

Summary of Material Modifications



Important Benefits Information

AT&T Legally Recognized Partners and Covered Services

This is a summary of material modifications (SMM) for the programs under the AT&T Umbrella Benefit Plan No. 1 listed in the table on Page 3.

Please keep this booklet with your Program SPD.

DISTRIBUTION

Distributed to employees and former employees eligible to participate in any of the programs listed in the table beginning on Page 3 of this SMM.

NIN 78-23370



INTRODUCTION

This summary of material modifications (SMM) is an update to the Programs listed in the tables in this SMM. These changes add the more inclusive term “Legally Recognized Partner” (LRP) as well as the treatment for Gender Dysphoria to provide consistent treatment across Programs under AT&T Umbrella Benefit Plan No. 1.

LEGALLY RECOGNIZED PARTNERS

Effective April 1, 2011, the Programs listed in the table below are amended to clarify the Company’s administration of benefits by clearly including as Class I Dependents, same sex partners of eligible employees or eligible former employees who have entered into a same-gender relationship pursuant to and in accordance with state or local law, such as marriage, civil union or other legally recognized arrangement that provides similar legal benefits, protections and responsibilities under state law to those afforded to a spouse. To accomplish this, the classification, “Legally Recognized Partner (LRP)” is now used to refer to all such partners, including Registered Domestic Partners (RDPs). Consistent with the treatment of an RDP, an LRP is treated as a spouse. This is reflected in the following changes:

Eligible Dependents

In your SPD, Legally Recognized Partner is added to eligible Class I Dependents. A Legally Recognized Partner (LRP) is any individual who is:

- A Registered Domestic Partner, or
- An employee, eligible former employee, or participant, as applicable, who has entered into a same-gender relationship pursuant to and in accordance with state or local law, such as marriage, civil union or other legally recognized arrangement that provides similar legal benefits, protections and responsibilities under state law to those afforded to a spouse. An individual who has a spouse is not permitted to designate a Legally Recognized Partner. No individual is permitted to designate more than one Legally Recognized Partner during the same period or to designate different Legally Recognized Partners for different Company-sponsored plans or programs during the same period.

Important: Certain benefits provided to your LRP and their dependents will result in imputed income, unless applicable state and federal law recognizes your LRP as a spouse or dependent for income tax purposes. If you receive a W-2, this imputed income will be included in your state and federal wages on your W-2. If your LRP is a spouse or dependent for state and federal tax purposes, you must contact the Eligibility and Enrollment Vendor and provide the required declaration to avoid imputed income.

Note: For Programs currently providing benefits for RDPs or Domestic Partners, this does not change the eligibility provisions related to your RDP or Domestic Partner.

LIST OF PROGRAMS IMPACTED BY CHANGE TO ADD LEGALLY RECOGNIZED PARTNERS

Medical, Dental and Vision Programs Under AT&T Umbrella Benefit Plan No. 1 which include:
<ul style="list-style-type: none">• AT&T Corp. Post-Retirement Welfare Benefits Plan --- Glossary of Terms, Page 94 of the SPD• AT&T of Puerto Rico, Group Health Coverage Plan -- Eligibility and Participation, Who is Eligible for Coverage, Page 7 of the SPD• BellSouth Medical Assistance Plan – Domestic Partner Eligibility Rules, Definitions of an Eligible Domestic Partner, Page 23 of the SPD.• BellSouth Medical Assistance Plan (Special Represented) – Domestic Partner Eligibility Rules, Definitions of an Eligible Domestic Partner, Page 13 of the SPD.• BellSouth Retiree Medical Assistance Plan -- Domestic Partner Eligibility Rules, Definitions of an Eligible Domestic Partner, Page 13 of the SPD.• Cingular Wireless Health and Welfare Benefits Plan for Bargained Employees -- Eligibility, Eligible Dependents, Page 13 of the Eligibility, Enrollment and Other Administrative Provisions SPD• AT&T Dental Expense Plan for Active Employees -- Eligibility and Participation, Your Dependents, Page 6 of the SPD• BellSouth Dental Assistance Plan – Domestic Partner Eligibility Rules, Definitions of an Eligible Domestic Partner, Page 23 of the SPD.• BellSouth Retiree Dental Assistance Plan -- Domestic Partner Eligibility Rules, Definitions of an Eligible Domestic Partner, Page 13 of the SPD.• AT&T Retiree Vision Care Program – Eligibility and Participation, Eligible Dependents, Page 12 of the SPD• BellSouth Vision Assistance Plan -- Eligibility and Participation, Eligible Dependents, Page 12 of the SPD

COVERED SERVICES

Gender Dysphoria (reassignment) treatment is covered under the Programs listed in the table below at the same level of benefits as a medical/surgical treatment under your medical Program. Insert the following at the end of the section in the SPD describing covered services:

Effective April 1, 2011, Gender Dysphoria (reassignment) treatment is covered if the treatment is:

- For an individual who is age 18 or older; and
- Consistent with generally accepted medical standards of care such as the “Harry Benjamin International Gender Dysphoria Association’s Standards of Care for Gender Identity Disorders”.

This information supersedes any information to the contrary in the SPD and previously issued SMMs.

LIST OF PROGRAMS AFFECTED BY THIS CHANGE TO COVERED SERVICES

Medical Programs Under AT&T Umbrella Benefit Plan No. 1 which include:

- AT&T Medical Expense Plan for Occupational Employees
- AT&T Corp. Post-Retirement Welfare Benefits Plan
- Cingular Wireless Health and Welfare Benefits Plan for Bargained Employees
- Pacific Telesis Group Health Care Network
- Pacific Telesis Group Medical Expense Plan for Retirees
- SNET Active Bargaining Unit Employee Health Plan –
 - SNET Point of Service
- SNET Bargaining Unit Retiree Health Plan
 - SNET Medical Expense Plan
 - SNET Medical Plan for Retirees
 - SNET Point-of-Service
- SNET Management Retiree Health Plan
 - SNET Medical Expense Plan
 - SNET Medical Plan for Retirees
 - SNET Point-of-Service