

Communications

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STEVE TISZA, *President*



LOCAL 4250

Workers of America

(AFFILIATED WITH AFL-CIO)

3055 Glenwood-Dyer Road
Lynwood, IL 60411
708-757-4065

Tuesday, July 21, 2009

TO: All CWA Local 4250 AT&T Members & Retirees

SUBJECT: "SPECIAL MEMBERSHIP MEETING!" August 1, 2009 – HIGH NOON!

A "Special Membership Meeting" will be held on Saturday, August 1, 2009 at **HIGH NOON**. The location will be announced as soon as possible.

The purpose of this "Special Membership Meeting" is to explain the recently announced CWA District 4/ AT&T Midwest "tentative agreement" announced jointly by CWA District 4 and AT&T on Wednesday, July 15, 2009.

I have attached copies of the "CWA D4 AT&T Midwest Tentative Agreement Summary Bargaining Explanation Meeting of July 17, 2009" and "Presidents Meeting – 2009 Bargaining Report – Benefits Only – July 17, 2009" that I received at the CWA D4 Presidents meeting in Hoffman Estates on Friday, July 17, 2009. **PLEASE** take the time to read these reports **BEFORE** our August 1, 2009 "Special Membership Meeting." The "**Benefits Only**" report is a **MUST READ**, as it has become a most controversial issue, to say the least.

A secret ballot ratification **VOTE** will be conducted, **AFTER ALL Q&A's**, by the Local 4250 Election Committee. **ONLY**, CWA Local 4250 dues paying members in, good standing, in the AT&T Midwest Bargaining Unit, will be eligible to cast a vote. I expect a maximum vote. This is due to the fact, **NO** Harvey, Ill. OS member has been required to work on Saturday as a result of AT&T taking away our 24/7 coverage.

ALL CWA Local 4250 AT&T members and retirees in the C&T (Legacy T) Bargaining Unit are **URGED** to attend this meeting as the D4 "Benefits" report is being used as the "framework" for all other CWA and IBEW AT&T Bargaining Units currently in negotiations with AT&T.

In Unity-Strength & Solidarity:

Steve Tisza, President CWA Local 4250

PS: A major omission from the agreement is: **NO SUCCESSORSHIP CLAUSE**



Presidents Meeting – 2009 Bargaining Report
Benefits Only – July 17, 2009

Short Summary

Benefits – Effective 1/1/10 CORE Contract*

** Includes Global Services Blue Contract*

Medical Premiums/Pretax Deduction Single \$35
 Is Monthly and is for Life of Contract Family \$75
 Working Spouse \$40 monthly contribution is discontinued.

<u>Up - Front</u>	<u>In-Network/PPO</u>	<u>Non-Network/Non PPO</u>
<u>Deductibles:</u>	Single \$350	Single \$900
Life of Contract	Family \$700	Family \$1,800

<u>After Deductible</u>		
<u>Co-Insurance:</u>	10% After Deductible	40% After Deductible
	0 Preventative/No Deductible	NO Benefits/Preventative

<u>Co - Pays:</u>	\$0 Except Rx	\$0 Except Rx
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<u>OOP Max:</u>	Single \$1,000	Single \$3,000
Life of Contract	Family \$3,000 + Deductible	Family \$6,000 + Deductible

Healthcare Reimbursement Account For Plan Participants/Company Funded: **

***COS and HMO Subscribers Excluded*

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Single	\$450	\$300	Success Share Plan (if Payable)
Family	\$900	\$600	Success Share Plan (if Payable)

Rx Plan is totally Separate from Medical-Surgical Plan Described Above.

Rx Co-Pays in effect for Life of Contract

<u>Rx Co-Pays:</u>	<u>Retail</u>	<u>Mail</u>
Generic	\$10	\$20
Formulary	\$20	\$40
Non Formulary	\$40	\$80

Personal Choice Drugs are at a Discount Only

<u>Rx Out Of Pocket Maximums:</u>	Single \$900
	Family \$1,800

Short Summary – Continued
Page 2

Dental/Vision: Same as 2004 Contract except Vision Plus 100% employee paid.

Basic Life Ins & Dependent Life: Basic Life frozen @ 12/31/09 wage level for Future Retiree's. New Hires & current RLT's will have \$15,000 in Basic Life Insurance at retirement. Increased Dependent Life Insurance amounts available for purchase.

Savings Plan: New Hires and current RLTs will have a separate (80% match) savings plan that includes a Roth IRA feature.

Pension: 2% Pension Band Increase for each of the 3 years along with COLA in 3rd year (if payable). The Lump Sum option remains available. GATT remains the calculator for those retiring prior to 1/1/2012. Effective 1/1/2012 the Pension Protection Act (PPA) begins implementation; however there is a GATT Supplement available for those retiring between 1/1/2012 and 3/31/2012. Effective 1/1/10 New Hires and converted RLT's will have a new Cash Balance Pension Plan funded by the Company which also features a lump sum option.

