Vested Interest when your Termination of Employment occurs, you are eligible to receive a Pension Benefit.*
- *The Program has two (2) types of Pension Benefits: a Normal Retirement Pension and an Early Retirement Pension.*

### Who Is Eligible for a Pension Benefit

As a Participant, you are eligible for a Pension Benefit, only if you satisfy both of the following:

- You have a Termination of Employment.
- You have a Vested Interest at the time of your Termination of Employment.

Upon your death, your survivors also may be eligible for benefits under the Program. See the “Survivor Benefits” section for more information about these benefits.

### Types of Pension Benefits

If you are a Participant, you are entitled to receive one (1) of two (2) types of Pension Benefits depending on your age and Term of Employment:

- If your Termination of Employment date is on or after your Normal Retirement Age, you are entitled to receive a Normal Retirement Pension.
- If your Termination of Employment date is before your Normal Retirement Age and you have a Vested Interest, you are entitled to receive an Early Retirement Pension (see the “Early Retirement Pension” section for more information).

### Term of Employment

Term of Employment (also known as credited service or net credited service or NCS) means a period of employment with your Employer (based on your Periods of Service) as determined by your Employer and the Plan Administrator. The calculation of Term of Employment is subject to special rules and provisions described in other sections of this SPD. See the “Break in Service Rules” section, the “Effect of Rehire Within the AT&T Controlled Group” section and the “Moving Between Members of the AT&T Controlled Group” section for more information. Also, refer to “Mandatory Portability Agreement and Interchange Agreements” section for more information about special rules and provisions that apply to the calculation of Term of Employment.

## HOW TO EARN A VESTED INTEREST

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As a Participant, you will have a Vested Interest when you are credited with three (3) or more Years of Vesting Service or when you reach Normal Retirement Age while an Employee. You earn one (1) Year of Vesting Service when you complete a 12-month Period of Service. Different rules apply if your Termination of Employment occurred before Jan. 1, 2010. Contact the Recordkeeper for more information.

## HOW YOUR PENSION BENEFITS ARE CALCULATED

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### KEY POINTS

- *Your Pension Benefit is a monthly pension benefit that begins on your Normal Retirement Age if it is a Normal Retirement Pension or earlier in the case of an Early Retirement Pension.*
- *Your Pension Benefit is determined based on your Cash Balance Account.*
- *Your Cash Balance Account is equal to the sum of your opening account balance plus any earned Basic Benefit Credits, Interest Credits and any Promotion Credits.*

### Normal Retirement Pension

Your Pension Benefit is a monthly pension benefit that begins on your Normal Retirement Age if it is a Normal Retirement Pension, or earlier in the case of an Early Retirement Pension. Your Normal Retirement Pension, or Early Retirement Pension, is determined based on your Cash Balance Account. The following sections describe how the Cash Balance Account is calculated.

- **Special Rule for Participants With a Termination of Employment Before July 1, 1995**

*You are not eligible for a Cash Balance Account. See Attachment 1 for what Pension Benefits apply to you.*

*Note: Your Pension Benefit is calculated as of your Benefit Commencement Date. Exceptions to this may apply to certain terminations.*

### Your Cash Balance Account

Your Pension Benefit under the Program is your Cash Balance Account. Your Cash Balance Account is a hypothetical account to which Basic Benefit Credits, Interest Credits and Promotion Credits, if applicable, are credited in the Recordkeeper's recordkeeping system. There is not an actual account holding your Cash Balance Account. Your Cash Balance Account is part of the overall Pension Fund.

If you first become a Participant in the Program after July 1, 1995, your opening Cash Balance Account will equal zero dollars (\$0). Your Cash Balance Account is equal to zero dollars (\$0) when you first become a Participant.

- **Special Rule for Employees With a Pension Benefit as of July 1, 1995**

*You have an opening Cash Balance Account equal to your accrued benefit as of July 1, 1995, under the prior pension formula of the Program, converted to a lump sum amount using the Program factors as of that date. Contact the Recordkeeper for more information.*

If you were covered under another Plan program and you transfer to this Program, your opening Cash Balance Account will equal zero dollars (\$0) unless you already have a Cash Balance Account in this Program.

- **Special Rule for Certain Rehired Employees**

*You may be eligible for an opening Cash Balance Account. See the "Moving Between Members of the AT&T Controlled Group" section for more information.*



### ***Adding Basic Benefit Credits to Your Cash Balance Account***

Your Cash Balance Account increases as Basic Benefit Credits are added. Basic Benefit Credits are credited monthly on the last day of each calendar month (or on your date of Termination of Employment or transfer, if earlier).

#### ***The Amount of Your Basic Benefit Credits***

The amount of your Basic Benefit Credit will equal one-twelfth (1/12<sup>th</sup>) of your applicable annual service credit, as determined under *Attachment 2*, based on your Pension Compensation and Service Category. Your Service Category equals the sum of your completed years, months and days of Pension Calculation Service. Your Service Category is determined on a monthly basis on the first day of each month.

Your Pension Compensation is determined annually, during the fourth (4<sup>th</sup>) calendar quarter, for Basic Benefit Credits to be earned in the following year. If you are hired after eligible Pension Compensation is determined, your Pension Compensation will be determined as of your date of hire.

Pension Compensation includes the following:

- Base pay rate.
- Differentials (evening, night and bilingual).
- Team Award Performance payments and Stock Appreciation payments.
- Success Sharing Plan payments that are not contributed to a Health Reimbursement Account (HRA), as determined by the Applicable Collective Bargaining Agreement.
- **Special Rules for Employees of AT&T East Core Contract – CWA District 1**  
*If you are in a leveraged job title (as determined under the collective bargaining agreement), target incentive payments (as defined under the applicable collective bargaining agreement) are included in your Pension Compensation.*

*Note: Other older payments may also be included in Pension Compensation. For more information contact the Recordkeeper.*

**IMPORTANT:** Non-cash payments (e.g. trips, appliances, gift certificates, etc., associated tax gross-up payments), cash payments made to Employees that do not meet the requirements of incentive compensation plans, and Team Based Incentive Plan Payments are **not** eligible Pension Compensation.

**EXAMPLE:** Assume your Pension Calculation Service is seven (7) years and your Pension Compensation is \$55,000, your annual Basic Benefit Credit (from *Attachment 2*) would be \$2,225, which is a monthly Basic Benefit Credit of \$185.42 (\$2,225 divided by 12).

- **Special Rule for Part-Time Employees**

*The amount of your monthly Basic Benefit Credit is adjusted if you are classified as a part-time Employee. Your employment status is determined monthly on the first day of each month. The adjustment is based upon the number of hours you are scheduled to work (excluding overtime) compared to a full-time work schedule, as determined by your*

Employer. The Basic Benefit Credit described above is multiplied by this ratio to determine your applicable Basic Benefit Credit.

**EXAMPLE:** Assume your Pension Calculation Service is 14 years and your Pension Compensation is \$49,000. Assume a full-time work schedule is 40 hours. Also assume you are an Eligible Employee who worked part-time for 28 hours a week.

Your annual Basic Benefit Credit of \$2,600 would be prorated as follows:

$$28 \text{ hours} / 40 \text{ hours} = 0.70$$

$$\$2,600 / 12 = \$216.67$$

$$\$216.67 \times 0.70 = \$151.67/\text{month}$$

Note: No adjustment will be made for part-time service granted for up to three (3) months following your return from an approved family care Leave of Absence.

- **Special Rule for New Hires, Rehires and Terminated Employees**

The amount of your Basic Benefit Credit is adjusted if you are hired, rehired, you transfer or your employment ends. The adjustment is based upon the actual service earned compared to the actual number of calendar days in that month. The Basic Benefit Credit described above is multiplied by this ratio to determine your applicable Basic Benefit Credit.

**EXAMPLE:** Assume your Termination of Employment is March 12, 2014, and you have Pension Calculation Service of seven (7) years. Also assume your Pension Compensation is \$97,350.

Your annual Basic Benefit Credit of \$3,950 would be prorated as follows:

$$12 \text{ days} / 31 \text{ days} = 0.387$$

$$\$3,950 / 12 = \$329.17$$

$$\$329.17 \times 0.387 = \$127.39/\text{month}$$

- **Special Rules for Employees With a Leave of Absence**

If you are on a Leave of Absence as of the first day of any month, you will not be eligible to receive a Basic Benefit Credit for that month, unless you are on a military, union or public office Leave of Absence.

#### Pension Calculation Service

Generally, Pension Calculation Service is the combined period(s) of continuous employment included in your Term of Employment, but generally only includes your continuous employment with a Participating Company. However, your Pension Calculation Service does not include any Period of Service that is used to calculate a pension benefit payable under another program of the Plan or any other pension plan or program maintained by the AT&T Controlled Group or an Interchange Company. Additionally, your Pension Calculation Service will not be less than your Term of Employment.

- **Special Rule for Employees Who Have Been Transferred From Certain Bargained Positions or Demoted From Certain Management Positions**

*Your Pension Calculation Service may include service earned under certain bargained program(s) or from certain management program(s) from which you were transferred or demoted. See the "Moving Between Members of the AT&T Controlled Group" section for more information.*

- **Special Rule for Employees Who Have Service Recognized by the Mandatory Portability Agreement (MPA)**

*If your pension is transferred from another Bell System pension plan into this Plan in accordance with the MPA, service from your former Interchange Company will be included in your Pension Calculation Service. There may be a reduction based on any benefit paid from your prior plan. See the "Mandatory Portability Agreement and Interchange Agreements" section for more information.*

- **Special Rule for Employees Who Have Service Under Another Pension Plan or Program Maintained by the AT&T Controlled Group**

*If the Program requires that the service from the other plan or program be recognized, the benefit under the Program will be reduced by the benefit payable from such other plan or program.*

### ***Adding Promotion Credits to Your Cash Balance Account***

Your Cash Balance Account will be credited with a one-time Promotion Credit following six months of continuous service in the new position if all of the following occur:

- You are promoted or transferred to a new job title or classification covered by the Program on or after July 1, 2004.
- Your annual Basic Benefit Credit is higher than your previously held position.
- You remain continuously employed in the new position for six (6) months.

### ***The Amount of Your Promotion Credit***

The amount of the Promotion Credit will be the difference between the annual Basic Benefit Credit for the new job and the annual Basic Benefit Credit for the old job, multiplied by your Pension Calculation Service as of the date you attained six months of continuous service in the new position.

### ***Adding Interest Credits to Your Cash Balance Account***

In addition to your Basic Benefit Credits, your Cash Balance Account will also be credited with Interest Credits beginning the month after your Cash Balance Account is first credited with Basic Benefit Credits. Interest Credits are added to your Cash Balance Account up to the last day of the month immediately preceding the date your pension payments begins, even after your Termination of Employment.

### ***The Amount of Your Interest Credit***

The amount of Interest Credits added to your Cash Balance Account is equal to the interest crediting rate, multiplied by your total Cash Balance Account as of the last day of the prior month (that is, before the Basic Benefit Credits are added for that month). The interest crediting rate is a monthly rate that when compounded equals the annual rate of four percent (4%).

**EXAMPLE:** Assume that the balance of the Cash Balance Account on the last day of the previous month was \$10,000 and the monthly Basic Benefit Credit is \$275. The amount of Interest Credits applied to the Cash Balance Account for the month would be \$32.70 (\$10,000 times 0.327 percent, which is four percent (4%) of annual interest converted to a monthly rate).

The balance of the Cash Balance Account at the end of the month would be:

Previous Balance	\$10,000
Basic Benefit Credit	\$275
Interest Credit	\$32.70
New Account Balance	\$10,307.70

- **Special Rule for any Participant who was an Eligible Employee on or after Aug. 8, 2009**

*Effective Oct. 1, 2013 the interest crediting rate is equal to the annual rate of 30-year U.S. Treasury securities published as of November in the prior calendar year but shall not be less than four percent (4%). Contact the Recordkeeper for more information about the current interest crediting rate. See the "Contact Information" section for information on how to contact the Recordkeeper.*

- **Special Rule for New Participants**

*When you first become a Participant, your Cash Balance Account will be credited with Basic Benefit Credits and Interest Credits beginning as of the later of either:*

- *The date you became an Eligible Employee*
- *The date that is twelve (12) months prior to the date you first became eligible to participate.*

## **2012 Cash Balance Credit**

Each Participant employed by a Participating Company during Plan Year 2012 and covered by the AT&T East Core Contract – CWA District 1 will receive a one-time credit to their Cash Balance Account. Cash Balance Account credits will be determined as monthly amounts equal to one-twelfth (1/12th) of the annual service credit. This determination is based on Pension Compensation and Years of Pension Calculation Service, determined under the table in Attachment 4 to this SPD, as of the end of each 2012 calendar month through the earlier of (i) Dec. 31, 2012, or (ii) the date the individual ceases to be a Program Participant. The annual equivalent of these monthly amounts, as determined under the preceding sentence, will be allocated to the Cash Balance Account as of Dec. 31, 2012, as the 2012 Cash Balance Credit.

## **2013 Cash Balance Credit**

Each Participant employed by a Participating Company during Plan Year 2013 and covered by the AT&T East Core Contract – CWA District 1 will receive a one-time credit to their Cash Balance Account. Cash Balance Account credits will be determined as monthly amounts equal to one-twelfth (1/12th) of the annual service credit. This determination is based on Pension Compensation and Years of Pension Calculation Service, determined under the table in Attachment 5 to this SPD, as of the end of each 2013 calendar month through the earlier of (i) Dec. 31, 2013, or (ii) the date the individual ceases to be a Program Participant. The annual

equivalent of these monthly amounts, as determined under the preceding sentence, will be allocated to the Cash Balance Account as of Dec. 31, 2013, as the 2013 Cash Balance Credit.

## EARLY RETIREMENT PENSION

### KEY POINTS

- *If you have 30 or more years of service or are at least age 55 with 20 or more years of service at your Termination of Employment and you elect your Pension Benefit as an annuity, your Early Retirement Pension will be calculated using the Enhanced Annuity.*
- *If you do not qualify for the Enhanced Annuity, your Pension Benefit is reduced by a factor that is based on your age at your Benefit Commencement Date.*

You may receive your Pension Benefit early if you meet the eligibility requirements and fulfill the election and consent requirements outlined in the “Time of Payment” section.

### Eligibility

You may elect to receive your Pension Benefit before your Normal Retirement Age as an Early Retirement Pension. The amount of your Early Retirement Pension depends on your age, Term of Employment, and the form of payment that you elect.

If you are a Regular Employee (as defined in the applicable bargaining agreement), elect an annuity (or a Partial Lump Sum) and meet one (1) of the following age and Term of Employment combinations on or before your Termination of Employment, you qualify for the Enhanced Annuity:

Age	Term of Employment
Any age	30 years
55	20 years

See the “Form of Payment” section for more information about annuity options.

### Amount for Participants Who Are Eligible for the Enhanced Annuity

If you are eligible for an Enhanced Annuity as described above, your Early Retirement Pension will equal the amount of your Cash Balance Account divided by 119.04. The result is your Single Life Annuity.

