

Special Leave Program

for Occupational Employees

The Special Leave Program (SLP) is maintained at the discretion of the Company and is not intended to create a contract of employment. The Company reserves the right to change, modify, discontinue or terminate the applicable employee benefit plans and program at any time-subject to any applicable Collective Bargaining Agreements. If any information in this document conflicts with or differs from the terms of any benefit plan or program or bargaining agreement, the terms of applicable benefit plan or program or bargaining agreement will control.

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Introduction

Purpose This document specifies AT&T policy and related guidelines for the Special Leave Program (SLP) for occupational employees.

Special Leave Program A leave of absence under SLP is a voluntary formal arrangement for a period of absence without pay, but with certain benefit coverages (see following sections) for eligible employees (see Eligibility, page 2). The duration of a leave under the SLP ranges from a minimum of 9 months to a maximum of 24 months.

If the initial leave is less than 24 months, extensions may be granted in increments of 3 months up to the maximum of 24 months in total. The initial leave and each of any subsequent extensions, must be approved in advance by the employee's Supervisor. The initial leave and any extensions must be taken in whole increments.

A leave begins on the day after the last day on the active payroll and ends on the expiration of the date of the leave. The expiration date is the calendar day preceding the date the SLP participant is scheduled to return to work.

Objectives For employees, SLP provides an opportunity to develop individual skills or to pursue a career change or personal goals.

For AT&T, it is a way to help alleviate force imbalances while retaining employee ties to the company and protecting its talent pool for the future.

Effective Dates The recently concluded Collective Bargaining Agreement provided that the Company will continue to provide the SLP option pursuant to existing terms and conditions for eligible occupational employees. The SLP option will continue to be in effect May 12, 2002 through November 8, 2002. Commencement of leaves falling between this time will be no earlier than the day following the approval date by the employee's supervisor and no later than the off payroll date under a force surplus program.

Skills Match Center (SMC) Effective April 1, 1996, the Skills Match Center (SMC) began coordinating the Special Leave Program (SLP) for AT&T occupational employees. The SMC will provide SLP participants with one point of contact for assistance regarding an employee's SLP participation (see SMC Responsibilities section on page 7). Applications for an SLP leave should be sent to the SMC for initial processing. The SMC's address is 10 Independence Blvd., Room 3N46, Warren, NJ 07059.

Eligibility

Eligible Employees 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 5 years of net credited service by the off payroll date of the surplus declaration.

Ineligible Employees Employees not eligible for the SLP include:

- Temporary, term, or management employees
- Employees of AT&T of Puerto Rico and AT&T of the Virgin Islands
- Employees not on the active payroll during the SLP application period (other than those shown above as "eligible")
- Employees who elect Optional Termination Pay (OTP), Extended Compensation Option (ECO) or Transition Leave of Absence (TLA).

Note: An employee who terminates employment, changes employment status (e.g., is reclassified to management), transfers out of a surplus universe, dies, becomes eligible for benefits under the Sickness Accident Disability Benefit Plan, goes off the active payroll or in any other way loses eligibility status prior to the commencement of the leave is not eligible for the SLP.

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 twenty-four (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 twenty-four (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), and you will not be terminated. 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 who 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.

At the end of the SLP, a Transition Leave of Absence (TLA) may be granted to certain occupational employees who are:

- Active participants 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 an AT&T Force Management Program or Plan for reducing force Surplus, and
- Within one year of the age and/or service requirements for retirement-related benefits at the end of the SLP.

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

Maximum Number The total number of leaves under SLP in a surplus universe may be limited to the number of surplus positions

Benefits Provided Under SLP

Health and Welfare Benefits While a SLP participant is on a leave of absence, the following benefit coverages will apply, to the extent the employee was covered by such plans prior to the leave. (Part-time employees who participate in SLP may receive continuing health and welfare benefits they received prior to the SLP and may pay contributions, if applicable, for benefits based on the number of "Scheduled" work hours (i.e., If an employee is scheduled to work 17-24 hours per week, the employee pays 50 percent of the cost of coverage. If an employee is scheduled to work less than 17 hours per week, the employee will pay 100 percent of the cost of coverage).

Note: For part-employees hired before January 1, 1981, AT&T provides 100 percent of the cost of coverage regardless of the number of hours worked.

- Medical Expense Plan*
- Dental Expense Plan*
- Vision Care Plan*
- Basic Group Life Insurance
- Supplementary Accidental Loss Insurance
- Dependent Group Life Insurance
- Group Legal Service Plan*
- Long-Term Care Plan
- Reimbursement Accounts

*Note: If a SLP participant becomes covered by a comparable plan through another employer while on SLP, the other plan becomes the primary plan for coordination of benefits purposes.

Benefits Provided Under SLP (continued)**COBRA Coverage**

When an employee terminates employment AT&T provides up to 18 months of COBRA coverage for the following benefits:

- Medical
- Dental
- Vision
- Health Care Reimbursement Account

Note: Some of these benefits are provided on a company-paid basis during a leave of absence under SLP.

Savings Plan

Allotments to the AT&T Long Term Savings and Security Plan are suspended during the period of the leave. Fund Transfers of past balances and Plan Withdrawals may be processed during the period of the leave, subject to Plan provisions.

New loans will not be processed during a leave. Loan repayments, for existing loans, will be suspended during the period of the leave for up to 12 months, at which time the loan will become due and payable in full. If the loan is not satisfied at that time, it will be defaulted, considered and deemed a distribution and will be subject to taxation and plan provisions. Notification will be made to the participant of the default amount, which is the entire outstanding balance of the loan, including any accrued but unpaid interest.

Employee Stock Purchase Plan (ESPP)

Allotments to the Employee Stock Purchase Plan (ESPP) are suspended during the period of the leave.

Child/Elder Care

SLP participants on leave may continue to submit claims up to the amount in their Child Care/Elder Care Reimbursement Account for expenses incurred prior to the commencement of the leave under SLP. They may submit these claims through April 15 of the year following the year in which the leave began.

Disability Benefits

Benefits under the Sickness and Accident Disability Benefit Plan (SADBP) are not available while on leave under SLP. If the SLP participant is disabled at the expiration of the leave, SADBP benefits may be available at that time.

Other Terms of Leave**Service Credit**

The period of leave under the SLP is without service credit for pension and force adjustment purposes.

For SLP participants who return to work at the expiration of their leave, their service recognized prior to the leave will be bridged immediately. In addition, service credit for the period of the leave will be recognized in determining vacation, benefits under the SADBP, and any entitlement to or amount of future termination pay.

