

Occupational Communication Package

Employee's Guide

The attached information is to be given to all individuals within an affected surplus universe.

If the provisions of this package and those of your 2002 Collective Bargaining Agreement differ, the Bargaining Agreement will be controlling for those employees covered by it.

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Issue 04/04

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Section 1

Directory of Telephone Inquiry Numbers

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Directory of Telephone Inquiry Numbers

GENERAL		Telephone
AT&T Force Management Hotline Website - www.att.com/resourcecenter	Questions regarding Termination, ATTOP	1-800-634-4105 Fax: 832-213-0519
Skills Match Center Website - http://wfs.web.att.com/WFS/content/0,1452,540,00.html		1-800-835-1642, prompt 2 AT&T Relay Operators Serv. 1-800-682-8786
AT&T Resource Center 270 Davidson Avenue, 2nd Floor Somerset, NJ 08873	Questions concerning Resource Center	1-800-992-2478, prompt 2
AT&T Savings Plan Service Center	Questions concerning the Long Term Savings and Security Plan	1-800-610-7100 TDD: 1-800-610-4015 Int'l: 508-787-9494
AT&T Payroll 6021 South Rio Grande Ave. Orlando, FL 32809 Website: http://wfs.web.att.com		1-877-HR ANSWERS (1-877-472-6743)
AT&T Tuition Assistance P.O. Box 2845 Winston-Salem, NC 27102-2845 Website: http://wfs.web.att.com/WFS/content/0,1452,2110,00.html		1-877-HR-ANSWERS (1-877-472-6793) or 1-800-421-8271
Transition to Teaching Program Website - https://cpg.att.com/		1-908-605-3929
HR ANSWERS		1-877-HR-ANSWERS (1-877-472-6793)

Directory of Telephone Inquiry Numbers (continued)

Contact	Contact Description	Phone Number	TDD Contact
Acordia	Telephone Reimbursement	888-251-0645	
Aetna, Inc.	AL, AR, CO, DC, IA, IN, KS, KY, LA, MD, MI, MN, MO, MS, NE, NV (Reno only), OH, OR, RI, SC, TX, UT, VA, WA, WI, WV	800-680-3566	800-325-2298
Aetna, Inc.	AZ, CT, DE, FL, MA, NH, NJ, NV (Las Vegas), NY, PA, TX, WY	800-288-8742	800-325-2298
Alliance For Growth And Development		800-323-3436	
ATS		800-662-6629	
AT&T Pension Service Center (PSC)		877 HR ANSWERS (877-472-6793) Press 4, then 1	888-736-5500
AT&T Shareowner Services		800 348-8288	
BDEC	Benefit Directions Enrollment Center	877 HR ANSWERS (877-472-6793) Press 1, then 1	800-874-7218
Blue Cross/Blue Shield	GA	800-874-8616	800-889-2583
Child/Elder Care/Education/Adoption/Adult Disability		877 HR ANSWERS (877-472-6793) Press 1, then 2	800-346-9188
Coventry Health Care	Kansas	866-611-7337	
CIGNA	MA	800-664-4288	800-266-1288
COBRA (SHPS, Inc.)		800-277-4038	800-952-0459
Communications Distribution Center		800-972-9863	
Dental (Aetna, Inc.)	Traditional	800-543-5458	
Dental (Aetna, Inc.)	DMO	800-332-3662	
Disability (MetLife, Gates McDonald, Kemper)		877 HR ANSWERS (877-472-6793) Press 1, then 5	
Employee Assistance Program		877 HR ANSWERS (877-472-6793) Press 1, then 3	
Employee Care Center		877 HR ANSWERS (877-472-6793) Press 9	
Employee Stock Purchase Plan (ESPP)		800-288-3785	

Directory of Telephone Inquiry Numbers (continued)

Contact	Contact Description	Phone Number	TDD Contact
Family Resource Program and Family Care Development Fund		877 HR ANSWERS (877-472-6793) Press 1, then 2	
Health America	Pittsburgh	800-735-4404	800-207-1262
Health Care/Child/Elder Care Reimbursement Acts		800-283-3211	502-267-3117
Health Partners	Minnesota	800-883-2177	952-883-5127
Horizon Blue Cross/Blue Shield	NJ	800-828-5894	800-889-2583
INTRACORP	(Precertification)	800-424-4288	800-962-2208
Legal Services (Hyatt)		800-423-0300	800-821-5955
Life Insurance/Dependent Life/Accidental Life/Accidental Loss		800-434-7876	800-362-7327
Long Term Care Insurance		800-438-6388	800-638-1004
Long Term Savings and Security Plan		800-610-7100	800-610-4015
Matching Gift		800-424-6030	
Mental Health and Chemical Dependency (Magellan Behavioral Health)		800-695-0090	800-695-5526
Payroll		877 HR ANSWERS (877-472-6793) Press 3	
Prescription Drug Program (Medco Health)		800-882-8879	800-759-1089
Relocation	If the last digit of your SSN is an odd number	800-265-0587	
Relocation	If the last digit of your SSN is an even number	800-223-0595	
Savings Plan		800-610-7100	800-610-4015
Stock Options		877 HR ANSWERS (877-472-6793) Press 2, then 2	800 538-7909
Tuition Assistance		877 HR ANSWERS (877-472-6793) Press 5, then 1	
United Health Care	Point of Service	800-842-6562	800-545-6751
United Health Care	Indemnity	800-334-2400	800-545-6751
Vision Care (Cole)		800-638-4288	
VTP Administrative Group	VTP Questions	877 HR ANSWERS (877-472-6793) Press 6, then 4	

About the AT&T Pension Service Center

The AT&T Pension Service Center (PSC) is the official center for all pension and pension-related services for eligible occupational employees. The services provided by the PSC include:

- Pension calculations
- Pension-affected record changes
- Service bridging/adjusting
- Retirement processing
- Deferred vested pension administration
- Death benefit processing
- Annuitant pension administration
- General pension and pension-related information

When to Contact the PSC

Contact the PSC for assistance with any of the following:

To Commence Your Pension

Employees should contact the PSC prior to their anticipated commencement date. The PSC will send you a commencement package containing the instructions and any forms you will need to commence your pension. The PSC will also serve as your primary contact for all pension and pension-related services after you retire.

To Request an Estimate of Your Pension Benefits

Employees may request a estimate of their pension benefit using the PSC Online. This website, available at www.attpsc.com, allows you to get an immediate estimate of your pension, see available payment options, see the effect of an IRS interest rate change on your lump-sum payment amount, request a commencement package, and link to other pension-related sites.

Note: Because it contains personalized information, you'll need your HRID and PIN to enter this site. (You can find your HRID on your employee ID or check stub). If you need a PIN, you can use the PIN Management application on the AT&T Workforce Services website (<http://wfs.web.att.com>). You can also use the AT&T Retiree website (<http://www.att.com/retirees>), an Internet site, to request a PIN, if you don't have access to Workforce Services. If you don't have access to the Internet, many libraries and copy centers offer computer time and Internet access.

To Report the Death of an Active Employee or Retiree

A spouse, family member or supervisor must contact the PSC to report the death of an active employee or retiree. The PSC will process the death case, and, when applicable, send the beneficiary or beneficiaries the forms and information needed to claim death benefits.

To Begin Your Pension

If you qualify, and would like to begin receiving your pension, you must contact the PSC. You may request a commencement package through the PSC Online or by contacting the PSC at 1-800-736-7779. For more information on the requirements needed to commence your pension, see the AT&T Pension Plan Summary Description or contact the Pension Service Center.

Hours of Operation

Service Representatives

PSC representatives will be able to assist employees Monday - Friday, 9:00 a.m. - 6:00 p.m., Eastern Time.

Telephone Numbers

1-800-PEN-7779 (1-800-736-7779)

TDD: 1-800-736-5500

website –www.attpsc.com **OR** <https://benefits.web.att.com>

From International Locations

To contact the PSC from international locations without 800 number access, call the PSC collect at 847-806-1101, Monday - Friday, 9:00 a.m. - 6:00 p.m., Eastern Time.

Mailing Address

For your convenience, service requests and questions can be sent to the PSC on pensionquest@asapsc.com

Other correspondence should be sent to:

AT&T Pension Service Center
P.O. Box 770
Arlington Heights, IL 60006

Please send overnight deliveries to:

AT&T
Tower 2 - Suite 200
1701 Golf Road
Rolling Meadows, IL 60008

Occupational Relocation

IMPORTANT

AT&T has contracted with Cendant Mobility and Prudential Relocation Management Services, Inc., to assist you with your relocation. Depending on your social security number, you will be assigned a Relocation Counselor at one of these companies who will serve as your primary point of contact to help you understand your relocation.

To get the relocation process started (*or to continue the relocation process*):

1. The BOU paying for the relocation completes RELO-2/2A (Occupational) Relocation Authorization, obtains approval signatures and faxes to the appropriate Relocation Company listed below.
2. The BOU must also prepare the Purchase Order for relocation funding through the Purchase Order web site and submit for approval. When approved, the Purchase Order will be sent electronically to the relocation Company.

- If the last digit of your social security number is **ODD**, the RELO-2 and 2A forms should be faxed to:

Cendant Mobility
40 Apple Ridge Road
Danbury, CT 06810
Phone: (800) 265-0587
Fax: (203) 205-8554

- If the last digit of your social security number is **EVEN**, the RELO-2 and 2A forms should be faxed to:

Prudential Relocation Management Services, Inc.
16430 North Scottsdale Road
Suite 409
Scottsdale, AZ 85254
Phone: (480) 254-9891
Fax: (480) 778-7094

Additional information available on the intranet:

Relocation Assistance website
<http://wfs.web.att.com> (click on Compensation and Benefits, Benefits)

Purchase Order information available on:

Supplier Management Division website
<http://attbuys.smd.att.com>
(click on Supplier Order to Pay)

Section 2

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AT&T Option Program (ATTOP) - Force Management Plans

In an effort to simplify and consolidate the programs designed to assist occupational employees impacted by work unit consolidation and downsizing, the 1992 Collective Bargaining Agreements between the Company and the Unions (CWA/IBEW) established the AT&T Option Program (ATTOP). The Unions and the Company agreed to continue ATTOP through the life of the 2002 Collective Bargaining Agreement.

ATTOP Options

The ATTOP Options are:

- Special Leave Program (SLP) and/or TLA
- Optional Termination Pay (OTP) and/or TLA
- Extended Compensation Option (ECO) and/or TLA
- Transition Leave of Absence (TLA)

Participating Organizations

ATTOP is applicable to the AT&T bargaining units covered by the 2002 Collective Bargaining Agreement. The Company may extend coverage of this program to occupational employees other than those represented by the unions.

Eligibility

You may elect to participate in ATTOP and elect one (1) of the options if:

- You are a regular full-time or part-time occupational employee (i.e., term, temporary, and management employees are not eligible) and
- You meet the minimum years of net credited service for the option you choose (see matrix, page 2-21)
- You are part of a surplus universe (i.e., in a surplus Geographical Commuting Area (GCA) - CWA or Reasonable Commuting Area (RCA) - IBEW)
- Meet all eligibility criteria for the option you select.

AT&T Option Program (ATTOP)

Election

If you wish to **elect** one of the options in ATTOP, you may do so during the voluntary period of the surplus declaration by completing the **ATTOP EMPLOYEE REQUEST FORM**. If you wish to **revoke** your selection during the voluntary period, you must resend the Employee Request Form indicating your decision to “revoke” (indicate your decision to revoke by placing a line across the form and writing the word REVOKE with the date). Fax all forms to the Occupational Career Placement Center at 832-213-0519.

- Your election is irrevocable after the close of the voluntary period, (see Force Management Program (FMP) Checklist provided by your Supervisor).
- Election of one of the ATTOP options does not guarantee the Company will grant the request. Confirmation of participation will be done in seniority order. Only those employees equal to the number necessary to resolve the surplus will be permitted to leave in descending order of net credited service.
- You will not be eligible for job claiming after you are confirmed for an ATTOP selection.

If you are displaced (i.e., “bumped”) during the job claiming process in the Involuntary Period of the surplus declaration, you may elect ECO, SLP or TLA options, but must do so no later than the fifth day **prior** to your off roll date.

NOTE: For additional information see the AT&T Force Management Programs (Matrix) page 2-21.

Optional Termination Pay (OTP)

Optional Termination Pay (OTP) is offered to allow employees to voluntarily leave the Company during a surplus declaration. **Maximum payment** for those receiving OTP will be \$30,500 including any night differential you may be entitled to, and payable according to the schedule on page 2-3. OTP is paid in a lump sum only, approximately 30 days after your termination date and is subject to appropriate tax withholdings. If you elect OTP and leave the payroll under this option, you **will not** be eligible for the AT&T Rehire System (ARS) and you **will not** have Recall rights.

Eligibility

You must meet all of the following requirements:

- You are part of a surplus universe (i.e., in a surplus GCA or RCA)
- A surplus has been declared in your job title.
- You are a regular full-time or regular part-time occupational employee (i.e., term, temporary, and management employees are not eligible).
- You have at least two (2) years of net credited service by the off payroll date of the surplus declaration.

Election

If you wish to **elect** one of the options in ATTOP, you may do so during the voluntary period of the surplus declaration by completing the **ATTOP EMPLOYEE REQUEST FORM**. If you wish to **revoke** your selection during the voluntary period, you must resend the Employee Request Form indicating your decision to “revoke” (indicate your decision to revoke by placing a line across the form and writing the word REVOKE with the date). Fax all forms to the Occupational Career Placement Center at 832-213-0519.

- Your election is irrevocable after the close of the voluntary period, (see Force Management Program (FMP) Checklist provided by your Supervisor).
- Election of one of the ATTOP options does not guarantee the Company will grant the request. Confirmation of participation will be done in seniority order. Only those employees equal to the number necessary to resolve the surplus will be permitted to leave in descending order of net credited service.
- You will not be eligible for job claiming after you are confirmed for an ATTOP selection.

If you are displaced (i.e., “bumped”) during the job claiming process in the Involuntary Period of the surplus declaration, you may elect ECO, SLP or TLA options, but must do so no later than the fifth day **prior** to your off payroll date.

Note: For additional information see the AT&T Force Management Programs (Matrix) page 2-21

Optional Termination Pay (OTP) Schedule

Completed Years of Svc	Weeks of Pay	Completed Years of Svc	Weeks of Pay
2	2	11	12
3	3	12	14
4	4	13	16
5	5	14	18
6	6	15	20
7	7	16	22
8	8	17	24
9	9	18	26
10	10	19	28

Add three (3) weeks of pay for each full year of service in excess of nineteen (19) years up to a maximum of \$30,500.

Under no circumstances will the Optional Termination Pay, including any night differential you may be entitled to, be greater than \$30,500. An employee who is receiving Optional Termination Pay shall not be eligible to the Termination Pay provided for laid off employees under the terms of the applicable Collective Bargaining Agreement. OTP may be offset by previous termination payments.

NOTE: All previous termination payments will be deducted from any future termination payment.

Extended Compensation Option

You may select the Extended Compensation Option (ECO) during the Voluntary Period of the surplus declaration. If you elect ECO, you shall be reassigned to the Skills Match Center (SMC), an in-house placement group for temporary work assignments, effective the day following the off payroll date of the surplus declaration. You will be eligible for a period not to exceed the number of weeks (based on your net credited service) provided for in the termination pay schedule in the Collective Bargaining Agreement, provided you were "At-Risk" of layoff. If you were "Not At-Risk" of layoff, but were part of a surplus universe, you will be eligible for a period not to exceed the number of weeks (based on your completed years of service, according to the OTP schedule). Termination payments will not exceed \$30,500. Such payments are subject to deduction of appropriate taxes and Union dues as applicable. You will be terminated at the completion of your eligibility, unless you secure a position through ATS.

Eligibility

You must meet all of the following requirements:

- You are part of a surplus universe (i.e., in a surplus GCA or RCA)
- A surplus has been declared in your job title.
- You are a regular full-time or regular part-time occupational employee (i.e., term, temporary, and management employees are not eligible).
- You have at least five (5) years of net credited service by the off payroll date of the surplus declaration.

Election

If you wish to elect ECO and are covered by the Collective Bargaining Agreement, you may do so **only during the voluntary period** of the surplus declaration, (see Force Management Program (FMP) Checklist provided by your supervisor).

You will not be able to participate in job claiming after you have been confirmed for your ECO selection.

If your status changes from "At-Risk" to "Not At-Risk" before you begin your participation in ECO, you will be notified and given the option to revoke your selection. **If you decide to revoke your selection**, you must resend the Request Form indicating your decision to revoke (indicate your decision to revoke by placing a line across the form and writing the word REVOKE with the date), and you will no longer be eligible for ECO. Fax all forms to the Occupational Career Placement Center at 832-213-0519.

If you decide to **continue** with your selection, you will receive your Extended Compensation payments for the number of weeks of eligibility according to the OTP Schedule (page 2-3).

Note: An employee receiving benefits under Sickness Accident Disability Benefit Plan (SADBP), goes on disability during the Voluntary Period or is on a leave of absence which carries a guarantee of reinstatement, may elect ECO. Implementation of the ECO option will commence upon their return to the active payroll.

The election is **irrevocable** after the close of the Voluntary Period. **You will not be able to participate in job claiming if you are confirmed for ECO.**

If you are displaced (i.e., "bumped") during the job claiming process in the Involuntary Period of the surplus declaration, you may elect ECO no later than the fifth day prior to your off payroll date.

Extended Compensation Option (continued)

If you elect to participate in job claiming you may be eligible for ECO if you meet all of the following conditions:

- At-Risk in a surplus GCA/RCA
- Eligible to participate in job claiming
- Elect to participate in job claiming
- Make a preference selection(s) from the Job Claiming Preference List
- Are not offered any of your preferred GCAs/RCAs from the list and you checked the ECO box on the job preference list.

NOTE: All previous termination payments will be deducted from any future termination payment.

Election of ECO **must** be made at the time you make your preference selections from the Job Claiming Preference List. Space is provided on the first page of the Job Claiming Preference List for you to make this selection. Employees participating in job claiming continue to have surplus status in ATS until they claim a job.

You will be subject to normal involuntary separation procedures and terminated under the provisions of the Collective Bargaining Agreement at the conclusion of the surplus if:

- You reject a job offer in one of your preferred GCAs/RCAs
- You do not select ECO/SMC on the Job Claiming Preference List

If an employee is reassigned to the SMC as a result of this option, he/she will continue to have surplus status in ATS and will participate in SMC under the Termination Pay schedule, (see Collective Bargaining Agreement).

Questions may be directed to the SMC at 1-800-835-1642 between 8 a.m. and 4:30 p.m., ET, Monday through Friday. Hearing impaired employees may utilize AT&T Relay Opeartors Services at 1-800-682-8786.

Please refer to the Extended Compensation Option booklet in this package for more detailed information.

Note: For additional information see the AT&T Force Management Programs (Matrix) page 2-21.

Special Leave Program (SLP)

SLP is one of the options under ATTOP. SLP is designed to encourage the development of individual skills, enable employees to pursue career changes and/or personal goals, and allow the Company to alleviate force imbalances, while at the same time maintaining ties between the Company and the employee.

Eligibility

You must meet all of the following requirements:

- You are part of a surplus universe (i.e., in a surplus GCA or RCA)
- A surplus has been declared in your job title
- You are a regular full-time or regular part-time occupational employee (i.e., term, temporary, or management employees are not eligible).
- You have at least five (5) years of net credited service by the off payroll date of the surplus declaration.

Length of Leave

SLP is **without pay**, shall be subject to approval, and is granted for a period of not less than nine (9) nor more than 24 consecutive months. Initial leaves of less than 24 months in duration may be extended in three (3) month increments **ONLY** provided the total leave time does not exceed 24 months.

Election

If you wish to elect SLP, and are covered by the Collecting Bargaining Agreement, you may do so only during the Voluntary Period of the surplus declaration. You will not be able to participate in job claiming after you have been confirmed for SLP.

- You will be reinstated at the completion of your SLP if your status was Not-At-Risk.
- If your status was At-Risk when you elected SLP, you will be terminated and given termination pay at the completion of your SLP.