 **Future Retirees**

Pre-Medicare eligible future retirees* will have a choice of two different medical plans affording them a choice and cost similar to actives. Post Medicare eligible future retirees will continue to be eligible to participate in the Non PPO plan. Current Retirees will be treated as Future retirees, unless they retired prior to 1/1/93 in which case they will maintain their current status.

** Future Retirees are active employees that retire during the term of this Contract.*

July 17, 2009

Presidents Meeting – 2009 Bargaining Report

Benefits Only

	2004 Contract	2009 Changes - Effective 1/1/10
<u>Medical/CHCP</u>	Comprehensive Health Care Plan Core w/Datacom/Blue Contract	CHCP for EE & New Hires CHCP – Same Rules/Definitions With Exceptions Noted Below:
	Voluntary PPO/Non No Mandatory Networks	Same
	PPO/Non = BC/BS HCN = United Health Care	Vendors not locked in, which could cause Provider Changes. Did lock in access standards.
	HMO's at Co Discretion	Same, however premiums will Likely increase
<u>Enrollment Rules</u>	Single Default/New Hire	No Default – <u>MUST ENROLL</u> (All other enrollment rules same)
<u>Disease Detection Tests if Preventative</u>	Limited Age/Frequency Deductible Waived	Preventative Code Paid 100% Deductible Waived No coverage Non Network
<u>Well Child/Adult Physical</u>	Limited Age/Frequency	Preventative Code Paid 100% Deductible Waived No Coverage Non Network
<u>Monthly Premiums</u>	\$ 0 EE Working Spouse @\$40	\$35 (S) \$75 (F) Pre-tax Deduction/Pay Checks No FSA Required Part Time 0-24 hrs same as today Working Spouse \$ Discontinued

<u>Deductible</u>	<u>PPO/Non</u> \$150 (S) - \$300 (F)	<u>PPO</u> \$350(S) - \$700(F)	<u>Non PPO</u> \$900(S) - \$1,800(F)
	UHC Tiered x Wage [-\$50k/\$50-85k/\$85k+]		
	<u>Network</u>	<u>Non</u>	<u>Network</u> <u>Non Network</u>
	(S) 0	\$300/400/500	\$350 (S) \$900
	(F) 0	\$600/800/1,000	\$700 (F) \$1,800
<u>Coinsurance</u>	<u>PPO/Network</u> 0%	<u>PPO/Network</u> Sickness 10%	
<u>Tests if Sick</u>	<u>Non PPO/Non Network</u> 25%	<u>Non PPO/Non Network</u> 40%	
	After Deductible	After Deductible	
<u>Co-pays</u>	\$20 Dr/\$75 ER/\$60 Hosp	10% (or 40% non-network) after Ded	
		Not additional but same as Coinsurance amounts above	
<u>Out of Pocket Max</u>	<u>PPO/Non PPO</u>	<u>PPO</u>	<u>Non PPO</u>
	(S) \$650	(S) \$1,350	\$3,750
	(F) \$1,300	(F) \$3,700	\$6,500
	Includes Deductible	Includes Deductible	
	UHC Tiered x Wage [-\$50k/\$50-85k/\$85k+]		
	<u>Network</u>	<u>Non Network</u>	<u>Network</u> <u>Non Network</u>
	(S) \$300	\$1100/1400/1700	\$1,350 \$3,750
	(F) \$600	\$2200/2800/3400	\$3,700 \$6,500
			Includes Deductible
<u>Health Reimbursement Acct/HRA</u>	None	<u>2010</u>	<u>2011</u> <u>2012</u>
Must be enrolled in Co Medical		(S) \$450	\$300 \$ 0
No DB, LOA Pro-rating		(F) \$900	\$600 \$ 0
Carry Over Year to year		\$0 New Hires	
None to HMO participants			
Part Time pro-rated			
COS excluded here but funded through Success Share Plan			
Employer Funded-RFT,RPT,RLT-Must be on payroll prior to Date of Ratification			
<u>Mental Health/MH</u>	<u>Carved Out/Separate</u>	<u>No longer separate Deductibles</u>	
<u>Substance Abuse/SA</u>	<u>Additional Deductibles</u>	<u>or OOP Max for MII/SA</u>	
	<u>Additional OOP Max</u>		
	Network (S) \$250-(F) \$500		
	Non (S) \$1,000-(F) \$2,000		