Guaranteed Reinstatement

Leaves under SLP are granted with a guarantee of reinstatement. This means that the "not at risk" SLP participant will be reinstated to the same job or one of like status and pay at the expiration of the leave so long as he/she complies with the terms and conditions of the program. (If the "at-risk" SLP participant would have been laid off prior to or during a leave, upon return the employee will be laid off and receive termination pay. The employee can select a lump sum, periodic installments (weekly) or two equal payments.

Important: SLP participants who are not reinstated by the calendar day following the leave expiration date will incur a break in service unless an extension to the leave is available (i.e., total leave has been less than 24 months) and the employee's supervisor grants an extension to the leave in advance of the expiration date.

A break in service occurs when a SLP participant does not return to the active payroll at the expiration of the leave. In such a case, the break begins on the first day of the Leave of Absence. Upon an employee's subsequent reemployment, any future service adjustments will be based on the employee's eligibility under the service bridging rules in effect at the time of reemployment.

Tuition Assistance

Generally under the same guidelines as for active employees, with an annual ceiling of \$5,250 for undergraduate studies and \$7,000 for graduate studies.

Benefits Provided Under SLP (continued)**Employment
While on Leave**

SLP participants on leave are permitted to work except for employment as an employee, independent contractor, temporary service provider, or otherwise for:

- AT&T, its subsidiaries, affiliates, joint ventures
- Competitors of AT&T, its subsidiaries, affiliates, joint ventures (in accordance with applicable law)
- Regional Holding Companies, former Bell Operating Companies, Former Affiliates, Interchange Companies, their subsidiaries, or any company with which they have an agreement for interchange of benefit obligations
- Any company with which AT&T has an agreement for interchange of benefit obligations.

**Election
Status**

Applications for leaves of absence under SLP are irrevocable after the close of the SLP application period (see "Applications for and Processing Leaves Under SLP" below) unless an employee is placed on a job through ATS or otherwise finds a position within the Company.

**AT&T Transfer
System (ATS)**

SLP participants are eligible to participate in ATS as follows:

At-Risk SLP

- Employees will receive a minimum 60 days surplus status in ATS/ARS
 - Time in Title, Time in Location waived
 - No appraisal required for surplus placements
 - Profile not required for surplus placements
- Involuntary terminated employees are eligible to participate in ARS with career status for a maximum of 3 years after termination.
- If at the beginning of the SLP, at-risk employees have not received the entire 60 days surplus status, they will continue with an "at-risk" indicator until the minimum of 60 days surplus status has been met. Upon completion of the 60 day surplus status, the surplus indicator will be removed and employees will receive ARS-like status for the remainder of their SLP. At the completion of their SLP, employees will receive the remainder of their ARS status (maximum 3 years). This will allow employees to participate in ATS/ARS for the entire duration (including time on SLP).
- Upon receipt of the ARS-like status, employees will be required to:
 - Have a current profile on file
 - Have a satisfactory appraisal and attendance.
 - If necessary, a waiver of Time in Title and Time in Location will be applied. (Time in Title and Time in Location not accrued while on SLP.)

Not At-Risk SLP

- Participate as career candidate in ATS, if meet ATS eligibility criteria, until the commencement of the SLP.
- With the commencement of SLP, employees may participate in ATS/ARS with "ARS-like" status.
 - Employee must have an updated profile on file
 - Must have a current satisfactory appraisal and attendance
 - Waiver of Time in Title and Time in Location if necessary. (Time in Title and Time in Location not accrued while on SLP).

Applications for and Processing Leaves Under SLP

Application for a leave under the SLP is entirely voluntary on the part of the employee, EMPLOYEES MUST, HOWEVER, KEEP IN MIND THAT THE APPLICATION FOR LEAVE MAY NOT BE APPROVED, IF FOR EXAMPLE, THE SURPLUS IS SATISFIED BY OTHER MEANS (e.g., Optional Termination Pay (OTP), Extended Compensation Option (ECO), or Transition Leave of Absence (TLA))

Eligible employees (see Eligibility page 2) may apply for a leave under the SLP during the initial leave application period appropriate for their situation as follows:

- Employees in surplus universes may apply during the 30-day period starting with the surplus declaration date for their universe.

Note: In surplus universes, the total number of leaves approved under SLP may be limited to the number of surplus positions. In this case, approval of leaves under SLP will be given in order of highest **Net Credited Service** up to the number of surplus positions.

- Employees who become subject to involuntary termination under a Force Adjustment Program (as a result of job claiming) may apply during the period starting with the date notification is given to the employee that he/she has become subject to involuntary termination and ending on the 5th day prior to the off payroll date

How to Apply for SLP

The AT&T Option Program (ATTOP) Employee Request Form needs to be filled out as indicated on the form. The Request Form must be returned no later than 30 days from the official notification of eligibility. The form must be returned to the Occupational Career Placement Center.

The "Application for Leave of Absence Under Special Leave Program (ATT142) should also be filled out as indicated on that form and forwarded to the Occupational Career Placement Center to be received within the appropriate application period described above. A fax is acceptable if the original is mailed and postmarked no later than the close of the application period. Any application made within the last seven days of the appropriate application period must be faxed as well as mailed. (Mailing addresses and fax numbers are shown on the ATTOP Employee Request Form - see Exhibit).

The Application for Leave form requires the employee's organizational concurrence and certification of surplus universe by the Occupational Career Placement Center prior to processing by the Pension Service Center (see "Responsibilities" below).

Responsibilities

Employee's Responsibilities

Employees/SLP participants (as applicable) are responsible for:

- Completing the AT&T Option Program (ATTOP) Employee Request Form (see How to Apply for SLP, above) within appropriate application period
- Completing Application for Leave of Absence Under Special Leave Program (see How to Apply for SLP above) within appropriate application period.
- Forwarding forms to immediate supervisor
- Providing any change of address and/or telephone contact information to Company during leave
- Abiding by the terms and conditions of the leave
- Paying any outstanding vouchers/advances before going on leave
- Giving 45 days advance notification to Company of any request for extension of leave, if less than 24 months of leave have been taken
- Giving appropriate advance notification to Company (30 days prior to the return date) of desire to be reinstated, and returning to work on reinstatement date

Supervisor's Responsibilities

Supervisors are responsible for:

- Acting on employee requests for initial leave
- Assisting employees in completing the Application for Leave of Absence Under Special Leave Form and AT&T Option Program (ATTOP) Employee Request Form, as appropriate
- Approval/denial of the leave, as provided on the leave application form
- Retrieving employee AT&T Identification Cards and, as applicable, Corporate American Express Cards and Corporate Calling Cards before employee goes on leave
- Recovering all Company assets, e.g., office keys, parking IDs, computer equipment and software, etc., in employee's possession before employee goes on leave

Supervisor's Responsibilities (continued)

- Notifying Corporate Security if employee holds a security clearance
- Appropriate disposition, in accordance with Company policies, of AT&T Identification Card and other Company assets, as described above, collected from employees
- Forwarding Application for Leave of Absence Under Special Leave Program and AT&T Option Program (ATTOP) Employee Request Form to the Occupational Career Placement Center (see Request Form)
- Processing EDCR (Employee Data Change Request) and other forms required to commence a leave (**after** processing by the Occupational Career Placement Center).