If you decide to revoke your decision during the Voluntary Period, you must resend the Request Form indicating your decision to revoke (indicate your decision to revoke by placing a line across the form and writing the word REVOKE with the date). Fax all forms to the Occupational Career Placement Center at 832-213-0519.

The election is **irrevocable** after the close of the Voluntary Period. **You will not be able to participate in job claiming if you are confirmed for SLP**

If you are displaced (i.e., "bumped") during the job claiming process and have 5 years or more of net credited service in the Involuntary Period of the surplus declaration you may elect the SLP no later than the fifth day prior to your off payroll date.

Note: An employee receiving benefits under Sickness Accident Disability Benefit Plan (SADBP), goes on disability during the Voluntary Period or is on a leave of absence which carries a guarantee of reinstatement, may apply for leave under SLP. Implementation of the SLP option will commence upon their return to the active payroll.

Please refer to the AT&T Special Leave Program booklet in this package for more detailed information on SLP, including information on service credit benefits, and reinstatement rights.

Note: For additional information see the AT&T Force Management Programs (Matrix) page 2-21.

Transition Leave of Absence (TLA)

The purpose of a TLA is to allow an otherwise eligible employee the opportunity to attain eligibility for retirement-related benefits by completing his/her required time on a TLA. An eligible employee must be under an AT&T Force Management Program or Plan for reducing force surplus, whose actual age and/or service on his/her Company-specified separation date, is within one (1) year of the age and/or service requirements for retirement-related benefits eligibility under the AT&T Pension Plan (AT&TPP). **The time on the TLA is not counted towards service credit.**

Company-specified separation date is the date an employee is required to be terminated from the payroll under an AT&T Force Management Program or Plan for reducing force surplus. In certain cases, an employee may be allowed to terminate in advance of the Company-specified separation date. In such cases, the earlier date would be considered the Company-specified separation date for purposes of applying the TLA rules.

Note: The date an employee is terminated from the payroll under the Extended Compensation Option will be considered to be the employee's Company-specified separation date for purposes of applying TLA rules.

Eligibility

You are eligible for a TLA if:

- You are an active participant employed by a Company participating in the AT&TPP, and
- You are terminated (Voluntarily or Involuntarily) under the provisions of an AT&T Force Management Program or Plan for reducing force surplus, and
- Your actual age and/or service on your Company-specified separation date are within one (1) year of the age and/or service requirements for retirement-related benefits.

You are not eligible for a TLA if you are already eligible for retirement-related benefits:

- Based on your actual age and service

You are eligible for retirement-related-benefits if:

- You are an active participant employed by a Company participating in the AT&TPP, and

Your age is at least	and	Your Net Credited Service is at least
any age		30 years
50		25 years
55		20 years
65		10 years

Transition Leave of Absence (TLA) (continued)

Length of Leave A TLA will expire on the earliest of the:

- First calendar date anniversary of your Company-specified separation date, OR
- Date you attain required age and/or service to become service eligible for retirement-related benefits,

OR

- **Date you are (re)hired by*:**
 - AT&T, OR
 - An entity within AT&T's controlled group of corporations within the meaning of Section 1563 of the Internal Revenue Code (generally, this means that AT&T directly or indirectly owns 80%), OR
 - Any Company that participates in AT&T's pension plans, OR
 - Any Company covered by the Mandatory Portability Agreement and you are covered under the agreement and do not elect to waive such coverage, OR
 - Any other Company with which there is an agreement for the interchange of benefit obligation and you are covered under the agreement.

***Note:** Your leave will be cancelled retroactive to your last day on the active payroll of the AT&TTPP participating Company prior to the start of the TLA. **Service Credit will not be granted for the period of the TLA and eligibility for retirement-related benefits will not be attained.** You will be subject to the applicable bridging rules for bridging of your prior service.

OR

- Date of your death (eligibility for retirement-related benefit is not attained since the TLA is not completed).

Sickness Disability on Company-Separation Date If you are receiving sickness-disability benefits under the Sickness and Accident Disability Benefit Plan (SADBP) and are scheduled to separate from the Company (either **Specified** voluntarily or involuntarily) under an AT&T Force Management Program or Plan for reducing a force surplus, your eligibility to TLA will be the same as for all other employees.

Your TLA will begin on the later of:

- The date following your Company-specified separation date, OR
- The date you are certified to return to work. If you attain eligibility for retirement-related benefits during the period in which you are receiving sickness-disability benefits under the SADBP, you will no longer be eligible for a TLA.

Note: For additional information see the AT&T Force Management Programs (Matrix) page 2-21.

Transition Leave of Absence (TLA) (continued)**Election**

If you wish to elect TLA and are covered by the Collective Bargaining Agreement, you may do so within the Voluntary Period or at anytime your age and/or service are within one (1) year of retirement-related benefits, (see Force Management Plan Checklist provided by your supervisor). Your election is irrevocable after the close of the Voluntary Period. If you are displaced (i.e., “bumped”) during the job claiming process in the Involuntary Period of the surplus declaration, you may elect TLA no later than the fifth day prior to your off payroll date.

In addition, employees may elect TLA any time while they are participating in the Extended Compensation Option if they are within one (1) year of eligibility for retirement-related benefits.

**Employment
During TLA**

You are permitted to work during a TLA except for employment by:

- AT&T, OR
- Any entity within AT&T's controlled group of corporations within the meaning of Section 1563 of the Internal Revenue Code (generally, this means that AT&T directly or indirectly owns 80%), OR
- Any Company that participates in AT&T's Pension Plans, OR
- Any Company covered by the Mandatory Portability Agreement and you are covered under that agreement and do not elect to waive such coverage, OR
- Any other Company with which there is an agreement for the interchange of benefit obligation, and you are covered under the agreement.

Reinstatement

Transition Leaves of Absence carry no guarantee of reinstatement.

Service Credit

Service credit is not granted for the period of the TLA. The period of the TLA is not considered as NCS in the calculation of your pension benefit or in the calculation of the amount of any early retirement discount.

Transition Leave of Absence (TLA) (continued)**Benefits**

During your TLA if you are a Full or Part-Time Occupational Employee you will be provided with benefit and other program coverages as follows:

- | | |
|--|---|
| Medical | - The Company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Medical Expense Plan for Occupational Employees for twelve (12) months of your TLA. If you are enrolled in an HMO, you are responsible to continue to pay the HMO employee contributions. |
| Dental | - The Company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Dental Expense Plan for Occupational Employees for twelve (12) months of your TLA. |
| Vision | - The Company pays for coverage for one (1) month after TLA commences and you may continue coverage thereafter under COBRA continuation coverage for up to an additional eleven (11) months by paying the coverage COBRA premium. |
| Basic
Supplementary
Life Insurance | -The Company pays for coverage of one time's total annual pay during your TLA. You may continue to pay for up to five (5) levels of coverage directly through MetLife. |
| Accidental Death
& Dismemberment | - The Company pays for coverage of one time's total annual pay during your TLA. |
| Supplementary
Accidental Loss
Insurance | - You may continue to pay for up to five (5) levels of coverage directly through Metropolitan Life for period of leave. No conversion available through AT&T. |
| Dependent
Life Insurance | - You may continue to pay for coverage directly through Metropolitan Life for period of leave. No conversion available through AT&T. |
| Dependent
Accidental
Loss Insurance | - You may continue to pay for coverage directly through Metropolitan Life for period of leave. No conversion available through AT&T. |
| Long Term
Disability | - You are NOT eligible. |
| Long Term
Care | - You may continue to pay for coverage directly through Metropolitan Life. |
| Sickness
Disability | - You are NOT eligible. |

Transition Leave of Absence (TLA) (continued)**Benefits
(continued)**

Sickness - You are eligible during the period of the leave if there is a qualified beneficiary.

Death Benefit

Automatic Survivor Annuity (AT&T Pension Plan) - You are eligible for the same coverage you had as of your Company-specified separation date.

Note: Part-time employees working less than 25 hours a week hired after January 1, 1981, continue to pay for coverage as follows:

- 17-24 hours a week - you pay 50% of cost of coverage.
- less than 17 hours a week - you pay 100% of cost of coverage.

Savings Plans

- Employee and Company contributions will be suspended.
- Movement of past investment balances is permitted according to Plan Provision.
- A new loan may be initiated if you do not have an outstanding loan.
- You are eligible to take a lump sum distribution or if you defer the distribution you may take up to four (4) withdrawals per calendar year.
- You may rollover your AT&T Pension Plan balance into your Savings Plan account. The rollover will be invested in the AT&T Stable Value Fund. You may reallocate the funds after they are in the Savings Plan.
- If you have an outstanding loan, you will be sent a coupon book so that you may repay the loan in monthly installments. Outstanding loans may also be repaid in full at anytime.

ESPP

- If you participate in the AT&T ESPP, you will receive a certificate for full shares of stock and a check for any fractional share balance. To request a cash distribution, call AT&T ESPP Services on (800) 288-3785 to request a distribution of your account. If you do not request a distribution, a distribution in the form of a stock certificate will be made as soon as possible after your last day on the AT&T payroll.

Toll Discount

- You are eligible during leave if you subsequently retire with a service pension. (Bills received during leave should be sent to Pension Service Center (PSC) upon retirement at end of leave).

Tuition Assistance

- You are not eligible during leave.

Adult Disability Service

- You are eligible during leave.

Child/Elder Care Resource and Referral

- You are eligible during leave.

School Smart

- You are eligible during leave.

Transition Leave of Absence (TLA) (continued)**Benefits
(continued)**

-
- | | |
|--|--|
| Adoption Reimbursement | - You are NOT eligible during leave. |
| Adoption Resource and Referral | - You are eligible during leave. |
| Health Care Reimbursement Account | - You may continue to make after-tax deposits to account for current Plan Year. If after-tax deposits are continued, you can submit expenses incurred up to earlier of end of Plan Year or month of last after-tax deposit. If after tax deposits are not continued, you cannot submit expenses incurred after start of leave. In either case, eligible expenses must be submitted before April 15th of the next year. |
| Child/Elder Reimbursement Account | - You cannot make deposits after start of leave. You can submit expenses incurred during Plan Year up to balance in account at start of leave. These expenses must be submitted before April 15th of the next year. |
| Group Legal | - You are NOT eligible during leave. |

APPLICATION FOR TRANSITION LEAVE OF ABSENCE (TLA)

Section A: To Be Completed by Employee

Please complete Section A and review page 2 of this Application for terms and conditions of Transition Leave of Absence

Employee's Name		Business Unit/Division	Job Title	
Social Security No.	Net Credited Service Date	Date of Birth	Organization Code	Payroll Unit
Employee's Work Address (include city and state)		Room No.	Work Tel. No.	
Employee's Address During Leave of Absence			Home/Reach Tel. No.	
Transition Leave of Absence Period Requested		Start Date	End Date	
Company-Specified Separation Date	Date of Sale to Non-AT&T Entity	Name of Non-AT&T Entity		

I have read and understand the terms and conditions (set forth on page 2 of this Application) of the Transition Leave of Absence

Employee's Signature: _____ Date: _____

Please send the completed TLA application to: Occupational Career Placement Center, 10 Independence Blvd. Room 3N60, Warren, NJ 07059

Section B: To Be Completed by Employee's Supervisor

This Transition Leave of Absence is approved for the period from _____ to _____ inclusive, subject to the conditions set forth on page 2 of this form.

Supervisor's Signature		Date
Supervisor's Name (Print)	Title	Telephone No.
Supervisor's Complete Work Address		

Section C: For Pension Service Center Use Only

Pension Commencement Date	Processed By	Date
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Terms and Conditions Applying to a Transition Leave of Absence (TLA)

Review of Terms and Conditions of Transition Leave of Absence

I understand that with a TLA my eligibility for retirement-related benefits will be calculated based on my age and service at the expiration of the TLA. I understand that if I am hired by: (I) AT&T or (II) any entity within AT&T's controlled group of corporations within the meaning of Section 1563 of the Internal Revenue Code (generally, this means that AT&T directly or indirectly owns 80%) or (III) any Company that participates in AT&T's pension plans or (IV) any Company covered by the Mandatory Portability Agreement and I am covered under that agreement and do not elect to waive such coverage or (V) any other Company with which there is an agreement for the interchange of benefit obligations, and I am covered under the agreement, my TLA will be canceled retroactive to my last day on the active payroll prior to the start of the TLA. Service credit will not be granted for the period of the TLA and eligibility for retirement-related benefits will not be attained. I will be subject to the applicable bridging rules for the bridging of prior service. I further understand that in the event of my death during the period of the TLA entitlements will be those as of the day before the effective date of the TLA.

Duration of TLA

A TLA will end on the earliest of:

- a) the first calendar date anniversary of Company-specified separation date, or date of sale, or
 - b) the date employee attains required age and/or service to become eligible for retirement-related benefits, or
 - c) the date employee is hired by:
 - (I) AT&T (II) any entity within AT&T's controlled group of corporations within the meaning of Section 1563 of the Internal Revenue Code (generally, this means that AT&T directly or indirectly owns 80%) (III) any other Company that participates in AT&T's pension plans (IV) any Company covered by the Mandatory Portability Agreement and the employee is covered under that agreement and does not elect to waive such coverage; or (V) any other Company with which there is an agreement for the interchange of benefit obligations, and the employee is covered under this agreement. **NOTE:** The TLA will be canceled retroactive to the employee's last day on the active payroll of the AT&TPP participating Company prior to the start of the TLA. Service credit will not be granted for the period of the TLA and eligibility for retirement-related benefits will not be attained. The employee will be subject to the applicable bridging rules for bridging of prior service, or
 - d) the employee's death (eligibility for retirement-related benefits will not be attained since the TLA is not completed).
-

Reinstatement

TLA's carry no guarantee of reinstatement.

Service Credit

Service credit is not granted for the period of TLA. The period of the TLA is not considered as NCS in the calculation of the amount of any early retirement discount. TLA's carry no guarantee of reinstatement.

Other Benefits and Programs/Additional Information

Refer to either the Benefit Information Package provided in connection with the sale of a workgroup or the Employee Communication Package provided to employees separating under the terms of the AT&T Force Management Program.

Involuntary Termination

Employees who are involuntarily terminated as a result of a surplus declaration will receive termination payments according to the schedule appropriate to their Collective Bargaining Agreements.

Eligibility

You must meet the following requirements:

- You are a regular full-time or regular part-time employee (i.e., term, temporary, and management employees are not eligible)
- You have at least one (1) year of NCS
- You are involuntarily terminated as a result of a surplus declaration

Note: For additional information see the AT&T Force Management Programs (Matrix) page 2-21.

AT&T Option Program (ATTOP) Employee Request Form

Employee Information:

Name _____ Social Security No. _____
(Print or Type)

NCS _____ Last Day on Payroll _____ (Verify official date with Supervisor)
mo day yr mo day yr

Basic Weekly/Monthly Pay Rate \$ _____ Employee Job Title _____
(Current)

Part-Time Employees Total Hrs. Scheduled _____ Full-Time Equivalent Hrs. _____

Company Name _____

Work Address _____
Street City State Zip

Home Address _____
Street City State Zip

Telephone No. Work () _____ Home () _____

I have reviewed and understand the options available under the ATTOP.

I understand that the **SPECIAL LEAVE PROGRAM (SLP)** is a voluntary formal arrangement for the period of absence without pay, but with certain benefit coverages for eligible employees. The duration of the leave under the SLP ranges from a minimum of nine (9) months to a maximum of 24 months.

I understand that under the **OPTIONAL TERMINATION PAY (OTP)**, I am voluntarily leaving the service of the Company. **I must take my termination pay in a lump sum**, payable within 30 days after termination of my service, and that I am leaving the payroll without recall rights, and will not be eligible for ARS.

I understand that under the **EXTENDED COMPENSATION OPTION (ECO)**, I will be reassigned to the Skills Match Center (SMC). The reassignment period will not exceed the number of weeks – based on my Net Credited Service (NCS) – provided for in the termination pay schedule or the OTP schedule for which I am entitled based on my status at the time my request is confirmed by the Company.** I must maintain eligibility in the Skills Match Center (SMC) or my service will be terminated and the balance of my Extended Compensation pay will be paid to me as a lump sum termination payment.

I understand that if I elect the **TRANSITION LEAVE OF ABSENCE (TLA)**, I must be within one (1) year of age and/or service requirements for eligibility for retirement-related benefits under the AT&T Pension Plan as of my Company-specified separation date.

I have decided to: ACCEPT: SLP* _____ OTP _____ ECO** _____ TLA* _____

I understand that **I CAN revoke this election on or before the end of the 30-day period**, which began on the day following official notification of eligibility for payments under this Program, but **I CANNOT revoke the decision after the end of the 30-day election period***. I understand I may not participate in JOB CLAIMING after official confirmation.

*Subject to approval

You may **NOT revoke you decision after the conclusion of the voluntary period unless **your status changes from “at-risk” to “not at-risk”**. If you decide to continue with your selection, *your eligibility will be based on the OTP schedule*. If you decide to revoke your selection, resend this form indicating your decision.

Employee's Signature _____ Date _____

Provide Supervisor and Business Unit Accounting Information:

(Please Print)

Name _____ Tel. No. _____

Work Address _____

Org. Code _____ FML Code _____ Location Code _____

Financial Project Code _____

Return to: Occupational Career Placement Center Or HR Manager (refer to back of form)

Surplus I.D. # _____ (HQ use only)

The descriptions of the options contained on this form are for the convenience of our employees. However, if this description differs from the description contained in the 2002 Collective Bargaining Agreement between the Company and the Unions, the description of the Memorandum controls.

Please send completed form to:

AT&T – Occupational Career Placement Center
10 Independence Blvd
Room 3N60
Warren, NJ 07059
Fax: 832-213-0519
Tel: 1-800-634-4105

Application For Leave Of Absence Under Special Leave Program (SLP) (Occupational Employees)

Employee's Name	Business Unit	Job Title	Employment Status (Check one) <input type="checkbox"/> Regular Full-Time <input type="checkbox"/> Regular Part-Time
Social Security No.	Net Credit Service Date		Organization Code/PAN
Employee Work Address (include City and State)		Room No.	Work Tel. No.
Supervisor's Name and Work Location		Room No.	Work Tel. No.
Employee's Address During Leave of Absence			Home/Reach Tel. No.

Request For Leave of Absence Under Special Leave Program (SLP)

(Minimum: 9 months; Maximum 24 months. Extensions in 3 month increments to a maximum of 24 months.)

I hereby request a Leave of Absence under the Special Leave Program (SLP).

Period requested (Note: Dates must agree with those entered on the Employee Data Change Request (EDCR))

From: _____ To: _____
_____ (inclusive)

If Extension, Period of Previous Leave Approved:

From: _____ To: _____

Review Of Conditions During Leave Of Absence Under SLP (see reverse side of this form)

I have read and fully understand the terms and conditions of a Leave of Absence under SLP and also as summarized on the reverse of this form. In addition, I further understand that if during the leave I no longer continue to qualify under all the terms and conditions of the leave, this leave will be considered cancelled. I will no longer be covered under the terms of leave and my separation date from the Company will be effective on the date prior to the commencement of the leave.

Employee's Signature: _____ Date: _____

To Be Completed By Employee's Supervisor

- I do not recommend approval of this Leave of Absence. (Provide supporting reasons.)
 I recommend approval of this leave of absence.

Supervisor's Signature	Date	
Supervisor's Name (Print)	Title	Telephone No.
Supervisor's Complete Work Address		

For Benefit Office Use Only

Processed By	Date
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Please send completed forms to: Occupational Career Placement Center, 10 Independence Blvd., Room 3N60, Warren, NJ 07059

Summary of Conditions for Leaves of Absence Under SLP (Occupational Employees)

Following is a summary of the conditions of a leave under SLP. These are more fully described in the AT&T Special Leave Program document (“SLP document”), which should be read and understood before signing the SLP Application.

General

Application for Leave of Absence for an eligible employee is irrevocable on the part of the employee after the close of the appropriate application period.

Refer to SLP document for conditions applicable to termination pay.

Employment is permitted while on leave under SLP. However, SLP participants cannot be employed by or render services to AT&T or any of its affiliates, subsidiaries, joint ventures or entities, any of their competitors, any companies involved with the Mandatory Portability Agreement or companies with which there is another agreement for the interchange of benefit obligations.