**EXAMPLE:** Assume you have a Term of Employment of 30 years when you have a Termination of Employment and your Cash Balance Account at your Termination of Employment is \$100,000. To determine the amount of your Early Retirement Pension, divide your Cash Balance Account at Termination of Employment by 119.04. (\$100,000 divided by 119.04 = \$840.05).

The amount of your Early Retirement Pension is \$840.05/month.

## Amount for Participants Who Are Not Eligible for the Enhanced Annuity

If you do not meet the requirements for the Enhanced Annuity described above, the Recordkeeper determines the amount of your Early Retirement Pension derived from your Cash Balance Account as follows:

- Step 1:** Project your Cash Balance Account with Interest Credits to your Normal Retirement Age.
- Step 2:** Convert the projected Cash Balance Account in Step 1 to an Actuarially Equivalent Single Life Annuity using your Normal Retirement Age.
- Step 3:** Convert the projected Single Life Annuity at Normal Retirement Age in Step 2 to an Actuarially Equivalent Single Life Annuity using your age as of your Benefit Commencement Date.

**EXAMPLE:** Assume the same facts as the above example, except the Term of Employment is less than 30 years and the Participant is age 50. Also assume that the applicable interest rate used in determining Actuarial Equivalence is 4 percent. The Recordkeeper determines the amount of your Early Retirement Pension as follows:

**Step 1:** Project your Cash Balance Account with Interest Credits to your Normal Retirement Age ( $\$100,000 \times [1.04^{65-50}] = \$180,094.35$ ).

**Step 2:** Convert the projected Cash Balance Account in Step 1 to an Actuarially Equivalent Single Life Annuity using the Normal Retirement Age and the applicable interest rate ( $\$180,094.35$  divided by 12.8691 divided by 12 =  $\$1,166.19$ ).

**Step 3:** Convert the projected Single Life Annuity at Normal Retirement Age in Step 2 to an Actuarially Equivalent Single Life Annuity using your age as of your Benefit Commencement Date (age 50) and the applicable interest rate ( $\$1,166.19 \times 0.3742 = \$436.39$ ).

The amount of your Early Retirement Pension is  $\$436.39/\text{month}$ .

## TIME OF PAYMENT

### KEY POINTS

- *Your Benefit Commencement Date is when your Pension Benefit is paid.*
- *You may elect to receive your Pension Benefit following your Termination of Employment.*
- *If you make no election, your Benefit Commencement Date is your Normal Retirement Age, which is usually your sixty-fifth (65<sup>th</sup>) birthday.*

The date that your Pension Benefit is paid (or begins to be paid) from this Program is called your Benefit Commencement Date. The following sections describe how that Benefit Commencement Date is determined.

- **Special Rule for Small Pension Benefits**

*If the present value of your Pension Benefit does not exceed five thousand dollars (\$5,000) when you have a Termination of Employment with the AT&T Controlled Group, the following Benefit Commencement Date rules do not apply. Instead, your benefit will be distributed or “rolled over” to an individual retirement account. See the “General Plan Information” section for additional information about the Mandatory Cash-Out/Rollover Rules.*

## **Eligibility to Elect Your Pension Benefit**

You may elect any day after your Termination of Employment to begin receiving your Pension Benefit. If you do not wish to immediately elect to receive your Pension Benefit, you may elect to start receiving your Pension Benefit as of the first (1<sup>st</sup>) day of any month following your Termination of Employment and before reaching your Normal Retirement Age. Contact the Recordkeeper, before the date you want payments to start, for more information about making an election. See the “Contact Information” section for information on how to contact the Recordkeeper.

You must start your Pension Benefit by the later of the day you reach your Normal Retirement Age or the day after your Termination of Employment. If you do not make a payment election by that time, then the Program will begin paying you a Joint and 50 Percent Survivor Annuity (if you have a Spouse) or a Single Life Annuity (if you do not have a Spouse). See the “Forms of Payment” section for more information about your payment options.

### **Normal Retirement Age**

Your Normal Retirement Age is your sixty-fifth (65<sup>th</sup>) birthday or, if later, the fourth (4<sup>th</sup>) anniversary of the date you began participating in the Plan.

**EXAMPLE:** If you began participating Dec. 1 at age 63, you reach Normal Retirement Age four years later, on Dec. 1, at age 67.

## **How to Begin Payment of Your Pension Benefit**

You should contact the Recordkeeper when you are ready to begin payment of your Pension Benefit. See the “Contact Information” section for information on how to contact the Recordkeeper. The Recordkeeper will provide a notice to you when you are eligible for a Pension Benefit (when you reach age sixty-five (65) or, if earlier, when you contact them – whichever occurs first). The notice will explain the terms and conditions of the available forms of payment. The notice will also inform you on how to make the election and the time period for doing so.

You must file a benefit election form within the time and manner required by the Plan Administrator in order to elect one (1) of the alternate forms of payment. The election must be made no less than thirty (30) days and no more than one hundred and eighty (180) days before your Benefit Commencement Date. (If you make an affirmative election, the 30-day period can be shortened to seven (7) days.)

If you have a Spouse when your Pension Benefit payments begin, your election to receive an alternate form of payment will not be effective unless your Spouse consents. Your Spouse’s consent must be witnessed by a notary public and will be valid only with respect to the Spouse who signs it. However, your Spouse will not need to consent to an optional form of payment that provides a survivor annuity benefit to the Spouse that is at least as valuable as the 50% J&S.

## FORMS OF PAYMENT

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### KEY POINTS

- *Your Pension Benefit will be paid to you automatically as a monthly pension when you reach Normal Retirement Age, unless you elect otherwise.*
- *If you do not have a Spouse on your Benefit Commencement Date, a Single Life Annuity will be the automatic form of payment. If you have a Spouse on your Benefit Commencement Date, a Joint and 50 Percent Survivor Annuity will be the automatic form of payment.*
- *If you do not want the automatic form of payment, you may elect one (1) of several alternate forms of payment.*

If you have a Vested Interest in your Pension Benefit when you terminate employment with all members of the AT&T Controlled Group, your Pension Benefit will be paid in the following applicable monthly pension form, unless you make an election for an alternate form of payment:

- If you do not have a Spouse on your Benefit Commencement Date, your Pension Benefit will be paid in a Single Life Annuity.
- If you have a Spouse on your Benefit Commencement Date, your Pension Benefit will be paid in a Joint and 50 Percent Survivor Annuity.

Once payment of your benefit has commenced, you **CANNOT** change the form of payment.

See the “How to Begin Payment of Your Pension Benefit” section for more information on how to commence your Pension Benefit.

- **Special Rule for Small Pension Benefits**

*If the present value of your Pension Benefit does not exceed five thousand dollars (\$5,000) when you have a Termination of Employment with the AT&T Controlled Group, the following forms of payment rules do not apply. Instead, your benefit will be distributed or “rolled over” to an individual retirement account. See the “General Plan Information” section for information about the Mandatory Cash-Out/Rollover Rules.*

### Monthly Annuities

There are four (4) types of annuities:

- Single Life Annuity
- Joint and 50 Percent Survivor Annuity (50% J&S)
- Joint and 75 Percent Survivor Annuity (75% J&S)
- Annuity with Lump Sum Certain

#### **Single Life Annuity**

A Single Life Annuity is a series of monthly payments that begin on your Benefit Commencement Date and end when you die. No payments are made after your death.

If you do not have a Spouse on your Benefit Commencement Date, your Pension Benefit will be paid to you in the form of a Single Life Annuity.



If you have a Spouse on your Benefit Commencement Date and he or she consents and signs the necessary waiver, you may elect the Single Life Annuity as an alternate form of payment. See the "How to Begin Payment of Your Pension Benefit" section for more information about spousal consent.

If your Pension Benefit begins before your Normal Retirement Age, the monthly amount is equal to your Early Retirement Pension. If your Pension Benefit begins on or after your Normal Retirement Age, the monthly amount is equal to your Normal Retirement Pension.

### ***Joint and 50 Percent Survivor Annuity***

The 50% J&S form of payment provides monthly payments to you and your Spouse or Legally Recognized Partner. Payments begin on your Benefit Commencement Date and end when you die. Each monthly payment equals ninety percent (90%) of the monthly amount that would be payable to you as a Single Life Annuity (see the "Single Life Annuity" section above). After your death, fifty percent (50%) of the monthly amount that was paid to you while you were alive will be paid to your Spouse or Legally Recognized Partner. Payments stop when your Spouse or Legally Recognized Partner dies.

**EXAMPLE:** Assume your Pension Benefit calculated as a Single Life Annuity is \$800 per month. Under the 50% J&S, your monthly benefit is equal to ninety percent (90%) of your Single Life Annuity. Your monthly pension as a 50% J&S is \$720 (\$800 times ninety percent (90%)). After your death, your Spouse or Legally Recognized Partner will receive monthly payments of \$360 (\$720 times fifty percent (50%)).

**IMPORTANT:** If you have a Spouse on your Benefit Commencement Date, your Pension Benefit will be paid in the form of the 50% J&S, unless you elect another form of payment (see the "How to Begin Payment of Your Pension Benefit" section). This automatic default will not apply if you have a Legally Recognized Partner.

If you are receiving a 50% J&S and your Spouse or Legally Recognized Partner dies before you, the monthly amount paid to you increases. The amount of the increase will equal the Single Life Annuity amount by which your Pension Benefit was originally reduced. However, if your Benefit Commencement Date was before March 31, 1995, this increase will not apply unless you satisfied the Modified Rule of 75 on your Termination of Employment.

### ***Joint and 75 Percent Survivor Annuity***

If you have a Spouse or Legally Recognized Partner on your Benefit Commencement Date, you may elect the 75% J&S as an alternate form of payment. The 75% J&S form of payment provides monthly payments to you and your Spouse or Legally Recognized Partner. Payments begin on your Benefit Commencement Date and end when you die. Each monthly payment equals eighty-five percent (85%) of the monthly amount that would be payable to you as a Single Life Annuity (see the "Single Life Annuity" section). After your death, seventy-five percent (75%) of the monthly amount that was paid to you while you were alive will be paid to your Spouse or Legally Recognized Partner. Payments stop when your Spouse or Legally Recognized Partner dies.

**EXAMPLE:** Assume your Pension Benefit calculated as a Single Life Annuity is \$800 per month. Under the 75% J&S, your monthly benefit is equal to eighty-five percent (85%) of your Single Life Annuity. Your monthly pension as a 75% J&S is \$680 (\$800 times eighty-five percent (85%)). After your death, your Spouse or Legally Recognized Partner will receive monthly payments of \$510 (\$680 times seventy-five percent (75%)).

If you are receiving a 75% J&S and your Spouse or Legally Recognized Partner dies before you, the monthly amount paid to you increases. The amount of the increase will equal the Single Life Annuity amount by which your Pension Benefit was originally reduced. However, if your Benefit Commencement Date was before Mar. 31, 1995, this increase will not apply unless you satisfied the Modified Rule of 75 on your Termination of Employment.

### ***Annuity with a Lump Sum Certain***

If you make the election within the 180-day period beginning on your Termination of Employment, you may elect the Annuity with a Lump Sum Certain as an alternate form of payment. The Annuity with a Lump Sum Certain form of payment provides monthly payments to you and your Spouse or Legally Recognized Partner beginning on your Benefit Commencement Date with a lump sum payment provided to your estate, your Spouse's estate or your Legally Recognized Partner's estate. The annuity portion of this form of payment is determined by multiplying your Single Life Annuity or 50% J&S by the lump sum certain factors provided in *Attachment 3*. The lump sum portion of this form of payment is determined by calculating the amount of your lump sum as of your Benefit Commencement Date and subtracting the amount of monthly payments paid. If you have a Spouse on your Benefit Commencement Date, your Spouse must consent and sign the necessary waiver to elect an Annuity with a Lump Sum Certain (see the "How to Begin Payment of Your Pension Benefit" section).

**EXAMPLE:** Assume you are age 65 when you have a Termination of Employment, the lump sum payable at termination is \$216,000 and the Single Life Annuity is \$1,500 per month. The lump sum certain factor for age 65 is 0.939. The Single Life Annuity portion is determined as follows:

$$\$1,500 \times 0.939 = \$1,408.50/\text{month}$$

Additionally, assume you die after receiving 100 payments. The remainder paid to your estate as a lump sum is determined as follows:

**Step 1:**  $\$1,408.50 \times 100 = \$140,850$

**Step 2:**  $\$216,000 - \$140,850 = \$75,150$

The lump sum paid to your estate is \$75,150.

- **Special Rule for Temporary Employees**

*You are **not** eligible to elect the Annuity with a Lump Sum Certain.*

## **Lump Sum Distributions**

### ***Full Lump Sum***

You may elect to receive a Full Lump Sum as an alternate form of payment at any time after your Termination of Employment. You will not receive a monthly Pension Benefit if you elect a Full Lump Sum distribution.

### Amount of Lump Sum

The amount of the Full Lump Sum is equal to the greater of your Cash Balance Account or the Actuarial Equivalent of your Normal Retirement Pension.

**EXAMPLE:** Assume you have a Termination of Employment at age 50 with less than 30 years of Term of Employment and your Cash Balance Account at your Termination of Employment equals \$100,000. Also assume that the applicable interest rate used in determining Actuarial Equivalence is 4 percent. The Recordkeeper determines the amount of your Full Lump Sum as follows:

- Step 1:** Project your Cash Balance Account with Interest Credits to your Normal Retirement Age ( $\$100,000 \times [1.04^{65-50}] = \$180,094.35$ ).
- Step 2:** Convert the projected Cash Balance Account in Step 1 to an Actuarially Equivalent Single Life Annuity using the Normal Retirement Age and the applicable interest rate ( $\$180,094.35 / 12.8691 / 12 = \$1,166.19$ ).
- Step 3:** Convert the Single Life Annuity in Step 2 to a Lump Sum using your age as of your Benefit Commencement Date and the applicable interest rate ( $\$1,166.19 \times 12 \times 6.6440 = \$92,978$ ).
- Step 4:** Compare the Lump Sum result from Step 3 to your Cash Balance Account at Termination of Employment to determine the greater amount ( $\$92,978 < \$100,000$ ).

The amount of your Full Lump Sum is \$100,000.

- **Special Rule for Participants Who Are Eligible for the Enhanced Annuity**

*If you elect the Full Lump Sum, you are not eligible for the Enhanced Annuity. See the "Early Retirement Pension" section for more information about the Enhanced Annuity.*

**IMPORTANT:** If you take a lump sum distribution and are later re-employed by an AT&T Controlled Group, the prior distribution may reduce the monthly pension to which you would otherwise be entitled on your later retirement. See the "Effect of Rehire Within the AT&T Controlled Group" section for more information.

