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## CWA D3 AT&T Southeast Final Bargaining Report

December 14, 2009

**Corrected as of 7:00 pm 12/14/2009**

We are pleased to announce that we have reached a tentative agreement on a new three year contract between CWA and AT&T Southeast. In these tough economic times, we have reached an agreement that achieves our key goals:

1. Maintained and improved our Standard of Living
2. Protected Retirees
3. Improved language concerning work rules

There are changes in our health care that will result in increased out of pocket costs. However, when wages and the new company-funded tax-free Healthcare Reimbursement Accounts (HRAs) are factored in, CWA members—from the highest paid to the lowest—are better off.

This was a very difficult set of negotiations and we are pleased to have reached such a positive conclusion. There will be a contract explanation meeting for Local officers this Friday, December 18, who will then hold local explanation meetings over the next few weeks. A detailed summary will also be mailed to every member along with their ratification ballot. This is a tentative agreement until ratified by majority vote of members voting in a secret ballot election. The Bargaining Committee unanimously recommends ratification of this agreement.

Meanwhile, here are some of the highlights on the key issues of the new tentative agreement.

**Wages** – 3% Retroactive to 8/9/09, 3% 9/5/2010, 2.75 9/4/2011

### **Health Care**

Maintained Current Plan Rules and Contractual Rights.

Monthly Premium - \$35 single/\$75 family beginning Jan 1st, 2011

Eliminate spousal carve-out premium beginning Jan 1st, 2011

Preventative – no deductible, no coinsurance

Deductible - \$350 Individual/\$700 Family

Co-Insurance – 10% In-Network/40% Out of Network  
Out of Pocket Maximum - \$1000 Individual In -Network/\$3000 Individual Out of Network  
\$3000 Family In- Network/\$6000 Family Out of Network

No Co-pays  
Individual Basis for deductibles and OOP

Current employees that retire will have multiple options available to them.

**Prescription Coverage**

Separate OOP max \$900 Individual/\$1800 Family  
Individual Basis for OOP

Retail – Network Copays (up to 30 days supply)

- Generic - \$10
- Formulary - \$20
- Non-Formulary - \$40

Retail – Non-Network Copays (up to 30 days supply)

- Participant pays the greater of the applicable.
- Network copay or balance remaining after the plan pays 75%

Mail Order Copays (up to 90 days supply)

- Generic - \$20
- Formulary - \$40
- Non-Formulary - \$80

\* 90 day prescription available at CVS pharmacies at mail order prices.

**Dental** – Same as today.

**Vision** – Same as today.

**Health Reimbursement Accounts**

New Tax-Free Health Reimbursement Accounts (HRA)

Active Employees will get:

- 0/0 Year 1 (also SSP – see below)
- \$300/\$600 Year 2 (also SSP – see below)
- 0/0 Year 3 (also SSP – see below)

In Year 2, stock appreciation portion of SSP applies to HRA. In Year 3, both dividend portion and appreciation apply to HRA.

**HRA Current Retirees prior to 12/31/2009**

- \$850/\$1700 Year 1
- \$150/\$300 Year 2
- 0/0 Year 3

**HRA Future Retirees who retiree between 1/1/2010-12/31/2010**

- \$450/900 Year 2010
- \$150/300 Year 2011

\*HRA Funding levels will be based on healthcare enrollment status as of the 1<sup>st</sup> of year:  
HRA dollars not used in a plan year are rolled over.

### **Success Sharing Plan (SSP)**

\*Two parts

- a) Dividend x 150
- b) Appreciation in stock price, year over year x 150

All SSP payments to HRAs.

### **Pensions**

Pension band increase

- 2% - effective June 1, 2010
- 2% - effective June 1, 2011
- 2% - effective June 1, 2012

Preserved lump sum option for life of contract and retained non decreasing lump sum.  
2012 – Start transition to PPA rate rather than GATT to calculate lump sum 25% transitions per year.

### **New Hires**

Same medical.

New Hires BCB2 cash balance pension with lump sum option.

New Hires Future Retirees – ATT will pay 50% Medical.

**Employment Security** – Maintained all provisions of Article 14

### **Leveraged Titles**

1. Provide protections to assure existing Sales Associates are not forced to become “leveraged” as well as provide enhanced employment security for existing Sales Associates through combining of titles in a surplus.
2. Limited scope. If Management wants to expand “leverage” program to any other title, they must bargain to agreement (not impasse).
3. Sales Associate can try Leverage title for up to 6 months with return rights at same location.
4. Leverage formula – 60% base wages guaranteed and 40% base wages leveraged.

### **National**

Card Check Agreement

Recognition for Video Hub Technicians (National Internet Contract)

Negotiated Presidents Council (Replaces Operations Board)

National Transfer Plan – The Company has agreed to modify the external job posting system to provide, for employees who choose to participate, a National Transfer Plan.

### **Other Items**

Retroactivity to 8/9/2009 for Wages and Arbitration rights.

Temps/Terms converted prior to ratification are current employees within 90 days of ratification.

Temps/Terms converted after ratification are classified new employees.

- Retained 1 Managed Care Specialists and 1 Claims Facilitator
- Retained 1 Partnership Representative
- Language that will allow 2 EWD days to be flexed
- Retained 2 flexible EWD in Customer Markets
- Added stepbrother and stepsister to immediate family
- No loss of pay to attend meetings in any AT&T Company represented by CWA
- 1 additional optional E-SIPP

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