

# Summary of Material Modifications



## Important Benefits Information

### East Region Bargained Employees

This summary of material modifications (SMM) is an update to the summary plan descriptions (SPDs) for several employee benefit plans in which East Region Bargained Employees participate. You should review this SMM in conjunction with your SPDs to get a complete picture of your benefits. It is important that you carefully review each section to determine which changes apply to you.

Keep this SMM with your SPDs.

#### IMPORTANT INFORMATION

This SMM is an attachment to your SPD for several Plans and Programs. It is written for easy readability. Therefore, it may contain generalizations and informal terms rather than precise legal terms. Also, this document only summarizes benefits and individual situations may vary. In all cases, the official documents for the Plans and Programs govern and are the final authority on the terms of the Plans and Programs, and, if there are any discrepancies between the information in this SMM, the SPD and the Plans or Programs, the Plan or Program documents will control. AT&T reserves the right to terminate or amend any and all of their employee benefit plans or programs, subject to any applicable collective bargaining agreement. Participation in these Plans and Programs is neither a contract nor a guarantee of future employment. Please keep this SMM for future reference.

**This SMM is provided for your information  
and review; no other action is necessary.**

#### DISTRIBUTION

Distributed to all East Bargained employees.

NIN: 78-6866



Benefits

Summary of Material Modifications

June 2006

Please review the Notice below and retain for future reference. Federal law requires the distribution of this document. This notification constitutes a summary of material modifications (SMM) to several employee benefit plans in which East Region Bargained Employees participate.

## **A New Employee Classification for Employees Hired for Project Lightspeed**

Effective March 28, 2005, the term “SNET Term Employee” has been added in the plans, programs and policies listed below. A “SNET Term Employee” is any bargained employee hired:

- On or after March 28, 2005 by Southern New England Telecommunications Corporation (“the Company”) or one of its subsidiaries,
- Into a job title that supports Project Lightspeed, and
- For a pre-determined period not to exceed 36 months on a part-time or full time basis and whose employment ends on or before the end of the 36 month period.

The new definition allows the Company to extend benefits under the following listed employee benefit plans that are currently available to Regular Employees to Term Employees who are hired to support Project Lightspeed.

<b>PENSION PLANS</b>
AT&T Pension Benefit Plan – East Program

<b>HEALTH AND WELFARE BENEFIT PLANS: AT&amp;T UMBRELLA BENEFIT PLAN NO. 1</b>
<b>Health Programs</b>
AT&T CarePlus – A Supplemental Medical Plan
SNET Active Bargaining Unit Employee Health Plan: SNET Point-of-Service, SNET Dental and SNET Vision Plans
<b>Life Insurance Programs</b>
AT&T Medical & Group Life Insurance Plan – Group Life Insurance
<b>Disability Programs</b>
AT&T East Disability Benefits Program

<b>HEALTH AND WELFARE BENEFIT PLANS: AT&amp;T UMBRELLA BENEFIT PLAN NO. 2</b>
<b>Life Insurance Programs</b>
AT&T Dependent Group Life Insurance Program
AT&T Supplementary Group Life Insurance Program

<b>ADOPTION REIMBURSEMENT PROGRAMS</b>
AT&T Adoption Reimbursement Program

## **Program Name Change and other Clarifications for the AT&T East Disability Benefits Program**

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### **Program Name**

This SMM is your official notification that the name of the SNET Disability Benefits Program is changing to the AT&T East Disability Benefits Program. The AT&T East Disability Benefits Program will remain a component of the AT&T Umbrella Benefit Plan No. 2, and no plan provisions will be affected by this name change.