Skills Match Center (SMC) Responsibilities

The SMC is responsible for:

- Acting as Supervisor of record for all SLP participants
- Providing extension approvals and coordination with the Pension Service Center (PSC)
- Negotiating with business operating unit contact and coordinating return of the "not at-risk" SLP participants to the active payroll at the expiration of the leave, when applicable
- Coordinating termination at the end of the leave and calculation of termination pay with the appropriate payroll organization, when applicable
- Updating the AT&T Rehire System (ARS) at termination, when applicable
- Providing participants with forms and other documents during the course of the leave

Pension Service Center (PSC) Responsibilities

The PSC is responsible for:

- Determining eligibility for a requested initial leave.
- Contacting the Occupational Career Placement Center to:
 - Confirm the surplus declaration/announcement date (or, in the case of an employee subject to involuntary termination under a Force Adjustment Program, the date employee was informed of this status) and the off-payroll date in order to determine whether the request was made during a valid application period.
 - Confirm that the requested commencement date of the leave is no later than the off-roll date for the surplus declaration
 - Processing any approved extensions to leave
 - Providing copies of the processed leave/extension forms to the employee and his/her supervisor
 - Retaining originals of forms, etc.

Business Operating Unit Responsibilities

Business Operating Units from which employees take leaves are responsible for:

- Acting on employee requests for leaves
- Honoring all reinstatement guarantees.

Termination of Leave

IF DURING THE LEAVE, the SLP participant resigns, retires, dies, or violates the terms of the leave, the leave will be considered cancelled on the occurrence of such event, the individual will no longer be covered by the terms of the leave, and the individual's date of separation from the company will be the day prior to the commencement of the leave. If during the leave, the SLP participant finds a job through **ATS** the leave will be cancelled and the **NCS** will be adjusted appropriately.

Additional Information

For additional information on activities relating to leaving the active payroll, refer to the following:

- AT&T Personnel Guide (or equivalent business operating unit/division document)
- AT&T Code of Conduct, "Our Business Ethics-Living Our Common Bond"
- Benefit Summary Plan Description
- Corporate Security Instructions

For general questions about the contents of this document, employees should contact their immediate supervisor.

PENSION SERVICE CENTER

Effective March 1, 1996, the Pension Service Center (PSC) assumed responsibility for processing retirements for all occupational employees. Occupational employees who wish to commence their pensions at the end of their SLP should notify the SMC ninety (90) days prior to their retirement. A commencement package containing instructions and any forms they will need to retire will be sent to them directly from the PSC.

About the Pension Service Center

The AT&T Pension Service Center 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 SMC

- **To request retirement** - SLP participants planning to retire with a pension-related services at the end of their SLP should first contact the SMC ninety (90) days prior to their anticipated retirement date. The SMC will notify the PSC which will send them a commencement package containing instructions and forms they will need to retire. (The PSC will also serve as the primary contact for all pension and pension-related services after retirement.) (SMC 1-800-835-1642, prompt 2)
- **To report the death of an SLP participant** - A spouse or family member must contact the SMC to report the death of an SLP participant. The SMC will notify the PSC which will process the death case and, when applicable, send the beneficiary or beneficiaries the forms and information needed to claim death benefits.

When to Contact the PSC

To Request an Estimate of Your Pension Benefit

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 will 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 Employees 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 Employee Services. If you don't have access to the Internet, many libraries and copy centers offer computer time and Internet access.

PSC Hours of Operation

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

Mailing Address and Telephone Numbers

- AT&T Pension Service Center
P.O. Box 770
Arlington Heights, IL 60006
1-847-806-1101
TDD: 1-800-736-5500

Overnight deliveries should be sent to:

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

To contact the PSC from international locations without 800 number access, call the PSC collect at 817-806-1101 Monday through Friday, 9:00 am. to 6:00 pm (ET).

**Special Leave Program (SLP)
Questions and Answers**

1. **Q. What approval level will be required for a leave of absence under the Special Leave Program?**
A. Each leave application will require the approval of the employee's supervisor.
2. **Q. What paperwork will be required of the employee in order to take advantage of this special program?**
A. The employee will need to complete the AT&T Option Program Employee Request Form and the "Application for Leave of Absence Under the Special Leave Program" form.
3. **Q. Will employees outside of a surplus universe be eligible to take this Special Leave of Absence?**
A. No. However, the employee who becomes subject to involuntary termination under a Force Adjustment Program (i.e., as a result of job claiming) will be allowed to request a leave under the SLP. In this case the employee will have until the close of business on the 5th day prior to the off roll date to apply for this leave.
4. **Q. Can an employee initially take the Special Leave for less than a nine month period of time?**
A. No.
5. **Q. Can leave extensions be granted for less than three months?**
A. No. Extensions to the leave may be taken in 3-month increments (e.g., 3 months, 6 months, 9 months, etc.) for up to a total of 24 months of SLP leave time. Example: Employees who request a 2-month extension after being on leave 22 months will not be granted an extension. Leave periods must be taken in whole months (e.g., a 9-month leave commencing October 16, 2000 will expire on July 15, 2001).
6. **Q. Whose responsibility will it be to ensure the employee returns at the expiration of the leave of absence?**
A. The employee and supervisor should remain in contact during the leave. However, it is the employee's responsibility to notify the Company no less than 30 days before the expiration of the leave of the intent to return. In addition, it is the employee's responsibility to return at the expiration of the leave.
7. **Q. Will surplus employees receive additional termination pay if they take the Special Leave of Absence?**
A. While on special leave the "at-risk" employee would accrue time which could increase the amount of the individual's termination payment.
8. **Q. If a surplus employee takes the Special Leave of Absence, when will he/she receive termination pay?**
A. If an employee was confirmed "at-risk" when he/she requested the Special Leave of Absence, the employee will receive termination pay at the completion of the leave within 30 days of the off payroll date.
If an employee was confirmed "not at-risk" when he/she requested the Special Leave of Absence, the employee will not receive termination pay since the employee will be reinstated at the completion of the leave.
9. **Q. If there are enough volunteers to go on leave under SLP, does that mean there is no surplus?**
A. If more employees in a surplus universe volunteer for leave under SLP than the number of employees declared surplus, there would be no need for involuntary actions such as job claiming. However, SLP is not necessarily the only Voluntary Program which may reduce or eliminate the need for involuntary separation actions.
10. **Q. Can I job claim before I go off roll?**
A. Once you are officially confirmed for SLP, you are not eligible to job claim.
11. **Q. Can I job claim or bump while on SLP?**
A. No.
12. **Q. Can an employee use the AT&T Resource Center while on SLP?**
A. Yes. As long as the employee was confirmed "at-risk" and registered with the AT&T Resource Center prior to beginning a leave under SLP.
13. **Q. Can an employee come back from SLP and then go out on another SLP, if another surplus was declared/announced?**
A. If an employee met the eligibility requirements of SLP, he/she may qualify for more than one SLP. However, no more than one SLP will be available to an employee under any given declaration.
14. **Q. Can a business operating unit offer SLP in a non-surplus situation to occupational employees?**
A. No.