Reinstatement

Leave of Absence under the SLP is granted with guaranteed reinstatement to the same job or one of like status and pay at the expiration of the leave. No reinstatement will be granted to individuals who do not comply with the terms and conditions of the leave.

If employee would have been “At-Risk” at the time their SLP request was confirmed, upon return the employee will be laid off and receive termination pay.

Service Credit

The period of the leave under SLP is without service credit for pension and force adjustment purposes. Service credit for the period of the leave will be recognized for determining vacation, benefits under the Sickness and Accident Disability Benefit Plan and any termination pay.

Benefits provided during leave under SLP:

Company provided benefits (to the extent provided immediately prior to the leave. Medical Expense Plan for Occupational Employees, Dental Expense Plan for Occupational Employees, Vision Care Plan, Basic Group Life Insurance, Accidental Death and Dismemberment (AD&D), Sickness Death Benefit, Group Legal Services, Child Care/Elder Care Referral, Adoption Assistance, Tuition Assistance.

Reimbursement Accounts

SLP participants may continue to submit claims up to the amount in their Child Care/Elder Care Reimbursement Account and/or Health Care Reimbursement Account for expenses incurred prior to the commencement of the leave. In addition, they may choose to continue their Health Care Reimbursement Account on an after-tax basis by making monthly deposits to their account.

Savings Plan

Contributions to the Savings Plan are suspended for the period of the leave, without penalty. New loans may not be processed during the leave.

Sickness and Accident Disability Benefit Plan (SADBP)

SADBP benefits are not available during the leave. If disabled at the end of the leave, the SLP participant may then be eligible for SADBP benefits.

AT&T FORCE MANAGEMENT PROGRAMS (MATRIX)

OPTION	ELIGIBILITY	PAYMENTS	RECALL RIGHTS	ELIG IF ON LEAVE OR DISABILITY	SHOULD \$ BE PAID BACK IF REEMPLOYED	MISCELLANEOUS
Optional Termination Pay (OTP)	Regular Full-time or Regular Part-time Occupational Employee Part of a Surplus Universe 2 or more years of NCS	Lump sum payment See Schedule (Page 2-3) \$30,500 Max. For unused vacation only	No	Yes, if guarantee of reinstate type of leave: -Military -Care of Newborn (CNC) -Family Care	Only if return to AT&T payroll as regular employee and depending on length of time off roll	-Not eligible for AT&T Rehire System (ARS). -Not eligible for Job Claiming after official confirmation. -Not eligible for ATS after official confirmation. -Eligible for TLA if within one year of service pension eligibility. -Not eligible for Funds for Alliance Distribution (FAD)
Extended Compensation Option (ECO)	Regular Full-time or Regular Part-time Occupational Employee Part of a Surplus Universe 5 or more years of NCS Will be reassigned to Skills Match Center (SMC)	<u>NOT AT-RISK</u> <u>Weekly payments</u> See OTP Pay Schedule (Page 2-4) <u>Lump Sum</u> - Only if eligibility lost <u>AT-RISK</u> <u>Weekly payment</u> - per applicable Collective Bargaining Agreement <u>Lump Sum</u> - only if eligibility lost For unused vacation only	Only if AT-RISK when confirmed and after termination from SMC	Yes, if guarantee of reinstate type of leave: -CNC -Family Care	Only if return to AT&T payroll as regular employee and depending on length of time off roll	-Eligible to Participate in ATS (with surplus status, if at-risk). -Not eligible for Job Claiming after official confirmation. -Eligible to participate in ARS when confirmed and after terminated from the SMC, if at-risk. -Eligible for TLA anytime while participating in the SMC if within one year of service pension eligibility. -Accrues NCS while participating in SMC. - Not eligible for Funds for Alliance Distribution (FAD) - See ECO Package for further information. -Eligible for Tuition Assistance
Special Leave Program (SLP)	Regular Full-time or Regular Part-time Occupational Employee Part of a Surplus Universe 5 or more years of NCS	None For unused vacation only	Only if AT-RISK when confirmed and after conclusion of SLP	Yes, if guarantee of reinstate type of leave: -Military -CNC -Family Care will commence at the end of the leave.	N/A	-Not eligible for ATS after official confirmation. -Eligible to participate in ARS. This will allow employees to participate in ARS for duration of their SLP, -TAP guidelines-MAX \$5,250/yr. undergraduate, \$7,000/yr. graduate. -Not eligible for Job Claiming after official confirmation. -Does not accrue service for pension. - Eligible for Funds for Alliance Distribution (FAD) - See SLP booklet for additional information.
Transition Leave of Absence (TLA)	Regular Full-time or Regular Part-time Occupational Employee Part of a Surplus Universe Within one year of age and/or service requirements for retirement related benefits eligibility	No payment for TLA (See OTP/ECO or Involuntary Termination)	See OTP/FCO or Involuntary Termination	Yes, if guarantee of reinstate type of leave: - Military -CNC - Family Care	(See OTP/ECO or Involuntary Termination)	-Service credit is not granted for the period of absence. -May be taken with OTP/ECO/SLP/Involuntary Termination, upon separation from the Company, if eligible. - Eligible for Funds for Alliance Distribution (FAD) -Not eligible for Tuition Assistance
Involuntary Termination (Invol Term)	Regular Full-time or Regular Part-time Occupational Employee AT-RISK in a Surplus Universe 1 year or more of NCS Involuntarily terminated according to Collective Bargaining Agreement	Payment method and schedule according to Collective Bargaining Agreement For unused vacation only	Yes	Yes, if guarantee of reinstate type of leave: -Military -CNC -Family Care	Only if return to AT&T payroll as regular employee and depending on length of time off roll	-Eligible to participate in ATS with surplus status (minimum of 60 days). -Eligible to participate in ARS with career status for a maximum of 3 years after termination. -Eligible for Return Relocation -Eligible to select TLA if within one year of retirement-related benefits. -Eligible for Funds for Alliance Distribution (FAD)

Section 3

Pension Overview

- 3-1 Pension Overview
- 3-1 Determining Your Monthly Pension Benefit
- 3-1 Pension Distribution Options
- 3-1 Pension Payments
- 3-1 Obtaining a Pension Calculation
- 3-1 Obtaining Additional Information

AT&T PENSION PLAN

Pension Overview	<p>The AT&T Pension Plan has a Cash Balance feature, which offers you:</p> <ul style="list-style-type: none">• Your pension benefit expressed as a dollar amount, which makes it easier to track its value• Steadier growth in pension value over your career, and• A lump-sum payment option.
Determining Your Monthly Pension Benefit	<p>If you leave the Company and choose to take an annuity rather than a lump sum payment your benefit will be the greater of:</p> <ul style="list-style-type: none">• Your monthly benefit under the Pension Band Formula (if applicable), or• Your monthly benefit based on your Cash Balance account. <p>For additional information regarding your benefits under the AT&T Pension Plan, refer to your AT&T Pension Organizer, your summary plan description or the PSC Online (www.attpsc.com).</p>
Pension Distribution Option	<p>You will have several options for how you receive your pension, including a:</p> <ul style="list-style-type: none">• Monthly payment during your life only• Monthly payment during your life, with 50% continuing to your surviving spouse after your death• Monthly payment during your life, with 100% continuing to your surviving spouse after your death• Monthly payments for life, with payments guaranteed for at least 10 years (even if you die earlier), payable to your designated beneficiary, or• Full lump sum payment from the Cash Balance account.
Pension Payments	<p>You may commence your pension benefit the <i>first day</i> of the month after the month in which you terminate employment. If you choose an annuity, it will be paid on the first of every month thereafter. Any survivor annuity is payable to your eligible spouse beginning on the first day of the month following the month in which you die and through the last day of the month in which your spouse dies.</p>
Obtaining A Pension Calculation	<p>Employees may request a pension calculation from the PSC Online (www.attpsc.com) or by calling the AT&T Pension Service Center. Refer to the telephone numbers in the "About the AT&T Pension Service Center" section of the package.</p>
Obtaining Additional Information	<p>You can find information relative to your pension benefits at the PSC Online (www.attpsc.com); the summary plan description (available at the Workforce Services website) or, if you need further information, please refer to the "About the AT&T Pension Service Center" section of this package.</p>

Section 4

General Information

4-1 Occupational Benefits Summary

4-6 Additional Tax Information Regarding Separation Allowances

4-8 Relocation Benefits

4-8 - Shipping of Your Household Goods

4-8 - Home Finding Assistance

4-8 - Mortgage Financing

4-9 - Occupational Relocation Authorization

4-11 -Occupational Relocation Acknowledgment Form

4-12 The Alliance

4-12 - What's In It For You

4-13 - How Can You Become Involved in Alliance Programs?

4-13 - Funds for Alliance/ETOP Distribution (FAD)

4-15 - Alliance Participation Form

4-17 – Alliance Eligibility Matrix

4-18 AT&T Resource Center

4-19 - Enrollment Form

4-21 Transition to Teaching

4-22 AT&T Transfer System (ATS)

4-22 - Career Placement

4-23 - Surplus Placement

4-24 AT&T Rehire System (ARS)

4-25 - ARS Career Rehire Placement

4-26 - ARS Surplus Rehire Placement

4-26 - Job Offers

4-26 - Rehire

4-27 Qualifications in Job Claiming

4-27 - Potential Vulnerable Positions

4-27 - At-Risk Employees

4-27 - Eligibility for Job Claiming

4-28 Right to Recall

4-28 - General Benefit Entitlements

OCCUPATIONAL BENEFITS
Associated With INVOLUNTARY SEPARATIONS Due to Force Reductions

	Retirement Related Benefits	Non-Retirement Related Benefits
Medical Expense Plan	Coverage continues under the AT&T Corp. Postretirement Welfare Benefits Plan*	EOM – COBRA (1)
Dental Expense Plan	Coverage continues under the AT&T Corp. Postretirement Welfare Benefits Plan*	EOM COBRA (1)
Vision Care Plan	EOM – COBRA (1)	EOM – COBRA (1)
Basic Group Life Insurance	Paid in full by the company under the AT&T Corp. Postretirement Welfare Benefits Plan(2)	EOM + 6 months basic at company's expense (3)
Supplementary Group Life Insurance	Premiums are deducted from pension check under the AT&T Corp. Postretirement Welfare Benefits Plan. Terminates at age 65 (3)	EOM + 6 months as group insurance at individual's expense (3)
Accidental Death and Dismemberment Insurance (AD&D)	EOM (4)	EOM + 6 months at Company's expense (4)
Supplementary Accidental Loss Insurance	EOM (4)	EOM + 6 months at individual's expense (4)
Dependent Group Life Insurance	EOM (3)	EOM + 90 days at individual's expense (3)
Dependent Accidental Loss Insurance	EOM (4)	EOM + 90 days at individual's expense (4)
Savings & Security Plan	See Note (5)	Company contribution vested
Group Legal Services Plan	EOM	Last day of month following month of layoff.
Long-Term Care Plan	Individual may elect to continue coverage through MetLife Ins. Co.	Individual may elect to continue coverage through MetLife Ins. Co.

* Refer to Appendix D – Bargaining Update on postretirement health benefits.

EOM – End of Month in which Terminated

(1) COBRA

<u>MEDICAL</u>***	
COBRA CONTINUATION COVERAGE	
NCS = 5 years or more	* 6 months at Company Expense
	* 12 months at Individual's Expense
= 1 to 4 years	* 3 months at Company Expense
	* 15 months at Individual's Expense
= less than 1 year	* 18 months at Individual's Expense
<u>DENTAL</u>	
All NCS Years	* 18 months at Individual's Expense
<u>VISION</u>	
All NCS Years	* 1 month at Company's Expense
	* 17 months at Individual's Expense

*** For Company paid COBRA continuation coverage, HMO employee contributions are the responsibility of the employee.

IMPORTANT COBRA NOTE:

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows you to continue medical, dental and vision coverage after the date coverage would normally end.

COBRA coverage is administered by SHPS, Inc. Shortly after you leave the payroll of AT&T, SHPS, Inc. will mail you a COBRA Enrollment Package. It is imperative that you carefully review this package to determine what action you are required to take to ensure continued health coverage. Should you have any questions regarding COBRA, you must call SHPS, Inc. at 1-800-277-4038.

- (2) Beginning at age 66 basic life insurance is reduced 10% each year for the next five years. On your 70th birthday you will have 50% of the amount you had at retirement.
- (3) Individual may elect a conversion when coverage terminates. Call MetLife Insurance Center at 1-800-434-7876 to request a form for continuation of coverage on a direct-bill basis.
- (4) Cannot be converted to an individual policy.
- (5) Payment in full available when you retire from active service or are terminated because of total disability. Refer to SSP Summary Plan description for further information.

OCCUPATIONAL BENEFITS
Associated With OPTIONAL TERMINATION PAY (OTP) Due to Force Reductions

	Retirement Related Benefits	Non-Retirement Related Benefits
Medical Expense Plan	Coverage continues under the AT&T Corp. Postretirement Welfare Benefits Plan*	EOM – COBRA (1)
Dental Expense Plan	Coverage continues under the AT&T Corp. Postretirement Welfare Benefits Plan*	EOM COBRA (1)
Vision Care Plan	EOM – COBRA (1)	EOM – COBRA (1)
Basic Group Life Insurance	Paid in full by the company under the AT&T Corp. Postretirement Welfare Benefits Plan (2)	EOM + 6 months basic at company's expense (3)
Supplementary Group Life Insurance	Premiums are deducted from pension check under the AT&T Corp. Welfare Benefits Plan. Terminates at age 65 (3)	EOM + 6 months as group insurance at individual's expense (3)
Accidental Death and Dismemberment Insurance (AD&D)	EOM (4)	EOM + 6 months at Company's expense (4)
Supplementary Accidental Loss Insurance	EOM (4)	EOM + 6 months at individual's expense (4)
Dependent Group Life Insurance	EOM (3)	EOM + 90 days at individual's expense (3)
Dependent Accidental Loss Insurance	EOM (4)	EOM + 90 days at individual's expense (4)
Savings & Security Plan	See Note (5)	Company contribution vested
Group Legal Services Plan	EOM	Last day of month following month of layoff.
Long-Term Care Plan	Individual may elect to continue coverage through MetLife Ins. Co.	Individual may elect to continue coverage through MetLife Ins. Co.

* Refer to Appendix D – Bargaining Update on postretirement health benefits.

EOM – End of Month in which Terminated

(1) COBRA

<u>MEDICAL</u>***	
COBRA CONTINUATION COVERAGE	
NCS = 5 years or more	* 6 months at Company Expense
	* 12 months at Individual's Expense
= 1 to 4 years	* 3 months at Company Expense
	* 15 months at Individual's Expense
= less than 1 year	* 18 months at Individual's Expense
<u>DENTAL</u>	
All NCS Years	* 18 months at Individual's Expense
<u>VISION</u>	
All NCS Years	* 1 month at Company's Expense
	* 17 months at Individual's Expense

*** For Company paid COBRA continuation coverage, HMO employee contributions are the responsibility of the employee.

IMPORTANT COBRA NOTE:

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) allows you to continue medical, dental and vision coverage after the date coverage would normally end.

COBRA coverage is administered by SHPS, Inc. Shortly after you leave the payroll of AT&T, SHPS will mail you a COBRA Enrollment Package. It is imperative that you carefully review this package to determine what action you are required to take to ensure continued health coverage. Should you have any questions regarding COBRA, you must call SHPS, Inc. at 1-800-277-4038 or visit the website at www.shps.net.

- (2) Beginning at age 66 basic life insurance is reduced 10% each year for the next five years. On your 70th birthday you will have 50% of the amount you had at retirement.
- (3) Individual may elect a conversion when coverage terminates. Call MetLife Insurance Center at 1-800-434-7876 to request a form for continuation of coverage on a direct-bill basis.
- (4) Cannot be converted to an individual policy.
- (5) Payment in full available when you retire from active service or are terminated because of total disability. Refer to SSP Summary Plan description for further information.

Bargaining Update

Retired Occupational Employee Medical and Dental Benefit Changes

Health Benefits

With the extension of the bargaining agreement, the Company and Union(s) agreed to extend the Health Care Reimbursement Account for Retirees (HCRAR) in order to cover the required contributions for Single or Family coverage under the AT&T Postretirement Welfare Benefits Plan through December 31, 2005.

Contributions

For 2004, the following are the monthly contributions for Post 3/90 Retirees and LTD Beneficiaries for health care benefits under the Point of Service (POS) and the Traditional Indemnity options:

Coverage Category	2004
Single	\$88
2 Person/Family	\$176

Note: Contribution amounts vary by HMO.

HCRAR

The HCRAR is available to all occupational retirees who retire(d) on or after March 1, 1990. The HCRAR is an additional annual benefit that is funded by the Company through December 31, 2005, in accordance with the current collective bargaining agreement. The HCRAR account for 2004 was negotiated to completely cover the required cost of health contributions for the elected coverage in effect December 2003.

The amount available for reimbursement for 2004 will be as follows:

Coverage Category	2004
Single Coverage	\$1,056
2 Person/Family Coverage	\$2,112
Deferral of Coverage	\$600

TAX INFORMATION

A. Basis for Withholding Tax

Employees have a choice as to what type of payment they would like to receive. The first is a stream of payments which could extend over a long period of time, withholding is generally based upon the W4 on record. The second is a lump sum, which would give the employee a lump amount in one large check. If the employee selects a lump sum payment(s), flat withholding rates will be used. This could benefit the employee if the W4 on record is the basis for withholding a much higher tax rate would be used once the lump sum is annualized. There is always the possibility that the employee could be underwithheld depending upon his total income for the year.

For state and local tax purposes, any payments the employee receives in the year of termination will be withheld based on the last work location. Any payments the employee receives in the years following the year of termination will be withheld based on the state of residence at the time the payment is made. Regardless of withholding, however, the employee may have a tax liability and an obligation to file a return and pay tax in the last work location state, the residence state, and other states in which the employee worked in the past. Each employee should consult with his/her tax advisor as to his/her tax status.

B. Federal, State, & Local Income Tax Liability

Withholding is required, regardless of whether lump sum or stream payments are selected, on all termination payments (ECO/OTP/Involuntary Termination). Stream payments are generally based upon the W4 on record for Federal and, where applicable, state and local income taxes. Lump sum payment(s) are based on a flat withholding of 27% for Federal and, where applicable, flat withholding for state and local income taxes. In addition, withholding is required on all pension payments unless you have elected not to have withholding apply by filing a W4-P form with REBO.

Termination payment(s) (ECO/OTP/Involuntary Termination) and pension payments are presently handled separately by AT&T. The tax withheld is based upon an annual amount divided by the number of payments to be made. Because they are handled separately, each type of payment is calculated as though it is the only payment being made. If you are receiving both pension and termination payment(s) (ECO/OTP/Involuntary Termination), your actual tax liability (on the combined income) may be higher than the aggregate amount of tax being withheld. Review the withholding status of the termination payment(s) (ECO/OTP/Involuntary Termination) plus pension payments, as well as your other anticipated income, with your personal tax advisor. You may also want to order a copy of Publication 919 (Is My Withholding Correct) from the IRS by calling 1-800-TAX-FORM. There is no charge for the publication.

C. FICA Withholding

Social Security (FICA) is actually two taxes; for 2002 the FICA tax is a combined rate which consists of Social Security Tax – 6.2% (\$84,900 wage base limit) and Medicare Tax – 1.45% (no wage base limit). These taxes must be withheld at the time the payment is made unless the payment qualifies as being made under a non-qualified deferred compensation plan. Payments made under a non-qualified deferred compensation plan, regardless of whether lump sum or stream payments is elected, are subject to these taxes when the amounts are earned or when the employee cannot lose his/her right to receive the payments, whichever happens later. The employer must pay an equal, matching amount of tax at the same time. The wage limit used to calculate FICA tax liability is the wage limit for the year in which the tax must be withheld and paid. To be characterized as a non-qualified deferred compensation plan, the lump sum or some of the payments making up the stream of payments must be paid to the employee after March 15 of the year following the year of termination.

If your payment(s) are treated as being made under a non-qualified deferred compensation plan, the FICA and Medicare taxes on the total aggregate amount of the payment(s) to be made are paid to the government in the year in which you are terminated. These taxes will be withheld from payments to which you are entitled at that time, if you are entitled to payments in an amount large enough to make such withholding possible. Because your FICA and Medicare tax obligation as to the total aggregate termination payments (ECO/OTP/Involuntary Termination) will be satisfied by the tax payment made at the time of your termination, no further FICA or Medicare taxes will be withheld from Separation Allowance payments (ECO/OTP/Involuntary Termination) made in later years, but deductions will be made so as to repay any loan used to pay FICA and/or Medicare taxes.