### **Partial Lump Sum**

You may elect to receive a Partial Lump Sum (twenty-five percent (25%) or fifty percent (50%)) as an alternate form of payment if you make the election within the 180-day period beginning on your Termination of Employment. The Partial Lump Sum form of payment provides monthly payments to you and your Spouse or Legally Recognized Partner, beginning on your Benefit Commencement Date, with a lump sum payment provided to you on your Benefit Commencement Date. The annuity portion of this form of payment is determined by multiplying your Single Life Annuity or 50% J&S by either twenty-five percent (25%) or fifty percent (50%), as elected. The lump sum portion of this form of payment is determined by calculating the amount of your lump sum as of your Benefit Commencement Date and multiplying it by either twenty-five percent (25%) or fifty percent (50%), as applicable.

**EXAMPLE:** Assume your lump sum is \$250,000 (which is equal to your Cash Balance Account) and you are age 65 on your Benefit Commencement Date. Your Single Life Annuity would be \$1,736.11. If you elect to take a twenty-five percent (25%) Partial Lump Sum, then your lump sum payment would be \$62,500 ( $\$250,000 \times 0.25$ ). The remainder of your Pension Benefit payable as a Single Life Annuity payment would be \$1,302.08 ( $\$1,736.11 \times 0.75$ ).

- **Special Rule for Temporary Employees**

*You are not eligible to elect the Partial Lump Sum.*

**IMPORTANT:** If you take a lump sum distribution and are later re-employed by an AT&T Controlled Group, the prior distribution may reduce the monthly pension to which you would otherwise be entitled on your later retirement. See the "Effect of Rehire Within the AT&T Controlled Group" section for more information.

### ***Lump Sum Repayments After Recall***

#### ***Eligibility to Repay a Lump Sum Payment***

If you meet all of the conditions below, you may repay your lump sum payment to the Plan, provided you repay in accordance with the time periods set forth in the "Repayment of a Lump Sum Payment" section below.

#### ***Conditions That Must Be Met***

All four of the following conditions must be met before you are eligible to repay your lump sum to the Plan:

- You have a Termination of Employment with your Employer that is classified as a "layoff" by the Employer, in accordance with an Applicable Collective Bargaining Agreement.
- You receive a lump sum from the Plan in connection with the layoff.
- You are rehired or recalled from the layoff in accordance with the appropriate collective bargaining agreement.
- The rehire or recall occurs no later than the recall rights allowed under the Applicable Collective Bargaining Agreement.

#### ***Repayment of a Lump Sum Payment***

If you are eligible to repay a lump sum after rehire or recall from a layoff, you can repay the lump sum (plus eight and one-half percent (8.5%) interest through the date of repayment) to the Plan until March 15, 2010, or, if later, within ninety (90) days of your recall or rehire. If you repay the lump sum (plus applicable interest) to the Plan, your service and benefit under the Plan will be determined as if you never received the lump sum.

**IMPORTANT:** The Plan will **not** be keeping track of any tax basis you may have in the amounts that you repay. You may wish to consult your tax advisor to determine whether you will have any tax basis in the repayment upon a subsequent distribution and, if so, what documentation you may need to keep with regard to that tax basis.

### **Lump Sum Repayments After Reinstatement**

If you received a lump sum payment from the Program following a Termination of Employment, through a settlement, award or order involving litigation, arbitration or a grievance under an Applicable Collective Bargaining Agreement, you are permitted to repay your prior lump sum. In this situation, the rules below apply:

- Repayment may be made only to the extent it is consistent with the terms of the settlement, award or order requiring the reinstatement.
- You must make your repayment as required by the Plan Administrator.
- Interest will be required on the repaid amount.

## **SURVIVOR BENEFITS**

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### **KEY POINT**

- *If you die before your Benefit Commencement Date, your Spouse, Legally Recognized Partner or other Designated Beneficiary may be eligible for a benefit under this Section.*

- **Special Rules for Small Survivor Benefits**

*Special time and form of payment rules apply to survivor benefits that are subject to the automatic cash-out provisions described in this SPD. See the "General Plan Information" section for information about the Mandatory Cash-Out/Rollover Rules.*

If you die before your Benefit Commencement Date and have a Vested Interest, your Spouse, Legally Recognized Partner or your Designated Beneficiary will receive a benefit under this section.

### **Annuity Amount**

Your Spouse may elect to receive a Single Life Annuity equal to the Actuarial Equivalent of the Cash Balance Account, based on your Spouse's age as of your date of death and the amount of your Cash Balance Account as of the Benefit Commencement Date.

### **Single Lump Sum**

Your Spouse or a Designated Beneficiary may elect to receive the survivor benefit in the form of a single lump sum equal to your Cash Balance Account balance.

### **No Spouse or Designated Beneficiary**

If you die before your Benefit Commencement Date without a Spouse or Designated Beneficiary, a single lump sum equal to your Cash Balance Account balance will be paid in accordance with the "Designation of Beneficiaries" section. See the "Designation of Beneficiaries" section for more information on how to designate a beneficiary.

- **Special Rules for Participants Who Do Not Have a Cash Balance Account**

*Your Spouse must be married to you (or an individual must be designated as your Legally Recognized Partner) for at least one (1) year prior to your death in order to receive a survivor benefit. The survivor benefit will be monthly payments equal to fifty percent (50%) of the amount of the Pension Benefit that would have been payable to you if you had elected to receive your Pension Benefit in the form of a Single Life Annuity on the date the*

*survivor benefit begins. Your Spouse may elect to defer commencement of the survivor benefit until the date the Participant would have attained Normal Retirement Age. Your Legally Recognized Partner must commence payment within one (1) year after the Program Participant's date of death.*

## OTHER DEATH BENEFITS

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Other death benefits may be payable to your Spouse or other Eligible Beneficiaries as described below. These death benefits include:

- Active Employee Death Benefit
- Retiree Death Benefit

Your Spouse or other Eligible Beneficiaries will be eligible for other death benefits described in this section if you are a Death Benefit Eligible Participant. Death Benefit Eligible Participant means that you satisfy the eligibility rules for one of the death benefits described below.

Your death benefits will be based on Wages. Wages are defined as your base rate of pay (excluding overtime) as of the earlier of your retirement, death or Jan. 1, 1992. The amount of your Wages is subject to certain restrictions. Contact the Recordkeeper for more information about the amount of your Wages used to determine these death benefits. See the "Contact Information" section for information on how to contact the Recordkeeper.

**IMPORTANT:** These other death benefits may be reduced by similar accident and/or death benefits paid with respect to the Eligible Employee.

### Active Employee Death Benefit

#### ***Eligibility***

An Active Employee Death Benefit may be payable if you are a Death Benefit Eligible Employee who meets the requirements below and you die from illness or injury, including an accident on the job, that results in your death. You must meet both of the following:

- You were an Eligible Employee on your date of death.
- You were on the payroll of a Participating Company as of Sept. 17, 1989, and were not subsequently rehired.
- **Special Rule for Employees Who Transitioned to Cingular Wireless, LLC on Dec. 16, 2001**

*If you were on the active payroll of SNET Mobility, Inc. or SNET Cellular, Inc. on July 1, 2001, and you were subsequently rehired by a Participating Company as a Regular Employee anytime on or before April 1, 2004 through the SNET Transfer Bureau, you may be eligible for an Active Employee Death Benefit if you otherwise meet the requirements described above.*

Other restrictions may apply to the payment of the Active Employee Death Benefit.

#### ***Amount***

The maximum amount of the Active Employee Death Benefit is equal to one (1) year of Wages.

## Retiree Death Benefit

### *Eligibility*

A Retiree Death Benefit may be payable if you meet all of the requirements below:

- You die after your Termination of Employment.
- You were receiving a service pension under this Program as of Sept. 17, 1989, or you were eligible to receive a service pension under this Program or the SNET Management Pension Plan as of Sept. 17, 1989.
- You either:
  - Had a Termination of Employment before March 31, 1995, and you have **not** elected to receive your Pension Benefit in the form of a full lump sum; or
  - Had a Termination of Employment on or after March 31, 1995, and you have **not** elected to receive any portion of your Pension Benefit in the form of a lump sum.

### *Amount*

The maximum amount of the Retiree Death Benefit is equal to one (1) year of Wages.

### *Source*

The Retiree Death Benefit for Bargained Employees terminated before Jan. 1, 2009 or for any Management or Nonmanagement Nonunion Employee, regardless of termination date, will be paid from the AT&T Retiree Death Benefit Program under AT&T Umbrella Benefit Plan No. 1 if a former Employee or AT&T Umbrella Benefit Plan No. 3 if an active Employee. Benefits may be paid from a voluntary employees' beneficiary association trust or corporate assets.

Death Benefits for Bargained Employees terminating Jan. 1, 2009 and after are paid from the Pension Trust.

## Eligible Beneficiaries

Your Active Employee Death Benefit or Retiree Death Benefit will be paid to your Mandatory Beneficiary, if you have one, and otherwise to your Discretionary Beneficiary.

Each of the following individuals is considered a Mandatory Beneficiary in the following order:

- Your Spouse, if living with you at the time of your death.
- Your Legally Recognized Partner living with you at the time of your death, if you have no Spouse.
- Your dependent children under age twenty-three (23) (or over age twenty-three (23) and incapable of self-support).
- Your dependent parents living with you or in a home you provide.

Discretionary Beneficiaries are any other relatives who were dependent on you and are receiving, or entitled to receive financial support from you and who demonstrate a financial need after your death.

### **Payment of Retiree Death Benefits**

If there is more than one eligible beneficiary, the Retiree Death Benefit will be paid in the following amounts to the following eligible beneficiary:

- If you have one or more Mandatory Beneficiaries, the Program will pay the maximum amount for the Retiree Death Benefit. If there is more than one Mandatory Beneficiary, the Plan Administrator may divide the Retiree Death Benefit among the Mandatory Beneficiaries in any manner or proportion it determines in its sole discretion.
- If there is no Mandatory Beneficiary, the Plan Administrator may pay any amount of the Retiree Death Benefit it determines in its sole discretion (up to the maximum for the Retiree Death Benefit) to a Discretionary Beneficiary. The Plan Administrator may consider the degree of dependency and other factors it considers relevant in making the payment decision.
- If there is no beneficiary qualified to receive the Retiree Death Benefit, or if the amount of the benefit is less than the maximum amount allowed by the Program, the Plan Administrator may authorize the payments be used to defray the necessary expenses related to your death, but not to exceed five hundred dollars (\$500) for your burial. In any case, Retiree Death Benefits and/or other payments will not add up to more than the maximum applicable Retiree Death Benefit.

### **Miscellaneous Information**

Your Active Employee Death Benefit or Retiree Death Benefit, as described in this section, may be paid in a lump sum or in installments at the discretion of the Plan Administrator, except as provided below for certain Retiree Death Benefits. However, payments may not extend beyond five years after your death.

The Retiree Death Benefit for Bargained Employees terminated before Jan. 1, 2009 or for any Management or Nonmanagement Nonunion Employee, regardless of termination date, will be paid in the form of a lump sum.

### **Claims Deadline**

All claims for Active Employee Death Benefits or Retiree Death Benefits must be made within one (1) year of your death.

## **BREAK IN SERVICE RULES**

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### **KEY POINTS**

- *A break in service occurs when you are not at work as scheduled.*
- *A break in your service may affect the date you begin or resume participating in the Program. It may also affect your eligibility for Pension Benefits, your Vested Interest, your Term of Employment and the amount of your Pension Benefits.*

The break in service rules are complex and are not fully described in this section. If you have any questions, please contact the Recordkeeper for more information. See the "Contact Information" section for information on how to contact the Recordkeeper.



*Note: Special provisions of the Mandatory Portability Agreement and other Interchange Agreements may also affect these break in service rules. See the “Mandatory Portability Agreement and Interchange Agreements” section for more information about these agreements.*

## How Your Service Is Used

Your service is used to determine when you become a Participant, your Term of Employment and when you have a Vested Interest under the Plan.

### **Year of Service**

Years of Service are used to determine when you become a Participant, when you have a Vested Interest under the Plan and your Term of Employment. You earn a Year of Service for every 12-month Period of Service. Period of Service is adjusted for any breaks in service (see the “How Breaks in Service Affect Your Service” section). Each 12-month Period of Service results in another year being added to your Term of Employment or is included in determining whether you are a Participant and whether you have a Vested Interest. See the “How to Earn a Vested Interest” section for more information about requirements for vesting, and see the “Eligibility and Participation” section for more information about requirements for participation.

*Note: Special rules apply if you were on a Military Leave of Absence. If you were on a Military Leave of Absence, please contact the Recordkeeper for more information about your eligibility to receive credit for that service.*

You stop earning service for all purposes on the date you have a Termination of Employment.

## How Breaks in Service Affect Your Service

### **Determining Your Vested Interest**

The chart below explains how breaks in service affect your service for the purpose of determining whether you have a Vested Interest.

<b>If You Have a Break in Service ...</b>	<b>How Your Years of Vesting Service Are Affected</b>
Before you have a Vested Interest	If your break in service is five (5) or more years, your prior Years of Vesting Service will <b>not</b> be counted. If your break in service is less than five (5) years, your prior Years of Vesting Service will be determined under the applicable bridging rules. Please contact the Recordkeeper for more information.
After you have a Vested Interest	You will continue to have a Vested Interest and your prior break in service will not have an effect.

## Determining Your Term of Employment

### In General

If you have a Termination of Employment or go on an unpaid Leave of Absence and you are rehired by a Participating Company or otherwise return to work, that absence will be considered a break in service. In that case, your Term of Employment will be determined only from the date you return to work. Your Term of Employment before the break in service will not be counted except as follows below:

If you are re-employed ...	Then ...
Following an absence of six months or less	The absence will be treated as an absence and not a break in service, and your prior Period of Service will be included in your Term of Employment immediately upon rehire. However, the period of absence will <b>not</b> be included.
Following an absence of more than six months	Your Term of Employment will only include service after your rehire. Your Period of Service before the break in service is not counted. However, if you complete five (5) years of continuous service after rehire, your prior service will be adjusted to include that prior period of employment.

- **Special Rule for Certain Temporary Layoffs**

*If you were rehired after Termination of Employment due to a temporary layoff from a bargained position (or if you were offered benefits under the SNET Management Severance Pay Plan before June 1, 1996 and you terminated before Jan. 1, 1997), you may be eligible to have your past service immediately bridged and receive service credit for up to the first six (6) months following your Termination of Employment due to the temporary layoff. Contact the Recordkeeper for more information regarding this special rule. See the "Contact Information" section for information on how to contact the Recordkeeper.*

- **Special Rule for Former Job Bank Employees**

*Additional rules may apply. Contact the Recordkeeper for more information regarding this special rule. See the "Contact Information" section for information on how to contact the Recordkeeper.*

### Break in Service Due to a Leave of Absence

Upon reinstatement from a Leave of Absence, the amount of service credit recognized under the applicable Leave of Absence policy of your Employer will be included in your Term of Employment.

### Special Rules for Litigation, Arbitration or Grievance

If you are rehired by a member of the AT&T Controlled Group after a Termination of Employment in accordance with a settlement, an award or an order involving either litigation, arbitration or a grievance under an applicable collective bargaining agreement, special rules may apply. Contact the Recordkeeper for more information about these agreements.