**Special Leave Program (SLP)
Questions and Answers (continued)**

15. **Q. Will SLP be available every time a surplus is declared?**
A. SLP will remain available for eligible employees in surplus universes and those who have become subject to involuntary termination under a Force Adjustment Program (i.e., as a result of job claiming) and who are eligible to SLP commencing on or prior to the expiration of the current Collective Bargaining Agreements.
16. **Q. Will the Special Leave Program be granted in seniority order?**
A. Leaves will be granted in seniority order in surplus universes where the number of leaves is limited to the number of surplus.
17. **Q. Will my job be backfilled while I am on SLP?**
A. This would depend upon the particular circumstances of the surplus condition in your universe.
18. **Q. Is an employee eligible for the employee inter-lata toll discount program while on leave under SLP?**
A. No.
19. **Q. If an employee takes the initial 9 months SLP and returns to work at the expiration of the leave, can the employee later apply for an additional 3 month extension to the leave?**
A. No. The leave and any extensions must be continuous.
20. **Q. If an employee is on Sickness and Accident Disability Benefit Plan (SADBP), Anticipated Disability (AD) or Military Leave during the application period or when the leave is scheduled to commence, what happens?**
A. Employees on Sickness and Accident Disability Benefit Plan (SADBP), Anticipated Disability (AD) or Military Leave at the time a surplus is declared or who commence one of the preceding during a surplus declaration will be offered ATTOP. Employees, during the Voluntary Period of the surplus declaration, will be able to choose any one of the options for which they qualify. Implementation of SLP, or other options chosen will commence upon their return to the active payroll from SADBP, AD or Military Leave. Employees on CNC or Family Care Leave must be reinstated to the payroll on the off-payroll date, so that the SLP can begin the following day. The CNC or Family Care Leave will end on the off-payroll date and the SLP will commence.
21. **Q. If an employee on SLP becomes disabled, can the employee return from the leave early in order to go on sickness disability benefits?**
A. No. But if the employee is disabled at the end of the leave, he/she may be eligible for benefits under SADBP.
22. **Q. If an employee has been confirmed for SLP and accepts a job through ATS prior to the off-payroll date will he/she be allowed to take SLP?**
A. No. The employee must revoke the SLP application.
23. **Q. If an employee covered under a surplus declaration exits the surplus universe by securing a position in a non-surplus population or elects to resign prior to the off-payroll date, will he/she be allowed to take SLP?**
A. No. Employees who voluntarily exit the surplus universe will not be considered eligible for this option since they are no longer in a surplus universe.
24. **Q. Can an employee on SLP work for AT&T as a contractor or service provider temporarily?**
A. No.
25. **Q. Is this a permanent program?**
A. The Special Leave Program was continued for the life of the 2002 Collective Bargaining Agreement.
26. **Q. Will I be eligible for unemployment while on SLP?**
A. The SLP is a leave of absence program, not termination. However, the rules for unemployment are governed by state law.

27. **Q. Will I be paid for my unused vacation when I start my leave?**
A. At the start of the leave the employee will be entitled to payment in lieu of unused vacation. Policy for EWD, Flex-EWD, Carryover Vacation, and Floating Holidays are the same for SLP participants as they would be for any other employee on Leave of Absence. Employees who return from leave on the active payroll will receive the same vacation treatment as employees who return from other leaves. Eligibility for EWDs will comply with the eligibility criteria established in the applicable bargaining agreement. Eligibility for Floating Holidays will follow the schedules outlined in the contracts for "new" employees. (The date they return from the SLP will determine the number of EWDs or Floating Holidays for which they are eligible).
28. **Q. Can an employee on leave under SLP also take advantage of the "move back" provision?**
A. The employee may be entitled to the "move back" relocation compensation at the end of SLP if all the other conditions specified are met. For leaves under SLP, termination pay is compared to \$12,000 and the employee will receive the lesser of the two amounts, but no less than \$5,000, as a relocation allowance.
29. **Q. Will participants of the SLP be granted service credit for any part of the leave period?**
A. Service credit will **NOT** be given for pension or Force Adjustment purposes. However, for SLP participants who are reinstated at the expiration of their leave, service credit will be recognized for the period of the leave in determining vacation, benefits under the Sickness and Accident Disability Benefit Plan, and any entitlement to or amount of future termination pay.
30. **Q. Can I return from SLP before the expiration of my leave period?**
A. The SLP was initiated as a program for surplus conditions. Employees should anticipate that they will **NOT** be reinstated prior to the expiration date of the leave.
31. **Q. If I die while on SLP and would have been eligible to termination pay at the expiration of SLP ("at-risk"), what would happen to the payment of the termination pay?**
A. If you die while on SLP, the SLP will be considered cancelled on the occurrence of death and you will no longer be covered by the terms of the SLP. Therefore, no termination money will be paid.
32. **Q. If I am "at-risk" and have found a permanent position outside of AT&T, can I opt out of the SLP before the end date and still receive my termination pay?**
A. No. If you resign before your SLP ends, this will be considered a violation of the terms of the leave and the leave will be cancelled on the occurrence of such event. You will no longer be covered by the terms of the leave and your date of separation from the company will be the day prior to the commencement of the leave. ***You will not receive termination pay.***
33. **Q. When my SLP ends, I will be six (6) months short of being eligible for pension-related benefits based on my actual age and service. Will I be able to take a Transition Leave of Absence (TLA)?**
A. Yes. An employee separating under an AT&T Force Management Program or Plan for reducing force surplus is eligible for a TLA if at the end of the SLP he/she is within one (1) year of actual age for pension-related benefits eligibility under the AT&TPP.
34. **Q. If I am on SLP and I submit on a job in ATS, where will I place in the order of consideration?**
A. The order of consideration will be with the ARS career candidates.
35. **Q. Am I eligible for relocation if I am on a "not at-risk" SLP?**
A. No. Only employees with "at-risk" status as of the official off payroll date and meet the relocation criteria will be eligible for relocation.