Your termination payments(s) (ECO/OTP/Involuntary Termination) are subject to FICA and Medicare as follows:

- Your total termination payment(s) (ECO/OTP/Involuntary Termination) will be taxed for Medicare tax because there is no wage limit for this tax.
- If your regular wages PLUS other AT&T compensation in the year that the FICA taxes are calculated exceed the FICA wage limit, none of your termination payment(s) (ECO/OTP/Involuntary Termination) will be FICA taxed.
- If your regular wages PLUS othe AT&T compensation in the year the FICA tax is calculated are less than the FICA wage limit, your termination payment(s) (ECO/OTP/Involuntary Termination) up to the FICA wage limit will be FICA taxed.

Note: See page 5-20 for questions and answers on Taxes and Social Security.

Relocation Benefits

If all other conditions are met under the appropriate article moving expenses will be as follows:

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Article 16.7-A (CWA)
\$12,000 or termination allowance, whichever is less, but no less than \$5,000 | <ul style="list-style-type: none"> • Article 24.5 (CWA)
\$12,000 or termination allowance, whichever is less, but no less than \$5,000 | <ul style="list-style-type: none"> • Article G24.11-A (IBEW)
\$12,000 or termination allowance, whichever is less, but no less than \$5,000 |
| <ul style="list-style-type: none"> • Article 16.7-B (CWA)
\$1,500 in lieu of employee actually moving | <ul style="list-style-type: none"> • AT&T Transfer Systems
\$12,000 or termination allowance, whichever is less, but no less than \$5,000 | <ul style="list-style-type: none"> • Article G24.11-B (IBEW)
\$1,500 in lieu of employee actually moving |
| | <ul style="list-style-type: none"> • AT&T Transfer Systems
\$1,500 in lieu of employee actually moving | |

The above payments are subject to Federal, FICA and State/Local Tax Withholding, if applicable.

Note: Employees moved under Articles 16.7(a) and 24.5 are required to furnish appropriate documentation to the relocation office within 45 days of their permanent change of address.

The following additional services are available to you and any associated cost is your responsibility.

Shipping of Your Household Goods

If your Relocation Counselor arranges for the shipment of your household goods by a contracted van line carrier, you will be eligible to receive the AT&T discount.

Billing will be directed to you and payment is totally your responsibility. The van lines will discuss with you the method of payment required.

Home Finding Assistance

Home finding assistance is available. Contact your Relocation Counselor for information on these services. Any cost is borne by you.

Mortgage Financing

AT&T has arranged a source of mortgage money for relocating employees who qualify. All expenses will be your responsibility. Contact Wells Fargo Home Mortgage at 1-800-452-9988.

RELO-2
March 2003

AT&T OCCUPATIONAL RELOCATION AUTHORIZATION

Instructions for Preparer:

1. Prepare RELO-2 and have employee complete the RELO-2a (if applicable). Have RELO-2 approved by (minimum C band of paying organization). Fax form(s) per instructions at bottom of form.
2. Use "Catalog" tab when creating the Requisition in the AT&T eProcurement System <http://attbuys.smd.att.com> Search for "relocation" and scroll down and select appropriate relocation plan and supplier. Note: Minimum quantity threshold must be \$13,000 and the employee's name must be shown in the "Delivery To" field.

EMPLOYEE NAME	SOCIAL SECURITY #	EFFECTIVE DATE OF RELO	NCS DATE									
<p>Check Appropriate Article:</p> <table border="0"> <tr> <td data-bbox="87 562 553 642"> <input type="checkbox"/> Article 16.7-A (CWA) \$12,000 or termination allowance, whichever is less, but no less than \$5,000 </td> <td data-bbox="594 499 1045 716"> <input type="checkbox"/> Article 24.5 (CWA) \$12,000 or termination allowance, whichever is less <input type="checkbox"/> Article 24.5 (CWA) (Return Relocation only) \$12,000 or termination allowance, whichever is less, but no less than \$5,000 </td> <td data-bbox="1092 499 1479 579"> <input type="checkbox"/> AT&T Transfer Systems \$1,500 in lieu of employee actually moving <input type="checkbox"/> CWA <input type="checkbox"/> IBEW </td> </tr> <tr> <td data-bbox="87 669 553 726"> <input type="checkbox"/> Article 16.7-B (CWA) \$1,500 in lieu of employee actually moving </td> <td data-bbox="594 743 1062 846"> <input type="checkbox"/> AT&T Transfer Systems \$12,000 or termination allowance whichever is less, but no less than \$5,000 (Same for Return Relocation) </td> <td data-bbox="1092 659 1479 772"> <input type="checkbox"/> Article G24.11-A (IBEW) \$12,000 or termination allowance, whichever is less, but no less than \$5,000 </td> </tr> <tr> <td data-bbox="87 779 472 856"> <input type="checkbox"/> Article 16.7-C (CWA) \$12,000 or termination allowance, whichever is less. </td> <td data-bbox="594 846 711 905"> <input type="checkbox"/> CWA <input type="checkbox"/> IBEW </td> <td data-bbox="1092 804 1414 884"> <input type="checkbox"/> Article G24.11-B (IBEW) \$1,500 in lieu of employee actually moving </td> </tr> </table>				<input type="checkbox"/> Article 16.7-A (CWA) \$12,000 or termination allowance, whichever is less, but no less than \$5,000	<input type="checkbox"/> Article 24.5 (CWA) \$12,000 or termination allowance, whichever is less <input type="checkbox"/> Article 24.5 (CWA) (Return Relocation only) \$12,000 or termination allowance, whichever is less, but no less than \$5,000	<input type="checkbox"/> AT&T Transfer Systems \$1,500 in lieu of employee actually moving <input type="checkbox"/> CWA <input type="checkbox"/> IBEW	<input type="checkbox"/> Article 16.7-B (CWA) \$1,500 in lieu of employee actually moving	<input type="checkbox"/> AT&T Transfer Systems \$12,000 or termination allowance whichever is less, but no less than \$5,000 (Same for Return Relocation)	<input type="checkbox"/> Article G24.11-A (IBEW) \$12,000 or termination allowance, whichever is less, but no less than \$5,000	<input type="checkbox"/> Article 16.7-C (CWA) \$12,000 or termination allowance, whichever is less.	<input type="checkbox"/> CWA <input type="checkbox"/> IBEW	<input type="checkbox"/> Article G24.11-B (IBEW) \$1,500 in lieu of employee actually moving
<input type="checkbox"/> Article 16.7-A (CWA) \$12,000 or termination allowance, whichever is less, but no less than \$5,000	<input type="checkbox"/> Article 24.5 (CWA) \$12,000 or termination allowance, whichever is less <input type="checkbox"/> Article 24.5 (CWA) (Return Relocation only) \$12,000 or termination allowance, whichever is less, but no less than \$5,000	<input type="checkbox"/> AT&T Transfer Systems \$1,500 in lieu of employee actually moving <input type="checkbox"/> CWA <input type="checkbox"/> IBEW										
<input type="checkbox"/> Article 16.7-B (CWA) \$1,500 in lieu of employee actually moving	<input type="checkbox"/> AT&T Transfer Systems \$12,000 or termination allowance whichever is less, but no less than \$5,000 (Same for Return Relocation)	<input type="checkbox"/> Article G24.11-A (IBEW) \$12,000 or termination allowance, whichever is less, but no less than \$5,000										
<input type="checkbox"/> Article 16.7-C (CWA) \$12,000 or termination allowance, whichever is less.	<input type="checkbox"/> CWA <input type="checkbox"/> IBEW	<input type="checkbox"/> Article G24.11-B (IBEW) \$1,500 in lieu of employee actually moving										
<p>FORMER LOCATION Business Unit _____ Organization Code _____ Level/Title _____ Office Telephone Number () _____ Office Fax Number () _____ Office Address _____ Room Number _____ City _____ State _____ Zip Code _____ Home Telephone Number () _____ City _____ County _____ State _____ Zip Code _____</p>		<p>NEW LOCATION Business Unit _____ Organization Code _____ Level/Title _____ Office Telephone Number () _____ Office Fax Number () _____ Office Address _____ Room Number _____ City _____ State _____ Zip Code _____ Immediate Supervisor/Telephone Number: _____ () _____</p>										
<p>Weekly Rate of Pay: \$ _____, Termination Allowance: # of Weeks _____, Total Termination Allowance \$ _____</p>												
Prepared by	Telephone Number	Fax Number	Date									
<p>Approval of "charged to" Business Unit (C-Band minimum or attach delegation of authority)</p>												
Printed Name	Signature	Telephone Number	Date									
<p>FAX RELO-1 To the AT&T Relocation Center based on the last digit of emp's. SSN:</p>												
<p>ODD NUMBER Cendant Mobility 40 Apple Ridge Road Danbury, CT 06810 Fax: (203) 205-6387 Tel: (800) 265-0587</p>		<p>EVEN Number Prudential Relocation 16430 N. Scottsdale Rd. Suite 409 Scottsdale, AZ 85254 Fax: (480) 778-7094 Tel: (866) 254-9891</p>										

RELO-2A
March, 2003

OCCUPATIONAL ACKNOWLEDGEMENT FORM

THIS FORM APPLIES TO ARTICLES UNDER WHICH EMPLOYEE ACTUALLY RELOCATES, NOT TO ARTICLES PAID IN LIEU OF ACTUAL MOVE:

Article 16.7-A&C Article 24.5
Article G24.11A AT&T Transfer Systems

PLEASE READ AND COMPLETE THE FOLLOWING:

I, the undersigned, understand that the payment received by me is for the purpose of assisting me in my relocation to the new work site. If I do not move, I agree to reimburse AT&T the amount received.

I understand that I must furnish appropriate documentation to the Relocation Office within 45 days of my change of residence. (e.g. lease agreement, or settlement statement).

PRINTED NAME: _____ **SS#** _____

SIGNATURE _____ **DATE** _____

OFFICE TELEPHONE # _____

MAIL CHECK TO ADDRESS:

NOTE: This payment is subject to Federal 28%, FICA, State and Local tax withholding, as applicable

Payment will not be released to you until this form is signed and returned to the Relocation Center.

FAX BOTH the RELO-2 and RELO-2A to the AT&T Relocation Center based on the last digit of employee's SSN:

<p>ODD NUMBER Cendant Mobility 40 Apple Ridge Road Danbury, CT 06810 Fax: (203) 205-6387 Tel: (800) 265-0587</p>	<p>EVEN NUMBER Prudential Relocation 16430 N. Scottsdale Road, Suite 409 Scottsdale, AZ 85254 Fax: (480) 778-7094 Tel: (866) 254-9891</p>
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The Alliance For Employee Growth And Development

The Alliance for Employee Growth and Development was created by the 1986 Bargaining Agreement. It is a non-profit organization whose purpose is to enhance employment security for AT&T employees represented by the CWA and IBEW. The mission of The Alliance is to promote employment security through skill enhancement for the benefit of both the individual and the Company. The Alliance is designed to serve both active and displaced employees by offering a wide array of programs, tailored to meet the needs of the individual.

One purpose of the Alliance is to enable employees like you to clearly assess your current situation and to offer the opportunity to develop both long and short term career plans. The Alliance then provides you with the support you need to reach these goals.

What's In It For You

Many of you and your coworkers have already been involved in Alliance Programs. Thousands of employees all over the country, both active and displaced, have taken advantage of the assistance that The Alliance offers. We would like you to consider the benefits that are available through The Alliance. The Alliance offers you a wide range of programs and services which include:

- **Life/Work Planning:** This is an ongoing career planning process which provides assessments of your skills and abilities, your aptitudes, and the kinds of careers which make sense for you. It also provides you with relevant information about labor markets both inside and outside AT&T. Career assessment, done with the support of a professional, career counselor, is a primary link to Alliance's Pre-Paid Tuition Program.
- **Alliance Prepaid Tuition Program (800-421-8271):** Tuition assistance to help you pursue the goals identified during Life/Work Planning. Within Alliance policies and guidelines, Alliance will pre-pay your tuition at schools and training institutions.
- **Job Seeking Skills:** Assistance in preparing or updating your resume; interviewing strategies; local labor market information; and strategies for a self-directed job search.
- **Financial Education/Planning:** Designed to help you and your spouse analyze your personal financial position and develop strategies.
- **Qualifying Exam Preparation:** Classes to assist you in preparing for employment tests, such as B-TAB, SDTYPE, etc. B-TAB is also available as an individually accessed program (distance learning opportunity).
- **Relocation Planning:** Workshops, relocation counselors, and web site resources to help you and your family cope with the wide range of issues concerning a relocation - making the decision to relocate; cost of living comparisons; housing and community information; moving your household goods, and other relocation strategies.

The Alliance functions through an extensive network of union/management committees called Alliance Local Committees (ALCs). These committees survey their workforce and determine what programs are best suited to meet the needs of Alliance participants. Your Alliance Local Committee can provide additional information about the types of Alliance programs that are available in your area. If there is no ALC serving your area, The Alliance offers some programs as remote or distance learning opportunities. Contact The Alliance National Headquarters at 1-800-323-3436 for additional information or visit The Alliance web site: www.employeegrowth.com

The Alliance For Employee Growth and Development (continued)**How Can You
Become Involved
In Alliance
Programs?**

To participate in the Alliance, you will need to:

1. Fill out an Alliance Participation Form contained in this package.
2. The Alliance is your resource to help you take charge of your future.
Through career development and training opportunities, the Alliance mission is to empower the individual to achieve employment security through individual growth and skill development. The Alliance is an essential link to career opportunities.
Employees assess needs and implement realistic and effective action plans.

Contact either your Alliance Local Committee or The Alliance National Headquarters for further information.

The Alliance
580 Howard Avenue
Corporate Park III
Somerset, NJ 08873
(800) 323-3436

**Funds for
Alliance
Distribution
(FAD)**

Funds for Alliance Distribution (FAD) is a program established through joint agreement between AT&T, CWA and IBEW which provides up to \$2500 for certain education, training, outplacement, and relocation expenses for eligible employees. It may also be referred to as the Involuntary Termination Education (ITE) program.

Note: See 5-22 for further information on FAD.



Alliance Participant Form

You must complete and submit this form to The Alliance before you can participate in any Alliance Program. Fax or mail the form to The Alliance at the address indicated or hand the form to a local Alliance representative. You do not need to submit the form again except to advise The Alliance of a change in your contact or employment status.

www.employeegrowth.com

Corporate Park III, 580 Howard Ave., Somerset, NJ 08873 (732) 563-0028 (800) 323-3436 Fax (732) 563-1724

EMPLOYEE INFORMATION Is this an Information change or update? Yes No

Mr.
Mrs.
Ms.

Last First Middle Email

Home Address (Include Apt/Unit#) HR ID# or SS#

City State Zip Home Telephone

Work Address (Include Ste#) Work Telephone

City State Zip Job Title Supervisor name

ALLIANCE ELIGIBILITY STATUS

I am an employee of: AT&T Lucent Avaya Inc. Other Alliance Stakeholder: _____

I am a (check one): Regular Full-time Employee Regular Part-time Employee Displaced Employee Term Employee*

My Seniority Date is: _____ Union Affiliation: CWA Local No. _____ IBEW Local No. _____

My Layoff Date is: _____ For Displaced Employees Only: I am receiving separation pay equal to _____ Number of weeks.

CERTIFICATION OF ELIGIBILITY & BARGAINING UNIT STATUS

Eligibility Rules

A. Active Employment Eligibility

A.1 Be a regular full- or part-time AT&T / Lucent / Avaya / other Alliance stakeholder employee and covered by a collective bargaining agreement that includes The Alliance. (*Term employees eligible during active employment only).

A.2 Be represented by one of the following:

a. CWA

b. IBEW (non-manufacturing unit), and

A.3 Otherwise eligible but on union leave of absence.

B. Laid off Employee Eligibility (All requirements apply)

B.1 Be formerly eligible under A.

B.2 Have submitted an Alliance Participation Form within 6 months of lay off date

B.3 Be within 1 year plus # of weeks of separation pay since date of layoff

B.4 Have not been re-employed in comparable employment.

I certify that I am eligible for Alliance services in accordance with the above stated eligibility rules.

Signature Date

(2/1/2004)





Alliance Eligibility Matrix

Basic Eligibility requires that the employee be 1) A regular full or part-time employee of a covered employer, 2) A regular, laid-off full or part-time employee, and for both, 3) Represented by the CWA or IBEW.

FAD/FAED Eligibility requires at least one year of net credited service.

ATTOP/LCTOP Eligibility requires a minimum of five years of net credited service.

Occasional and temporary employees are not eligible for Alliance. The following matrix indicates benefit availability pertaining to various employee statuses.

Dislocated (laid-off) eligibility period is one year plus the number of weeks severance pay at the Dislocated rate, except as noted differently below.

EMPLOYEE CATEGORY/STATUS		ALLIANCE	PPT	FAD/FAED
SLP	Special Leave Program - On active Leave	Yes – As Active	Yes – As Active	No
	Special Leave Program - Returned from leave and laid off	Yes – As Dislocated for 1 year	Yes – As Dislocated for 1 year	Yes
	Special Leave Program - Electing not to return to work	No	No	No
ECO	Extended Compensation Option (Skills Match/Job Match)	Yes – As Active	Yes – As Active	No
	Extended Compensation Option (Skills Match/Job Match) - Completed, at risk, and laid off	Yes – As Dislocated for 1 year	Yes – As Dislocated for 1 year	No
	Extended Compensation Option (Skills Match/Job Match) - Completed, not at risk, and not returning to work as a regular full or part-time employee	No	No	No
TLA	Transitional Leave of Absence – Voluntary	No	No	No
	Transitional Leave of Absence – Voluntary as part of VTP associated with a force adjustment program	Yes – As Active	Yes – As Active	No
	Transitional Leave of Absence – Involuntary*	Yes – As Active – Until laid off	Yes – As Active – Until laid off	No
OTP	Optional Termination Pay	No	No	No
VTP	Voluntary Termination Plan (6/1/99)	Yes – As Active – Equal to # of weeks severance	Yes – As Active – Equal to # of weeks severance	No
Retirement Eligible, Scheduled for Layoff	Elects to Retire prior to official layoff date	No	No	No
	Is involuntarily terminated and applies for Retirement after layoff	Yes	Yes	Yes
Other	Approved Union Leave of Absence	Yes – As Active	Yes – As Active	No
	Recall/Rehire as regular full or part-time employee	Yes – As Active	Yes – As Active	No
	Term Employee – Active	Yes – Group & Certain Remote	Yes – As Active but not as TAP unavailable	No
	Term Employee – Work Completed	No	No	No

* An involuntary TLA results in being laid-off upon expiration of the TLA period. At this point, eligibility would extend as a laid-off employee (including FAD/FAED) regardless of whether on pension or not.

AT&T RESOURCE CENTERS

1-800-992-2478 - PROMPT 1

The AT&T Resource Centers provide a full array of career transition support services to occupational employees who are included in a universe with a declared force imbalance, or work in authorized office closing locations.

The Resource Centers are customer focused facilities dedicated to providing the resources, tools and guidance to identify opportunities and secure new employment both inside and outside of AT&T. Union appointed coordinators and professional career counsellors are available to assist employees who are entitled to on-site and remote access to the center.

ARC services include assistance, advice, and referral in the following areas:

- AT&T Transfer System
- AT&T Option Program
- Alliance for Employee Growth & Development
- Individual Career Counseling
- Benefits Information
- AT&T Force Management Process
- External Job Lead Support/Career Research Network
- Resume Production (Non-ATS)
- Workshops/Seminars
- Participant Access to ARC Website
(www.att.com/resourcecenter)

Register Now!

Complete the attached enrollment form and fax it to the Resource Center serving your area. A list of Resource Centers is included on the reverse side of the enrollment form. A Resource Center representative will contact you within three business days.