## EFFECT OF REHIRE WITHIN THE AT&T CONTROLLED GROUP

If you are rehired by a member of the AT&T Controlled Group after receiving a lump sum or a monthly annuity from this Program, your opening Cash Balance Account balance upon rehire will be zero dollars (\$0). If you did not begin payment of your Cash Balance Account and then are rehired as an Eligible Employee, your prior Cash Balance Account will be credited with additional

Basic Benefit Credits and Interest Credits based on your Pension Compensation since your rehire and your Pension Calculation Service, including Pension Calculation Service that has not yet bridged. If you are receiving a monthly annuity from this Program, your monthly annuity will not be suspended upon rehire. In addition, the form of distribution of your prior annuity will not be changed as a result of your re-employment.

- **Special Rules for Employees With a Prior Termination Without a Cash Balance Account Who Had Not Begun to Receive Pension Benefits**

*Special rules apply to the treatment of the Pension Benefit you earned before your prior Termination of Employment that may result in a conversion of the prior Pension Benefit into an opening Cash Balance Account. The Pension Calculation Service that is used to determine your Basic Benefit Credit will not reflect your prior Periods of Service until your service would be counted under the "Break in Service Rules" section and "The Amount of Your Basic Benefit Credits" section. Contact the Recordkeeper for more information. See the "Contact Information" section for information on how to contact the Recordkeeper.*

## MOVING BETWEEN MEMBERS OF THE AT&T CONTROLLED GROUP

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If you move from this Program to another Plan program, your Cash Balance Account will remain in this Program and will continue to earn Interest Credits.

When you have a Termination of Employment, you will be eligible to receive a distribution of your available vested Pension Benefit from both this Program and any other applicable Plan program.

## CLAIMS PROCEDURES

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### KEY POINTS

- *You are not required to file a claim for your Pension Benefit under the Plan.*
- *If you think you are entitled to a benefit or a greater benefit under the Plan, you may file a claim for benefits in writing.*

There is no need to file a claim to begin payment of your Pension Benefit. However, you do need to elect to begin your Pension Benefit before reaching your Normal Retirement Age or to elect an alternate form of benefit. See the "How to Begin Payment of Your Pension Benefit" section for more information about beginning your Pension Benefit.

If you, your Spouse, Legally Recognized Partner or Designated Beneficiary (Claimant(s)), believes that he or she is entitled to a benefit or a greater benefit under the Plan, the Claimant may file a written claim with the Plan. An authorized representative of the Claimant may also file a claim on the Claimant's behalf. All claims for Plan benefits must be made in writing and sent to the Recordkeeper. See the "Contact Information" section for information on how to file a written claim for benefits.

If the Plan Administrator determines that a benefit or an additional benefit is owed under the Plan, payment will be made (or started, as applicable) as soon as administratively practicable after that determination. Those payments, however, will not begin before any limitation provided under the Plan.

*Note: Please contact the Beneficiary Designation Administrator to report a death. See the "Contact Information" section for information on how to contact the Beneficiary Designation Administrator.*

## NOTIFICATION OF BENEFIT DENIAL

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### KEY POINTS

- *You will receive a written notice (generally within ninety (90) days) from the Recordkeeper if your claim for benefits is denied.*
- *You have sixty (60) days after receipt of the Benefit Denial to submit a written request to appeal the decision.*
- *Generally, you will receive a final determination regarding your appeal within sixty (60) days of receipt of your appeal by the Recordkeeper.*
- *You may not file a lawsuit against the Plan until you complete the appeal process.*

If the Recordkeeper determines that a Claimant is not entitled to a Plan benefit or is entitled to a lesser benefit than the Claimant sought (a Benefit Denial), written notice will be provided. Unless the time period is extended as described below, this notice will be provided within ninety (90) calendar days of receipt of the claim by the Recordkeeper. (The notice will be provided within forty-five (45) calendar days if the benefit claim requires proof of a disability.) However, in some circumstances, an extension of this notice period is necessary. If so, the 90-day period may be extended for ninety (90) more calendar days. The 45-day period for disability-related claims may be extended for thirty (30) days and then for an additional thirty (30) days if necessary because of matters beyond the control of the Recordkeeper. The Claimant will receive notice of any extension before the initial notice period ends. The extension notice will state why more time is needed and the date by which a decision will be rendered.

If the benefit claimed is conditioned upon proof of a disability and if an extension is needed because the Claimant did not submit information necessary for the review of the claim, the Claimant will be given at least forty-five (45) calendar days to provide that information. The deadline to provide notice of the decision will be temporarily suspended during that 45-day period. If the Claimant fails to provide the requested information within that 45-day period, the Recordkeeper's decision will be made without regard to the requested information.

The Benefit Denial notice will be in writing and will contain all of the following information:

- The specific reason or reasons for the Benefit Denial.
- The specific Plan provisions on which the Benefit Denial is based.
- Any additional information necessary for the Claimant to perfect the claim and an explanation of why it is necessary.

- A statement that the Claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim for benefits.
- A description of the Plan's review procedures with respect to the Benefit Denial and the time limits applicable to that review. This will include a statement of the right to bring an action under section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA) after the end of the Recordkeeper's review.
- If proof of a disability is required for the benefit claimed, the Benefit Denial will also contain the following information:
  - Any internal rule, guideline, protocol or other similar criterion relied upon in making the Benefit Denial decision. (Alternatively, the notice may state that the rule, guideline, protocol or other criterion will be provided free of charge upon request.)
  - An explanation of the scientific or clinical judgment for the determination and how the terms of the Plan were applied to the Claimant's medical circumstances if the Benefit Denial is based on medical necessity, experimental treatment or a similar exclusion or limit. (Alternatively, the notice may state that an explanation will be provided free of charge upon request.)

## How to Appeal a Benefit Denial

A Claimant who receives a Benefit Denial notice is entitled to appeal the decision. The Claimant may have the decision fully reviewed by the Benefit Plan Committee if the appeal is timely and properly submitted. To appeal, the Claimant must submit a written request for review, which must include all reasons why the Claimant believes the claim should be reconsidered. The written request must be sent to the Recordkeeper. See the "Contact Information" section for information on where to appeal a Benefit Denial.

The Claimant must request the appeal in writing no later than sixty (60) calendar days after receiving the notice of Benefit Denial. If the Claimant has not received a notice of Benefit Denial, the Claimant must request the appeal in writing no later than sixty (60) calendar days after the last date that notice of Benefit Denial should have been sent by the Recordkeeper. If the benefit claim is conditioned upon proof of a disability, this 60-day period is extended to one hundred and eighty (180) calendar days. See the "Notification of Benefit Denial" section for information about the notification.

If an appeal is submitted after this 60-day (or 180-day) deadline, the appealed claim will not be eligible for review by the Benefit Plan Committee. In addition, the Claimant will have failed to exhaust his administrative remedies under the Plan. See the "Importance of Exhausting Administrative Remedies" section for more information.

As part of the review process, the Claimant may have access to all administrative files generated during the claim and copies of those files free of charge. The Claimant may also submit written comments, documents, records and other information relating to the claim. All of this information will be taken into account in the review.

If the benefit claimed is conditioned upon proof of a disability, the following provisions also apply to the review of the initial Benefit Denial:

- Deference will not be given to the initial Benefit Denial.
- The reviewer on appeal will not be the same person who made the initial Benefit Denial or someone who reports to that person.
- If the initial Benefit Denial was based on a medical judgment, the reviewer will consult with a qualified health care professional who has appropriate training and experience in the field. The health care professional will not be someone who was involved in the initial Benefit Denial or someone who reports to that person.

In making the final decision on review of the initial Benefit Denial, the Benefit Plan Committee has full and complete discretion to interpret all Plan terms and make all factual determinations associated with the review.

### **Notice of Final Determination on Appeal**

Unless the time period is extended as described below, written notice of the final benefit determination under review will be provided to the Claimant within sixty (60) calendar days after the Recordkeeper receives the appeal request. However, in some circumstances, an extension of this notice period is necessary. If so, the 60-day period may be extended for sixty (60) more calendar days. The Claimant will receive notice of any extension before the initial notice period ends. The extension notice will state why more time is needed and the date by which a decision will be rendered.

If the benefit claimed is conditioned upon proof of a disability and if an extension is needed because the Claimant did not submit information necessary for the review of the claim, the Claimant will be given at least forty-five (45) calendar days to provide that information. The deadline to provide notice of the decision will be temporarily suspended during that 45-day period. If the Claimant fails to provide the requested information within that 45-day period, the Benefit Plan Committee's decision will be made without regard to the requested information.

If the Benefit Plan Committee determines that a benefit or an additional benefit is owed under the Plan, payment will be made (or started, as applicable) as soon as administratively practicable after that determination (or, if later, as provided under the Plan).

If the appeal is denied, the written notice provided to the Claimant will contain all of the following information:

- The specific reason or reasons for the appeal denial.
- The specific Plan provisions on which the appeal denial is based.
- A statement that the Claimant may request and receive reasonable access to all administrative files generated during the appeal and copies of those files free of charge.
- A statement indicating that there are no additional voluntary appeal procedures offered by the Plan.

- A statement of the Claimant's right to bring an action under section 502(a) of ERISA.
- If proof of a disability was required for the benefit claimed, the appeal denial will also contain the following additional information:
  - Any internal rule, guideline, protocol or other similar criterion relied upon in making the Benefit Denial decision. (Alternatively, the notice may state that the rule, guideline, protocol or other criterion will be provided free of charge upon the Claimant's request.)
  - An explanation of the scientific or clinical judgment for the determination and how the terms of the Plan were applied to the Claimant's medical circumstances if the Benefit Denial is based on medical necessity, experimental treatment or a similar exclusion or limit. (Alternatively, the notice may state that an explanation will be provided free of charge upon the Claimant's request.)

### **Importance of Exhausting Administrative Remedies**

Timely completion of the claims procedures described in this "Notification of Benefit Denial" section is very important. If a Claimant fails to comply with the claims procedures set forth in this section (for example, the Claimant does not appeal a Benefit Denial or fails to appeal within the specified time limits), the Claimant may not try to appeal the claim at a later time. The Claimant also may not bring a lawsuit based on the claim.

No lawsuit may be brought with respect to Plan benefits until all claims procedures have been exhausted with respect to all issues in question.

### **Time to File Suit**

Any suit based on a denial of eligibility and/or for benefits must be filed no later than five (5) years from the date of final determination by the Benefit Plan Committee.

If you wish to bring legal action concerning your right to participate in the Plan or your right to receive any benefits under the Plan, you must first file a claim for benefits and go through the ERISA (see the "ERISA Rights of Participants" section) claim and appeal process. A legal action should not be filed until you complete the claim and appeal process. Legal action involving the Plan should be filed directly against the Plan.

## ADMINISTRATION OF THE PLAN

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### KEY POINTS

- *The Benefit Plan Committee is responsible for appeals of claims under the Plan and Plan interpretations.*
- *The Benefit Plan Investment Committee is responsible for investing the Pension Fund.*
- *The Plan Administrator is responsible for all other Plan administration.*

### Plan Administrator

The Plan Administrator is responsible for:

- Determining (1) your eligibility to participate in the Plan, (2) the right of a person to a benefit under the Plan, (3) the amount of any Plan benefit, (4) the full and absolute discretion to interpret the terms of the Plan and (5) the final decision on all appeals of Benefit Denials. See the “Claims Procedures” section for more information about Benefit Denials. The authority to interpret the terms of the Plan and to hear and decide appeals is currently delegated to the Benefit Plan Committee.
- Investing the Pension Fund. This responsibility is currently delegated to the Benefit Plan Investment Committee.
- All other Plan administration purposes.

The Plan Administrator has all powers necessary to accomplish its Plan duties. This includes the complete and absolute discretion to interpret the Plan and all matters of fact with respect to its particular duties. The Plan Administrator is identified in the “Other Plan Information” section.

### Delegation of Duties

The Plan Administrator may delegate any of its powers or duties with respect to the administration of the Plan and the Pension Fund. However, any delegation by the Plan Administrator of its authority to review and decide any appeal of a Benefit Denial, or its discretion to interpret the Plan with respect to an appeal, must be in writing.

## AMENDMENT OR TERMINATION OF THE PLAN

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AT&T Inc. has the right to amend the Plan at any time. If the Plan is terminated or partially terminated (as defined under applicable law), you will receive a Vested Interest in your Pension Benefit. See the “How to Earn a Vested Interest” section for more information on how to attain a Vested Interest.

If the Plan is amended or terminated (in whole or in part) or if a Participating Company ends its participation in the Plan or ceases to provide Plan benefits, you may not be eligible to receive benefits as described in this SPD. You may also lose future benefit coverage under the Plan. However, no amendment or termination may reduce the amount of any benefit that you have earned as of the amendment or termination date except as otherwise required or permitted by law or under the pre-amended Plan terms.

It is expected that the Plan will have enough money to pay the benefits of all Plan participants. If there are insufficient funds, you may not receive the entire benefit to which you have become



entitled. However, see the next section for a description of when unfunded benefits will be covered by the Pension Benefit Guaranty Corporation.

## PENSION BENEFIT GUARANTY CORPORATION

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### KEY POINTS

- *Your Pension Benefit is federally insured by the PBGC.*
- *There are limits on the type of pension benefits and the amount that is insured.*
- *In some circumstances, you may not receive all of your Pension Benefit.*

Your Pension Benefit is insured by the Pension Benefit Guaranty Corporation (PBGC). The PBGC is a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay certain Plan benefits. Most people receive all of the Pension Benefits they would have received under the Plan. However, some people may lose certain benefits.

The PBGC guarantee generally covers normal and early retirement benefits, certain disability benefits if you become disabled before the Plan terminates and certain benefits for your survivors. The PBGC guarantee generally does not cover the following benefits:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates.
- Some or all of the benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates.
- Benefits that are not vested because you do not have a Vested Interest.
- Benefits for which you have not met all requirements at the time the Plan terminates.
- Certain early-retirement payments, such as supplemental benefits that stop when you become eligible for Social Security, that result in an early-retirement monthly benefit greater than your monthly benefit at your Normal Retirement Age.
- Non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain benefits are not guaranteed, you may still receive some of those benefits from the PBGC depending on how much money the Plan has at termination and on how much the PBGC collects from AT&T and each Participating Company.

For more about the PBGC and the benefits that it guarantees, ask the Recordkeeper or contact the PBGC at:

Technical Assistance Division  
1200 K St. N.W., Suite 930  
Washington, D.C. 20005-4026

You may also call the PBGC at:

**202-326-4000** (domestic phone number)

**800-400-7242** (toll-free number)

TTY/TDD users may call the federal relay service toll free at **800-877-8339** and ask to be connected to **202-326-4000**.

Additional information about the PBGC is available through the PBGC's website at **pbgc.gov**.