EXHIBIT

Exhibit

AT&T Option Program (ATTOP)
Request Form

- Form

Application for Leave of Absence Under
Special Leave Program (SLP)

- Instruction

Application for Leave of Absence Under
Special Leave Program (SLP)

- Form

Special Leave Program
Authorization for Termination Allowance

- Form

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 period of absence without pay, but with certain benefit coverage's 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 – provided for in the termination pay schedule or optional pay 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 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 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 (if applicable) _____

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 the 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.

Send this form to the following location:

AT&T Occupational Career Placement Center

10 Independence Blvd.

Room 3N60

Warren, NJ 07059

Fax: 832-213-0519

Tel: 800-634-4105

**Application for Leave of Absence Under Special Leave Program (SLP)
(Occupational Employees)**

Instructions

Please read carefully the AT&T Special Leave Program (SLP) document and the Application for Leave of Absence Under SLP. To apply for a leave of absence under SLP, enter all required information on the Application, including your signature.

IMPORTANT: Eligible employees may only apply for an initial leave under SLP during the application period appropriate for the individual's situation, as described in the SLP document. Application for extensions must be made in advance of expiration of leave (notify Company 45 days in advance of expiration date, a new Application form is required).

Your supervisor's signature must be obtained prior to sending the Application form to the Occupational Career Placement Center listed below.

Applications not recommended for approval must be accompanied by documentation with the specific business reason for not recommending the leave.

For initial leave Applications, the form must be received by the Occupational Career Placement Center listed below before the close of business on the last day of the appropriate application period. (Fax is acceptable if the original is postmarked no later than the last day of the application period; a fax is required in addition to the original if application is made within the last seven days of the application period.) For leave extension applications, the forms should be sent for receipt by the Skills Match Center at least 30 days prior to expiration of the current leave.

Submit Applications to:

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



Application for Leave of Absence Under Special Leave Program (SLP) (Occupational Employees)

Company Name: _____

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 Credited Service Date		Organization Code/PAN
Employee's Work Address (include city and state)		Room No.	Work Tel. No. ()
Supervisor's Name and Work Address		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 months increments to maximum of 24 months.)

The period of the leave under SLP is without service credit for Pension and Force Adjustment purposes.

I hereby request a leave of absence under the SLP.

Period requested (Note: Dates must agree with those entered on the payroll change form.)

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

Employee "At-Risk" at Layoff?

- Yes
- No

Supervisor's Signature	Date	Telephone No. ()
Supervisor's Name (Print)	Title	<input type="checkbox"/> Approved <input type="checkbox"/> Denied
Supervisor's Complete Work Address		

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

Special Leave Program Authorization for Termination Allowance

Options:

- Income Continuation in Periodic Installments (Weekly), or
- Two Equal Payments

THIS FORM MUST BE RETURNED BEFORE YOUR TERMINATION DATE.

Complete this form only if you wish to receive your termination payment(s) in a weekly installment or in two equal payments. You **do not** need to complete this form if you wish to receive your termination payment in a lump sum.

Employee Information

Name	SLP End Date
SSN	Job Title
Home Address	
Home Telephone	Work Telephone

I wish to receive my termination allowance in:

- Income continuation in periodic installments (weekly)
- Two equal payments (The first payment to be made within thirty (30) calendar days of date of termination and the second payment to be made on or about January 15th of the following year.

Employee's Signature	Date
----------------------	------

Return form to:
AT&T Skills Match Center
10 Independence Blvd.
Room 3N46
Warren, NJ 07059
Tel: 1-800-835-1642
Fax: 1-

SLP Tuition Assistance Program

18	Package Contents
19	Scope of the Plan
19	Objective of the Plan
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19	Maximum Tuition Assistance
19	Types of Courses and Degrees Covered
20	Allowed Expenses
20	Other Plan Elements
21	Five Steps to Apply for TAP
22	Questions & Answers
28	Forms
29	Tuition Assistance Plan Application
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**Special Leave Program
Tuition Assistance Plan (TAP)****Package Contents****I. Scope of the Plan**

- Objective of the Plan
- Plan Eligibility and Intervals
- Maximum Tuition Assistance
- Types of Courses and Degrees Covered
- Allowed Expenses
- Other Plan Elements

II. Five Steps to Apply for TAP - describes the process to apply for TAP.**III. Questions and Answers about TAP** - gives you additional information About the Plan to help you decide if it is right for you.**IV. TAP Forms**

In order to participate, you need to attach a copy of your Confirmation Letter for the SLP and complete the two forms (TAP Application and Information for Supervisor letter) included in this Package. Forms/communications you may receive while participating in the Plan are:

- *TAP Application* - to be filled out by you each school term. A blank Application will be sent with all TAP application approvals and rejection letters.
- *Information for Supervisor Letter* - to be filled out by you only once at the beginning of the Plan, except when the information greatly changes. In that case, a new letter should be filled out and submitted.
- *TAP Approval Letter with attached Tuition Voucher* - to be sent to you upon approval of your TAP Application.
- *TAP Rejection Letter* - to be sent to you if your TAP Application is not approved.
- *Grade Due Notice* - to be sent to you if grades have not been received by the TAP Office within 30 days after term ends.

Scope of the Plan

Objective of the Plan

While on Special Leave, the Tuition Assistance Plan (TAP) is designed to allow you to pursue career enrichment and personal educational objectives through formal academic education.

Plan Eligibility and Intervals

Participants in SLP are eligible to participate in TAP.

In order to be eligible for TAP, you must be on SLP on or before the first day of class. If you intend to begin a course before your SLP commencement date, the standard AT&T TAP Guidelines should be followed and your standard TAP Application **must** be approved prior to the SLP commencement date. You may complete those courses while on SLP. Subsequent courses will be processed through TAP for the duration of SLP. At the end of your leave if you were "not at-risk" at confirmation, you will complete any current courses under TAP and then call return to the standard AT&T Tuition Assistance Plan.

To continue on the TAP you must submit grades for each course and for courses not completed successfully you must repay AT&T.

Maximum Tuition Assistance

AT&T will pay for tuition and allowed expenses while you are on SLP. Applicable taxes (including federal, state and local income and employment taxes) will be withheld from the payment by AT&T and will reduce the amount actually received by you or the school (see the examples in the Question and Answer portion of this Package). While there is a yearly cap (maximum amount covered within a 12-month period) on the payment for your schooling, there is no limit on the number of courses you can take.