<u>Rx</u>	<u>Retail</u>	<u>Mail</u>	<u>Retail</u>	<u>Mail</u>
		\$10/20/40	\$20/40/80	Same
	OOP Max \$750 (S) \$1,500 (F)		\$900 (S) \$1,800 (F) Personal Choice/Discount Only [= Erectile Dysfunction, Diet Fertility]	
	CVS Retail ONLY fill for Maintenance Rx Otherwise "2 fill" limit still exists at Retail Non Network Deductible discontinued Non Formulary Co-pay included in OOP			
<u>Dental</u>				
Annual Max	\$1,300		(EE & New Hires)	
Ortho	\$1,600		Same	
			Same	
<u>Vision Care Plan</u>	\$0		\$0 with Same Coverage (EE and New Hires)	
Vision Plus	\$5.56 (S) \$10.00 (S+1) \$15.56 (F)		\$11.93 (S) with Same Coverage \$21.47 (S+1) \$33.40 (F) Subj to annual adjustment	
<u>Flexible Spending Acct</u> [pre-tax dollars]	\$5,000 Healthcare \$5,000 Dependent Care		\$10,000 (EE & New Hires) Same	
<u>Care Plus</u>	\$1 Single \$2 Family Subj to annual adjustments		Same (EE & New Hires)	
<u>Pension</u>			2010 2011 2012 2% 2% 2% + COLA/3 rd yr Lump Sum Still Available, but PPA: 2012 - 75%Gatt/25% PPA Gatt Supplement until 3/31/2012 (New Hires have Cash Balance)	
<u>Savings Plan(s)</u>	\$32 Annual Fee No Roth, No Catch up, 80% Match		Same except \$42 Annual Fee. (New Hires have new Savings Plan w/80% Match x % Income w/Roth)	

<u>Life Insurance(s)</u>	Spouse up to \$50,000	up to \$150,000 (EE & New Hires)
<u>Dependent Life</u>	Child up to \$10,000	up to \$15,000
<u>Group Life</u>	1 x Annual Basic Wage*	Wage Frozen 12/31/09/Retirement. If EE dies as active still 1 yr wage. (New Hire Retiree \$15,000)
<u>Supplemental Life</u>	1,2,3,4,5,6 x *	Same + AD&D Supplemental * Pay defined to include some commissions
<u>Death Benefit</u>	Limited pre 1/1/93 NCS Frozen 1/1/95 Wage	Same (New Hires not eligible)
<u>Disability</u>	3 weeks auto pay	2 weeks auto pay (EE & New Hires)
<u>Long Term DB</u>		
<u>JBF/BIC</u>	Benefit Committees	Same
<u>Leaves of Absence</u>	Various	Same (EE & New Hires)
<u>Long Term Care</u>	John Hancock	Changing/Conversion/options avail (EE & New Hires)
<u>Adoption</u>	Up to \$5,000	Same (EE & New Hires)
<u>Commuter</u> – Eff 1/1/10		New/Pre Tax/EE Paid/Parking/Mass Transit-Not I-pass/2009 \$230 limits On Parking & \$230 on Mass Transit IRS limits change annually
<u>Marsh Plans</u> – Eff 1/1/10		New/Optional Ins/Misc coverage/EE paid Auto, Homeowners, Cancer, Identity, Legal, Pet

NOTE: New Hires are those who are hired/re-hire or are reclassified from RLT to Regular Full Time on or after 8/8/09/Ratification Date. Recalled considered current EE.

Appendix F: Current EE & New Hires have same Health & Welfare as Core. Eff 1/1/10 Eligible for Cash Balance Pension Plan + ATT Retirement/Savings Plan & New Hire Retiree Benefits when reclassified to RFT. Receives prior NCS credit for eligibility, but not calculation on pension. Surplus Core & Datacom in App F maintain protections (work rules/benefits; includes time spent in App F for pension purposes).

COS Employees: Will have same Health & Welfare Plans as Core EE except for HRA Accounts (see above note on HRA). Pension and Savings Plans remain the same. Retiree benefits will be at the 50% level.

Future Retirees: Effective 1/1/2010

Retirees who retired prior to 1/1/93 will have no change. Current Pre-Medicare Retirees who retired 1/1/93 or after will be treated the same as Future Retirees except for Vision. Post Medicare Retirees remain with Non-PPO Benefits.

Exceptions identified for Active EE's apply; along with the exceptions noted below.

Monthly Premiums
Medical Plan Options

Non Medicare Medicare
See Attachment B Options

Health Reimbursement Accounts

<u>HRA's</u>		<u>2010</u>	<u>2011</u>	<u>2012</u>
	Non Medicare Only			
	Excludes HMO's	(S) \$850	\$150	\$0
	Must be enrolled in Co Medical	(F) \$1,700	\$300	\$0

Dental Expense Plan

Same for Life of Contract

Vision Expense Plan
Vision Plus Plan

(S) \$4.12 – (S+1) \$7.51 – (F) \$10.87
(S) \$11.93 - (S+1) \$21.47 - (F) \$33.40
Subj to annual adjustments

All Current Retirees continue to be excluded
Only Future Retirees receive benefit

Care Plus

Single \$1 - Family \$2
Subj to annual adjustments

Same for Life of Contract

Group Life Insurance Current retirees have no change. Benefit level is frozen at 12/31/09 wage level for future retirees and is still subject to current reduction schedule. New hire retirees will be limited to \$15,000.

Marsh Plans New Insurance coverage option/retiree paid. Such as; Cancer, pet, auto, homeowner, identify, legal.