## GENERAL PLAN INFORMATION

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### KEY POINTS

- *Generally, Plan assets may only be used to pay benefits to you and your beneficiaries and reasonable administrative expenses of the Plan and Pension Fund.*
- *If you get divorced or are legally separated, the Plan must pay to your Spouse or former Spouse all or a portion of your Plan benefit if required by a Qualified Domestic Relations Order (QDRO).*
- *You must keep a current mailing address for you, your Spouse, Legally Recognized Partner or Designated Beneficiaries on file with the Plan.*
- *Certain provisions described in the Program reflect those provisions to which your Employer and the union representing you have agreed.*

### Top-Heavy Rules

Certain provisions of the Plan are required by law to take effect automatically if the Plan is classified as "top-heavy." A top-heavy plan is one in which the sum of the accrued benefits of "key employees" (as defined in the Internal Revenue Code) exceeds sixty percent (60%) of the sum of the accrued benefits of all Employees. In the unlikely event that the Plan is determined to be top-heavy, the Participating Companies may be required to provide a minimum benefit on behalf of all non-key employees, and a special vesting schedule may be used to accelerate vesting for non-key employees who have not yet acquired a Vested Interest at the time of such top-heavy status.

You will be informed if the Plan is determined to be top-heavy for a Plan Year.

### No Assignment of Benefits

The assets of the Plan are for the exclusive benefit of you and your beneficiaries and for the payment of reasonable administrative expenses of the Plan and Pension Fund. Except as otherwise required by law or by a "Qualified Domestic Relations Order" (QDRO) (as described below), your benefits under the Plan may not be claimed by any person to whom you owe a debt, nor can your beneficiary transfer any rights to these benefits to any person. This means that you may not sell, assign, pledge or otherwise transfer your Plan benefit before it is distributed to you, nor is your Plan benefit subject to most attachments, garnishments, executions or encumbrances before it is distributed to you.

As required by federal law, the Plan will pay all or a portion of your Plan benefit in compliance with a QDRO, a court order issued under a state domestic relations law that has been qualified by the Plan. A QDRO transfers all or a portion of your Plan benefit to an "alternate payee" in connection with a divorce, legal separation, custody or support proceeding that meets certain requirements outlined in the Internal Revenue Code and ERISA. The alternate payee under the QDRO may be your Spouse, former Spouse, child or other dependent. The QDRO may relate to child support, alimony payments or marital property rights and may direct payment of all or part of your benefit to the alternate payee.

If you or the alternate payee becomes a party to a divorce or legal separation that affects Plan benefits, you or the alternate payee (or his or her attorney) should contact the Recordkeeper to inform the Plan of the proceeding. You also can obtain a copy of the Plan's QDRO Procedure, provided free of charge.

## No Double Crediting of Benefits

If you have earned a benefit under more than one Plan program, the benefit payable under this Program will take into account the corresponding benefit earned under any other program(s).

**IMPORTANT:** You are not entitled to double crediting of compensation, service or any other factor in calculating any benefit under any program. There will be an offset to the extent necessary to prevent any double crediting.

## Direct Rollover of Pension Benefit

You (or any eligible recipient) may elect to have all or any part of your benefit that constitutes an Eligible Rollover Distribution paid directly to an Eligible Retirement Plan.

An Eligible Rollover Distribution is a Pension Benefit paid in a lump sum. An Eligible Retirement Plan is any one or more of the following plans that agree to accept the direct rollover:

- A qualified plan described in section 401(a) of the Internal Revenue Code.
- An IRA.
- A qualified annuity described in section 403(a) of the Internal Revenue Code.
- A tax-sheltered annuity described in section 403(b) of the Internal Revenue Code.
- An eligible 457(b) governmental plan that meets the requirements described in section 457(b) of the Internal Revenue Code.

If an eligible recipient elects to receive a Pension Benefit that is also an Eligible Rollover Distribution, a mandatory twenty percent (20%) withholding tax will be deducted from the distribution. If an eligible recipient instead elects a direct rollover to an Eligible Retirement Plan, no tax will be withheld.

## Missing Participants and Beneficiaries

You must keep your current mailing address and the current mailing addresses of your Spouse, Legally Recognized Partner or Designated Beneficiaries on file with the Plan. See the "Information Changes and Other Common Resources" section for more information about how to keep your mailing addresses current. If you do not provide the Plan with current mailing addresses, the Recordkeeper, the Plan Administrator, the Trustee, the Participating Companies and any fiduciary under the Plan will not be responsible for any late or lost benefit payments or for failing to provide notice in a timely manner under the terms of the Program. If the Plan Administrator cannot locate you, your Spouse, Legally Recognized Partner or Designated Beneficiaries after a Plan benefit becomes payable to such person, the benefit will remain in the Pension Fund and will not revert to any state or to any other party. After satisfying all requirements imposed by law, any unclaimed amount will be forfeited. If, after the forfeiture of a benefit, you, your Spouse, Legally Recognized Partner or Designated Beneficiaries later make a valid claim for the forfeited benefit, the amount will be paid under the terms of the Program.

## Designation of Beneficiaries

You can designate a beneficiary to receive the lump sum distribution of your Survivor Benefit if it is based on your Cash Balance Account. You must designate a Beneficiary using the form and process established by the Beneficiary Designation Administrator. The Beneficiary Designation form can be found on the Beneficiary Designation Administrator's website. For information on contacting the Beneficiary Designation Administrator, see the "Contact Information" section.

You may name a Beneficiary(ies) to receive Pension Benefits from the Program in the event of your death:

- If you are married, your Spouse must be your Designated Beneficiary. In order to choose another Person or trust you must have the written consent of your Spouse to choose someone else to receive all or part of your Pension Benefit as a Beneficiary.

**IMPORTANT:** If you are an active married Employee and name a Beneficiary other than your Spouse before the year you turn the age of 35, your beneficiary designation for Pension Benefits will become void at the end of the year during which you turn the age of 34. You must complete a new Beneficiary Designation form. You must have the written consent of your Spouse if you wish to designate someone other than your Spouse as sole primary Beneficiary.

- If you are single, or your Spouse has given written consent, you may designate a Person or trust to receive all of part of your Pension Benefit.

*Note: Special rules apply if you want to designate a minor or an estate to receive your Program benefits. Contact the Beneficiary Designation Administrator for further information.*

*Note: Special rules also apply if you remarry, divorce or if a Beneficiary caused your death. Contact the Beneficiary Designation Administrator for further information. If you remarry or divorce, you should change your beneficiary designation. As a part of a divorce you may be required to give up a portion of your Pension Benefit to your former Spouse based on a Qualified Domestic Relations Order. See the "General Plan Information" section for more information on Qualified Domestic Relations Order.*

### **Information Requests.**

Upon your death, your Spouse, a Beneficiary, the executor of your will, the administrator of your estate, or another personal representative should call the Beneficiary Designation Administrator to report your death to AT&T. See the "Contact Information" section for contact information.

After reporting a Participant's death, you will be asked to provide proof of death. You may also be asked to provide other information related to a Designated Beneficiary (for example a Social Security Number (SSN), Taxpayer Identification Number (TIN) or current address).

The following may be used as proof of death:

- A certified copy of a death certificate issued by an official or agency at which the death occurred that shows the place of death, cause of death, date and time of death, and the identity of the deceased individual.
- A certified copy of any report or record of a governmental agency, domestic or foreign, showing that a Person is missing, detained or dead, and the dates, circumstances and places disclosed by the report.

If a Designated Beneficiary cannot be found the administrator will follow its procedures for locating the Beneficiary. If your missing Beneficiary's portion is not claimed by the missing Beneficiary within one (1) year of your death, the Program Administrator, in its sole discretion, will distribute that beneficiary's share as if your missing Beneficiary had died before you.

Although you are not required to update your Beneficiary designation, it is recommended that you do so when certain life events occur (for example, getting married or divorced, having or adopting a child, or losing a loved one).

***Release of Liability for Payment of Survivor Benefits.***

The receipt by a trustee or custodian of your Program benefits in accordance with your Beneficiary designation fully discharges the Program Administrator and the Beneficiary Designation Administrator from all liability.

If there is doubt as to a Beneficiary's rights to a distribution by any claimant, the Program Administrator has a right, in its sole discretion, to require an indemnity bond protecting the Program Administrator and Beneficiary Designation Administrator for the distribution and to deposit the amount in question with a court of law, which will then handle the distribution, or to ask that the parties adjudicate their respective rights.

If the Program Administrator distributes Program benefits in accordance with your beneficiary designation or the Program, if any, and if the distribution is done in good faith and in reliance on the information provided, then the Program Administrator and Beneficiary Designation Administrator, any person to whom authority has been delegated to make any determinations of fact or eligibility for benefits under the Program and all Participating Companies will be released from all claims arising from the distribution and will be discharged from any and all claims and liabilities arising from the distribution.

In particular, the release and discharge will occur even if information supplied by your Beneficiaries or others that is relied on in good faith by the Program Administrator or Beneficiary Designation Administrator later turns out to have been inaccurate or incomplete.

The Program Administrator or Beneficiary Designation Administrator may discharge any such liability as to any claimant by sending a notice by registered or certified mail to the claimant and the Persons named in a request for execution of Beneficiary designation at the addresses given in the notice of claim and request for execution of Beneficiary designation, containing the following:

- The amount to be distributed.
- The persons to whom the distribution will be made.
- The respective amounts payable to the persons to whom the distribution will be made.
- A statement that the distribution will be made in 30 days from the date of mailing unless the distribution is restrained by a court order.

The protections for the Program Administrator and Beneficiary Designation Administrator by the Program have no bearing on the rights of Persons in dispute among themselves or their successors concerning the beneficial ownership of your Program benefits, as affected by your death.

**Beneficiary Hierarchy.**

If you terminated employment after March 31, 1995 and you do not name a Beneficiary, or do not have your Beneficiary Designation form approved by the Beneficiary Designation Administrator prior to your date of death, your benefits will be paid in accordance with the following table:

If ...	Then Benefits From the Program Will Be Distributed to...
You are married...	Your Spouse
You have a Legally Recognized Partner...	Your Legally Recognized Partner
You are not survived* by a Spouse or Legally Recognized Partner...	Your surviving* child** or children** in equal amounts***
You are not survived* by a Spouse, Legally Recognized Partner or a child**...	Your surviving* parent** or parents** in equal amounts***
You are not survived* by a Spouse, Legally Recognized Partner, child** or parent**...	Your surviving* sibling** or siblings** (including half blood) in equal amounts***
You are not survived* by a Spouse, Legally Recognized Partner child,** parent** or sibling**...	Your estate in accordance with the applicable laws of the state in which you resided immediately before your death that govern succession to property owned by you at death, unless the Program Administrator determines, in its sole discretion, that it is more appropriate to apply similar law of another state under the circumstances.
<p><i>*Your Beneficiary must survive for at least 120 hours after your death to be entitled to your Program Benefits. A Beneficiary not meeting the survival requirement is treated as if he or she died before your death. If the time of your death or the death of your Beneficiary cannot be determined, or if it cannot be established that a Beneficiary survived you by 120 hours, it will be deemed that the Beneficiary failed to survive you and the Program benefits will be distributed as if the Beneficiary had predeceased you.</i></p> <p><i>**The terms "child," "children," "parent" or "sibling" refer to individuals who are related by birth or by adoption and not through marriage.</i></p> <p><i>***Benefits will be distributed on a per capita basis and not on a per stirpes basis, which means that all surviving individuals in one of the groups listed in this table will share your Program benefits on an equal basis, and no Program benefits will pass to the descendants of a deceased member of the group.</i></p>	

**Special Circumstances.**

The effect that certain special circumstances have on your Beneficiary Designation is detailed as described in the table below:

If ...	Then ...
Your Beneficiary is your Spouse and if you get divorced or have your marriage annulled...	Your Beneficiary Designation for your Spouse is revoked as of the date of the dissolution or annulment of your marriage. Your ex-Spouse's share or right to a share will be distributed as if he or she died before you.
You want to make your ex-spouse a valid Beneficiary...	You must complete a new Beneficiary Designation form(s) after the date your marriage was dissolved or annulled and, if you remarried, have the written consent of your new Spouse.
Your surviving* Beneficiary disclaims or waives part or all of his or her rights to your Proceeds...	That Person's waived portion will be distributed as if that Beneficiary died before you.

If ...	Then ...
You are single (including widows and widowers), have a Form on file, and later marry or remarry...	All previous Beneficiary Designation Form(s) will be revoked. Your new Spouse will be the sole Beneficiary of your Program benefits unless your new Spouse consents in writing to your designation(s) of another Beneficiary(ies).
Your Beneficiary Designation was made under duress, undue influence or by reason of fraud, or your Beneficiary caused or participated in causing your death...	<p>The Program Administrator, in its sole discretion, will determine, on the basis of all the facts and circumstances, whether it is likely that a civil jury would disqualify that Beneficiary from receiving any part of your Program benefits. If a Program Administrator makes this determination, that Beneficiary's portion will be deposited with the court for distribution in accordance with the Program.</p> <p>The Program Administrator will have no further liability to anyone with respect to those Program benefits.</p> <p>The decision of the Program Administrator is binding upon all Persons.</p>
<p><i>*Your Beneficiary must survive for at least 120 hours after your death to be entitled to your Program benefits. A Beneficiary not meeting the survival requirement is treated as if he or she died before your death. If the time of your death or the death of your Beneficiary cannot be determined, or if it cannot be established that a Beneficiary survived you by 120 hours, it will be deemed that the Beneficiary failed to survive you and the Program benefits will be distributed as if the Beneficiary had predeceased you.</i></p>	

## Collective Bargaining Agreements

The benefits and certain other provisions described in the Program reflect those provisions to which the Employers and the union representing you under this Program have agreed. Nothing in this SPD alters or amends what has been agreed to between the Employers and the union representing you under this Program.

## Mandatory Portability Agreement and Interchange Agreements

At the time of divestiture, the former Bell System Companies entered into the Mandatory Portability Agreement (MPA). The MPA provides special benefits and service provisions for Participants covered by the MPA. They override any contrary provisions in this SPD.

AT&T Inc. (or its predecessor) and/or the Employers also entered into other interchange agreements with certain affiliates or former affiliates. These other interchange agreements include special provisions that relate to the portability of retirement benefits and recognition of service. Those provisions may affect some Participants. They will override any contrary provisions in this SPD for those affected Participants.

However, if you are eligible for the MPA, you may elect to port your service or waive any and all portability of service in accordance with the procedures established by the Recordkeeper. You may wish to waive portability of past service in order to continue eligibility for the pension and other retiree benefits being received from the former employer. This decision will depend on your personal circumstances. It is your decision whether to waive portability. If you make this decision, it is irrevocable.

Special provisions apply if your prior pension benefit from a former employer was distributed in a lump sum payment.

If you have past service that may be eligible for porting under the MPA provisions or other interchange agreements, you may call the Recordkeeper for more information on the MPA and its

effect on benefits and to report previous work history. You may also request an MPA Employment Questionnaire. See the "Contact Information" section for information on how to contact the Recordkeeper.

### ***Rehire by an MPA Interchange Company***

If you are rehired by an MPA interchange company after receiving a lump sum benefit from the Plan and are covered under the MPA, you may repay the entire lump sum (plus interest) to the Plan (if required by the hiring company). This lump sum repayment must be made within the time period specified by the Plan Administrator's procedures. The Pension Benefit will then be transferred from the Plan to the applicable MPA interchange company plan.