A Cooperative Effort of AT&T, CWA and IBEW

AT&T RESOURCE CENTER

REGISTRATION FORM

DATE _____

UNION LOCAL _____

TITLE _____

NCS _____

General Information

SSN

Last Name

First Name

MI

Organization Code

Business Unit/Division

Scheduled Off- Payroll Date:

At-Risk

Universe

(Check one)

Business Phone

Business Address (Street, Room)

FAX Number

Business Address (City, State, Zip)

Home Phone

Home Address (Street, Apt. #)

Home Address (City State, Zip)

Personal E-mail Address: _____

AT&T RESOURCE CENTER LOCATIONS

1-800-992-2478

(Prompt 1- Occupational Area Coordinator)
(Prompt 2- Questions Regarding Resource Center Services)

<u>CENTER LOCATION</u>	<u>COORDINATOR</u>	<u>REGION</u>
<p>AT&T Resource Center 1 Speedwell Avenue - 8th Floor Morristown, NJ 07962 Main # (973) 898-2270 Fax # (973) 898-2177</p>	<p>Mary Davidson-Glover – CWA Email – marydg@att.com Voice (732) 537-4466 Fax # (732) 537-4476</p>	<p><i>Mid-Atlantic/Far 1</i> CT, DC, DE, MA, MD ME, NH, NJ, NY, PA, RI, VA, VT, WV</p>
<p>AT&T Resource Center 1200 Peachtree St. N.E. Promenade I Room 7053 GA 30309</p>	<p>Cora Moore- CWA Email – coramoore@att.com Voice (404) 810-7878 Fax (404) 810-7722</p>	<p><i>Southeastern/Far 2</i> AL, FL, GA, KY, MS, NCAtlanta, SC, TN</p>
<p>AT&T Resource Center 6303 Forest Park Suite 100 Dallas, TX. 75235</p>	<p>Lizzie Baker - CWA Email – lizziebaker@att.com Voice (214) 654-8004 Fax (214) 654-8005</p>	<p><i>Southwestern/Far 2</i> AR, KS. LA, MO, OK, TX</p>
<p>AT&T Resource Center 227 W. Monroe Street Floor 14 Chicago, IL 60606</p>	<p>George Sullivan - CWA Email – gsullivan2@att.c Voice (312) 230-5295 Fax (312) 230-8134</p>	<p><i>Central/Far 3</i> IA, IL, IN, MI, MN, NE, OH, WI, ND, SD</p>
<p>AT&T Resource Center 4450 Rosewood Drive Floor 1 – Room 5160 Pleasanton, CA 94588</p>	<p>Jean Edson - CWA Email - jmedson@att.com Voice (925) 224-1118 Fax (925) 224-2075</p>	<p><i>Western/Far 4</i> AK, AZ, CA, CO HI, NM, NV, OR, UT, WA, WY, ID, MT</p>

Transition to Teaching

AT&T's Transition to Teaching Program offers financial assistance to regular U.S. based full-time (excluding temps, terms) occupational employees who leave the payroll voluntarily via a Force Management Program and are pursuing a teaching certificate. Participants must have at least five (5) years of service and hold a bachelor's degree.

Employees must register for the Program within six months of terminating AT&T employment to receive reimbursement payments for valid expenses incurred in conjunction with an "alternate-route" or other post-baccalaureate certification process. Expenses covered generally include application fees, certification fees, mentorship-apprenticeship fees, testing fees, tuition, textbooks and other related recurring fees (up to a maximum of \$3,000 over a three-year period).

Alternate-route, which is offered in most states, provides a more direct route to teacher certification than traditional programs. Although requirements vary from state to state, most programs require a bachelor's degree and successful completion of education exams on basic skills and subject matter expertise. Alternate-route certification generally requires fewer education courses than traditional methods of certification. As it may also give credit for past work experience, it is an ideal way to give non-teaching professionals an opportunity to become teacher certified.

For an information package, which includes a registration form, or additional information please visit <https://cpg.att.com/>, click on Occupational Place then Transition to Teaching. For those who do not have access to the web, please contact the **AT&T Transition to Teaching Program Manager** on 908-234-8705.

AT&T Transfer System

The AT&T Transfer System (ATS) is a transfer plan for the movement of union-represented and non-represented regular full-time or regular part-time and term occupational employees in designated AT&T business groups, business units and divisions.

ATS includes two distinct placement processes: 1) Career Placement which enhances job opportunities for employees seeking, career changes, and 2) Surplus Placement which provides surplus employees a greater opportunity for continued employment with AT&T.

Additional features of the AT&T Transfer System include provisions for retreats from upgrades, AT&T trailing spouses, personal hardships, an internal promotion feature, wage protection for Surplus downgrades, laterals, and a return home feature for surplus employees who are laid off within three years after previous ATS Surplus Placement that included relocation benefits.

The Company and the Unions agree that the AT&T Transfer System uniquely addresses many concerns expressed by occupational employees over the past few years.

To participate in ATS call 1-800-662-6629. Telecommunications Device for the Deaf (TDD) is available at 1-800-258-1124. Employees may also contact the Staffing Office, or AT&T Resource Center (ARC), whichever is appropriate, for assistance in participating in ATS Career or Surplus Placement.

If you meet the eligibility requirements and wish to participate in Career Placement, you may select current or future job opportunities.

Career Placement

Current job Opportunities in ATS are available through a self-nomination process utilizing the services of the ATS Service Center. ATS job openings may be viewed on the web at www.att.com, however, you must contact the service center to self-nominate. Currently available jobs will be advertised for five (5) business days and will be accessible by dialing 1-800-662-6629. (In the event no candidates self-nominate for a vacancy, the vacancy will be readvertised for six (6) additional business days). Future job opportunities may be requested by initiating a Career Placement request. All future requests will require the following information: Job title and level; city or local placement area (LPA); full-time or part-time; business group or business unit. You may initiate these requests using the same toll-free number.

To self-nominate for these job openings, however, you must meet the following requirements:

- You must have an ATS/ARS Employee Profile on file.
- You must be a regular full-time, regular part-time or term occupational employee (temporary and management employees, including those in acting titles, are excluded from ATS).
- You must have a satisfactory or better overall current appraisal rating on ATT 143 Occupational Performance Appraisal*
- You must have a satisfactory current attendance rating on ATT 143 Occupational Performance Appraisal (or it's equivalent)*
- You must have satisfied the applicable Time-in-Title/Time-in-Grade and Time-in-Location requirements of your current job (unless waived because of special consideration status). Time-in-Location will only have to be restarted if you move outside your LPA or move to a new Business Group. You may call the Service Center (1-800-662-6629) to find out the time requirements for a specific job title/grade.

AT&T Transfer System (continued)**Career
Placement
(continued)**

In ATS Career Placement, you may have up to eight (8) requests at any one time and these may be any combination of current or future job opportunities for upgrades, laterals or downgrades.

Note: * A current appraisal/attendance rating is one that has been formally documented and reviewed with you within the last 12 months

Self-nomination for currently open jobs expires after 30 days or when a candidate has been selected, whichever occurs first.

Future Career Placement requests, once activated, have a life cycle of three years or until one of the following occurs:

- You no longer meet ATS eligibility criteria
- You are placed in another job via ATS, a local voluntary intra-Business Unit/Division lateral transfer, or any other AT&T voluntary force rearrangement or job placement process.
- You have not been tested within the 90-day period. The request is canceled, but you will remain on the "to be tested" list.
- You withdraw the request(s).
- You leave the AT&T payroll, or
- You are no longer a full-time, part-time, or term occupational employee.

All participating employees in Career Placement have **two business days** (not including the day of offer) **to accept or decline a job offer**. Acceptance of a job offer cancels all other requests and employees must re-meet applicable time-in-title and location requirements prior to becoming a participant again. There is **no** provision for relocation allowance for Career Placement in ATS, unless the employee is officially designated as At-Risk at the time of accepting a Career Placement and meets the Relocation criteria.

**Surplus
Placement**

A Surplus Placement is the placement of a regular full-time or regular part-time occupational employee who has been declared At-Risk and is scheduled to be laid off in accordance with the provisions of the applicable Collective Bargaining Agreement.

At-Risk employees using a **Surplus Placement Request** will be given priority over career employees. At-Risk employees are guaranteed that the selection is based on seniority within the Order of Consideration. Any At-Risk employee selected for a job opening must be basically test qualified and have the required skill(s), if applicable, for the opening.

Placement Requests for current job openings initiated by career ATS participants will **NOT** automatically be converted to Surplus Placement Requests in the event you are declared At Risk. You must request these changes by calling the Service Center while the job opening is being advertised. If the job vacancy is not currently being advertised, your request will remain as Career.

As an At-Risk employee, you can self nominate for current open positions which are advertised in ATS up to the expiration date of your surplus status. Officially declared At-Risk employees will be guaranteed at least 60 days surplus status in ATS and/or ARS.

If your At-Risk status end date extends beyond the off roll day, you will be entitled to participate in ATS/ARS Surplus Placement and ARS Career Rehire Placement until your At-Risk status expires. When this occurs, you will be eligible to participate in ARS as Career Placement only.

AT&T Transfer System (ATS) (continued)**Surplus Placement (continued)**

You are eligible to participate in Surplus Placement provided you meet all the following requirements:

- You must be a regular full-time or regular part-time occupational employee on the active payroll. (Term, temporary, and management employees, including those in acting titles, are excluded).
- You must be At-Risk.
- You must be designated for layoff with a specific layoff date.

If you meet these conditions, you may self-nominate on an unlimited number of current job openings, provided they represent a lateral or downgrade move. The selection decision will be based on seniority but employees must meet the basic test/skill qualifications at the time of self-nomination. As an At-Risk employee you can nominate on positions with required skills even if you do not have an ATS/ARS Employee Profile on file at the ATS/ARS Service Center. The hiring manager or staffer will verify that you have the required skill(s) before you are offered the position. At-Risk employees can access information on open jobs through the same toll-free number as Career Placement participants. Self nominations will be taken directly over the telephone for basically qualified candidates.

At-Risk employees may participate in Career Placement if all other eligibility requirements have been satisfied. You will be given a waiver for time in title and time in location, if necessary, to participate in Career Placement. You must, however, meet performance appraisal and attendance criteria as evidenced on the ATS/ARS Employee Profile.

At-Risk employees have two business days (not including the day of offer) to accept or decline a job offer. Surplus Placement may additionally provide for wage protection and/or relocation allowance under certain conditions. If you accept the job offer, you are no longer eligible for Surplus Placement. **You may decline one job offer you requested with a surplus placement request. Should you decline a second job offer you will become ineligible for Surplus Placement opportunities, and if you were given a waiver for Career Placement participation, it will also be removed.**

For more information on ATS, call the Service Center at 1-800-662-6629 (TDD 1-800-258-1124). A representative will arrange to send you an ATS/ARS Information Package and an ATS/ARS Employee Profile.

Surplus Placement Requests will be canceled upon occurrence of any of the following:

- You are placed in another job via ATS, a local voluntary intra-Business Unit/Division lateral transfer, or any other AT&T voluntary force rearrangement or job placement process, or
- You decline 2 ATS job offers, or
- You withdraw the request(s), or
- Your surplus special consideration has expired, or
- You are no longer a full-time, part-time, or term occupational employee, or
- You leave the AT&T payroll

AT&T Rehire System (ARS)

ARS will provide placement opportunities for former regular full-time and regular part-time AT&T Occupational Employees who have been laid off. To self-nominate for these job openings, however, you must meet the following requirements:

Eligible to participate in ARS are former regular full-time or former regular part-time AT&T occupational employees (excluding, former term, temporary employees):

- who left the Company due to involuntary termination.

AT&T Rehire System (ARS) (continued)

In addition to the above, employees are eligible if they have been granted an ARS participation waiver prior to taking a Leave of Absence or leaving the Company due to the following:

- an Authorized Hardship
- an AT&T Trailing Spouse Condition
- a Foreign Assignment Leave because of an AT&T-employed spouse on temporary foreign assignment.

The period of eligibility is up to three (3) years from the date the former employee left the Company, or from the first day of the eligible Leave of Absence (LOA)*. If the employee terminates the eligible LOA, he/she may complete the remainder of his/her 3 year eligibility in ARS.

* Eligible Leave of Absence: A Personal Leave of Absence may be authorized for a variety of reasons. An employee is eligible to participate in ARS if the LOA was granted because of an AT&T Trailing Spouse Condition or because of an Authorized Hardship.

NOTE: The Occupational Career Placement Center (OCPC), (Staffing Office) must have your request on file prior to your LOA start date.

Prior to your LOA expiration date, contact the OCPC to activate your ARS status.

You may contact the Service Center at 1-800-662-6629 to inquire about and self-nominate on job openings. ATS job openings may be viewed on the web at www.att.com, however, you must contact the service center to self-nominate.

It is imperative you register **PRIOR** to leaving the payroll. To register, please call 1-800-662-6629 or the Telecommunication Device for the Deaf (TDD) at 1-800-258-1124 and request an ATS/ARS Information Package. If you are already an active participant in ATS, you will automatically be converted to ARS, however, you should still call the Service Center to confirm your status.

**ARS Career
Rehire
Placement**

ARS Career Placement is the reemployment of a former regular full-time or regular part-time occupational employee who is seeking a position.

In order to participate PRIOR to termination you must meet all of the following:

- Verify, supply, or update your ATS/ARS Employee Profile
- Have a satisfactory or better appraisal rating and satisfactory attendance rating

If you are an eligible, qualified former employee seeking reemployment you can request to be considered for currently open positions as a Career Rehire Candidate. You may have up to eight (8) ARS Career Placement Requests at any one time. These may be upgrade, lateral or downgrade requests.

ARS Career Placement Requests will be canceled upon occurrence of any of the following:

- You are rehired into a regular full-time or regular part-time occupational job, (not term or temporary) via ATS/ARS or any other employment process, or
- You withdraw the request(s), or
- The expiration of the Placement Request has been reached, generally within 30 days.

AT&T Rehire System (ARS) (continued)**ARS Surplus
Rehire
Placement**

ARS Surplus Placement is the reemployment of a former regular full-time or regular part time occupational employee placed during his/her minimum surplus eligibility period.

If you are a former employee who has been laid off and have not completed all of your minimum sixty (60) days surplus status in ATS by your last day on payroll, you will be granted the remainder of your surplus eligibility in ARS. As an ARS Surplus Placement employee, you may self-nominate for an unlimited number of job openings representing a lateral or downgrade move.

As a Surplus employee you can nominate on positions with required skills even if you do not have an ATS/ARS Employee Profile on file at the Service Center. The hiring manager or staffer will verify that you have the required skill(s) before you are offered the position.

ARS Surplus Candidates are eligible to the same relocation treatment as ATS Surplus.

All surplus and career requests which you have on file will remain as long as you retain your surplus eligibility.

You will be subject to the same requirements and treatment that apply to surplus placement in ATS. Your surplus status will be canceled upon occurrence of any of the following:

- You are rehired into a regular full-time or regular part-time occupational job (not term or temporary) via ATS/ARS or any other employment process, or
- You refuse a position which you requested through ATS/ARS surplus placement, or
- You complete a minimum combined total of sixty (60) days Surplus status in ATS and/or ARS.

However, as a former employee once your sixty (60) days Surplus Status in ATS and/or ARS has been reached, you may continue to participate as an ARS Career Candidate for the remainder of three (3) years, provided you meet the career eligibility requirements.

Job Offers

ARS employees have two (2) business days (not including the day of the offer) to accept or decline a job offer. Acceptance of a job offer cancels all other requests. Declination of a job offer made as an ARS Surplus Placement cancels all other surplus requests and surplus status in ARS will be canceled.

Rehire

ARS does not replace Recall. However, if you are placed through ARS, the Company Recall obligation will be satisfied.

If you are rehired, some of the **termination pay** that you have been issued may be **subject to repayment prior to re-employment** if the number of weeks you were laid off is less than the number of weeks of termination pay received. If you are currently receiving periodic payments, the Staffing/Employment Office will initiate "stop payment" paperwork. If you have received a lump sum termination allowance, Staffing/Employment must arrange for the return of monies from you, due back to the Company **prior** to re-employment, according to the provisions of the applicable labor agreement or Company policy.

Qualifications in Job Claiming

This section provides information on qualifications in job claiming.

A required skill or test may be authorized for use on selected titles during the job claiming process. In order for the Occupational Career Placement Center to administer the Job Claiming Process, the Business Group will identify skills for the following:

Potential Vulnerable Positions

Vulnerable positions are the jobs which are currently occupied by incumbents who may have their job claimed. Any skills or tests required for the vulnerable position must be authorized on the applicable job brief for that title and identified on the Qualification Identification Form. Also, there must be Company documentation that the skill or test is possessed by the incumbent. A skill or test requirement is associated with a job, however, not with the employee in the position. For example, if an incumbent has an FCC license, but the license is not a requirement of that specific job, the Business Group would not identify FCC license as a skill requirement for that potentially vulnerable position.

At-Risk Employees

These are employees who are eligible to participate in the job claiming process.

In order for an employee to be considered qualified to claim a junior position, Company records (e.g., a valid test record) must reflect that the employee possesses the claimed skill or test. This documented record must be on file in ATS/ARS as of the date the At-Risk employee makes his/her preference selections on the Job Availability List.

Qualifying skill/test results are valid for five (5) years. Thereafter, you must either be retested and qualify or be grandfathered for the skill. It is the employee's responsibility to call the Service Center (1-800-662-6629) to verify their test record and/or to request testing.

Eligibility for Job Claiming

CWA - at least five (5) years of Net Credited Service as of employee's off payroll date,
IBEW - no minimum Net Credited Service requirements.

Right to Recall

This section provides information on entitlements and responsibilities regarding recall rights afforded by certain agreements (e.g. Amended New Entities Agreement and Collective Bargaining Agreements). Those agreements contain the applicable controlling procedures and are not modified by this section. Recall will only be made for employees to the former/equivalent job title or its successor title or for a title of equivalent status for which they qualify in the GCA/RCA. Time frames for recall to AT&T are governed by collective bargaining agreements.

Right to Recall from Layoff - Former employees of AT&T covered by the above agreements who are **laid off** have preferential rehire rights for a three-year period following layoff. **It is the employee's responsibility to submit a Recall Interest Form** to AT&T to exercise these recall rights. (The Recall Interest Form is included in the Involuntary Separation Package and the SLP Separation Package).

If you reject a recall placement request, you will no longer have recall rights.

If you are placed through Recall, the Company Recall obligation will be satisfied, and you will lose your ARS eligibility.

If you are recalled, some of the termination pay that you have been issued may be subject to repayment **prior** to re-employment if the number of weeks you were laid off is less than the number of weeks of termination pay received. If you are currently receiving periodic payments, the Staffing/Employment Office will initiate "stop payment" paperwork. If you have received a lump sum termination allowance, Staffing must arrange for the return of monies from you, due back to the Company **prior** to re-employment, according to the provisions of the collective bargaining agreement or Company policy.

General Benefit Entitlements**RECALLED WITHIN 6 MONTHS OF LAYOFF:**

- **Net Credited Service** – If rehired as a regular employee, previous service bridged immediately including credit for number of months of layoff period. (See Layoff Bridging Rule described in the Pension Plan section of your Occupational "About Your Benefits" booklet).
- **Wages** - Same step on wage schedule including number of months layoff period.

RECALLED AFTER 6 MONTHS BUT WITHIN 3 YEARS OF LAYOFF:

- **Net Credited Service** - If rehired as a regular employee, previous service bridged immediately (see Layoff Bridging Rule described in the Pension Plan section of your Occupational "About your Benefits" booklet) - with no credit for layoff period.
- **Wages** - Same step on wage schedule - no credit for layoff period.

NOTE: If you go to work for a Company with which there is an agreement for the interchange of benefit obligations, such as the Mandatory Portability Agreement and you are covered by that agreement, your service will not be eligible for the Layoff Bridging Rules upon rehire by AT&T, unless you were laid off by the Interchange Company.

Rehired through employment (not ARS) as a temporary employee following layoff does not constitute recall and is not covered under the above Layoff Bridging Rule. However, treatment for Net Credited Service and Wages is as follows:

- **Net Credited Service** - Previous service bridged immediately with no credit for period of layoff, unless reclassified to regular status.
- **Wages** - No wage credit for AT&T work experience. Credit may be given for market conditions.

