



August 2007

Earlier this year the AT&T Board of Directors voted to increase the monthly pensions of legacy SBC, AT&T and BellSouth employees who retired before 1996 and are receiving monthly pension payments of \$1,200 or less. You will notice an increase on your Oct. 31 or Nov. 1 pension payment.

**You do not need to take any action.** This letter is simply a notice that you will be receiving a slightly larger pension amount. Attached is the summary of material modifications, providing full details and contact information regarding this change.

HR-Benefits

Attachment

# Summary of Material Modifications



## Important Benefits Information

# Important Update on Employee Pension Benefit Plans and Programs

This summary of material modifications (SMM) is an update to the summary plan description (SPD) for each of the following plans (Affected Plans):

<ul style="list-style-type: none"><li>• AT&amp;T Pension Benefit Plan – AT&amp;T Legacy Management Program</li></ul>	<ul style="list-style-type: none"><li>• AT&amp;T Pension Plan</li></ul>
<ul style="list-style-type: none"><li>• AT&amp;T Pension Benefit Plan – East Program</li></ul>	<ul style="list-style-type: none"><li>• AT&amp;T Puerto Rican Pension Benefit Plan – AT&amp;T Legacy Management Program</li></ul>
<ul style="list-style-type: none"><li>• AT&amp;T Pension Benefit Plan – Midwest Program</li></ul>	<ul style="list-style-type: none"><li>• BellSouth Pension Plan</li></ul>
<ul style="list-style-type: none"><li>• AT&amp;T Pension Benefit Plan – Nonbargained Program</li></ul>	<ul style="list-style-type: none"><li>• BellSouth Personal Retirement Account Pension Plan</li></ul>
<ul style="list-style-type: none"><li>• AT&amp;T Pension Benefit Plan – Southwest Program</li></ul>	<ul style="list-style-type: none"><li>• Employees' Pension Plan of Ameritech Publishing Ventures, Inc</li></ul>
<ul style="list-style-type: none"><li>• AT&amp;T Pension Benefit Plan – West Program</li></ul>	

Please keep this SMM with the SPD for the Affected Plan.

### DISTRIBUTION

Distributed to Participants of the Affected Plans (or their surviving spouse or beneficiary) who retired prior to 1996 and are currently receiving a monthly service or disability pension benefit that is less than or equal to \$1,200.

NIN 78-11194



**Pension**

Summary of Material Modifications

August 2007

## IMPORTANT INFORMATION

---

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

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

## INTRODUCTION

---

The Company is pleased to announce a pension increase, effective Oct. 1, 2007, for certain Affected Plan participants.

If you began receiving a service pension or disability pension before 1996 (or are a surviving spouse of someone who began receiving a service or disability pension before 1996) and the monthly amount you are currently receiving from that pension (and any other pensions you are receiving from the AT&T companies) is less than or equal to \$1,200, then your monthly pension will be increasing. The following pension plans and programs are affected:

- AT&T Pension Benefit Plan – AT&T Legacy Management Program
- AT&T Pension Benefit Plan – East Program
- AT&T Pension Benefit Plan – Midwest Program
- AT&T Pension Benefit Plan – Nonbargained Program
- AT&T Pension Benefit Plan – Southwest Program
- AT&T Pension Benefit Plan – West Program
- AT&T Pension Plan
- AT&T Puerto Rican Pension Benefit Plan – AT&T Legacy Management Program
- BellSouth Pension Plan
- BellSouth Personal Retirement Account Pension Plan
- Employees' Pension Plan of Ameritech Publishing Ventures, Inc.

## AMOUNT OF PENSION INCREASE

---

The amount of your increase will be determined by the following chart and is based on the current amount of your monthly pension.

Amount of Monthly Pension Prior to Increase	Monthly Pension Increase
Less than or equal to \$600	\$28 per month
Greater than \$600 but less than or equal to \$900	The greater of (i) \$22 per month, or (ii) the amount necessary to increase the monthly pension benefit to \$628
Greater than \$900 but less than or equal to \$1,200	The greater of (i) \$16 per month, or (ii) the amount necessary to increase the monthly pension benefit to \$922

Whether you receive a pension check or direct deposit, the pension increase will first appear in the payment made for the month of October.

## CONTACT INFORMATION

---

If you have any questions regarding the information provided in this SMM, pre-merger SBC retirees should contact the Fidelity Service Center.



**1-800-416-2363** (domestic)



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



**1-888-343-0860** (hearing-impaired)



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

*Note: You will need your Fidelity Service Center PIN and Social Security Number/customer ID to speak to a service associate.*

Pre-merger AT&T retirees should contact the AT&T Pension Service Center.



**1-800-736-7779** (domestic)



International Locations: To contact the PSC from international locations without 800 number access, call the PSC direct or collect at **847-806-1101**.



**1-888-736-5500** (hearing-impaired)



Monday through Friday from 8 a.m. to 5 p.m. Central time

Pre-merger BellSouth retirees should contact the AT&T Benefits Service Center.



**1-800 528-1232** (domestic)



Dial your country's toll-free AT&T direct access number, then enter **1-847-883-1092** (international)



Hearing-impaired participants should use a local relay service.



Monday through Friday from 9 a.m. to 5 p.m. Eastern time

*Note: To speak to a service associate, you will need your AT&T Benefits Service Center User ID and password.*