

AT&T: Legally Recognized Partners

February 12, 2008

Please see below letter from Lori J. Smith, Director, AT&T-Labor Relations, on a plan modification to the following benefit plans, effective March 1, 2008:

- AT&T Medical Expense Plan for Occupational Employees
- AT&T Dental Expense Plan for Active Employees
- AT&T Corp. Post Retirement Welfare Benefits Plan
- AT&T Occupational Group Legal Services Plan
- AT&T Vision Care Plan
- AT&T Dependent Group Life Insurance Plan
- AT&T Dependent Accidental Loss Insurance Plan
- AT&T Special Accidental Loss Insurance Plan
- AT&T Leaves of Absence Administrative Guidelines for Occupational Employees
- AT&T Long-Term Care Plan for Occupational Employees
- AT&T Long-Term Care Plan for Retired Employees

In Unity,
Ralph V. Maly, Jr.
Vice President C&T

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January 7, 2008

Mr. R. V. Maly, Jr., Vice President, CWA
Ms. M. J. Pultar, Director of Telecommunications, IBEW
Mr. P.A. Pusateri, Chairman, System Council T-3, IBEW

Re: Legally Recognized Partners

This is to inform you of a plan modification to the following benefit plans, effective March 1, 2008:

- AT&T Medical Expense Plan for Occupational Employees
- AT&T Dental Expense Plan for Active Employees
- AT&T Corp. Post Retirement Welfare Benefits Plan
- AT&T Occupational Group Legal Services Plan
- AT&T Vision Care Plan
- AT&T Dependent Group Life Insurance Plan
- AT&T Dependent Accidental Loss Insurance Plan
- AT&T Special Accidental Loss Insurance Plan
- AT&T Leaves of Absence Administrative Guidelines for Occupational Employees
- AT&T Long-Term Care Plan for Occupational Employees

AT&T Long-Term Care Plan for Retired Employees

Coverage for Legally Recognized Partners (LRPs)

LRPs will be eligible for coverage under the above-referenced benefit plans. All usual terms and conditions of the above-referenced benefit plans that apply to a Lawful Spouse shall also apply to an LRP.

An individual who has a Lawful Spouse or Domestic Partner shall not be permitted to designate a Legally Recognized Partner as an Eligible Dependent. No individual shall be permitted to designate more than one Legally Recognized Partner as an Eligible Dependent during the same period nor shall any individual be permitted to designate different Legally Recognized Partners for different plans or programs during the same period.

Coverage for Eligible Children of an LRP

Children of an LRP may be eligible for coverage if the children otherwise satisfy the definition of a Class I Dependent under the above-referenced benefit plans. All usual terms and conditions of the above-referenced benefit plans that apply to children of a Lawful Spouse shall also apply to children of an LRP.

Definition of LRP and Registered Domestic Partner

An LRP is any individual who:

- Is a Registered Domestic Partner (RDP), or
- Has entered into a same-gender relationship with an employee 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 Lawful Spouse.

An RDP is any individual with whom an employee has entered into a domestic partnership that has been registered with a governmental body pursuant to state or local law authorizing such a registration.

COBRA Continuation Coverage

COBRA continuation coverage shall be available to LRPs and their eligible dependents on the same basis as it is to other Plan participants.

Federal Income Tax

The value of LRP benefit coverage shall be subject to federal income tax, FICA and FUTA taxes. Taxes will be based on the COBRA premium rate for coverage. Taxable income will be reported on the employee's W-2 form.

Employee Contributions

Any required employee contributions shall be paid with after-tax dollars from the employee's paycheck or directly from employee, as applicable.

Coverage for LRPs of Retirees

Employees who retire during the term of the 2005 Agreement between the Company and the Union, will be permitted during the term of that agreement to cover their LRP and the Eligible Dependents of their LRP under the AT&T Corp Postretirement Welfare Benefit Plan and the AT&T Long-Term Care Plan for Retired Employees during retirement. To the extent that Lawful Spouses and Dependents of Lawful Spouses may be added during retirement, LRPs or Dependents of LRPs can also be added during retirement during this period.

This modification is in addition to coverage of a Domestic Partner, and does not affect coverage, or change the definition of Domestic Partner, that currently exists in some of the above-referenced benefit plans.

This change does not affect employees of AT&T of Puerto Rico, Inc.

The Plans will be amended to reflect this modification and a communication will be sent to employees.

Regards,

Lori J. Smith, Director
AT&T-Labor Relations

Agreed:

Ralph V. Maly, Jr
CWA

Martha J. Pultar
IBEW

Peter A. Pusateri
IBEW