## **Internal Revenue Code Limits on Plan Benefits**

The Internal Revenue Code sets a maximum amount for your Pension Benefit. In addition, your compensation taken into account to determine your Pension Benefit under the Program for a given Plan Year may not exceed a limit imposed by law. This limit occasionally changes, either to reflect increases in the cost of living or to reflect changes in the law itself.

## **Mandatory Cash-Out/Rollover Rules**

If you die or terminate employment with the AT&T Controlled Group and the present value of your Pension Benefit is one thousand dollars (\$1,000) or less, the benefit, if payable, will automatically be paid. It will be paid in a single lump sum payment as soon as administratively practicable after your death or Termination of Employment. No other time or form of payment is allowed. However, an election may be made to have the amount paid as a direct rollover. See the "Direct Rollover of Pension Benefit" section for more information on rollovers.

If the present value of your Pension Benefit is more than one thousand dollars (\$1,000) but not more than five thousand dollars (\$5,000), the benefit, if payable, will automatically be paid as a direct rollover to an individual retirement account (IRA) unless (1) there is an election to have the distribution paid in a single lump sum payment or (2) a different rollover election is made. See the "Direct Rollover of Pension Benefit" section for more information on rollovers.

If a benefit is automatically rolled over to an IRA, the IRA will be either a qualified safe harbor IRA (as defined by federal law) or an IRA selected by the Plan Administrator. Such IRA will be invested in a product designed to preserve principal and provide a reasonable rate of return and liquidity. Associated fees and expenses are the sole responsibility of the account holder. For more information, contact the Recordkeeper. See the "Contact Information" section for information on how to contact the Recordkeeper.

**IMPORTANT:** You may repay a Mandatory Cash-Out payment to the Plan if you are re-employed by a Participating Company. For more information, contact the Recordkeeper. See the "Contact Information" section for information on how to contact the Recordkeeper.



## ERISA RIGHTS OF PARTICIPANTS

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### KEY POINTS

- *ERISA is a federal law that provides certain rights and protections to all Participants.*
- *The persons who are responsible for the operation of the Plan have a duty to act prudently and in the interest of the Plan and its beneficiaries.*
- *No one may fire or discriminate against you for exercising your rights under ERISA.*

### Your ERISA Rights as a Participant

As a Participant, you are entitled to certain rights and protections under ERISA including:

- To examine without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts, collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan Administrator with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. See the "How to Obtain Information" section.
- To obtain copies of documents governing the operation of the Plan, including insurance contracts, collective bargaining agreements, copies of the latest annual report (Form 5500 Series) and an updated summary plan description (the Plan Administrator may make a reasonable charge for the copies), provided you make a written request to the following address:  
  
AT&T Services, Inc.  
Attn: Plan Documents  
P.O. Box 132160  
Dallas, TX 75313-2160
- To obtain a statement of your right to receive a pension at Normal Retirement Age and which benefits would be payable at Normal Retirement Age if you stopped working under the Plan immediately. And, if you do not have a right to a pension, to obtain a statement of the number of years you must work to obtain a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

### Plan Fiduciaries

In addition to creating rights for you as a Participant, ERISA imposes duties upon the persons who are responsible for operating the Plan. The persons who operate the Plan, called fiduciaries of the Plan, have a duty to act prudently and in the interest of you and your beneficiaries. No one, including your Employer, any union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Pension Benefit under the Plan or exercising your rights under ERISA.

### Enforcing Participants' Rights

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of the Plan documents or the latest annual report and do not receive the information within thirty (30) days, you may file suit in federal court. In such case, the court may require the Plan Administrator to provide the requested materials and pay you up to one hundred and ten dollars

(\$110) a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits under the Plan that is denied or ignored, in whole or in part, you have the right to know why this was done, to obtain without charge copies of documents relating to the decision and to appeal any denial (see the "Claims Procedures" section for more information on how to make a claim for benefits), all within certain time schedules. In addition, if you disagree with the Plan Administrator's final decision (or lack thereof), including any final decision concerning the qualified status of a Domestic Relations Order, you may file suit in federal court.

If it should happen that the Plan fiduciaries misuse the Plan's assets, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person whom you sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees (for example, if the court finds that your claim is frivolous).

## How to Obtain Information

If you have any questions about the Plan, you should contact the Recordkeeper for assistance. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration (EBSA), U.S. Department of Labor as listed in the telephone directory or at:

Division of Technical Assistance and Inquiries  
Employee Benefits Security Administration  
U.S. Department of Labor  
200 Constitution Ave., N.W.  
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## FUNDING OF THE PLAN

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### KEY POINTS

- *The Plan is funded by the AT&T Controlled Group.*
- *Employees may not make contributions to the Plan.*

### The Pension Fund

All contributions and earnings are held in the Pension Fund. The Pension Fund is the trust(s) established by AT&T Inc. to hold and invest those amounts. The Trustee of the Pension Fund is the person or entity responsible for the Pension Fund's assets. The Trustee is identified in the "Other Plan Information" section.

### Source of Plan Benefits

The Plan is funded only by contributions made by AT&T and the Participating Companies and the earnings on those contributions. Participants may not make contributions to the Plan. Such contributions will be held, invested and reinvested by the Trustee. As a Participant, you will not

have any right to, title to, or interest in any assets of the Pension Fund upon termination of your employment or otherwise, except as provided under the Plan, and then only to the extent of the benefits payable to you as a Participant out of the assets of the Pension Fund.

Pension Benefits and certain ancillary welfare benefits are payable from the Pension Fund. All expenses relating to the administration of the Plan may be paid from Plan assets, to the extent permitted under ERISA. Any expenses not paid from Plan assets will be paid by AT&T and/or the Participating Companies. Certain other welfare benefits provided under the Plan are paid by AT&T, the Participating Companies, a voluntary employees beneficiary association trust, or insurers, not from the Pension Fund.

## Restrictions Based on Funding Level

Federal law requires that the Plan apply certain restrictions if the Plan’s funding level falls below certain thresholds or if AT&T, or your Employer, goes into bankruptcy. Currently, the Plan is funded above those levels, and AT&T and the Participating Companies intend to continue funding the Plan at sufficient levels so that these restrictions will not apply. You will receive a notice if and when these restrictions become effective for the Plan. The restrictions, if applicable, could include:

- Limitation on the availability of lump sum distributions exceeding five thousand dollars (\$5,000);
- Limitation on plant shutdown and similar benefits;
- Limitation on Plan amendments increasing benefits; and
- Automatic freeze of future benefit accruals.

## OTHER PLAN INFORMATION

Other Plan Information	
Plan Name	AT&T Pension Benefit Plan
Program Name	East Program
Plan Number	006 (for pension and certain ancillary welfare benefits) 525 (for certain other welfare benefits) 600 or 603 (for other uninsured death benefits)
Plan Sponsor/Employer Identification Number (EIN)	AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 <b>210-351-3333</b> EIN 43-1301883
Plan Administrator	AT&T Services, Inc. P.O. Box 132160 Dallas, TX 75313-2160 <b>210-351-3333</b>

<b>Other Plan Information</b>	
Name and Address of Employer	Affiliates of AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 <b>210-351-3333</b>
Agent for Service of Legal Process	Process in legal actions in which the Plan is a party should be served on the Plan at the following address  CT Corporation 350 North St. Paul Street Dallas, TX 75201 <b>210-351-3333</b>  Service of Legal Process may also be made upon a Trustee.
Type of Plan	Defined benefit pension plan (with ancillary welfare benefits)
Plan Year	Jan. 1 through Dec. 31
Trustee	JPMorgan Chase Bank, N.A. 4 New York Plaza 17th Floor Mail Drop: NY1-E205 New York, NY 10004 Attn: AT&T Client Services
Plan Records	All Program records are kept on a calendar year basis beginning on Jan. 1 and ending on Dec. 31.
Collectively Bargained Plan	With respect to certain Eligible Employees, the Program is maintained pursuant to one or more collective bargaining agreements. A copy of the collective bargaining agreement may be obtained by Participants and beneficiaries whose rights are governed by such collective bargaining agreement upon written request to the Plan Administrator and also is available for examination by Participants and beneficiaries as specified under Department of Labor Regulations Section 2520.104b-30.

## DEFINITIONS

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**Actuarial Equivalent.** Equality in value determined using the 1994 Group Annuity Reserve mortality table published by the Internal Revenue Service and the Applicable Interest Rate for the calendar year in which the applicable event occurs (such as the Benefit Commencement Date or the date of the calculation). However, if a greater result would occur, Actuarial Equivalent will be determined using the interest rate specified under IRC section 417(e)(3)(C) determined as of November in the prior calendar year and the mortality table prescribed under IRC section 417(e)(3)(B).

**Annuity Starting Date.** See "Benefit Commencement Date."

**Applicable Interest Rate.** The interest rate for the 30-year U.S. Treasury securities published as of the November of the prior calendar year.

**AT&T Controlled Group.** AT&T Inc. and each of its subsidiaries and affiliates that are required to be aggregated under Section 414(b) or Section 414(c) of the Internal Revenue Code of 1986, as amended from time to time.

**Benefit Commencement Date. (also known as Annuity Starting Date)** The first (1<sup>st</sup>) day for which a Pension Benefit is payable, as described under the section titled "Forms of Payment."

**Cash Balance Account.** Your hypothetical account as determined in the "How Your Pension Benefits Are Calculated" section.

**Designated Beneficiary.** The individual who is designated as your beneficiary in accordance with the "Designation of Beneficiaries" section. "Beneficiary" for purposes of this section means the Person, trust, estate or other legal entity capable of owning property named by you in a Beneficiary Designation to receive Benefits in the event of your death. "Person" for purposes of this section includes living individuals, legal entities capable of owning property and fiduciaries.

**Early Retirement Pension.** Your Pension Benefit payable before your Normal Retirement Age. See the "Your Program Benefits" section and the "Early Retirement Pension" section.

**Eligible Employee.** An Employee of a Participating Company who has satisfied the Program's eligibility requirements as described in the "Eligibility and Participation" section.

**Employee.** Each: (a) individual who: (i) is classified on the payroll records of an Employer as a common law employee; and (ii) receives a regular and stated compensation, other than a pension or retainer, from that Employer in exchange for services rendered to that Employer; and (b) leased employee (if required by applicable law).

**Employer.** The Participating Company that employs the Employee.

**Interest Credits.** As defined in "The Amount of Your Interest Credit" section.

**Leave of Absence.** A leave of absence formally granted to an Employee in accordance with rules established by the Employer.

**Legally Recognized Partner.** An individual who is (i) a Registered Domestic Partner or (ii) an individual with whom you have entered into a same-gender relationship in accordance with state or local law that provides similar benefits, protections and responsibilities under state law as those afforded to a Spouse. For purposes of this definition, a "Registered Domestic Partner" is an individual with whom you have entered into a domestic partnership that has been registered with a government body.

**Modified Rule of 75.** You meet any of the following age and Term of Employment combinations at your Termination of Employment:

<b>Modified Rule of 75</b>	
<b>Age</b>	<b>Term of Employment</b>
Any age	30 years
50	25 years
55	20 years
65 or older	10 years

*Note: Employees who satisfy the Modified Rule of 75 on or before their Termination of Employment may also be eligible for certain retiree health and welfare benefits. Certain Employees hired or rehired before April 1, 1995, may be eligible for the Rule of 75. Refer to the relevant SPDs for more information about retiree coverage.*

**Nonmanagement Nonunion Employee.** Each Employee designated on the payroll records of a Participating Company as being **not** a management Employee and **not** covered by an Applicable Collective Bargaining Agreement.

**Normal Retirement Age.** Your sixty-fifth (65<sup>th</sup>) birthday or, if later, the fourth (4<sup>th</sup>) anniversary of the date you began participating in the Plan.

**Normal Retirement Pension.** Your Pension Benefit paid to you commencing on or after your Normal Retirement Age. See the "Your Program Benefits" section and the "How Your Pension Benefits Are Calculated" section.

**Participant.** An Eligible Employee who has satisfied the requirements for participation in the Program. See the "Participation" section.

**Pension Benefit.** A Normal Retirement Pension or Early Retirement Pension taken in any form of payment as described in this SPD. See the "Your Program Benefits" section.

**Pension Calculation Service.** As defined in the "How Your Pension Benefits Are Calculated" section.

**Period of Service.** Each period of your employment with your Employer beginning on your date of hire or rehire as applicable and ending on the date you terminate employment. Special rules may apply in how your Period of Service is calculated. Contact the Recordkeeper for more information.

**Spouse.** The individual, if any, who is recognized as a spouse under applicable state law.

**Term of Employment. (also known as net credited service or NCS)** A period of employment with your Employer as determined by your Employer and the Plan Administrator (based on your Periods of Service). Special rules may apply to how your Term of Employment is calculated. Contact the Recordkeeper for more information.

**Termination of Employment.** The date you terminate employment (for any reason with all members of the AT&T Controlled Group).

**Year(s) of Vesting Service.** As defined in the "How to Earn a Vested Interest" section.

## CONTACT INFORMATION

<b>Contact Information</b>	
<b>Vendor</b>	
Name	Fidelity Service Center
Type	Pension
Services Provided	Recordkeeper
<b>Vendor Contact Numbers</b>	
Domestic Telephone Number	<b>800-416-2363</b>
International Telephone Number	Dial your country's toll-free AT&T Direct Access number, then enter <b>800-416-2363</b> .
Hearing Impaired Telephone Number	<b>888-343-0860</b>
<b>Vendor Hours of Operation</b>	
Hours of Operation	<b>Service Center:</b> Monday through Friday from 7:30 a.m. to 11 p.m. Central time  <b>IVR System:</b> The automated voice response system is available 24 hours a day, seven days a week.
<b>Vendor Website</b>	
Website	<b>netbenefits.com/att</b>
<b>Vendor Mailing Address</b>	
<b>General Mailing Address</b>	
Mailing Address Information	General questions about the Plan may be sent to:
Domestic	Fidelity Service Center P.O. Box 770003 Cincinnati, OH 45277-0065
<b>Claims</b>	
Claims Information	Written claims for benefits under the Plan must be sent to:
Claims Regular	Fidelity Service Center Claims and Appeals P.O. Box 770003 Cincinnati, OH 45277-1060
Claims Overnight	Fidelity Service Center Claims and Appeals 100 Crosby Parkway, KC1F-D Covington, KY 41015
<b>Appeals</b>	
Appeals Information	Written appeals of a denied claim for benefits under the Plan must be sent to:

<b>Contact Information</b>	
Appeals Regular	Fidelity Service Center Claims and Appeals P.O. Box 770003 Cincinnati, OH 45277-1060
Appeals Overnight	Fidelity Service Center Claims and Appeals 100 Crosby Parkway, KC1F-D Covington, KY 41015
<b>Vendor Special Instructions</b>	
Instructions	<b>IMPORTANT:</b> You will need your Fidelity Service Center PIN and Social Security number/customer ID when you access the Fidelity NetBenefits website or automated voice response system, or call to speak to a service associate.