Section 5

Questions & Answers

- 5-1 OTP/Termination
- 5-4 AT&T Transfer System
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- 5-7 AT&T Rehire System (ARS)
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- 5-22 Funds for Alliance Distribution (FAD)
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- 5-28 Transition Leave of Absence (TLA)

OTP/Termination

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1. **Q. Some people may have already advised the Company of their intention to retire on a certain date, would they still be able to participate in an OTP offer?**
 - A. If you are eligible for OTP, your retirement date falls within the OTP time frame and you are part of the affected group, you may elect to participate in the OTP offer, provided you are not participating in any other voluntary offering.
 2. **Q. Can the OTP check be deposited in my IRA?**
 - A. No, it cannot be deposited. Additionally, it is advised that you contact your tax advisor regarding the eligibility of OTP income for an IRA deposit.
 3. **Q. If I choose to accept OTP, when will I receive my payment?**
 - A. You should receive your lump sum payment within 30 days of termination.
 4. **Q. If I am offered OTP and accept, will I have a choice of when I leave the Company?**
 - A. Your last day on the payroll will be no later than the Company OTP designated termination date for those accepting the offer. Requests for last day on payroll to be earlier than the Company designated termination date may be honored if the needs of the business permit, but in no case should occur before the end of the surplus voluntary period.
 5. **Q. How will I receive my OTP payment?**
 - A. It will be sent to your home mailing address.
 6. **Q. When will Age and Service Criteria for OTP and service pensions be determined?**
 - A. Age and Service criteria will be determined by the last day an employee is on the active payroll.
 7. **Q. If I accept OTP, am I automatically eligible for a service pension?**
 - A. No. Normal age and service criteria determines your service pension eligibility.
 8. **Q. Am I eligible for Telephone Concession Service if I accept OTP?**
 - A. If you accept OTP and are eligible for a Service Pension, then you will receive the Telephone Concession Service in accordance with the Retiree Telephone Concession Service Policy in place at the time you leave the payroll; otherwise your eligibility ends when you leave the payroll.
 9. **Q. Will employees who leave the payroll as a result of accepting OTP receive payment for unused vacation, holidays and excused work days?**
 - A. Employees accepting OTP will receive payment for unused vacation but not unused Excused Work Days or Holidays. Employees having carry-over vacation from the previous year, may be paid in lieu of the days, if last day on payroll is prior to the last full week in April. If the last day on payroll is after the last full week of April, the employee will not be eligible for payment in lieu of unused carry-over vacation days. This also applies to involuntarily terminated employees.

OTP/Termination (continued)

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10. **Q. How much advance notice will the Company give employees prior to layoff?**
A. Generally the union and the employees are notified at least 60 days prior to any anticipated layoff.
11. **Q. If an employee's position is declared surplus and the employee is not at-risk, may the employee elect the OTP provisions and leave the payroll voluntarily?**
A. Yes. AT&T will make this option available, consistent with the terms of the Collective Bargaining Agreement to those employees requesting OTP. An employee who is then confirmed for OTP will then be considered to have left the payroll voluntarily and therefore is not eligible for Recall or ARS. **An employee confirmed for OTP is not eligible to receive involuntary termination pay.**
12. **Q. When does my 30-day window start for the purpose of electing OTP?**
A. The day after the Company notifies the National Union is the first day of the 30-day voluntary window, (not the day the employee receives the communication package.) If you wish to request OTP, you may do so during the first 30-days of the voluntary window by submitting the ATTOP Employee Request Form to the OCPC.
13. **Q. If I am on disability benefits, can I elect OTP?**
A. Yes. You may elect the OTP while on disability during the voluntary period of a surplus. However, you will receive your OTP payment only after you are released from disability and subsequently terminated.
14. **Q. Is there a "cap" on the total amount of OTP payment I can receive?**
A. Yes. OTP payment shall not exceed \$30,500 including any night differential you may be entitled to. Refer to your Collective Bargaining Agreement under OTP Guidelines.
15. **Q. Will my benefits continue after I leave the payroll if I accept OTP?**
A. If you accept OTP and are eligible to receive retirement-related benefits, you will receive your benefits in accordance with applicable plan terms. If you are not eligible to receive retirement-related benefits, refer to the Benefits Summary in this package (Occupational Benefits associated with OTP).
16. **Q. What happens if I accept OTP and die before I am separated from the payroll?**
A. The OTP offer would be cancelled.
17. **Q. What happens if I accept OTP and die after I am separated from the payroll?**
A. The payment will be sent as a lump sum to your estate.
18. **Q. Will OTP be offset by any type of termination allowance previously paid to an employee?**
A. Yes. In accordance with the appropriate Collective Bargaining Agreement, OTP may be offset by previous termination payments.

OTP/Termination (continued)

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19. **Q. If I select OTP, leave the Company and later rehired, will any portion of the OTP have to be repaid?**
A. Yes, if you are re-employed as a regular full-time or regular part-time employee, some of the unused portion of OTP may be subject to repayment prior to re-employment.
20. **Q. When will I receive my involuntary separation payment(s)?**
A. You should receive your termination allowance as follows:
- Lump sum payment - approximately 30 days after off-roll date
 - Stream payment - approximately 30 days after off-roll date
 - Two (2) Equal payments - first payment to be made approximately 30 days after off-roll date and second payment to be made approximately January 15th of the following year.
- Note:* You may not change your mind about **HOW** you want to receive your payment(s) **AFTER** you have left payroll.
- Employees electing the Two Equal Payments Option with an off payroll date in December may receive both payments in January following the off payroll date.
21. **Q. What happens if I am involuntarily separated and die after I leave payroll?**
A. Any remaining payment will be sent as a lump sum to your designated beneficiary or to your estate.
22. **Q. If I received an involuntary lump sum termination payment, am I still eligible to participate in the provisions of extended medical coverage?**
A. Yes. For further details, refer to the Benefits Summary in this package.
(Occupational Benefits associated with involuntary separation.)
23. **Q. What happens if I am involuntarily separated and subsequently rehired by AT&T**
A. If you are rehired as a regular full-time or regular part-time employee, some of the termination pay that you have been issued may be subject to repayment **prior** to re-employment, if the number of weeks you were laid off is less than the number of weeks of termination pay to which you were entitled and you received a lump sum amount. (e.g., if you were entitled to 10 weeks termination pay and rehired by AT&T employment in 4 weeks, you would be required to pay back 6 weeks termination pay). If you are receiving stream payments (weekly), they will be discontinued once you are rehired.
24. **Q. What should I do to insure that my decision is a good one?**
A. You should carefully review and understand the ATTOP options. You may wish to consult your financial advisor or attorney before making a final decision.

AT&T Transfer System

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1. **Q. Can At-Risk employees participate in the AT&T Transfer System (ATS)?**
A. Yes. Employees should call 1-800-662-6629 to access ATS.
 2. **Q. Can an At-Risk employee decline an ATS position and instead receive voluntary termination pay?**
A. Yes, employees are not obligated to accept an ATS position.
 3. **Q. How would an At-Risk employee apply for occupational jobs in other AT&T entities?**
A. Visit the AT&T employment website at www.att.com.
 4. **Q. Will At-Risk employees be given priority consideration for Career Placement requests?**
A. At-Risk employees will only be given priority consideration for lateral and downgrade Surplus Placement Requests.
 5. **Q. Will the Company pay relocation if an At-Risk employee is offered a Surplus or Career Placement position through ATS which requires moving his/her residence?**
A. If the position was obtained through an ATS Surplus Placement or Career Placement and is outside the LPA, and the new reporting location exceeds 35 road miles from the employee's old reporting location, and is further in road miles from the employee's current residence than the old reporting location, and the employee actually relocates their residence within six months from the effective date of the transfer, a relocation payment will be granted.
 6. **Q. Will At-Risk employees have to meet the test requirements prior to self-nominating for currently advertised ATS positions?**
A. Untested At-Risk employees within the state or LPA of the vacancy will be permitted to self-nominate for ATS positions, prior to meeting test requirements. In the event no test-qualified candidates are available, a reasonable number of untested At-Risk candidates will be given the opportunity to become test qualified. At-Risk employees must be test qualified prior to a job offer.
 7. **Q. How can At-Risk employees request testing?**
A. Employees may request testing by calling 1-800-662-6629. At-Risk employees should allow adequate time to be scheduled and tested (15 business days). If an At-Risk employee nominates on a job currently being advertised, it is highly unlikely that the testing process would be completed, with the results in ATS, by the time the job closes advertisement.

AT&T Transfer System (continued)

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8. **Q. If an employee is placed on a new job through an ATS Surplus Placement Request, must they meet ime-in-title and location on the new job?**
 - A. Yes, employees must meet all ATS criteria to be eligible to request career placement in the future.

 9. **Q. How long will I be able to participate in ATS with surplus status?**
 - A. Officially declared surplus employees will be guaranteed at least 60 days surplus status in ATS and/or ARS.

 10. **Q. How long will I be able to participate in ATS?**
 - A. You may participate in ATS until you officially leave the payroll. If you are involuntarily separated you may participate in ARS for a period of 3 years from your date of termination. (See page 4-24 for further information.)

 11. **Q. Can an At-risk employee decline a job offer?**
 - A. At-Risk employees can decline 2 surplus placement job offers. Upon declining the second job offer the employee's surplus indicator is removed and they will no longer receive priority consideration for lateral and downgrade requests.

 12. **Q. Does an At-Risk employee who elects SLP get surplus status for the duration of the leave?**
 - A. No, the employee electing SLP will get 60 days total surplus status, starting with day 1 of the surplus declaration and ending on the off-roll date.

 13. **Q. While on SLP can participants utilize ATS?**
 - A. SLP participants will have "ARS like" status that will allow them to initiate placement requests for current jobs.

 14. **Q. What is the duration of ARS for SLP participants?**
 - A. A SLP participant who was At-Risk is eligible to participate in ARS for the duration of their SLP leave. Once the leave has expired, they will continue to have ARS rights up 36 months (3 years maximum).
- EXAMPLE:** Employee applies for a 9 month SLP LOA, upon concluding their leave they would be eligible for 27 months of ARS participation. SLP participants who were NOT At-risk would return to their former position unless they obtained a position through ARS during the LOA period.
15. **Q. Are SLP participants eligible for relocation for a job they nominated on while on leave?**
 - A. Yes, provided the SLP participant had At-risk status prior to accepting the SLP offer. they must also meet the ATS relocation criteria for career placements. Employees who were NOT At-risk prior to accepting the SLP offer are **NOT** eligible for relocation.

Surplus Assignment Outside of ATS

1. **Q. Will senior employees be permitted to claim jobs of junior employees?**
 - A. Employees declared At-Risk who are covered by Force Adjustment articles in the Collective Bargaining Agreement will receive the rights and privileges conveyed by those articles.

2. **Q. Does an At-Risk employee have to be qualified to perform the job they wish to preference on the job claiming list?**
 - A. At-Risk employees must be qualified to perform the job they select through job claiming. For example, the qualifications that apply to clerical jobs may be data entry, shorthand, skilled or knowledge of typing. A current record of employee test qualifications must be on file when the job availability lists are provided to job claimers. Employees may verify the information contained in Company test records by calling the Service Center at 1-800-662-6629 and requesting a copy of their ATS/ARS Employee Profile.

3. **Q. If an employee “bumps” in the job claiming process, when are they eligible to participate in ATS?**
 - A. Employees who claim a job must meet the time-in-location requirement of the new assignment, as well as all other ATS criteria, before being eligible to participate in ATS Career Placement.

4. **Q. Can At-Risk employees elect to accept layoff and termination pay instead of another assignment (such as Article 16)?**
 - A. Employees are not required to accept an assignment requiring them to relocate their residence, and the result may be layoff and termination pay. *Employees who decline an assignment that does not require relocation of their residence are considered to have resigned and are not eligible for termination pay or other benefits or rights associated with layoff.*

Note: Employees who are At-Risk as a result of a Company declared **technological change** may decline a reassignment to a lower level position not requiring relocation and receive a separation payment instead. (Please refer to Technological Displacement Articles in your Collective Bargaining Agreement.)

5. **Q. What if an employee does not accept a downgrade that does not require a relocation of residence and wants to wait to see if a lateral position is available?**
 - A. Every effort will be made to place employees without downgrades. However, available jobs are limited. If the Company determines it is necessary to place employees in a position that is a downgrade and it cannot effect the assignment voluntarily; the assignment will be made in inverse order of seniority, provided employees are qualified. (NOT APPLICABLE TO ATS.)

Note: An employee may be entitled to payments under the Reassignment Pay Protection Plan (RPPP) as a result of this downgrade.

6. **Q. At the time of layoff, are there forms the employee needs to complete for OCPC notification relative to recall?**
 - A. Yes, to be eligible for recall, the affected employee **must** complete the Recall Interest Form (the Recall Interest Form is included in the Involuntary Separation Package and the SLP Separation Package). This form is to be forwarded to the OCPC.

7. **Q. If I am laid off, what are my recall rights?**
 - A. Time frames for recall to AT&T are governed by the Collective Bargaining Agreement. AT&T employees who are laid off have recall rights for a three-year period following layoff. **It is the employee's responsibility to fill out a Recall Interest Form** (the Recall Interest Form is included in the Involuntary Separation Package and the SLP Separation Package) which will be used by the OCPC to determine the employee's qualifications for recall to future job vacancies.

8. **Q. If I am laid off and eligible for pension-related benefits, do I have recall rights?**
 - A. Yes.

AT&T Rehire System (ARS)

1. Q. Will I be eligible to participate in the AT&T Rehire System (ARS) if I am laid off?

- A. Yes, if you are involuntarily terminated you are eligible to participate in ARS. It is imperative that you confirm your participation prior to leaving the payroll. If you are already an active participant in ATS, you will automatically be converted to ARS; however, it is in your best interest to call the ATS/ARS Service Center at 1-800-662-6629 to confirm your status.

If you are **NOT** already an active participant in ATS/ARS, you must also call 1-800-662-6629 to register and request an ATS/ARS Information Package. Complete the package with your supervisor's assistance and return to the Service Center as indicated.

2. Q. How long is my eligibility for ARS?

- A. If eligible for the ARS program, the length of eligibility is three (3) years from your termination date.

3. Q. If I am re-employed through the ARS program do I have to pay back any of my termination pay?

- A. If you are rehired, some of the termination pay that you have been issued may be subject to repayment **prior** to re-employment if the number of weeks you were laid off is less than the number of weeks of termination pay received. If you are currently receiving periodic payments the OCPC will initiate "stop payment" paperwork. If you have received a lump sum termination allowance or termination allowance in two equal payments, the OCPC must arrange for the return of monies from you. Monies are due back to the Company **prior** to re-employment.

Note: If you were entitled to 10 weeks of termination pay and rehired to AT&T in 4 weeks, you would be required to pay back 6 weeks of termination pay.

Relocation

1. **Q. What is the relocation process?**

If the last digit of the transferee's Social Security number is ODD, the RELO 2 and 2A forms should be sent by fax to:

Cendant Mobility
40 Apple Ridge Road
Danbury, CT 068 10
Phone: 800-265-0587
Fax: 203-205-8554

A. If the last digit of the transferee's Social Security number is EVEN, the RELO 2 and 2A forms should be sent by fax to:

Prudential Relocation Management Services, Inc.
16430 North Scottsdale Road
Suite 409
Scottsdale, AZ 85254
Phone: 866-254-9891
Fax: 480-778-7094

Within 24 hours after the authorization forms are received, a relocation counselor will contact the transferee to review the relocation assistance and answer any questions.

Note: Original RELO 2 and 2A form(s) should be mailed to the appropriate office (above).

2. **Q. Who determines the amount of money I am eligible for?**

A. The contract outlines the provisions you are entitled to. Your department indicates on the authorization which Article of the contract you are to be relocated under.

3. **Q. Is my money taxed before I receive it?**

A. Yes. The dollars associated with relocation are taxable.

4. **Q. How long before I receive my money?**

A. Within 7-10 days after the Relocation Counselor has spoken to you, you will receive your check.

5. **Q. Will the Company pay my tax liability at year end?**

A. No, but your anticipated tax liability has been deducted prior to your receiving the money.

6. **Q. Are you going to pay for my spouse or significant other to move?**

A. No, the provisions of the contract specify a lump sum payment. The money is for you to use as you see fit.

7. **Q. Do you require receipts?**

A. No, however, it is advisable that you retain your receipts for tax filing, purposes.

8. **Q. How much time off do I have to look for my new residence?**

A. The amount of time you are allowed is determined by your Department.

9. **Q. Will we get a tax statement from AT&T at year end?**

A. Yes, you will receive a statement that indicates the amount of money that has been added to your W-2 wages.

Relocation (continued)

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10. **Q. How do I know what the area is like?**
A. You will be provided information from the home finding Company or contact the local Chamber of Commerce.
 11. **Q. Who do I contact to arrange the shipment of my household goods?**
A. You can arrange the shipment of your household goods in any manner you wish, or you can contact your Relocation Counselor who will arrange the booking with one of the National Van Lines that currently provides a discount. You will bear all costs.
 12. **Q. What hotels do you recommend and do we get discounts?**
A. The AT&T designated travel agent can provide this information and the corporate rates.
 13. **Q. Do I receive any discounts for car rental?**
A. The AT&T designated travel agent can provide this information and the corporate rates.
 14. **Q. Does the AT&T Relocation Office accept collect calls during my relocation?**
A. No, this is your personal responsibility.
 15. **Q. Once I move, do I have to provide proof of a new residence?**
A. Yes, within 45 days you must provide to the Relocation Office either a purchase of home closing statement or an apartment lease.
 16. **Q. What if I resign from AT&T after I move to the new city, do I have to pay the money back?**
A. Each individual case will be reviewed by the Relocation Office Counselor.
 17. **Q. Who do I call if I have questions?**
A. Your Relocation Counselor.

Unemployment Compensation

1. **Q. Who is entitled to file a claim for unemployment benefits?**

A. Every terminated employee has the right to file for unemployment benefits. Eligibility for benefits is determined by the state. However, benefits are generally limited to claimants who are involuntarily separated from employment.

2. **Q. What does the employee take to the local Unemployment Office?**

A. It is important that the employee take the following items:

- Social Security Card
- The State separation form that the Company may have given the employee at time of separation only applies to South Carolina, Connecticut and Tennessee. If the employee wishes, the employee may take a current W-2 form or a recent pay stub. However, these are not necessary because the Company provides the State with this information.

3. **Q. What happens after the Unemployment Office interview?**

A. The state sends a form to the Company asking for verification of the employee's wages and the reason for leaving. The Company responds and the state then makes a determination of eligibility based on information both the employee and the Company have provided. It is absolutely vital that the claim be sent to the proper address.

TALX UC eXpress has been contracted to handle all unemployment claims and phone inquiries from the local state offices. If there are any questions, the local Unemployment Office should call TALX UC eXpress, not the local supervisor. The Unemployment Office will receive a prompt response. The phone number and address for TALX UC eXpress are:

1-800-848-0287 x3267
AT&T
c/o TALX UC eXpress
P.O. Box 182366
Columbus, Ohio 43218
FAX: (866) 732-1008 or (614) 527-6604

Note: Employee inquiries regarding eligibility should be directed to your local state unemployment office. TALX UC eXpress is not authorized to respond to inquiries from employees.

4. **Q. Is there a waiting period before an individual can collect unemployment benefits?**

A. Most states have a one-week waiting period before benefits will be paid. This period does, however, vary by state.

5. **Q. If a former employee is eligible, how much can he/she collect and for how long?**

A. Every state has a different benefit amount schedule depending upon the average weekly wage in that state. The length of time a person may collect also varies by state.

Tuition Assistance

-
1. **Q. Will I be eligible for Tuition Assistance after I leave the payroll?**
 - A. Courses approved by the Tuition Assistance Coordinator (standard TAP for active employees) and begun prior to your off payroll date are covered under the standard TAP for the remainder of that course (not the completion of the degree); however, you must submit a grade to the SLP/TAP Coordinator within 60 days after the term end date.

 2. **Q. If I have participated in the AT&T Tuition Assistance Plan (TAP) during the last 2 years, what do I have to do?**
 - A. You or your supervisor must call the AT&T Tuition Assistance Coordinator at 800-421-8271 to insure that there are no open course records and to resolve any outstanding financial obligations. By signing the standard TAP Application, you agreed to either submit grades for successfully completed courses or repay AT&T for tuition assistance expenses paid on your behalf. All courses in progress at the time you start your leave will be closed with no tuition assistance repayment obligation.