Medicare Part B – ~~Current recipients grandfathered at current reimbursement levels. No reimbursement if not age 65 by 12/31/09.~~ ^{OMIT} Medicare Part B Sign Up is still mandatory or **NO BENEFITS** are paid by ATT.

New Hire Retirees – Pre 65 Have Medical/Dental at the 50% Shared Cost Level, Post 65/Medicare Eligible not eligible for Medical/Dental at all (includes Part B reimbursement) and as stated above; new hire retirees have the Bargained Cash Balance Pension Plan (known as BCB2). New Hire Retirees not eligible for HRA's.

Benefit Definitions

July 17, 2009

Annuity: Refers to a monthly (annual) pension benefit.

Banded Plan: Refers to our traditional defined pension plan. Each title/wage has an associated pension band which is then translated into a fixed dollar amount. Pension bands are generally listed in the wage tables and the band amounts are listed in the Benefits Appendix. Multiply your band dollar amount by your years of seniority to get a general estimate of your monthly pension benefit.

Benefit Commencement Date (BCD): For the Midwest is the date commonly used as your last day on payroll. Is Very Important when retiring at year end (12/31).

Carrier/Vendor: Is the insurance company that administers our benefit plans. Currently the carrier for the Health Care Network (HCN) is United Healthcare and the carrier for the PPO/Non plan is Blue Cross Blue Shield of Illinois. The enrollment and eligibility vendor is Hewitt. And Cigna/Dental, EyeMed/Vision, Fidelity/Pension & Savings Plans.

Cash Balance Account (BCB2): A pension plan available to newly hired employees and certain other current employees that allow participants to plan for future retirement. Requires 1 year of service to participate. Unlike a defined pension plan; a cash balance plan specifies the amount of the contribution by the employer on a more consistent, steadily escalating curve basis rather than the amount of a future benefit or a step curve basis that is used in defined pension plans. Monies can be paid out in a lump sum in a more unrestricted way if employees move from company to company prior to retirement.

CHCP: Comprehensive Health Care Plan. The Midwest Medical Plan that has two distinct insurance options; a Health Care Network (HCN) and Preferred Provider Organization (PPO/Non PPO). CHCP is considered a traditional Point of Service Plan; meaning you choose an In-Network/PPO provider [or not] at the time you need services.

Co-Insurance: This is the amount you are responsible for once you have met your deductible. It is expressed as a percentage. For example: If your co-insurance is 10%; you are responsible for 10% of the Reasonable & Customary cost (or Network Negotiated Fee) for your health care. If you went to your family doctor and the reasonable fee for the office visit was \$100; you would be responsible for \$10.00 and your insurance would pay \$90. You are responsible for any amounts over the reasonable and customary (or Network Negotiated Fee) if the Provider you use does not waive them. The charges you are responsible for are determined by your Co-insurance level (10% when you use an In-Network/PPO provider or 40% when using a Non-Network/Non PPO provider).

Co-Pays: Co-pays are set dollar amounts usually paid at the time services are rendered. (Example: \$20 per Dr Office Visit or \$75 per ER Visit). Co-pays have been deleted from the Medical/Surgical portions of the CHCP, but will still apply for Prescription drugs.

Deductible: The deductible is an amount of money that must be paid "up front" before the Plan pays anything toward your coverage. Like the premium; the amount can be different based on the number of covered individuals, either single or family (two or more individuals). The deductible is also substantially higher if you receive care at a Non-Network/Non-PPO providers or facilities. Dollars that apply to the In-Network/PPO and Non-Network/Non PPO providers are never mixed. The deductible is waived for some medical services, such as In-Network/PPO Preventative Care. Once you meet the appropriate medical deductible; all you pay is Co-Insurance (described below) and your insurance pays the remainder for all. covered services.

Eligible Employees (EE): An employee that is eligible to participate in the Plan.

Eligible Expenses: Expenses for services that are covered under the insurance plan. Services must be medically necessary. (Example: cosmetic surgery or air purifiers are not generally eligible expenses/not covered as they are not considered medically necessary) Contact the number listed on the back of your insurance card if you have questions as to what are covered expenses/procedures.

Flexible Spending Account (FSA): An account that you can set up using pre-tax dollars deducted from your paycheck. Healthcare and Dependent care expenses are eligible to be paid out of this fund. You must enroll annually for this account. While the account has definite tax advantages; you should note the any money unused at the end of the year is forfeited. This is a good option for individuals that have predictable eligible expenses such as child care or insurance premiums. Many of the same expenses payable out of an FSA are the same as those eligible for reimbursement through a Healthcare Reimbursement Account (HRA).

Future Retiree: An employee that is in Regular Full Time status on the date of Contract Ratification and retires during the term of this Contract.

GATT Rate: The 30 Year Treasury Bond Interest Rate (fixed in the month of Nov for the following year) used to change (calculate) the monthly pension amount into a lump sum. The higher the interest rate; less money is produced in the lump sum.