### **Relapses**

This SMM clarifies the current SPD regarding several references to relapses under the Program. Therefore, references to relapse on Pages 8, 11, 13, and 15 are deleted and replaced with the following:

A relapse under the Program occurs when you have received Sickness Disability Benefits or Accident Disability Benefits, returned to work, and then are absent again due to a sickness disability or accident disability. If you return to work after receiving Sickness Disability Benefits or Accident Disability Benefits, you will again be eligible for the full 52-week period of Sickness Disability Benefits or Accident Disability Benefits, once you have been back to work on your normal work schedule with no disability benefits for 26 consecutive weeks. However, if you relapse and are absent again due to an approved sickness disability or accident disability – whether related or not to a previous disability – during the first 26 weeks after returning to work on your normal work schedule, the previous absence will be combined with the new absence to determine when you will begin receiving half-pay benefits as designated by the Program's benefit schedule. Both periods of disability will count towards the 52-week maximum. Absences due to approved Accident Disability Benefits will be combined with approved Sickness Disability Benefits for purposes of counting against the 52-week maximum.

For example, suppose you are eligible for 26 weeks of full-pay benefits and 26 weeks of half-pay benefits. You become disabled, and during the first period of absence from work you receive three weeks of full-pay Sickness Disability Benefits. If you return to work and relapse during the first 26 weeks, you would only be eligible for 23 weeks of full-pay benefits ( $26 - 3 = 23$  weeks) and a maximum of 26 additional weeks of half-pay benefits.

In the case of a relapse within 26 weeks of your return to work on your normal work schedule, Program benefits will be determined as follows:

- *If you relapse within the first eight weeks*, your Sickness Disability Benefits or Accident Disability Benefits, if approved by the Claims Administrator, will resume on the first full calendar day of your new absence. For purposes of determining how long you may be on full-pay and how long you may be on half-pay, your NCS will be determined as of the first day for which you previously received disability benefits, and the period of full-pay and half-pay benefits available will be reduced by the period(s) for which you previously received disability benefits.
- *If you relapse after being at work for at least eight weeks but less than 26 weeks*, your Sickness Disability Benefits, if approved by the Claims Administrator, will resume on the eighth full consecutive calendar day of your new absence. For purposes of determining how long you may be on full-pay and how long you may be on half-pay, your NCS will be determined as of the eighth full consecutive calendar

day of your new absence, and the period of full-pay and half-pay benefits available will be reduced by the period(s) for which you previously received disability benefits.

- *If you relapse after being at work for at least eight weeks but less than 26 weeks, your Accident Disability Benefits, if approved by the Claims Administrator, will resume on the first full calendar day of your new absence. For purposes of determining how long you may be on full-pay and how long you may be on half-pay, your NCS will be determined as of the first full calendar day of your new absence, and the period of full-pay and half-pay benefits available will be reduced by the period(s) for which you previously received disability benefits.*

### **Clarifications Regarding Commissioned Employees of SNET Information Services, Inc. d.b.a. SNET Yellow Pages Only**

#### **Definition of Pay**

For purposes of Short-Term Disability and Company-Provided Long-Term Disability for Employees with the job titles of Sales Representative (effective June 29, 1999), Account Representative (effective May 29, 2002), and Senior Account Representative (effective May 29, 2002), Pay means two times an Eligible Employee's regular base pay including fixed differentials for regular assignment for evening and night assignments, and including bilingual differential as of the first day of the Eligible Employee's Short-Term Disability or Company-Provided Long-Term Disability. Pay excludes any other types of payments such as overtime, success sharing awards, incentive awards, and commissions.

#### **Eligibility for Long Term Disability Benefits**

Long-Term Disability benefits will be paid to you if, after completing 52 weeks of Short-Term Disability, you remain Totally Disabled and unable to perform any job for which you are or could become qualified, or the only job for which you are or could become qualified pays less than two times your base pay amount at the end of your Short-Term Disability period.

#### **Spendable Income**

The Accident Disability Benefit you may be entitled to is an amount that, in connection with other sources of income available to you, is targeted to provide you with the same level of spendable income (income after taxes) you would have been eligible to receive immediately prior to the accident. For purposes of making this determination, the level of spendable income will be determined based on two times your base pay and your income tax filing status.