<b>Contact Information</b>	
<b>Vendor</b>	
Name	Fidelity Service Center
Type	Pension
Services Provided	Beneficiary Designation Administrator
<b>Vendor Contact Numbers</b>	
Contact Numbers Information	<p>Call the Fidelity Service Center to report the death of an Employee, former Employee or eligible beneficiary.</p> <p>You can call to ask questions about beneficiary designations and any beneficiary hierarchy that may apply. To see if your Program allows you to designate a beneficiary or if a beneficiary hierarchy applies to you, consult the "Designation of Beneficiary" section of your SPD for further information. (If you have submitted an AT&amp;T Beneficiary Designation to the Fidelity Service Center, service associates will be able to answer questions regarding the designation that you have on file.)</p> <p>You may create, update, print, or manage your beneficiary designations via the AT&amp;T Online Beneficiary tool available on the website. (Note: Some former Employees and former vested Employees may need to call the Fidelity Service Center for further assistance.)</p> <p>You may also request an AT&amp;T Beneficiary Designation Form by calling the Fidelity Service Center. An AT&amp;T Beneficiary Designation Form will be mailed to you within three (3) business days. Return completed AT&amp;T Beneficiary Designation Forms to the Mailing Address below.</p>
Domestic Telephone Number	<b>800-416-2363</b>



<b>Contact Information</b>	
International Telephone Number	Dial your country's toll-free AT&T Direct Access number, then enter <b>800-416-2363</b> .
Hearing Impaired Telephone Number	<b>888-343-0860</b>
<b>Vendor Hours of Operation</b>	
Hours of Operation	<b>Service Center:</b> Monday through Friday from 7:30 a.m. to 11 p.m. Central time <b>IVR System:</b> The automated voice response system is available 24 hours a day, seven days a week.
<b>Vendor Website</b>	
Website	<b>netbenefits.com/att</b>
<b>Vendor Mailing Address</b>	
<b>General Mailing Address</b>	
Domestic	Fidelity Service Center P.O. Box 770003 Cincinnati, OH 45277-0088
<b>Claims</b>	
Claims Information	Written claims about a denied beneficiary designation must be sent to:
Claims Regular	Beneficiary Designation Administrator P.O. Box 770003 Cincinnati, OH 45277-0072
<b>Appeals</b>	
Appeals Information	Written appeals about a denied beneficiary designation must be sent to:
Appeals Regular	Beneficiary Designation Administrator P.O. Box 770003 Cincinnati, OH 45277-0072

Contact Information	
<b>Vendor Special Instructions</b>	
Instructions	<p><b>IMPORTANT:</b> You will need your Fidelity Service Center PIN and Social Security number/customer ID when you access the Fidelity NetBenefits website or automated voice response system, or call to speak to a service associate. You do not need a Fidelity Service Center PIN or Social Security number/customer ID to report a death.</p> <p>All beneficiary designations made using the Online Beneficiary tool will be available for future viewing and updating at your convenience. Please note that you in some cases you may have to print your AT&amp;T Beneficiary Designation, gather additional signatures, and then return the Form before your AT&amp;T Beneficiary Designation is valid (for example, in cases for which spousal consent is required by the applicable benefit plan). Please follow the prompts for when a printed Form must be returned to the Fidelity Service Center.</p>

## INFORMATION CHANGES AND OTHER COMMON RESOURCES

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It's important to keep your work and home addresses current because the majority of your Benefits, payroll or similar information is sent to them. Please include any room, cubicle, apartment or suite number that will help make mail-routing more efficient.

### Active Employee Address and Telephone Number Changes

#### **For Employees with access to the Employee intranet:**

##### **Home and work address updates:**

- Go to the OneStop website (**onestop.att.com**) and select eLink (eCORP) under Tools & Resources.
- Enter your AT&T User ID and password for the AT&T Global Logon. (If you do not know your password, please follow the instructions on the screen.)
- Once logged on, click OK.
- On the eCORP home page, click on "Employee Services."  
*Note: Please be sure the far right-hand scroll bar is all the way to the top.*
- Select Personal Information.
- Select Maintain Addresses and Phone Numbers.
- To update your home address, select "Edit" at the bottom of the Permanent Residence box, make any necessary changes and click Save.
- To update your work address, select "Edit" at the bottom of the Cubicle/Office box, make any necessary changes and click Save.

#### **For Employees without access to the Employee intranet:**

Contact your supervisor or eLink assistant.

### Eligible Former Employee Home Address Changes

Call the Fidelity Service Center to change your address.

**Telephone numbers and dialing instructions:**

**800-416-2363**

**888-343-0860** (hearing impaired)

Dial your country's toll-free AT&T direct access number, and then enter **800-416-2363** (international).

**Hours of operation:**

Monday through Friday from 7:30 a.m. to 11 p.m. Central time

You will need your Fidelity Service Center PIN and Social Security number/customer ID when you call to speak to a service associate.

**IMPORTANT:** These instructions are also for recipients of long-term disability benefits, Employees on a leave of absence (LOA), as well as COBRA Participants, alternate payees and survivors who have a pension benefit (including a retiree death benefit) or savings plan benefit that has yet to be paid to you.

If you are not eligible to receive a pension or savings plan benefit or have already received your entire pension and savings plan benefits in a lump sum and are not eligible for a retiree death benefit from your pension plan, call the AT&T Benefits Center at **877-722-0020** to update your home address.

### AT&T Benefits Intranet and Internet Access

**Your Money Matters section of OneStop (Active Employees only)**

Go to the Your Money Matters section of **OneStop** at **onestop.att.com**.

**Your Money Matters section of access.att.com (Active Employees from home)**

Go to the Your Money Matters section of **access.att.com** (AT&T's secure Internet site) for benefits information at home.

**Your Benefits section of access.att.com (Employees and former Employees from home)**

Go to the Your Benefits section of **access.att.com** (AT&T's secure Internet site) for benefits information at home.

## ATTACHMENT 1: GROUPS FOR WHOM SPECIAL PROVISIONS APPLY

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If you are one of the groups below, special provisions apply to your benefits under this Program.

To obtain more information about these special provisions or to see if they apply to you, contact the Recordkeeper. See the "Contact Information" section for information on how to contact the Recordkeeper.

**Employees Affected by Certain Corporate Transactions.** In certain instances, Eligible Employees may receive additional recognition of service, compensation and/or benefit for specific purposes as a condition of certain corporate transactions (e.g., acquisitions, dispositions and joint ventures) or other corporate agreements (insourcing or outsourcing).

**Enhanced Pension Benefit.** If you were an Eligible Employee on March 31, 1995, you may also be eligible for the Enhanced Pension Benefit (EPB) formula. Upon your Termination of Employment, you will receive the greater of your Cash Balance Account or the EPB formula. Special rules for early commencement, forms of payment, and survivor benefits may apply if your Pension Benefit is calculated under the EPB formula.

**Recognition of Service for Certain Bargained Employees.** In certain instances, Eligible Employees may receive additional recognition of service for specific purposes as a result of certain agreements between an Employer and a union.

**Severance Substitution for Certain Bargained Employees.** You may be eligible to receive an additional benefit equal to one hundred and twenty percent (120%) of an otherwise applicable layoff or severance benefit if (i) you terminate employment on or after June 30, 2013, but on or before May 9, 2016, (ii) you satisfy the Modified Rule of 75 at Termination of Employment, (iii) your Termination of Employment is in connection with the elimination of certain jobs, in accordance with and as specified under the applicable collective bargaining agreement, and (iv) your work moves outside of Connecticut, also as determined in accordance with and as specified under the applicable collective bargaining agreement.

## ATTACHMENT 2: ANNUAL BASIC BENEFIT CREDITS TABLE

Beginning Jan. 1, 2011*								
Pension Compensation	Years of Pension Calculation Service Completed as of First Day of Month							
	0-4	5-9	10-13	14-18	19-23	24-28	29-33	34 and over
Less Than \$20,000	\$500	\$600	\$700	\$850	\$1,050	\$1,400	\$1,500	\$1,600
20,000 to \$22,500	\$525	\$625	\$725	\$875	\$1,100	\$1,475	\$1,575	\$1,675
22,500 to \$25,000	\$600	\$700	\$825	\$1,000	\$1,225	\$1,650	\$1,775	\$1,875
\$25,000 to \$27,500	\$650	\$775	\$900	\$1,100	\$1,375	\$1,825	\$1,950	\$2,075
27,500 to \$30,000	\$725	\$850	\$975	\$1,200	\$1,500	\$2,000	\$2,150	\$2,300
\$30,000 to \$32,500	\$775	\$925	\$1,075	\$1,300	\$1,625	\$2,175	\$2,325	\$2,475
\$32,500 to \$35,000	\$850	\$1,000	\$1,150	\$1,400	\$1,750	\$2,350	\$2,525	\$2,700
\$35,000 to \$37,500	\$925	\$1,100	\$1,300	\$1,575	\$1,925	\$2,625	\$2,800	\$2,975
\$37,500 to \$40,000	\$1,050	\$1,250	\$1,450	\$1,775	\$2,200	\$2,975	\$3,175	\$3,375
\$40,000 to \$42,500	\$1,175	\$1,400	\$1,625	\$1,975	\$2,450	\$3,325	\$3,550	\$3,775
\$42,500 to \$45,000	\$1,300	\$1,550	\$1,800	\$2,200	\$2,725	\$3,675	\$3,925	\$4,200
\$45,000 to \$47,500	\$1,425	\$1,700	\$1,975	\$2,400	\$2,975	\$4,025	\$4,300	\$4,600
\$47,500 to \$50,000	\$1,550	\$1,825	\$2,150	\$2,600	\$3,250	\$4,375	\$4,675	\$5,000
\$50,000 to \$52,500	\$1,675	\$1,975	\$2,325	\$2,825	\$3,500	\$4,725	\$5,050	\$5,400
\$52,500 to \$55,000	\$1,800	\$2,125	\$2,475	\$3,025	\$3,775	\$5,075	\$5,425	\$5,800
\$55,000 to \$57,500	\$1,925	\$2,225	\$2,600	\$3,175	\$3,950	\$5,325	\$5,675	\$6,050
\$57,500 to \$60,000	\$1,975	\$2,325	\$2,725	\$3,325	\$4,125	\$5,575	\$5,950	\$6,350
\$60,000 to \$62,500	\$2,075	\$2,450	\$2,875	\$3,475	\$4,325	\$5,850	\$6,225	\$6,650
\$62,500 to \$65,000	\$2,175	\$2,550	\$2,975	\$3,625	\$4,500	\$6,075	\$6,500	\$6,950
\$65,000 to \$67,500	\$2,275	\$2,625	\$3,075	\$3,750	\$4,675	\$6,300	\$6,750	\$7,200
\$67,500 to \$70,000	\$2,375	\$2,750	\$3,200	\$3,900	\$4,875	\$6,550	\$7,025	\$7,500
\$70,000 to \$72,500	\$2,475	\$2,850	\$3,325	\$4,050	\$5,075	\$6,800	\$7,300	\$7,800
\$72,500 to \$75,000	\$2,575	\$2,950	\$3,450	\$4,200	\$5,250	\$7,050	\$7,550	\$8,075
\$75,000 to \$77,500	\$2,650	\$3,050	\$3,575	\$4,350	\$5,425	\$7,300	\$7,825	\$8,350
\$77,500 to \$80,000	\$2,750	\$3,150	\$3,675	\$4,475	\$5,600	\$7,525	\$8,075	\$8,625
\$80,000 to \$82,500	\$2,825	\$3,250	\$3,800	\$4,625	\$5,800	\$7,775	\$8,350	\$8,925
\$82,500 to \$85,000	\$2,925	\$3,350	\$3,925	\$4,775	\$5,975	\$8,025	\$8,600	\$9,200
\$85,000 to \$87,500	\$3,000	\$3,450	\$4,025	\$4,900	\$6,150	\$8,250	\$8,850	\$9,450
\$87,500 to \$90,000	\$3,100	\$3,550	\$4,150	\$5,050	\$6,325	\$8,500	\$9,125	\$9,750

Beginning Jan. 1, 2011*								
Pension Compensation	Years of Pension Calculation Service Completed as of First Day of Month							
	0-4	5-9	10-13	14-18	19-23	24-28	29-33	34 and over
\$90,000 to \$92,500	\$3,175	\$3,650	\$4,275	\$5,200	\$6,500	\$8,750	\$9,375	\$10,025
\$92,500 to \$95,000	\$3,275	\$3,750	\$4,400	\$5,350	\$6,700	\$9,000	\$9,650	\$10,325
\$95,000 to \$97,500	\$3,350	\$3,850	\$4,500	\$5,475	\$6,875	\$9,225	\$9,900	\$10,575
\$97,500 to \$100,000	\$3,450	\$3,950	\$4,625	\$5,625	\$7,050	\$9,475	\$10,150	\$10,850
\$100,000 to \$102,500	\$3,525	\$4,050	\$4,750	\$5,775	\$7,225	\$9,725	\$10,425	\$11,150
\$102,500 to \$105,000	\$3,625	\$4,150	\$4,850	\$5,900	\$7,425	\$9,950	\$10,675	\$11,400
\$105,000 to \$107,500	\$3,700	\$4,250	\$4,975	\$6,050	\$7,600	\$10,200	\$10,950	\$11,700
\$107,500 to \$110,000	\$3,800	\$4,375	\$5,100	\$6,200	\$7,775	\$10,450	\$11,200	\$11,975
\$110,000 to \$112,500	\$3,875	\$4,450	\$5,225	\$6,350	\$7,950	\$10,675	\$11,450	\$12,250
\$112,500 to \$115,000	\$3,975	\$4,550	\$5,325	\$6,500	\$8,125	\$10,925	\$11,725	\$12,525
\$115,000 to \$117,500	\$4,050	\$4,675	\$5,450	\$6,625	\$8,325	\$11,175	\$11,975	\$12,800
\$117,500 to \$120,000	\$4,150	\$4,775	\$5,575	\$6,775	\$8,500	\$11,425	\$12,250	\$13,100
\$120,000 to \$122,500	\$4,225	\$4,875	\$5,700	\$6,925	\$8,675	\$11,650	\$12,500	\$13,375
\$122,500 to \$125,000	\$4,325	\$4,975	\$5,800	\$7,075	\$8,850	\$11,900	\$12,750	\$13,625
\$125,000 to \$127,500	\$4,400	\$5,075	\$5,925	\$7,225	\$9,050	\$12,150	\$13,025	\$13,925
\$127,500 to \$130,000	\$4,500	\$5,175	\$6,050	\$7,350	\$9,225	\$12,375	\$13,275	\$14,200
\$130,000 to \$132,500	\$4,575	\$5,275	\$6,175	\$7,500	\$9,400	\$12,625	\$13,550	\$14,475
\$132,500 to \$135,000	\$4,675	\$5,375	\$6,275	\$7,650	\$9,575	\$12,875	\$13,800	\$14,750
\$135,000 to \$137,500	\$4,750	\$5,475	\$6,400	\$7,775	\$9,750	\$13,100	\$14,050	\$15,025
\$137,500 & Over	\$4,850	\$5,575	\$6,525	\$7,925	\$9,950	\$13,350	\$14,325	\$15,325

\*Amounts shown are annual Basic Benefit Credits for full-time Employees who are eligible for full service credit for the year. Part-time Employees will receive a prorated Basic Benefit Credit based on ratio of scheduled work hours to equivalent full-time work hours.