Health Reimbursement Account (HRA's): An account, funded by the employer that provides dollars to pay for eligible health care expenses such as premiums, deductibles, or co-insurance. Any amounts not used in the current year carry-over to the next year.

HMO's: A completely separate medical plan offered as an alternative to the traditional medical plan(s) and sometimes require a monthly premium. Each HMO have their own plan designs. It is the responsibility of each employee to review and compare plan details, providers and costs before choosing an HMO medical option.

Life Insurances.

Basic Life: Term Life insurance provided and paid for by the employer.

Dependent Life: Additional Term life insurance that the employee may elect/pay for. It is available in increments up to 6 times the annual pay. Is discounted for non-smokers.

Supplemental Life: Term life insurance for spouse and/or children that an employee may elect to purchase in varying amounts.

Modified Rule of 75: Is a pension rule that defines when an employee may retire with a service pension (without reduced pension benefits) and with retirement benefits. Other than a DB pension; you must meet the following grid in order to qualify for a service pension with associated benefits (any age + service = 75 DOES NOT qualify):

<u>Service</u>	<u>Age</u>
30+ years	Any age
25 years	Age 50
20 years	Age 55
10 years	Age 65

Mortality Table: Tables used to determine life expectancy for lump sum calculations.

Network Negotiated Fees (NNF): Fees like Reasonable and Customary fees that are normally charged in a geographical area for specific services, but that are negotiated downward by the insurance industry to reflect a much deeper discount (used by United)

New Hire: An employee who is hired or rehired after the ratification date of the 2009 Collective Bargaining Agreement. This includes current Regular Limited Term (RLT's) employees that are reclassified to regular Full Time (RFT) status after the ratification date. Recalled employees are considered current employees and not new hires.

New Hire Retiree: An employee who is hired, rehired or reclassified from RLT to RFT after the ratification of the 2009 Contract and continues employment until they reach retirement eligibility.

Non PPO/HCN Non-Network: Providers, hospitals and facilities that have not agreed to a discounted rate and who do not belong to the network or PPO. You may still use these providers, but at a much higher out of pocket cost to yourself. Deductibles, Co-insurance and Out of Pocket Maximums are much higher when out of Network. **It is your responsibility each and every time you seek services to verify that the provider you use is in the Network or PPO. Providers and facilities sometimes join or leave networks during the course of the year.**

Other Post Employment Benefits (OPEB's): These are benefits that an employee is eligible to receive (or purchase) upon reaching retirement eligibility. (example: Medical, Care Plus, Dental, Vision, Life Insurances). The options available to employee's vary and is dependent on their retirement company and date.

Out of Pocket Maximums (OOP): A fixed amount depending on whether you are using In-Network/PPO or Non-Network/Non PPO services. Once you have paid this amount (generally through Co-insurance payments) all additional covered services are paid by the insurance at 100% (of R&C or NNF). Premiums, Deductibles or amounts over the R&C/NNF are not applied to the OOP Maximum.

Pension Protection Act (PPA): A newly enacted law to provide more stability for employer provided pension plans. The law (when implemented) requires certain corporate bond rates be blended over-time and would eventually totally replace the current Gatt method of lump sum calculation.

PPO/HCN Network: A network of participating health care providers, hospitals, and facilities that have agreed to reduced rates for their services. By utilizing participating providers; you will be eligible for lower Deductibles, Co-insurance and OOP Maximums. **It is your responsibility each and every time you seek services to verify that providers are still In-Network or PPO. Providers and facilities sometimes join or leave networks during the course of the year.** (RETIREE PPO ALTERNATIVE: An alternative Nation-wide PPO offering that is not associated with the above PPO)

Premium: This refers to a monthly payment required to participate in a benefit plan. The amount of the premium is dependent on the number of covered individuals covered. The fee is less for an individual than for a family (two or more). The payment is made via payroll deduction (if still employed) and is in most cases considered pre-tax income. Failure to pay any part of your premium(s) will result in in cancellation of ALL insurance coverage and will require a period of time before you can re-enroll. This could be a result of inadequate money in the pay cycle to cover the deduction. Effective 1/1/10 the Medical Plan/CHCP, Care Plus, Vision One/Plus, Supplementary & Dependent Life Insurances have premiums. HMO plans may also have premiums.

Reasonable & Customary Fees (R&C): R&C fees are fees that are normally charged by medical providers in a certain geographical area (used by BC/BS).

Self Insured: A situation where the Company pays a vendor to administer the benefit plan and only pays the actual claim rather than pay monthly insurance premiums for each employee.

Summary Plan Descriptions (SPD's) & Summary Material

Modifications (SMM's) & Plan Documents: SPD's are booklets provided by the Company or their vendor that generally described benefit levels and eligibility. SMM's are modifications to those already published SPD's. Plan Documents (along with our Contracts) are the legal and governing authority for the Plan(s).

Support Rate: The rate the Company would have paid for you or your family "if" they made monthly insurance payments.

Vacation Year: Dec 31 – Dec 30 and found under Art 2/Definitions in the Contract.