The yearly cap is as follows:

- Under graduate degree program \$5,250
- Graduate degree program \$7,000

The 12-month or yearly cap is determined by the commencement date of your SLP. The first 12-month period begins on the first day of your SLP leave. The second 12-month period begins with the thirteenth month of your leave.

For example, if you are a full-time employee on TAP for 15 months beginning on October 15, 2000 and ending January 14, 2002, the maximum tuition assistance would be calculated as follows:

<u>Date</u>	<u>Tuition</u>	<u>Explanation</u>
10/ 15/00 - 10/ 14/01	\$7,000	maximum tuition allowed during first 12 months
10/15/01 - 01/14/02	\$7,000	maximum tuition allowed during second 12 months— or portion of 12 months

Types of Courses and Degrees Covered

There is a wide range of courses, degrees and certificates available to you. Although there is no all-inclusive list, the following Course, of study are generally approved under TAP: Accounting Business, Communication, Computer Science, Economics Education (in most cases), Engineering (in most cases), English. Environment Studies, Finance, Foreign Languages, Human Resources, Liberal Arts, Management Marketing, Mathematics, Psychology (undergraduate), Systems Management/Information Systems and Telecommunications. Some Degrees such as Clinical Psychology/Counseling, Law and Medicine will not be approved. If a degree or Course is not listed above under the allowed program, contact the TAP office to inquire if it falls under TAP. The TAP office is responsible for the administration of this program.

Scope of the Plan (continued)
Courses and Degrees Covered (continued)

In order to ensure that you receive a quality education, AT&T supports academic education through regionally accredited educational institutions. If you are not sure the school you wish to attend is regionally accredited, check with the Tuition Assistance Office.

Allowed Expenses

AT&T will pay the following expenses (less any applicable taxes):

- Tuition
- All recurring mandatory fees, e.g., registration, laboratory, library, non-resident and student health
- CLEP (College Level Examination Program) or CLEP-type tests if the test results in college credit
- Evaluation of Life Experience Portfolio if test results in college credit
- Continuous registration fee required by the school for up to six terms beyond the completion of coursework while working on a thesis-dissertation. TAP will pay for these fees only during the period of your leave.

Expenses other than those listed above are *not* covered by TAP.

Other Plan Elements

-
- TAP requires that you successfully complete classes for which AT&T pays. Within 60 days after term ends, you must submit the original grade report to the Tuition Assistance Office.
 - TAP only covers courses for which you receive a grade of C minus (C-) or better or "Pass" in a course graded "Pass/Fail." If you receive a grade less than C-, withdraw from the course, or do not submit a grade report within 60 days after a term end date, you are required to repay AT&T for monies expended. Additional applications for TAP cannot be processed until you either demonstrate successful course completion or repay AT&T. If grades are not received within the required 60 days, a final notice is sent. Collection procedures may then be initiated, as covered in the TAP Application.
 - All employer-paid tuition expenses will be treated according to tax law requirements. If any of the tuition expenses are taxable, they will be included in gross income and reported on your annual income information statement (W2 or 1099). Any applicable taxes will be withheld by AT&T on your behalf from the tuition amount paid.
 - The terms of SLP specify that if you were "not at-risk" at confirmation, you will receive a job of like status and pay upon your return to payroll. AT&T can make no guarantee that participation in TAP will entitle you to automatic advancement, a different job assignment, or a pay increase. You may, of course, set new job and career goals for yourself upon your return to AT&T.
 - Remember that your supervisor is available to counsel you regarding your educational plans and possible career paths both before and after you leave.

**Five Steps to Apply for the
Tuition Assistance Plan (TAP)
while on Special Leave**

1. After being approved for the Special Leave Program (SLP), complete the *TAP Application and the Information for Supervisor letter*; both are found in the TAP Package. You are encouraged to apply for TAP three to four weeks prior to the term start date. In all circumstances, the *TAP Application* must be received by the Tuition Assistance Office before the term end date in order to be accepted. You will receive an approval or a rejection letter and a blank TAP Application for every application sent to the Tuition Assistance Office. Additional applications are also available by calling the AT&T TAP Office at **800-421-8271**.
2. Mail the Completed *TAP Application, Information for Supervisor letter*, and a copy of the *Confirmation letter* for the SLP to the Tuition Assistance Office:

AT&T Tuition Assistance
SLP Program
P.O. Box 2020
Bloomfield Hills, MI 48303

3. There are two payment Options available to you. You can have the school bill AT&T directly or you can pay the school directly and receive reimbursement.
 - If you select to have the educational institution bill AT&T directly, the Tuition Assistance Office will send a TAP Approval Letter and attached Tuition Voucher. You must take this voucher to the school billing office.
 - If you select to be directly reimbursed, you will receive a TAP Approval Letter from the Tuition Assistance Office. Return a copy of the Approval Letter to the Tuition Assistance Office with an:
 - original itemized receipt from the school at any time before a term end date, or
 - original itemized receipt and original grade report(s) within 60 days after term end date

AT&T will pay the school or reimburse you for tuition and allowed expenses up to the allowed cap less any applicable taxes.

4. Advise the Tuition Assistance Office of any subsequent changes on the TAP Application.
5. Within 60 days after term ends, submit an original grade report to the Tuition Assistance Office.

In order to continue receiving tuition assistance, steps 2 through 5, with the exception of the Information for Supervisor letter, must be completed for each term. The Information for Supervisor letter is done the first time you apply for TAP and when any major change is made to your course of study or tuition costs.

**Tuition Assistance Program (TAP)
Questions and Answers**

1. **Q. I'm going out on SLP, can I take any courses I want?**
 A. No, the school must be regionally accredited and the courses or degree must meet the TAP guidelines. Refer to "Types of Courses and Degrees Covered" in this Package.

2. **Q. Does the TAP cap include tuition received through the AT&T Tuition Assistance Plan when I was an active employee?**
 A. Yes, the cap applies to money dispensed through TAP. All educational assistance paid by AT&T while an active employee and on SLP is totaled annually to adhere to tax law requirements.

3. **Q. Do the tuition assistance expenses paid on my behalf through TAP apply to the standard TAP yearly schedule of \$5,250 for undergraduate education and \$7,000 for graduate education?**
 A. Yes, tuition assistance expenses in excess of these levels are not covered.

4. **Q. Upon my return to payroll, will the TAP dollars spent while on leave be applicable to courses I undertake that year through the AT&T Tuition Assistance Plan?**
 A. Yes, the yearly (annual) schedule applies.

5. **Q. Is the educational assistance I receive considered taxable income?**
 A. All employer paid educational expenses in excess of any statutory exclusions will be included in gross income and reported on your annual income statement (W2 or 1099). Any applicable taxes will be withheld from the tuition amount paid on your behalf.