PENSION

1. **Q. What effect does OTP have on my pension?**
 - A. OTP has no effect on your pension. OTP payments are separate from and in addition to the pension payment.

2. **Q. What are the discounts for retiring before age 55 with less than 30 years Net Credited Service?**
 - A. If you retire before age 55 with less than 30 years of Net Credited Service, your pension will be permanently discounted by one-half percent for each full or partial month of retirement before age 55. This discount is equal to no more than 6 percent a year. Under Cash Balance Pension, early retirement reduction does not apply.

Savings Plan: LTSSP, ESOP and ESPP**Long Term Savings and Security Plan (LTSSP)**

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1. **Q. What will happen to my Savings Plan account after I separate from service?**
 - A. Generally, you can leave your money in your Savings Plan account or you may request a lump sum distribution.

 2. **Q. What happens if I leave my money in the Savings Plan?**
 - A. If you leave your money in your Savings Plan account you may continue to reallocate your investments and if you do not have outstanding Savings Plan loan you may initiate a new loan(s). As a former employee, you may take up to two withdrawals each calendar year. If you are eligible for retirement-related benefits you may take up to four withdrawals each year.

 3. **Q. I have a Savings Plan loan. What will happen to my outstanding balance?**
 - A. You will receive a coupon book within four (4) weeks after you separate from service so that you can repay the loan on a monthly basis. Loans may also be repaid in full at any time.

 4. **Q. What if I have other questions about my Savings Plan account?**
 - A. You may speak with an AT&T Savings Plan Service Center representative by calling 1-800-610-7100. Representatives are available on business days from 8:30 am to midnight Eastern Time.

Employee Stock Ownership Plan (ESOP)

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- Q. What will happen to my ESOP account after I separate from service?**
 - A. The AT&T ESOP was terminated in September 2001. If you did not receive a distribution of your AT&T ESOP account balance, it was merged into your AT&T Long Term Savings and Security Plan (LTSSP) account. If you have any questions regarding your AT&T ESOP account, please contact the AT&T Savings Plan Service Center at 800-610-7100. Representatives are available on business days from 8:30 a.m. to midnight Eastern Time.

Employee Stock Purchase Plan (ESPP)

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- Q. What will happen to my ESPP account after I separate from service?**
 - A. If you participate in the AT&T ESPP, you will receive a certificate for full shares of stock and a check for any fractional share balance. To request a cash distribution, call AT&T ESPP Services at 1-800-288-3785 to request a distribution of your account. If you do not request a distribution, a distribution in the form of a stock certificate will be made as soon as possible after your last day on the AT&T payroll.

Health and Welfare Benefits

1. **Q. If an employee has lost or misplaced their Summary Plan Descriptions (SPD's), which details employee benefits, how would they obtain a new copy?**

A. To obtain copies of benefits materials, such as SPD's, employees should contact the Communication

Distribution Center at 1-800-972-9863 or log onto Workforce Services using URL:
<https://wfs.web.att.com/WFS/0,1452,3522,00.html>.

2. **Q. What are "Retirement-Related Benefits" and who is eligible for them?**

A. Eligibility for post-retirement benefits under the AT&T Corp. Post-Retirement Welfare Benefits Plan and telephone concession (if eligible) shall be subject to an employee's attainment of the following age and service requirements:

Your age is at least	and	Your Net Credited Service is at least
any age		30 years
50		25 years
55		20 years
65		10 years

(Years of service and Net Credited Service for this purpose shall be calculated under the terms and conditions of the AT&T Pension Plan).

Refer to the Bargaining Update on page 5-19.

3. **Q. What happens to my medical, dental and vision care when I leave the Company?**

A. If you are involuntary terminated and not eligible for retirement-related benefits, you will be eligible for coverage as follows:

(a) Medical Expense Plan

If you have at least five (5) years of Net Credited Service, the participating company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Medical Expense Plan for Occupational Employees for six (6) months after the month in which your employment terminates and you may continue coverage thereafter under COBRA continuation coverage for up to an additional twelve (12) months by paying the coverage premium set forth in the COBRA billing statement, unless COBRA requires that coverage be extended for a longer duration, in which case you will be fully responsible for any COBRA costs attributable to such additional period of coverage.

If you have at least one (1) year but less than five (5) years of Net Credited Service, the participating company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Medical Expense Plan for Occupational Employees for three (3) months after the month in which your employment terminates and you may continue coverage thereafter under COBRA continuation coverage for up to an additional fifteen (15) months by paying the coverage premium set forth in the COBRA billing statement, unless COBRA requires that coverage be extended for a longer duration, in which case you will be fully responsible for any COBRA costs attributable to such additional period of coverage.

If you have less than one (1) year of Net Credited Service, you may continue coverage under COBRA for up to 18 months after the month in which your employment terminates by paying the coverage premium set forth in the COBRA billing statement, unless COBRA requires that coverage be extended for a longer duration, in which case you will be fully responsible for any COBRA costs attributable to such additional period of coverage.

Note: If you are enrolled in an HMO, you are responsible to continue to pay the HMO employee contributions during any period of time that the Company provides company-paid COBRA continuation coverage.

Health and Welfare Benefits (continued)**(b) Dental Expense Plan**

You may continue coverage under COBRA for up to 18 months after the month in which your employment terminates by paying the coverage premium set forth in the COBRA billing statement, unless COBRA requires that coverage be extended for a longer duration, in which case you will be fully responsible for any COBRA costs attributable to such additional period of coverage.

(c) Vision Care Plan

The participating company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Vision Care Plan for one (1) month after the month in which your employment terminates and you may continue coverage thereafter under COBRA continuation coverage for up to an additional seventeen (17) months by paying the coverage premium set forth in the COBRA billing statement, unless COBRA requires that coverage be extended for a longer duration, in which case you will be fully responsible for any COBRA costs attributable to such additional period of coverage.

NOTE: Participating companies may provide you with continuing health care coverage (Medical Expense Plan, Dental Expense Plan, Vision Care Plan, and the Health Care Reimbursement Account Plan) under COBRA when you leave the active payroll, at your expense. The COBRA coverage, if available, will run concurrently with the periods described above. You will receive a COBRA package from SHPS, Inc. after you leave the active payroll, including appropriate current health care coverage options and billing information.

4. Q. Will I be able to continue and/or convert my AT&T Group Life Insurance, Supplementary Life Insurance and Accidental Death and Dismemberment Insurance?

- A. Group life insurance coverage of up to one times total annual pay (as defined in the AT&T Group Life Insurance Program) will continue at participating company expense for six (6) months, after the month in which your employment terminates at which time you may elect to convert all or a portion of your life insurance to an individual policy as provided by the insurance carrier.

Supplementary group life insurance coverage (as defined in the AT&T Group Life Insurance Program) may be continued for up to six (6) months after the month in which your employment terminates. You must pay for this coverage on the same basis as when you were an active employee. At the end of the six (6) months you may convert all or a portion of your Supplementary group life insurance to an individual policy as provided by the insurance carrier.

Accidental Death and Dismemberment insurance coverage of up to one times total annual pay (as defined in the AT&T Group Life Insurance Program) will continue at participating company expense for six (6) months after the month in which your employment terminates.

Supplementary accidental loss insurance coverage (as defined in the AT&T Group Life Insurance Program) may be continued for up to six (6) months after the month in which your employment terminates. You must pay for this coverage on the same basis as when you were an active employee. Accidental loss insurance cannot be converted to an individual policy. At the end of the six (6) month period (or any shorter period for which premiums were paid), coverage shall end.

Health and Welfare Benefits (continued)**5. Q. Can I continue and/or convert my AT&T Dependent Life Group Insurance and AT&T Dependent Group Accidental Loss Insurance?**

- A. Dependent group life insurance and dependent group accidental loss insurance (as defined in the AT&T Group Life Insurance Program) may be continued for up to three (3) months after the month in which your employment terminates. You must pay for this coverage on the same basis as when you were an active employee. You may convert all or a portion of your Dependent group life insurance to an individual policy s provided by the insurance carrier. Dependent group accidental loss insurance cannot be converted into an individual policy. At the end of the three (3) month period (or any shorter period for which premiums were paid), coverage shall end.

6. Q. I currently have AT&T Long-Term Care Insurance. May I continue my coverage after I leave AT&T?

- A. You may elect to continue your coverage through the carrier by paying the group premium.

7. Q. What happens to my AT&T Group Legal Services Plan?

- A. Your coverage ends on the last day of the month following the month in which your employment terminates.

8. Q. What happens to my AT&T Reimbursement Account Plans?

You may continue to submit claims for expenses incurred during the plan year up to your last day on the payroll up to the amount elected for that plan year in the AT&T Health Care Reimbursement Account Plan (HCRA). If you participate in the AT&T Child/Elder Care Reimbursement Account Plan (CECRA) you may submit claims for expenses incurred through the end of the plan year up to the balance in your account as of your last day on the payroll. You have until April 15th of the following year to submit claims for the prior year. You may choose to continue an AT&T Health Care Reimbursement Account Plan through COBRA continuation coverage, on an after-tax basis by making monthly deposits to the account.

Other than as extended, as set forth above, either at participating company or your expense, all coverages cease at the end of the month of your employment terminates. Notwithstanding the above provisions for extension of certain group medical, dental or life insurance coverage, any such coverages will automatically terminate upon an individual's becoming eligible for group coverage under another plan of any other employer or other organization or upon the failure of an individual to pay a required premium.

COBRA

1. **Q. What is COBRA?**
 - A. COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) is a federal law that requires employers to allow qualified beneficiaries (such as former employees and their eligible dependents) to continue group health plan coverage. Participants pay for COBRA continuation coverage on a monthly basis. In the case of termination of employment, group health plan coverage can be extended through COBRA continuation coverage for up to 18 months provided that the monthly premium payments for COBRA continuation coverage are made in a timely manner.

2. **Q. How is SHPS, Inc. involved in my COBRA coverage?**
 - A. SHPS, Inc. has been contracted by AT&T to administer COBRA. As AT&T's COBRA Administrator, one of several responsibilities of SHPS, Inc. is to collect your monthly premium payment from you for COBRA continuation coverage and forward the payment to your health care company so that you may maintain your COBRA continuation coverage. SHPS, Inc. also sends out an election form for COBRA continuation coverage (the election form, along with a COBRA continuation coverage package which contains additional information about COBRA including the premiums for COBRA continuation coverage, is mailed by SHPS, Inc. directly to individuals who are eligible for COBRA continuation coverage), processes your COBRA election form, and answers any questions you may have regarding COBRA continuation coverage.

3. **Q. If an employee's employment is terminated are their rights to COBRA continuation coverage impacted?**
 - A. Involuntary termination does not affect any rights employees may have for continuation of group health plan coverage under COBRA.

4. **Q. How are COBRA premiums collected?**
 - A. Each month, SHPS, Inc. will send a billing statement to your home address. This billing statement will show the amount due, the due date and the terms of payments. Additional information about the payment of premiums for COBRA continuation coverage is contained in the billing statements from SHPS, Inc.

5. **Q. Can I pay for COBRA continuation coverage only for the months in which I use my benefits?**
 - A. No. You are required to pay premiums in order to maintain COBRA continuation coverage

6. **Q. I have a question regarding my health care benefits. Who should I call?**
 - A. You should call your health care company or claims administrator as listed in your summary plan descriptions for AT&T's medical plans. You can also refer to these summary plan descriptions to find more information about the plans such as what services or supplies are covered. Please note that SHPS, Inc. is your COBRA administrator, **NOT** your health care company or claims administrator. SHPS, Inc. answers questions relating to COBRA continuation coverage or the status of your COBRA coverage.

COBRA (continued)

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7. **Q. How do I contact SHPS, Inc. with COBRA related questions?**
- A. You can call SHPS, Inc. toll-free at 800-277-4038. You can obtain eligibility information, billing and payment status, and general plan information from our automated system, from 8:00 a.m. to 2:00 a.m. EST, **seven (7) days a week**. Should you need additional information, Benefit Counselors are available from 8:00 a.m. to 8:00 p.m., **Monday through Friday**. You can also visit SHPS, Inc. participant InFoCenter online at www.shps.net for COBRA information.

Attachment A**Bargaining Update****Retired Occupational Employee Medical and Dental Benefit Changes****Health Benefits**

With the extension of the bargaining agreement, the Company and the Union(s) agreed to extend the Health Care Reimbursement Account for Retirees (HCRAR) in order to cover the required contributions for Single or Family coverage under the AT&T Postretirement Welfare Benefits Plan through December 31, 2005.

Contributions

For 2004, the following monthly are the monthly contributions for Post 3/90 Retirees and LTD Beneficiaries for health care benefits under the Point of Service (POS) and the Traditional Indemnity options:

Coverage Category	2004
Single	\$88
2 Person/Family	\$176

Note: Contribution amounts vary by HMO.

HCRAR

The HCRAR is available to all occupational retirees who retire(d) on or after March 1, 1990. The HCRAR is an additional annual benefit that is funded by the Company through December 31, 2005, in accordance with the current collective bargaining agreement. The HCRAR account for 2004 was negotiated to completely cover the required cost of health contributions for the elected coverage in effect December 2003.

The amount available for reimbursement for 2004 will be as follows:

Coverage Category	2004
Single Coverage	\$1,056
2 Person/Family Coverage	\$2,112
Deferral of Coverage	\$600

Taxes and Social Security

-
1. **Q. Will OTP/Termination payment be subject to withholding of income taxes?**
 - A. Federal taxes will be withheld from OTP/Termination payment to all participants. State and local taxes may be withheld from OTP/Termination payments to participants where required by the particular jurisdictional statute. Generally, the tax jurisdiction is primarily associated with the location where the employee resides, but in some cases the work location may claim an obligation.

 2. **Q. Will Social Security taxes be deducted from OTP/Termination payment?**
 - A. Payment for OTP/Termination agreements entered into with the Company subsequent to October 1, 1986 are subject to FICA tax. Taxes must be withheld at the time payment of compensation is made unless the payment qualifies as a nonqualified deferred compensation plan,* payments made under a non-qualified deferred compensation plan,* regardless of whether lump sum or stream, are subject to FICA taxes when the amounts are earned or when the employee cannot lose his/her right to receive the payments, whichever happens later. Your total termination payment will be taxed for Medicare tax because there is no wage limit for this tax. If your regular wages plus other AT&T compensation in the year that the FICA taxes are calculated exceed the FICA wage limit, none of your termination payment will be FICA taxed. If your regular wages plus other AT&T compensation in the year the FICA tax is calculated are less than the FICA wage limit, your termination payment up to the FICA wage limit will be FICA taxed.

* Non qualified deferred compensation plan - the lump sum or some of the payments making up the stream payments must be paid to the employee after March 15 of the year following termination.

 3. **Q. Will OTP/Termination payments be considered as wages which could lower Social Security benefits?**
 - A. NO. An employee who retires and is pension eligible based on age and service should not have the OTP/Termination payment included in the computation of "excess earnings" to determine the amount of such person's monthly social security benefit.

 4. **Q. Does payment of Social Security taxes on OTP/Termination increase my Social Security earnings?**
 - A. Yes, the OTP/Termination payment on which Social Security taxes have been paid are included in the Social Security Earnings in the year of agreement used for calculating your ultimate Social Security benefits.

 5. **Q. What happens if I am disqualified from receiving Social Security benefits?**
 - A. You should call a Payroll Analyst at 1 (877) HR ANSWERS (1 877 472-6793), prompt 3. A letter will be sent to you, addressed to the Social Security Administration, which attests to the fact that your termination payment is not related to current employment. You should retain a copy of this letter in your files.

The Alliance

1. **Q. What is The Alliance and how can it help me?**
 - A. The Alliance for Employee Growth and Development was created out of the 1986 Collective Bargaining Agreement to serve AT&T bargaining unit employees. The Alliance helps employees to take positive action in their career and personal development by seeking employment security through skill enhancement. The Alliance can help you to develop effective and realistic career goals and provide you with the support necessary to reach these goals. See www.employeecgrowth.com or call (800) 323-3436 for the latest information about Alliance Educational Opportunities and Employability Support.

2. **Q. What types of services does the Alliance provide for employees?**
 - A. Programs are customized to meet the needs of your particular situation. Generally, offerings include:
 - Life/Work Fundamentals
 - Telecommunications Fundamentals
 - Basic Skills Refreshers
 - Computer Fundamentals
 - Workplace Skills
 - Individually Pursued Training

3. **Q. How do I get involved in Alliance programs?**
 - A. The first step is to complete an Alliance Participant Form which is included in this package. For more information, contact your Alliance Local Committee or The Alliance National Headquarters.

The Alliance for Employee Growth and Development
580 Howard Avenue
Corporate Park III
Somerset, NJ 08873
1-800-323-3436

Or visit The Alliance website: www.employeecgrowth.com

**Funds for Alliance Distribution (FAD)
Involuntary Termination (Layoff)**

1. **Q. What is FAD?**
 - A. Funds for Alliance Distribution (FAD) is a program established through joint agreement between AT&T, CWA and IBEW which provides up to \$2500 for certain education, training, outplacement, and relocation expenses for eligible employees. It may also be referred to as the Involuntary Termination Education (ITE) program.

2. **Q. Who is eligible for FAD?**
 - A. Any regular full or regular part time employee (not term, or temporary) who has been involuntarily terminated due to force adjustment procedures except those who have elected OTP and ECO, has at least one year of net credited service, and is represented by the CWA or the IBEW are eligible for FAD.

3. **Q. When is an employee eligible for FAD?**
 - A. An employee becomes eligible for FAD upon their date of separation due to a force adjustment. An employee must submit a signed Funds for Alliance Distribution Agreement Form* to the Alliance prior to separation.

* Included in the Involuntary Separation Package and the SLP Separation Package.

4. **Q. How long does a participant remain eligible for FAD?**
 - A. A participant remains eligible for FAD for two years from the date of separation, or until the \$2500 has been expended, whichever comes first or until he or she is recalled or rehired by AT&T.

5. **Q. Are allowable expenses pre-paid or reimbursed under FAD?**
 - A. Tuition and other fees related to education or training can be prepaid if The Alliance/FAD Voucher Form* and support documentation is submitted at least four weeks prior to the start of classes. Payment(s) will be made directly to the school or training provider.

Moving of household goods, either by a rental van or a moving Company, may be pre-paid if a signed estimate from the rental or moving Company is included with the Alliance FAD Voucher Form*. The pre-payment cannot exceed \$2500 and will only be made to the rental Company or moving Company.

* Included in the Involuntary Separation Package and the SLP Separation Package.

6. **Q. Will tools, equipment, uniforms, etc., required for training or education be considered as training/education expenses?**
 - A. Books, tools, equipment, uniforms, etc. will be considered training/education expenses if they are required by the training/education institution for all students. The participant will be required to submit documentation from the training/ education institution and/or original receipt(s) to support the request.

7. **Q. Can outplacement, relocation, training or education expenses incurred prior to termination be paid through FAD?**
 - A. No.

Funds for Alliance Distribution (FAD) (continued)
Involuntary Termination (Layoff)

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8. **Q. Is FAD money considered taxable income?**
A. Consult a tax advisor regarding individual circumstances.
9. **Q. How will the FAD funds be coordinated with the Alliance Pre-Paid Tuition Programs?**
A. Each Alliance FAD Voucher Form submitted for training or education expenses will be reviewed individually to assure that the applicant is maximizing his/her benefits under both programs. The FAD staff will review such issues as type of expense; length of Alliance and/or FAD eligibility; Alliance PPT eligibility; length of training, etc.
10. **Q. How does participation in the AT&T Option Program (ATTOP) affect FAD eligibility?**
A. If an employee elects to participate in one of the ATTOP plans - (a) Optional Termination Pay or (b) Extended Compensation Option (Skills Match Center) they are not eligible for the FAD program.

Note: If an involuntary TLA results in being laid off upon expiration of the TLA or SLP, eligibility for FAD extends as a laid off employee regardless of whether on pension or not.