General Legal Notice: This information is provided for training discussion and is informational only. It only attempts to summarize the listed components of the benefit plans or programs for easier understanding. Individual situations and plans may vary. Full details, including eligibility are described in your Summary Plan Descriptions, Summary material Modifications and Plan Documents which are subject to the Collective Bargaining Agreement. In all cases; the Collective Bargaining Agreement and/or Plan Documents shall govern and are the final authority on the terms of the Plans.

HRA Funding Source(s)

Source	2010	2011	2012
ATT	(S) \$450 (F) \$900 Success Share	\$300 \$600 Success Share	Success Sharing if Payable Success Sharing if Payable With Dividend
2010	\$35 Single Premium/mo x 12 months \$420 year		\$75 Family Premium/mo x 12 months \$900 year
	\$450 HRA - \$420 Premium \$30 Roll-over to next year		\$900 HRA - \$900 Premium \$0
2011	\$420 Premiums -\$300 HRA + 30 Carry over \$90 out of pocket/year or \$7.50/month or Success Share \$ if payable		\$900 Premiums \$600 HRA \$300 out of pocket/year or \$25/month or Success Share \$ if payable
2012	\$420 Premiums \$35/month or Success Share \$ if payable with Dividend calc included		\$900 Premiums \$75/month or Success Share \$ if payable with Dividend calc included

History: 2004 – 2005 Would have paid out \$0
2005 – 2006 Would have paid out \$860
2006 – 2007 Would have paid out \$1080
2007 - 2008 Would have paid out \$0
Average of \$435

Plan Designs for Eligible Retired Employees

	Pre Medicare Eligibility		Post Medicare		
	Legacy MW PPO w/ Blended Cap	Regional Medical Plan (as amended)	Legacy MW Non-PPO		
Medical Components					
Monthly Contributions	See Note	None	None		
Deductibles (Network)	No Change	\$400/\$800	No Change		
Coinsurance (Network/Non-Network)	No Change	10%/50%	No Change		
OOP Max (Network)	No Change	\$1000/\$3000	No Change		
OOP Max Type	No Change	Individual Basis	No Change		
Copays			No Change		
Office Visits	No Change	None	No Change		
Hospital ER	No Change	None	No Change		
Hospital Admission	No Change	None	No Change		
Rx Components					
Contributions	None	None	None		
Deductibles	\$50 (retail) per Ind.	2010 - \$75 2011 - \$125 2012 - \$175	2010 - \$75 2011 - \$125 2012 - \$175		
Coinsurance	None	None	None		
OOP Max (Network)	\$1,500/\$3,000 (applies to Generic and Formulary) Individual Basis	\$1,500/\$3,000 (applies to Generic and Formulary) Individual Basis	\$1,500/\$3000 (applies to Generic and Formulary) Individual Basis		
OOP Max Type	2010 Actual (Max)	2010 2011 2012	2010 2011 2012		
Copays					
Retail Generic	\$8 (\$14)	\$10 \$10 \$11	\$10 \$10 \$11		
Retail Formulary	\$26 (\$28)	\$30 \$30 \$33	\$30 \$30 \$33		
Retail Non-Formulary	\$50 (\$56)	\$50 \$50 \$55	\$50 \$50 \$55		
Mail Generic	\$17 (\$28)	\$20 \$20 \$28	\$20 \$20 \$28		
Mail Formulary	\$54 (\$56)	\$75 \$75 \$83	\$75 \$75 \$83		
Mail Non-Formulary	\$108 (\$112)	\$125 \$125 \$138	\$125 \$125 \$138		

Notes:

Retirees are subject to a Defined Dollar Benefit Cap established at \$12,500 per retiree annually through December 31, 2012.
 Plan costs above the cap shall be calculated annually based on plan performance for non-Medicare eligible retirees subject to the cap.
 Per Retiree Costs will be done on a blended basis and only includes those that are subject to the cap.
 The amount of the monthly contribution for each upcoming year will be announced before the annual open enrollment.

Medical components will be consistent with the current Regional Medical Plan with the provisions noted in the chart and including:
 Non-Network deductibles and Out of Pocket Maximums = 3x Network amounts;
 Deductibles and out Of Pocket Maximums are integrated for all medical services, including mental health/substance abuse services;
 Once the deductibles are met, coinsurance applies to all medical services including mental health/substance abuse services;
 MW Medicare Eligible must be in Non-PPO plan option.