Tax laws continuously change (sometimes during the calendar year). A few examples are provided to help explain how tuition expenses may be treated based on the tax law at the time the tuition office processes a tuition assistance payment on your behalf. The federal tax law that provided an employer paid tuition assistance exclusion for non job-related education of up to \$5,250 expired 12/31/94.

EXAMPLE 1: There is no federal taxable income exclusion of \$5,250 for employer paid tuition expenses during the tax year. Therefore, all employer paid tuition expenses are considered income.

\$3,000.00	TAP tuition expenses paid
<u>0</u>	Income exclusion when Application received
3,000.00	Taxable tuition expenses to be treated as income
840.00	Federal income tax withheld at a flat 28%
229.50	FICA at a flat 7.65%
<u>242.70</u>	New York state taxes withheld at a flat 8.09%
1,312.20	Taxes withheld on tuition expenses paid

In this example, AT&T will pay you or the college you attend \$1689.80 (\$3,000 minus \$1,312.20) under TAP.

**Tuition Assistance Program (TAP)
Questions and Answers (continued)**

EXAMPLE 2: There is a federal and state taxable income exclusion of \$5,250 for employer paid tuition expenses per calendar year. In this example, the total employer paid tuition expense is under the exclusion.

\$2,500.00	AT&T TAP tuition expenses paid while an active employee
<u>2,000.00</u>	TAP tuition expenses paid while on SLP
4,500.00	Total tuition expenses paid by AT&T
5,250.00	Income exclusion
<u>-4,500.00</u>	Total tuition expenses paid by AT&T
750.00	No taxes withheld on tuition expenses paid

EXAMPLE 3: There is a federal and state taxable income exclusion of \$5,250 for employer paid tuition expenses per calendar year. In this example, the total employer paid tuition expense exceeds the \$5,250 exclusion.

\$2,500.00	AT&T TAP tuition expenses paid while an active employee
<u>3,000.00</u>	TAP tuition expenses paid while on SLP
5,500.00	Total tuition expenses paid by AT&T
<u>5,250.00</u>	Income exclusion
250.00	Taxable tuition expenses to be treated as income
70.00	Federal income tax withheld at a flat 28%
19.13	FICA at a flat 7.65%
<u>20.93</u>	New York state taxes withheld at a flat 8.09%
109.36	Taxes withheld on tuition expenses paid

In this example AT&T will pay you or the college you attend \$2,890.64 (\$3,000.00 minus \$ 109.36) under TAP. Employees should contact their tax advisor concerning other tax considerations.

6. **Q. Can any of the tuition assistance expenses for courses or a degree be considered non taxable because they are directly job-related?**
- A. No. you do not have a job with AT&T at which you are currently working nor do you have promise for a specific job upon your return. The tuition assistance expenses are considered income; hence, subject to withholding at the time of payment.
7. **Q. What if I receive additional educational assistance from a source such as a scholarship fund?**
- A. Any educational assistance applied for and received from another agency or institution through a scholarship, fellowship, grant, or similar means for tuition assistance and recurring fees that are covered under SLP must be reported on the Application. If any changes occur after filing the Application, you must report them to the Tuition Assistance Office. These funds are supplemented by the amount of payment AT&T makes.

**Tuition Assistance Program (TAP)
Questions and Answers (continued)**

8. **Q. Can I be turned down for TAP once my request for SLP has been approved?**
- A. If your request has been approved for SLP, you are entitled to participate in TAP. Your supervisor cannot deny you tuition assistance for which you are entitled under SLP. However, the Tuition Assistance Office is responsible for administering the TAP. As such, a requested course of study may be denied if it does not meet the TAP. Until you receive a TAP Application approval, do not assume that the course you are taking is allowed under the Plan. Please be aware of the TAP and the risks when making a financial commitment to a school prior to approval of your application.
9. **Q. What happens if I do not complete a course successfully (grade below C- or withdrawal)?**
- A. If you do not complete a course successfully, you are responsible for contacting the Tuition Assistance Office to make arrangements to repay the tuition assistance paid by AT&T on your behalf. Further participation in the AT&T TAP will be denied until such repayment has been made.
10. **Q. If I am a represented employee, can I apply directly to the Alliance for tuition assistance when my course or degree is not covered by TAP?**
- A. Yes, see page 28, Types of Courses and Degrees Covered.
11. **Q. How is my supervisor made aware of my educational interests?**
- A. When applying for TAP, complete the Information for Supervisor letter and send it, along with the TAP Application and a copy of the Confirmation Letter for SLP, to the Tuition Assistance Office. The "letter" will be forwarded to your supervisor, to inform him/her of your educational intentions and associated expenses eligible under TAP. All tuition expenses and processing fees are ultimately billed back to your organization.
12. **Q. If I take a 9-month SLP during which I participate in TAP and decide to extend the leave, will this affect the amount of eligible tuition assistance?**
- A. Not necessarily. If you are a full-time employee, you are entitled to the full allotment for the duration of your 9-month leave. If you take an additional 3 months, you will still be within the first 12-month tuition cap. If, however, you extend your leave from 9 to 15 months, you would be entitled to the second year's tuition, as well.

Tuition Assistance Plan Application

INSTRUCTIONS: PLEASE READ THIS ENTIRE DOCUMENT BEFORE COMPLETING THE APPLICATION (REVERSE SIDE).

All applications for the Tuition Assistance Plan, while on SLP, require the approval of the Tuition Assistance Office. All courses, each term, must be approved before term ends by the Tuition Assistance Office. Only employees approved for or SLP are eligible to participate.

Part I: Please indicate daytime phone number if different from home. Complete required information in the SLP box and **attach with the first application a copy** of the Confirmation Letter or approved Application for SLP and the TAP "Information for Supervisor" letter (found in the Leave Package). Correct accounting information is critical to payment processing; verify that your codes are still current. Use dominant code if assigned multiple FML Accounts and/or Financial Project codes. Applicable taxes will be deducted from tuition assistance payments. If receiving other financial support (grant, scholarship, etc.) for tuition and fees covered by TAP, specify source and amount. The TAP covers costs which **exceed** such educational financial support. If AT&T overpays, the amount of overpayment shall be a loan subject to repayment. **Note:** There is a financial TAP cap (see guidelines in Leave Package).

Part II: Check the box in Part 11 to indicate payment option.

WITH EITHER PAYMENT OPTION, AN ORIGINAL GRADE REPORT MUST BE SUBMITTED TO THE TUITION ASSISTANCE OFFICE WITHIN 60 DAYS AFTER TERM ENDS.