### ATTACHMENT 3: LUMP SUM CERTAIN FACTORS

<b>Age</b>	<b>Factor</b>	<b>Age</b>	<b>Factor</b>
<b>21</b>	0.9983	<b>51</b>	0.9819
<b>22</b>	0.9982	<b>52</b>	0.9804
<b>23</b>	0.9981	<b>53</b>	0.9788
<b>24</b>	0.998	<b>54</b>	0.9771
<b>25</b>	0.9979	<b>55</b>	0.9752
<b>26</b>	0.9978	<b>56</b>	0.9732
<b>27</b>	0.9976	<b>57</b>	0.9708
<b>28</b>	0.9975	<b>58</b>	0.9682
<b>29</b>	0.9973	<b>59</b>	0.9652
<b>30</b>	0.9971	<b>60</b>	0.9619
<b>31</b>	0.9969	<b>61</b>	0.9583
<b>32</b>	0.9967	<b>62</b>	0.9542
<b>33</b>	0.9965	<b>63</b>	0.9497
<b>34</b>	0.9962	<b>64</b>	0.9446
<b>35</b>	0.9959	<b>65</b>	0.939
<b>36</b>	0.9955	<b>66</b>	0.933
<b>37</b>	0.9951	<b>67</b>	0.9266
<b>38</b>	0.9947	<b>68</b>	0.9197
<b>39</b>	0.9941	<b>69</b>	0.912
<b>40</b>	0.9935	<b>70</b>	0.9037
<b>41</b>	0.9929	<b>71</b>	0.9
<b>42</b>	0.9921	<b>72</b>	0.9
<b>43</b>	0.9913	<b>73</b>	0.9
<b>44</b>	0.9903	<b>74</b>	0.9
<b>45</b>	0.9893	<b>75</b>	0.9
<b>46</b>	0.9883	<b>76</b>	0.9
<b>47</b>	0.9871	<b>77</b>	0.9
<b>48</b>	0.9859	<b>78</b>	0.9
<b>49</b>	0.9846	<b>79</b>	0.9
<b>50</b>	0.9833	<b>80</b>	0.9



## ATTACHMENT 4: 2012 ONE-TIME CASH BALANCE CREDIT TABLE

Pension Compensation	Years of Pension Calculation Service Completed as of the First Day of Month																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19+
Less Than \$20,000	15	30	46	63	80	0	15	34	53	72	0	14	35	57	0	0	0	3	29	0
\$20,000 to \$22,500	17	34	50	68	86	4	23	43	63	83	5	27	50	73	0	0	0	24	51	0
\$22,500 to \$25,000	6	25	44	63	83	4	25	47	69	92	0	16	41	68	0	0	0	5	36	0
\$25,000 to \$27,500	21	41	62	83	105	3	27	51	76	101	3	30	58	87	0	0	0	12	45	0
\$27,500 to \$30,000	10	32	55	79	103	3	29	55	82	110	14	44	75	107	0	0	0	18	55	0
\$30,000 to \$32,500	24	48	73	99	125	2	30	59	89	119	1	34	67	101	0	0	0	25	65	0
\$32,500 to \$35,000	14	40	66	94	123	2	32	63	95	128	13	48	84	121	0	0	0	32	75	0
\$35,000 to \$37,500	39	69	99	129	161	19	53	88	124	160	0	38	78	120	0	0	0	24	72	0
\$37,500 to \$40,000	43	76	110	145	181	18	57	96	137	178	22	66	112	159	0	0	0	37	92	0
\$40,000 to \$42,500	47	83	121	161	201	17	60	104	150	196	20	69	120	173	0	0	0	50	112	0
\$42,500 to \$45,000	50	91	133	176	221	17	64	113	163	214	18	73	129	187	0	0	0	39	106	0
\$45,000 to \$47,500	54	98	144	192	240	16	68	121	176	232	16	76	138	202	0	0	0	52	126	0
\$47,500 to \$50,000	57	106	156	207	260	40	96	154	214	275	14	79	147	216	0	0	0	65	145	0
\$50,000 to \$52,500	61	113	167	223	280	39	100	162	227	293	12	83	155	230	0	0	0	53	140	0
\$52,500 to \$55,000	64	121	178	238	300	38	103	171	240	311	35	111	189	269	0	0	0	66	159	0
\$55,000 to \$57,500	31	90	151	214	278	45	113	184	257	331	34	113	195	280	0	0	0	68	166	0
\$57,500 to \$60,000	73	135	198	264	332	51	123	197	273	351	32	116	201	290	0	0	0	71	173	0
\$60,000 to \$62,500	74	139	206	274	345	43	119	196	276	358	18	106	196	288	0	0	0	88	196	0
\$62,500 to \$65,000	56	124	193	265	338	39	117	198	281	366	30	120	214	310	0	0	0	75	187	0
\$65,000 to \$67,500	39	109	181	255	331	60	141	225	311	399	41	135	232	332	0	0	0	87	203	0
\$67,500 to \$70,000	31	104	178	255	335	42	126	213	302	394	39	137	238	342	0	0	0	89	210	0

Pension Compensation	Years of Pension Calculation Service Completed as of the First Day of Month																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19+
\$70,000 to \$72,500	23	98	176	256	338	48	136	226	319	414	38	140	244	352	0	0	0	92	217	0
\$72,500 to \$75,000	15	93	173	256	342	55	146	239	335	434	37	142	250	362	0	0	0	94	224	0
\$75,000 to \$77,500	31	112	196	282	370	61	155	252	352	454	35	144	257	372	0	0	0	96	230	0
\$77,500 to \$80,000	14	97	183	272	363	57	154	254	357	462	47	159	275	394	0	0	0	108	247	0
\$80,000 to \$82,500	31	117	206	297	392	64	164	267	373	482	45	161	281	404	0	0	0	110	253	0
\$82,500 to \$85,000	23	112	203	298	395	70	174	280	390	502	44	164	287	414	0	0	0	113	260	0
\$85,000 to \$87,500	30	122	216	313	413	66	172	282	394	510	55	178	305	436	0	0	0	125	276	0
\$87,500 to \$90,000	22	116	213	313	417	73	182	295	411	530	54	181	311	446	0	0	0	127	283	0
\$90,000 to \$92,500	39	136	236	339	445	79	192	308	427	550	52	183	318	456	0	0	0	129	290	0
\$92,500 to \$95,000	31	130	233	339	448	86	202	321	444	570	51	185	324	466	0	0	0	131	297	0
\$95,000 to \$97,500	38	141	246	355	466	82	200	323	449	578	62	200	342	488	0	0	0	143	313	0
\$97,500 to \$100,000	30	135	243	355	470	88	210	336	465	598	61	202	348	498	0	0	0	146	320	0
\$100,000 to \$102,500	47	155	266	380	498	95	220	349	482	618	59	205	354	508	0	0	0	148	327	0
\$102,500 to \$105,000	29	140	254	371	491	91	219	351	486	626	71	219	372	530	0	0	0	160	343	0
\$105,000 to \$107,500	46	159	276	396	520	97	228	364	503	646	69	222	379	540	0	0	0	162	350	0
\$107,500 to \$110,000	38	154	273	396	523	79	213	352	494	641	68	224	385	550	0	0	0	164	357	0
\$110,000 to \$112,500	46	164	286	412	541	100	237	378	524	674	54	214	378	547	0	0	0	151	348	0
\$112,500 to \$115,000	38	159	284	412	545	106	247	392	541	694	78	241	409	582	0	0	0	154	355	0
\$115,000 to \$117,500	54	178	306	438	573	88	231	380	532	689	76	243	415	592	0	0	0	181	386	0
\$117,500 to \$120,000	46	173	303	438	576	94	241	393	549	709	75	246	421	603	0	0	0	183	393	0
\$120,000 to \$122,500	54	183	316	453	594	90	240	394	554	717	61	235	415	599	0	0	0	170	384	0
\$122,500 to \$125,000	46	178	314	454	598	97	250	407	570	737	85	263	446	634	0	0	0	172	391	0
\$125,000 to \$127,500	62	197	336	479	626	103	259	421	586	757	84	265	452	645	0	0	0	175	398	0

Pension Compensation	Years of Pension Calculation Service Completed as of the First Day of Month																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19+
\$127,500 to \$130,000	45	182	324	469	619	99	258	422	591	765	70	255	445	641	0	0	0	187	414	0
\$130,000 to \$132,500	62	202	346	495	648	106	268	435	608	785	68	257	451	651	0	0	0	189	421	0
\$132,500 to \$135,000	54	196	344	495	651	112	278	448	624	805	92	284	482	686	0	0	0	191	428	0
\$135,000 to \$137,500	61	207	356	510	669	108	277	450	629	813	78	274	476	683	0	0	0	203	444	0
\$137,500 & Over	53	201	354	511	673	114	286	463	646	833	77	276	482	693	0	0	0	206	451	0

## ATTACHMENT 5: 2013 CASH BALANCE CREDIT

Pay	Years of Pension Calculation Service Completed as of First Day of Month																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19+
0	5	21	37	54	71	0	7	26	45	65	0	7	29	51	0	0	0	0	25	0
20,000	7	24	41	58	76	0	14	34	54	75	0	19	43	66	0	0	0	19	47	0
22,500	0	14	33	52	73	0	15	37	60	83	0	8	34	60	0	0	0	0	31	0
25,000	9	29	50	72	94	0	16	40	65	92	0	21	50	79	0	0	0	6	40	0
27,500	0	19	42	66	90	0	17	43	71	100	4	34	66	98	0	0	0	12	50	0
30,000	10	34	59	85	112	0	17	46	77	108	0	23	57	92	0	0	0	18	59	0
32,500	0	24	51	79	108	0	18	50	82	116	0	36	73	110	0	0	0	24	68	0
35,000	22	51	82	113	145	3	37	72	109	146	0	25	66	108	0	0	0	16	65	0
37,500	23	56	91	126	162	0	39	79	120	162	6	51	98	146	0	0	0	28	83	0
40,000	24	62	100	139	180	0	40	85	131	178	2	53	105	158	0	0	0	40	102	0
42,500	26	67	109	153	198	0	42	91	142	194	0	54	112	171	0	0	0	27	96	0
45,000	27	72	118	166	215	0	43	97	153	210	0	56	119	183	0	0	0	39	114	0
47,500	28	77	127	179	233	13	70	129	189	252	0	57	126	196	0	0	0	51	133	0
50,000	29	82	136	193	250	10	72	135	200	268	0	59	133	209	0	0	0	38	126	0
52,500	30	87	146	206	268	7	73	141	211	284	8	85	165	246	0	0	0	50	145	0
55,000	0	55	116	180	245	12	81	153	226	302	6	86	170	255	0	0	0	51	151	0
57,500	36	98	162	228	297	17	90	164	241	321	3	87	175	264	0	0	0	53	157	0
60,000	35	100	168	237	309	8	84	162	243	327	0	76	168	262	0	0	0	69	179	0
62,500	16	84	154	226	300	2	81	163	247	333	0	90	185	283	0	0	0	55	169	0
65,000	0	67	140	215	292	22	104	188	275	365	8	103	202	303	0	0	0	67	185	0
67,500	0	60	136	214	294	2	87	175	265	359	5	104	207	312	0	0	0	68	191	0
70,000	0	53	132	212	296	7	95	186	280	377	2	105	212	321	0	0	0	70	197	0
72,500	0	46	127	211	298	12	103	198	295	396	0	106	217	330	0	0	0	71	203	0
75,000	0	64	148	235	324	17	112	209	310	415	0	108	222	339	0	0	0	72	209	0

Pay	Years of Pension Calculation Service Completed as of First Day of Month																			
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19+
77,500	0	48	135	224	316	11	109	210	314	421	7	121	239	360	0	0	0	84	225	0
80,000	0	66	155	248	343	16	117	222	329	440	4	122	244	369	0	0	0	85	231	0
82,500	0	59	151	246	345	21	125	233	344	459	2	123	249	378	0	0	0	87	237	0
85,000	0	67	162	260	361	16	123	234	348	465	12	137	266	399	0	0	0	98	253	0
87,500	0	60	158	259	363	21	131	245	363	484	9	138	271	408	0	0	0	99	259	0
90,000	0	78	179	283	390	26	139	257	378	503	6	139	276	417	0	0	0	101	265	0
92,500	0	71	175	282	392	31	148	268	393	521	4	140	281	426	0	0	0	102	271	0
95,000	0	80	186	296	409	25	145	269	396	528	14	154	298	446	0	0	0	113	287	0
97,500	0	73	182	294	410	30	153	280	412	547	11	155	303	455	0	0	0	115	293	0
100,000	0	91	203	318	437	35	162	292	427	565	8	156	308	464	0	0	0	116	299	0
102,500	0	74	189	307	429	30	159	293	430	572	18	169	325	485	0	0	0	128	314	0
105,000	0	92	210	331	456	35	167	304	445	591	16	170	330	494	0	0	0	129	321	0
107,500	0	85	206	330	458	15	151	291	435	584	13	171	335	503	0	0	0	131	327	0
110,000	0	94	217	344	474	34	173	316	464	616	0	160	327	499	0	0	0	117	317	0
112,500	0	87	213	342	476	39	181	328	479	635	20	186	357	533	0	0	0	118	323	0
115,000	0	105	233	366	503	19	164	314	469	628	18	187	362	542	0	0	0	145	354	0
117,500	0	98	229	365	505	24	173	326	484	647	15	188	367	551	0	0	0	146	361	0
120,000	0	106	240	379	521	19	170	326	488	654	0	177	359	547	0	0	0	132	351	0
122,500	0	99	236	378	523	24	178	338	503	672	22	203	389	581	0	0	0	134	357	0
125,000	0	117	257	401	550	29	187	350	518	691	20	204	394	590	0	0	0	135	363	0
127,500	0	101	243	390	542	23	184	350	521	698	5	192	386	585	0	0	0	147	379	0
130,000	0	119	264	414	569	28	192	362	536	716	2	193	391	594	0	0	0	148	385	0
132,500	0	112	260	413	570	33	201	373	551	735	24	220	421	628	0	0	0	149	391	0
135,000	0	120	271	427	587	28	198	374	555	742	9	208	413	624	0	0	0	161	407	0
137,500	0	113	267	426	589	33	206	385	570	760	7	209	418	633	0	0	0	162	413	0

## APPENDIX A: PARTICIPATING COMPANIES AND APPLICABLE COLLECTIVE BARGAINING AGREEMENTS

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### **Participating Companies**

- AT&T Services, Inc.
- Southern New England Telephone Company

### **Applicable Collective Bargaining Agreements**

- AT&T East Core Contract - CWA District 1