Current Plan Designs Will Apply Subject to the Modifications Summarized in This Chart

**Appendix B – Midwest Core CWA
Medical - Preventive Comparison**

	AIT CHCP - Current	AIT CHCP – Proposed
POS Network	<ul style="list-style-type: none"> •Wellness/Disease Detection: Specific services identified in plan. •\$20 copay / 0% coinsurance •Covers: <ul style="list-style-type: none"> ○ Well-Child Care ○ Adult Physical Exam ○ Routine Gynecological Exam ○ Disease Detection Tests <ul style="list-style-type: none"> ○ Mammograms ○ Fecal occult blood test ○ Total serum cholesterol tests ○ Blood glucose tests for diabetes ○ Sigmoidoscopies ○ Pap test 	<ul style="list-style-type: none"> •Preventive Care: Medical services aimed at early detection and intervention. Focuses on wellness, health promotion and other activities that reduce the likelihood of illness or injury. •\$0/\$0, Deductible waived •Covers Preventive office visits, tests, and procedures including: <ul style="list-style-type: none"> ○ Well-baby and well-child care ○ Routine well-woman examinations including pap smears, pelvic exams and mammograms ○ Routine well-man exams, including PSA tests ○ Routine physical exams ○ Immunizations
POS Non-Network	<ul style="list-style-type: none"> •Wellness/Disease Detection: Specific services identified in plan. •\$0 copay / 0% coinsurance •Covers: <ul style="list-style-type: none"> ○ Well-Child Care: After deductible, ages 0-12, \$150 maximum per year; age 13-18, four visits total, \$50 maximum per visit ○ Disease Detection Tests - \$75 annual benefit maximum, including office visits (for pap test & mammogram), no deductible: <ul style="list-style-type: none"> ○ Mammograms ○ Fecal occult blood test ○ Total serum cholesterol tests ○ Blood glucose tests for diabetes ○ Sigmoidoscopies ○ Pap test (covered at 100% and not subject to annual limit) 	Not Covered
PPO Network	<ul style="list-style-type: none"> •Wellness/Disease Detection: Specific services identified in plan. •\$0 copay / 0% coinsurance •Covers: <ul style="list-style-type: none"> ○ Well-Child Care: No deductible, ages Birth-12, 100% of Eligible Expense up to \$175 maximum per year; Age 13-18, four visits maximum total covered at 100% of Eligible Expenses, \$50 maximum per visit ○ Disease Detection Tests - Up to \$125 maximum of Eligible facility Expenses, including related physician fees, with no deductible: <ul style="list-style-type: none"> ○ Mammograms & pap tests (covered at 100% and not subject to annual limit) ○ Fecal occult blood test ○ Total serum cholesterol tests ○ Blood glucose tests for diabetes ○ Sigmoidoscopies 	<ul style="list-style-type: none"> •Preventive Care: Medical services aimed at early detection and intervention. Focuses on wellness, health promotion and other activities that reduce the likelihood of illness or injury. •\$0/\$0, Deductible waived •Covers Preventive office visits, tests, and procedures including: <ul style="list-style-type: none"> ○ Well-baby and well-child care ○ Routine well-woman examinations including pap smears, pelvic exams and mammograms ○ Routine well-man exams, including PSA tests ○ Routine physical exams ○ Immunizations

**Appendix B – Midwest Core CWA
Medical - Preventive Comparison**

	AIT CHCP - Current	AIT CHCP – Proposed
Non-PPO	<ul style="list-style-type: none"> • Wellness/Disease Detection: Specific services identified in plan. • \$0 copay / 0% coinsurance/ See below regarding deductible information • Covers: <ul style="list-style-type: none"> ○ Well-Child Care: No deductible, ages Birth-12, 100% of Eligible Expense up to \$175 maximum per year; Age 13-18, four visits total covered at 100% of Eligible Expenses, \$50 maximum per visit ○ Disease Detection Tests - Up to \$125 maximum of Eligible facility Expenses, including related physician fees, with no deductible: <ul style="list-style-type: none"> ○ Mammograms & pap tests (covered at 100% and not subject to annual limit) ○ Fecal occult blood test ○ Total serum cholesterol tests ○ Blood glucose tests for diabetes ○ Sigmoidoscopies 	Not Covered

