



Diane Bradley
Labor Relations
Assistant Vice President

September 27, 2010

Ralph V. Maly, Jr., Vice President, CWA

Dear Ralph,

Effective April 1, 2011, the Company will be amending benefit plan language to provide coverage to Legally Recognized Partners as currently defined in the AT&T Medical Plans on the same basis as to a spouse, with the exceptions required by law. We are making these changes to satisfy certain diversity goals.

A Legally Recognized Partner (LRP) is any individual who is:

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

Effective 4/1/2011 – the following changes will be made to Legacy T and Puerto Rico plans

Health and Welfare

- The AT&T health and welfare benefit plans will be amended to provide coverage to Legally Recognized Partners as currently defined under the Legacy S/AT&T Medical plans on the same basis as to a spouse, with the exceptions required by law.
- **Definition Change.** The AT&T Medical, Dental and Vision plans will be amended with the standard Legacy S/AT&T Medical plan LRP definition for groups that do not currently have LRP eligibility. This change will be in addition to the Domestic Partner coverage currently provided under the plans. (only applies to Puerto Rico – LRP definition is already incorporated into Legacy T Plan.
- **Population Change.** Provide LRP coverage to retiree populations that do not currently have Domestic Partner, Registered Domestic Partner or LRP coverage.
- **Beneficiary Default Rules.** The AT&T Disability and Life Insurance plans will be amended to add LRPs to the beneficiary default rules.
- Coverage of Gender Dysphoria (reassignment) treatment will be extended so it is consistently available to all populations.
- While not a required subject of bargaining, the Company intends to amend its plans to provide participants with the opportunity to elect coverage and beneficiary designation for LRPs to all participants in the Health and Welfare employee benefit plans.



Retirement Plans

- The AT&T pension plans will be amended to include the common definition of LRPs provided earlier in this document.
- **Joint & Survivor Annuity Options:** the AT&T pension plans will be amended to provide participants with the opportunity to elect optional forms of payment that provide the LRP with a survivor benefit (i.e. Joint & Survivor annuity options).
- **Pre-retirement Survivor Benefits:** the AT&T pension plans will be amended to provide LRPs with eligibility for a payment under the Pre-retirement Survivor Benefit provisions of the pension plan
- **Death Benefits:** the AT&T pension plans will be amended to provide LRPs with eligibility for a payment under any applicable Pensioner Death Benefit, Accidental Death Benefit, or Sickness Death Benefit provisions of the pension plan
- **Beneficiary Default Rules:** the AT&T pension and savings plans will also be amended to also add LRPs to the default distributions rules for the groups that participate in plans today that do not use the AT&T Rules for Employee Beneficiary Designations (all other pension and savings plans use the AT&T Rules for Employee Beneficiary Designations which include the LRP in the default rules).

In addition, any policies and/or contractual language will be updated if applicable.

Regards,

Diane Bradley

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Labor Relations, AVP

cc: L. Smith
M. Flagge