The monies paid by AT&T must be repaid if the employee:

1. Receives a grade below "C minus". receives a failing grade (for Pass/Fail courses), fails to receive credit for CL17-P or Life Experience Portfolio Evaluations or fails to submit the required evidence of satisfactory completion within sixty (60) days after term ends, or
2. Withdraws or does not complete a course, or
3. Is terminated from the course or course of study due to unsatisfactory performance or disciplinary action, or
4. Is terminated from AT&T because of a violation of SLP Program or Company policies.

AT&T will provide a 30-day grade due reminder notice and a final 60-day notice. If the employee does not contact the Tuition Assistance Office within 60 days after term ends to make arrangements for repayment when courses are not successfully completed, collection procedures may be initiated.

When the application is approved, the Tuition Assistance Office will send the employee an approval letter with an attached AT&T Tuition Voucher and a blank application for future use or will send a letter stating reason for rejection.

If you wish to have the school bill AT&T, **present your Tuition Voucher to the school.** AT&T will directly pay the school the approved tuition amount upon receipt of an invoice from the school.

If you have paid the school and wish reimbursement, return your approval letter to the Tuition Assistance Office with an:

- (1) original itemized receipt from the school at any time before term ends, or
- (2) original itemized receipt and original grade report(s) within 60 days after term ends.

Part III: In cases where the supervisor of an employee is not appropriate due to organizational moves or other reasons, provide information on your Business Unit/Division Human Resources Coordinator as a contact. No signature is needed.

Notify the Tuition Assistance Office if any changes occur in course selection, billing information, outside educational support or any other area which affects the information indicated on the TAP Application.

Send the completed Application and any additional required documents to the Tuition Assistance Office.

(MAKE A COPY FOR YOUR FILE)

AT&T Tuition Assistance
SLP Program
P.O. Box 2020
Bloomfield Hills MI 48303

Refer any questions about this Plan and/or application process to the Tuition Assistance Office on 800-421-8271 (TAP1).

NOTICE: No statement in this Application shall be construed to grant any employee, an employment contract of fixed duration, nor should this Application be interpreted as creating an implied or expressed contract of employment between AT&T and any employee. Except as may otherwise be provided in an applicable Collective Bargaining Agreement, the employment relationship is by mutual consent (employment at will), giving either AT&T or the employee the right to terminate their employment for any reason. Nothing contained in this Application shall be interpreted as a limitation, either expressed or implied on AT&T's right to discharge or otherwise discipline an employee; nor shall any statement herein be construed as a guarantee that participation in the Tuition Assistance Plan will result in advancement, a different job assignment, or pay increases.

Retention Requirement: Receiver – 6 yrs

Tuition Assistance Plan Application

ATT120L (5/99)

Read Reverse side for Instructions.

(The "Information for Supervisor" letter and Confirmation Letter or the Approved Application for Leave of Absence must accompany first Application.)

Part I: Employee Related Data/Course Information

(Please print or type)

Social Security # _____ - _____ - _____

Business Unit/Division _____

If part-time, hours worked _____

Name:	(Last)	(First)	(Middle Initial)
Home Address:	(Number)	(Street)	(State)
	(City)		
Home Phone: ()		Day Phone: ()	

Please Complete:
Approval Date: _____
Commencement Date: _____
Return Date: _____
Or
Extension Date: _____
(Include copy of SLP approved extension)

Accounting Information: Organization Code: _____ FML Account: _____

Work Location Code: _____ Financial Project Code: _____

Check One: 2 Year Degree 4 Year Degree Masters Degree Certificate Other Explain: _____

If degree/certificate related, indicate major: _____ Anticipated Completion Date: _____

School Name: _____ School Address: _____

(City) (State)

Term Begins: _____ Term Ends: _____

mm/dd/yy

mm/dd/yy

Course #	Course Title/CLEP/Portfolio Evaluation	College Credits	Tuition \$	Lab Fees \$	Total \$
_____	_____	_____	_____	_____	= _____
_____	_____	_____	_____	_____	= _____
_____	_____	_____	_____	_____	= _____
_____	_____	_____	_____	_____	= _____
_____	_____	_____	_____	_____	= _____

Recurring Mandatory Fees:

Registration \$ _____ + Other Fees: _____ \$ _____ + _____ \$ _____ Total Tuition/Fees: \$ _____

(Describe) (Describe)

Yes No Receiving other financial support (state aid, scholarships, etc.) Specify source and amount: _____ \$ _____

Payment Options: Reimburse Employee OR School Bill AT&T

By signing this form: 1) I certify that the above information is correct; 2) I agree to repay AT&T under the circumstances set forth in Part II of the instructions and agree such amount may be due and payable in its entirety upon demand by AT&T; 3) I agree to abide by the provisions of TAP.

X _____ (Participant Signature) _____ (Band/Grade, Classification or Level) _____ (Date)

Part III: Supervisory Information (No signature required)

Supervisor or HR Coordinator _____ SS# _____ - _____ - _____

(Last) (First) (Middle Initial)

Band/Grade or Technical Mgr: _____ Business Phone: () _____

Business Address: _____ (Number) (Street) (Room) (City) (State) (Zip)

TAP Coordinator Use: Initial (A) Date (D) Date Retention Requirement: Receiver – 6 yrs

Tuition Assistance Plan INFORMATION for SUPERVISOR

(Please print or type)

Company Name _____

Supervisor's Name:	_____		
Supervisor's Address:	_____	_____	_____
	(Number)	(Street)	(Room)
	_____	_____	_____
	(City)	(State)	(Zip)

(Employee Name)
(Employee Name)
(S.S. #)
(Date)

Dear Supervisor:

Please note that the above named employee, who is currently participating in the Tuition Assistance Plan (TAP) while on Special Leave Program (SLP) for payment of educational expenses while on leave. This employee has provided the information below regarding anticipated educational plans, estimated costs and accounting codes. The cost information can be used by your organization in estimating educational assistance expenses for budget purposes for the duration of the employee's SLP.

Degree/Certificate (or list course[s] below):	

Year	Estimated Cost
1999	
2000	
2001	
2002	
TOTAL	

Note the following caps apply to the TAP per 12-month period while on leave:

Undergraduate degree program \$5,250
 Graduate degree program \$7,000

Organization Code	
FML Account	
Work Location Code	
Financial Project Code (if applicable)	

The employee's education plans have been reviewed and they meet the TAP guidelines. Our office will review and process applications and make tuition assistance payments for this employee in accordance to the Plan. Since this employee is on leave and may not be aware of accounting code changes, our office would appreciate your cooperation in keeping us informed (call 800-421-8271) of any such changes. Correct accounting information expedites processing and reduces administrative costs.

TAP Coordinator

Date

(Retain this letter in participant's file.)