MW BENEFIT MOVEMENT RULES

MOA PARAGRAPH	EMPLOYEE GROUP	HEALTH & WELFARE	SAVINGS PLAN	PENSION	Non-Medicare Eligible	OPEB Medicare Eligible
3.A.i.	Current employee who moves to Appendix F via the surplus process If any of these employees move to another job in the MW agreement	Current Active	ASSP	MW Banded Plan	Ameritech Comprehensive Health Care Plan as described in Article 16 Attachment B	
3.A.ii.	SBC Internet employee who moves to Appendix F via the surplus process If any of these employees move to another job in the MW agreement	Current Active	ASSP	MW Banded Plan	Ameritech Comprehensive Health Care Plan as described in Article 16 Attachment B	
3.B.	Current Appendix F employees who did not get there via the surplus process Temp/Regular Limited Term employees who are converted to regular employees If any of these employees move to another job title in the MW Agreement	Current Active Current Active Current Active	ARSP ARSP ARSP	BCB2 BCB2 BCB2	50% of total cost 50% of total cost 50% of total cost	Ineligible for coverage Ineligible for coverage Ineligible for coverage
3.C.	New Hires into Appendix F Current employees who voluntarily move into Appendix F If any of these employees move to another job title in the MW Agreement	New Hire New Hire New Hire	ARSP ARSP ARSP	BCB2 3CB2 BCB2	50% of total cost 50% of total cost 50% of total cost	Ineligible for coverage Ineligible for coverage Ineligible for coverage
3.D.	Employees who move to the MW Agreement under NTP and where classified as a converted temp/term in their previous contract Employees who move to the MW Agreement under NTP and where a non-protected Prem Tech in their previous contract If any of these employees move to another job title in the MW Agreement	Current Active Current Active Current Active	ARSP ARSP ARSP	BCB2 BCB2 BCB2	50% of total cost 50% of total cost 50% of total cost	Ineligible for coverage Ineligible for coverage Ineligible for coverage
3.E.	Employees who move to the MW Agreement under NTP and where classified as a new hire in their previous contract If any of these employees move to another job title in the MW Agreement	New Hire New Hire	ARSP ARSP	BCB2 BCB2	50% of total cost 50% of total cost	Ineligible for coverage Ineligible for coverage
3.F.	Employees who move to the MW Agreement under NTP and where classified as a current employee in their previous contract If any of these employees move to another job title in Legacy T	Current Active Current Active	ASSP ASSP	MW Banded Plan MW Banded Plan	Ameritech Comprehensive Health Care Plan as described in Article 16 Attachment B	

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CWA D4 AT&T Midwest Tentative agreement Summary Bargaining Explanation Meeting 7-17-2009

Wages - 3% Retroactive to 4/5/09
3% April 2010
2.75% April 2011 (plus COLA if applicable)

Prem Techs - \$3.25/hour every step, retroactive to April 5th, instead of percentage wage increase. Will get third year COLA if applicable.

Health Care

Maintained Current Plan Rules and Contractual Rights

Monthly Premium - \$35 single/\$75 family

Preventative - no deductible, no coinsurance

Deductible - \$350/\$700

Co-insurance - 10%/40% (Out of Network)

Out of Pocket Maximum - \$1,000/\$3,000

\$3,000/\$6,000 (OON)

No Co-pays

Individual Basis for deductibles and OOP

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

HRA's

Create New Tax-Free Health Reimbursement Accounts (HRA)

Active Employees will get:

\$450/\$900	Year 1 (also SSP - see below)	
\$300/\$600	Year 2	"
0/0	Year 3	"

In Years 1 & 2, stock appreciation portion of SSP applies to HRA. In Year 3, both dividend portion and appreciation apply to HRA.

HRA Future Retirees* -	\$850/\$1700	Year 1
	\$150/\$300	Year 2
	0/0	Year 3

*HRA Funding levels will be based on healthcare enrollment status as of 1/1/2010

Success Sharing Plan (SSP)

* Two parts

a) Dividend x 150

b) Appreciation in stock price, year over year x 150

All SSP payments to HRA's.

Prescription Coverage

Copays - 10/20/40 for one month and 20/40/80 for 3 month supply
Copays non-network - 75%
Separate OOP max \$900/\$1,800
Individual Basis for OOP
CVS Letter

Dental - Same as today.

Vision - Same as today with one exception unique to Midwest.

Life Insurance

For future retirees frozen at 12/31/09 wage level for current employees/New Hires - \$15,000

Pensions

2% - 2% - 2% (plus COLA using same formula as wages)
Preserved lump sum option for life of contract. 2012 - Start transition to PPA rate rather than GATT to calculate lump sum 25% transitions per year. However, agreement to make whole anyone who retires prior to April 1st, 2012, if the GATT interest rate produces a higher lump sum amount.

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

Article 26 - Employment Security - Maintained Employment Security commitment language
FAA (Force Adjustment Area) - approximate 35 mile area
Up front pooling of titles in FAA
Service Tech and CSS titles have access to PremTech positions.
Protected 2004-2009 hires under new regional employment security language.

Data Comm.

Moved to core (Appendix G).
Got their own Employment Security Commitment (Job Offer Guarantee).
Obtained other Datacom employment security improvements.

Leveraged Titles

- 1) Provide protections to assure existing Service Reps are not forced to become "leveraged" as well as provide enhanced employment security for existing Service Reps through "pooling" 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) Service Reps can try Leverage title for up to 6 months with return rights at same location.
- 4) Leverage funding (40%) increases with wage increases that impact base (60%).

Prem Techs

- 1) Guaranteed weekend off a month - will be scheduled M-F for that week. Three states in MW have unlimited overtime in core.
- 2) Penalty payment for canceling of hours. If canceled less than 12 hours before tour, 2 hours pay. If canceled after report, 8 hours pay.
- 3) Gave additional duties with clear written definitions of what they can do and what core techs do.
- 4) Existing RLTs who meet current job requirements will begin to be reclassified to regular full time within 90 days of ratification. Reclassification of RLTs will be completed by the end of the year

National

Renewed Card Check Agreement
Recognition for Video Hub Technicians
President's Council renewed
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 April 5th for Wages and Arbitration rights.