Service Bridging

1. **Q. If after my separation from AT&T I am employed by a former Bell System Company other than AT&T, will my service be bridged by that Company?**

A. Service bridging is covered primarily under the Mandatory Portability Agreement. Because the rules of that agreement are complex, each case is reviewed on an individual basis to see whether it qualifies under the agreement. However, coverage under the Mandatory Portability Agreement depends on your employment status as of the following three points in time:

1. As of December 31, 1983:

- Employed by a Bell System Company in a position covered by the Bell System Pension Plan or the Bell System Management Pension Plan (or on leave of absence or layoff status and reinstated after December 31, 1983, but before expiration of the leave or the period of layoff recall rights), *and*
- Employed in a nonsupervisory position or, if in a supervisory position had an annual base rate of pay, as defined below of \$50,000 or less.

2. As of your date of termination from an Interchange Company:

- Employed in a position covered by the Interchange Company's occupational or management pension plan that is a nonsupervisory position, or if in a supervisory position, had an annual base rate of pay as of your termination date of \$50,000 or less, as increased to reflect changes in the Consumer Price Index-Wages (CPI-W) since December 31, 1983. (For example, if you terminated employment with an Interchange Company in a supervisory position in July, 1995, your annual base rate of pay would have had to have been \$74,045 or less.) The CPI-W is a comparison of the cost-of-living between specific dates and issued monthly by the U.S. Bureau of Labor Statistics.

3. As of your date of hire by another Interchange Company (on or after January 1, 1985):

- Employed in a position covered by the Interchange Company's occupational or management pension plan that is a nonsupervisory position or, if in a supervisory position, have an annual base rate of pay of \$50,000 or less, as increased to reflect changes in the Consumer Price Index-Wages (CPI-W) Since December 31, 1983.

For purposes of the MPA, your *annual base rate of pay* equals your annual base salary rate as of each of the three points in time noted above. It does not include lump sum merit awards, marketing incentive compensation or similar lump sum payments.

Portability of service is determined by the **hiring Company**. The bridging rules of that Company and the applicable agreement determine when service can be bridged

Note: The basic guidelines above do not ensure eligibility to the portability of service. See Appendix A in the Pension Plan section of your Occupational "About Your Benefits" booklet for a summary of portability guidelines.

Notes:

1. The rules above do not ensure eligibility or the portability for service. See Appendix A in the Pension Plan section of your Occupational "About Your Benefits" booklet for a summary of the MPA.

Service Bridging (continued)

2. The MPA provides for the Waiver of Portability. If you meet the eligibility criteria as described above, the hiring Interchange Company should provide you with information as to the impact of waiving your portability.
3. If you are covered by either the Occupational or Management Interchange Agreements between AT&T Corp., that agreement will supersede the MPA with respect to your movement between the companies.

2. Q. If I am hired by a Company covered by an agreement for the interchange of benefits, and I am covered by the agreement, will my pension be affected?

- A. Yes, if you are eligible for portability of service your pension payments will be suspended when you are rehired by an Interchange Company unless you waive portability, as described in the previous answer if you are laid off by AT&T, hired by an Interchange Company and are later recalled by AT&T, you will not be eligible for bridging your service under the layoff bridging rule even if you are rehired within the 3 year recall period (although you may be eligible under the bridging rules if you remain covered under the interchange agreement upon return to AT&T).

Note: If you are covered by either the Occupational or Management Interchange Agreements between AT&T Corp., that agreement will supersede the MPA with respect to your movement between the companies.

AT&T Resource Center

1. **Q. What is the mission of the AT&T Resource Centers (ARCs)?**
A. The AT&T Resource Centers are a joint effort of AT&T, CWA and IBEW. Their mission is to be a global center for career action where leading edge resources enable organizations and individuals to prepare for and achieve diverse goals in a changing world.

2. **Q. What groups of employees do the AT&T Resource Centers serve?**
A. The AT&T Resource Centers will service the following participating groups:
 - Represented Occupational employees in Business Units and Divisions covered by the 1995 operations agreement. They include:
 - AT&T Business Operating Units:
 - Business Markets Division
 - Chief Financial Officer (includes Finance, Global Real Estate)
 - Consumer & Small Business Division
 - International Operations Local Services Division
 - Operations & Service Management
 - Policy Development and Operations Support (includes Human Resources Division, Law & Government Affairs, Public Relations & Employee Information)
 - Strategy & New Service Innovation (includes AT&T Labs)
 - All non-represented Occupational employees

3. **Q. What groups of employees are NOT served by the AT&T Resource Centers?**
A. AT&T Resource Centers will not serve the following groups:
 - Represented Manufacturing employees
 - Represented MMS employees
 - NS Installation employees

4. **Q. How does an employee become eligible for Resource Center services?**
A. All Occupational employees in participating groups who meet at least one of the following criteria are eligible for AT&T Resource Center Services:
 - Employees who work in authorized office closing locations
 - Employees who are included in a universe with a declared force imbalance.
 - Employees who are impacted by job claiming
 - Former employees with recall status

5. **Q. How long will Resource Center services be provided to eligible employees?**
A. AT&T Resource Center services are available to eligible employees until a new PERMANENT position is secured – inside or outside of AT&T. To insure continued center services, eligible employees must adhere to the following:
 - Enroll with the ARC prior to the off-payroll date.
 - Participate in a proactive job search. All off-payroll participants who elect not to use the center services for a period of 60 consecutive days will be considered inactive and will be required to re-enroll in order to secure center services.

AT&T Resource Center (continued)**6. Q. Where are the Resource Centers located?**

A. Five AT&T Resource Centers will provide on-site and remote services to eligible Occupational employees across the country.

Locations include:

- Morristown, NJ
- Atlanta, GA
- Chicago, IL
- Pleasanton, CA
- Dallas, TX

7. Q. What types of services are available in the Resource Centers?

A. A comprehensive array of services are available to assist employees in the following areas:

- AT&T Transfer System
- AT&T Option for Employee Growth & Development
- Alliance for Employee Growth & Development
- Individual Career Counseling
- Benefits Information
- AT&T Force Management Process (i.e., Timeline, Job Claiming)
- External Job Lead Support/America's Job Bank Database
- Talent Alliance
- Resume Production (Non-ATS)
- Workshops/Seminars

It is not intended for the Resource Centers to duplicate services already provided by other groups such as the Alliance, Delivery Groups, Corporate Benefits, etc. rather, the Resource Center staffs will coordinate the support of all suppliers on behalf of the employees.

8. Q. How do eligible Occupational employees enroll with the Resource Center?

A. A description of Resource Center services and locations are included in this Occupational Communication Package, which is distributed to all Operations and Non-Represented Occupational Employees who work in an authorized office closing location, OR are included in a universe with a force imbalance. A Resource Center enrollment form is also included in the OCP Package. All employees wishing to initiate services with the Center should complete the enrollment form and fax it to the Resource Center serving the employee's geographic area. A Resource Center representative should contact the employee to begin services within three business days of receipt of the enrollment form.

Transition Leave of Absence (TLA)

1. **Q. What are the eligibility requirements for a TLA?**
 - A. To be eligible for a TLA you must be:
 - an active participant in the AT&T Pension Plan (AT&TPP),
 - employed by a Company participating in the AT&TPP,
 - separating (either voluntarily or involuntarily) under the provisions of AT&T Force Management Program or Plan for reducing force surplus, and
 - within one year of the actual age and/or service requirements for retirement related benefits.

2. **Q. When my Extended Compensation Payments are completed I will be 6 months shy of being service pension eligible based on my actual age and service. Will I be able to take a TLA?**
 - A. Yes. An employee separating under AT&T Force Management Program or Plan for reducing force surplus is eligible for a TLA if on the employee's Company-specified separation date (or date of termination if earlier) he/she is within one (1) year of the actual age and/or service requirements for retirement-related.

3. **Q. How long will I remain on a TLA?**
 - A. A TLA cannot exceed one year from the date the leave starts (leave expires on the first calendar date anniversary of your Company specified separation date), but in any case, will end on the earliest of:
 - date you attain required age and/or service to become eligible for retirement related benefits under the AT&TPP, OR
 - date you are (re)hired by:
 - AT&T, OR
 - Any entity within AT&T's controlled group of corporations within the meaning of Section 1563 of the Internal Revenue Code (generally, this means that AT&T directly or indirectly owns 80%), OR
 - Any Company that participates in AT&T's pension plans, OR
 - Any Company covered by the Mandatory Portability Agreement and you are covered under that agreement, and do not elect to waive such coverage, OR
 - Any other Company with which there is an agreement for the interchange of benefit obligation and you are covered under the agreement.

4. **Q. What happens if, while on my TLA, I go to work but not for an AT&T Company or for a former Bell System Company where my service is recognized?**
 - A. You will be eligible to continue your TLA until you attain eligibility to receive retirement-related benefits.

5. **Q. What will be my status with regard to eligibility for retirement-related benefits if I return to work at an AT&T Company while I am on a TLA?**
 - A. If you do not complete the TLA before you are rehired, the time on TLA is treated as a break in service and bridging of your previous service is subject to the bridging rules of the applicable pension plan. To be eligible for retirement-related benefits, you would have to meet the criteria under the pension plan without counting the time on TLA. Therefore, before you accept employment within an AT&T Company or any Company which AT&T has an interchange agreement, you should determine the effect of such reemployment on your eligibility to receive retirement-related benefits.

Transition Leave of Absence (TLA) (continued)

6. Q. If I am currently receiving Sickness-disability Benefit payments, will I be eligible to take a TLA?

- A. If you are voluntarily or involuntarily separated under an AT&T Force Management Program or Plan for reducing force surplus and are receiving Sickness-disability Benefits on your Company-specified separation date, your TLA will begin on the later of:
- the date following your Company- specified separation date, or
 - the date you are certified to return to work.

If during your sickness-disability you attain eligibility for retirement-related benefits you will not be eligible for a TLA.

Example:

If you needed a 9 month TLA to become eligible for retirement-related benefits on the Company specified separation date and you were on Sickness-disability for 5 months after the date of Company-specified separation date, the maximum duration of your TLA would be 4 months.

7. Q. When will I receive my termination payment if I take a TLA?

- A. You should receive your termination/OTP payment within 30 days of your off payroll date.

8. Q. If I go on a TLA, will I also be entitled to Social Security Supplement payments?

- A. No. Only employees who are service pension eligible on the date of termination may be eligible for Social Security Supplement payments. Employees who are placed on a TLA to attain eligibility for a service pension are not eligible for Social Security Supplement payments.

9. Q. What are the age and Net Credited Service requirements for retirement-related benefits?

- A. The age and Net Credit Service requirements for retirement-related are:

Your age is at least	and	Your Net Credited Service is at least
any age		30 years
50		25 years
55		20 years
65		10 years

Transition Leave of Absence (TLA) (continued)**10. Q. Is an employee eligible for Benefits during a TLA?**

A. Yes, Benefits are provided during a TLA.

Medical Expense Plan

The participating Company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Medical Expense Plan for Occupational Employees for twelve (12) months of your TLA. If you are enrolled in an HMO, you are responsible to continue to pay the HMO employee contributions.

Dental Expense Plan

The participating company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Dental Expense Plan for Occupational Employees for twelve (12) months of your TLA.

Vision Care Plan

The participating Company will pay the necessary cost to continue coverage on the same basis as for active employees under the AT&T Vision Care Plan for one (1) month after TLA commences and you may continue coverage thereafter under COBRA continuation coverage for up to an additional eleven (11) months by paying the coverage premium set forth in the COBRA billing statement.

Reimbursement Accounts

Health Care Reimbursement Account – You may continue to make after tax deposits to account for current plan year. If after tax deposits are continued, you can submit expenses incurred up to earlier of end of plan year or month of last after tax deposit. If after tax deposits are not continued, you cannot submit expenses incurred after start of leave. In either case, eligible expenses must be submitted before April 15 of the next plan year.

Child/Elder Reimbursement Accounts – You cannot make deposits after start of leave. You can submit expenses incurred during plan year up to balance in account at start of leave. These expenses must be submitted before April 15 of the next plan year.

Life Insurance

Basic – Company pays for coverage of one time's total annual pay during your TLA.

Supplementary Life Insurance – You may continue to pay for up to five levels of coverage directly through MetLife.

Accidental Death and Dismemberment (AD&D) – Company pays for coverage of one time's total annual pay during your TLA.

Dependent Life Insurance – You may continue to pay for coverage directly through MetLife for period of leave. No conversion is available through AT&T.

Dependent Accidental Loss Insurance – You may continue to pay for coverage directly through MetLife. No conversion is available through AT&T.

Group Legal Plan

You are not eligible during leave.

Long Term Care

You may continue to pay for coverage directly through MetLife. Shortly after you leave on TLA, Health Plan Services (SHPS) will mail you a COBRA continuation coverage package. It is imperative that you carefully review this package to determine what action you are required to take to ensure continued health coverage. Should you have any questions regarding COBRA, you must call SHPS, Inc., at 1-800-277-4038.

Section 6

G-1 Glossary of Terms

Non-Management Force Management Glossary of Terms

A

Alliance – The Alliance for Employee Growth and Development created by the 1986 Bargaining Agreement as a Cooperative venture of AT&T, the CWA and the IBEW. The mission of the Alliance is to promote employment security through skills enhancement for the benefit of both the individual and the Company. The Alliance is designed to service both active and displace employees by offering a wide array of programs tailored to meet the needs of the individual.

ARC – The AT&T Resource Centers provide a full array of career transition support services to occupational employees who work in authorized office closing locations or who are included in a universe with a declared surplus. The AT&T Resource Centers are customer-focused facilities dedicated to providing the resources, tools and guidance to identify opportunities and secure new employment – both inside and outside of AT&T.

ARS – AT&T Rehire System is a bargained program established by the Unions and the Company in the 1992 Collective Bargaining Agreement. ARS will provide placement opportunities for regular full-time and regular part-time AT&T Employees who have left the Company due to Involuntary Termination or have been granted a Personal Leave of Absence or Foreign Assignment Leave because of an Authorized Hardship or an AT&T Trailing Spouse condition.

ATTOP – The AT&T Option Plan is a voluntary plan established by the Unions and the Company during the 1992 Collective Bargaining Agreement. The Plan provides four options: Special Leave Plan (SLP); Optional Termination Pay (OTP); Extended Compensation Option (ECO); and Transition Leave of Absence (TLA).

Employees may select one of these options if they are: in a surplus universe; are a regular full-time or part-time occupational employee; and meet the minimum years of net credited service for the option they choose. (For additional information, consult the Occupational Communication Package available from Howard Press). OTP is an option offered by specific BOUs which gives employees additional monies.

At-Risk – The most junior employees in the affected titles, in the organization, in a GCA/RCA in which a surplus has been declared are “at-risk”. These employees are designated for layoff after the voluntary period ends; employees whose jobs are claimed also become at-risk at that time.

ATS – The AT&T Transfer System is the occupational transfer system used by participating BOUs to provide placement opportunities to employees seeking career changes and to surplus employees seeking to continue employment with the Company.

B

Brent Award – The Brent Arbitration Award allows BOUs to use tests/skills during the Voluntary Period to ensure that the employees retained possess the skills required for certain jobs.

D

Downgraded Manager – An occupational employee who has been assigned to a management title (not a temporary promotion) for a continuous period of at least one year, whose return to the bargaining unit is within 12-months of a surplus declaration in their organization and GCA. This employee becomes the least senior employee in the GCA for a continuous 12 month period.

E

ECO – The Extended Compensation Option is one of four (4) voluntary options included in ATTOP. To be eligible for ECO, occupational employees must be part of a surplus universe, be regular full-time or regular part-time and have five or more years of net credited service by their off payroll date. (For additional information, consult the Extended Compensation Option package.)

F

FAA-The Force Adjustment Area(s) (IBEW only) are:

NX – The six-state region of New England (consisting of Maine, New Hampshire, Vermont, Rhode Island, Massachusetts, and Connecticut)

NY – New York

PA – Pennsylvania

NJ – New Jersey

CC – Cook County, Illinois (Local 134 only)

IL – Illinois (excluding Cook County) and Lake and Porter Counties, Indiana

WO – Oregon and Washington State

MT – Montana

CN – Northern California and Nevada

CS – Southern California

FAD – Funds for Alliance Distribution is an agreement between CWA and the Company, which provides funds for certain education, training, outplacement, and relocation expenses for eligible employees. The program is managed by the Alliance.

FAR – The Force Adjustment Regions(s) (CWA only) are comprised of the following states:

Region 1: NY, ME, NH, VT, MA, CT, RI, NJ, PA, DE, MD, WV, VA, DC

Region 2: NC, SC, GA, KY, TM, MS, LA, FL, AL, AR, MO, KS, OK, TX

Region 3: OH, IN, IL, MI, MN, WI, NE, IA, ND, SD

Region 4: AZ, NM, CO, CA, MT, WY, UT, ID, WA, OR, NV, HI, AK

G

GCA – The Geographical Commuting Area (CWA only) is comprised of the work location included within a commuting distance defined jointly by the Company and the CWA. GCAs are used to determine a surplus universe.

J

Job Claiming – The CWA Collective Bargaining Agreement gives at-risk employees who have at least five (5) years NCS as of their off payroll date the right to claim the job of a less senior employee or vacancy in their BOU, in their job title, or in their respective Force Adjustment Region.

L

LPA – The Local Placement Area consists of one or more cities grouped together to allow employees greater flexibility for self nomination on open job vacancies. In addition, LPA determines the order of consideration and provision of relocation benefits, if applicable.

N

NCS – An employee's Net Credited Service Date is his/her length of service as determined by the Employee Benefit Committee.

NMAP – The Non-Management Movement Assistance Program is the mechanized system used for implementing and tracking occupational force adjustment.

O

Occupational Communication Package – This package is distributed to all employees within an affected surplus universe. Contains information on ATTOP, pension overview, and general information on benefits, ATS, ARS, and Recall. It also includes a directory of inquiry numbers and frequently asked questions.

OCPC – The Occupational Career Placement Center is responsible for occupational staffing and force management and provides support to individual BOUs during surplus conditions.

OTP – Optional Termination Pay is one of four (4) voluntary options included in ATTOP. To be eligible for OTP, employees must be part of a surplus universe, regular full-time or regular part-time and have at least two (2) years of NCS by their effective off payroll date.

P

Pooled Job Title – A Pooled Job Title is a job title, which is considered common across BOUs for force management purposes.

R

RCA – Reasonable Commuting Area (IBEW only) is made up of work locations and physical reference points within reasonable commuting distances as defined jointly by the Company and the IBEW used to determine a surplus universe.

RPPP (Reassignment Pay Protection Plan) – If, because of a force imbalance, employees are assigned to vacancies for which the rate of pay is less than the rate of the employee's current job, their rate of pay will be reduced over a period of time based on the employee's NCS and the reason for the surplus.

S

Seniority Tie-Breaker – An agreement was reached between the Company and the Union (CWA only) regarding situations that may exist when it is necessary to distinguish between employees having the same NCS Date. In all situations involving force adjustments and/or surplus condition, seniority for employees having the same NCS date should be determined by using the last four digits of the employee's social security number with 0000 being the lowest seniority and 9999 being the highest seniority.

SMC- Skills Match Center – If ECO has been elected, an employee will be reassigned to the SMC, an in-house placement group. Participation will be effective the day following the off payroll date of the surplus declaration. As an SMC participant employee may be provided temporary work assignments within the Local Placement Area (LPA). These assignments could range from one day to several months in duration.

SLP – The Special Leave Program is one of four (4) voluntary options included in ATTOP. To be eligible for SLP, employees must be part of a surplus universe, regular full-time or regular part-time and have at least five years of net credited service by their off-payroll date. SLP begins day after off-payroll date.

Surplus Position – A position that is no longer needed and will not be backfilled.

T

TLA – Transition Leave of Absence is one of four (4) voluntary options included in ATTOP. To be eligible for TLA, employees must be a part of a surplus universe, regular full-time or regular part-time and be within one year of attaining their service pension eligibility as of their off payroll date.

V

Vulnerable – The junior, not at-risk employees in the FAR/FAA in a job tile and BOU where a surplus has been declared who, potentially, may have their jobs claimed.

W

WARN Act (Worker Adjustment Retraining and Notification Act) – Federal legislation requiring employers with 100 or more employees to provide 60 days advance notice to each affected employee or their union as well as the local government and the state prior to a mass layoff.