

November 23, 2009

To: All Local Presidents - Legacy SBC Bargaining Units

From: Kristie Darling, CWA Representative

Subj: Pension Plan Comparison Chart

Enclosed please find a comparison chart that I hope you will find helpful. The side-by-side comparison is between the current pension plan that we have today compared to the NEW Pension Plan for Prem Techs, New Hires and those converted RLTs.

While we are still learning the new pension plan and know that it needs work over the next bargaining years; this document was formatted and supplied by the Company in an effort to help all of us begin to understand the new pension benefit.

KD:mc
opeiu2/afl-cio

Attachment (1)

cc: Seth Rosen, VP
Linda Hinton, AVP
D-4 Staff
SBR's

**AT&T Midwest Region CWA Core
Summary Comparison Document – Pension Plans Effective 1/1/2010**

Provision	Current Employees	New Hires, Converted Temp/Term Employees, and Appendix F Employees												
Pension														
Plan	AT&T Pension Benefit Plan – Midwest Program (MW Program)	AT&T Pension Benefit Plan – Bargained Cash Balance Program 2 (BCB2)												
Benefit Type	<u>Pension Band formula</u> <ul style="list-style-type: none"> Pension Band amount * service PB Increases as follows: <ul style="list-style-type: none"> 1/1/2010 = 2.00% 1/1/2011 = 2.00% 1/1/2012 = 2.00% + applicable COLA 	<u>Cash Balance formula</u> <ul style="list-style-type: none"> Age-graded Basic Credits: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Age</th> <th>% of Pay</th> </tr> </thead> <tbody> <tr> <td>Less than 30</td> <td>1.75%</td> </tr> <tr> <td>30 to 36</td> <td>2.25%</td> </tr> <tr> <td>37 to 43</td> <td>2.75%</td> </tr> <tr> <td>44 to 49</td> <td>3.25%</td> </tr> <tr> <td>50 or older</td> <td>4.00%</td> </tr> </tbody> </table> Interest Credits: 4.50% Supplemental Credits: 2.00% (for pay over the Social Security Wage Base) 	Age	% of Pay	Less than 30	1.75%	30 to 36	2.25%	37 to 43	2.75%	44 to 49	3.25%	50 or older	4.00%
Age	% of Pay													
Less than 30	1.75%													
30 to 36	2.25%													
37 to 43	2.75%													
44 to 49	3.25%													
50 or older	4.00%													
Eligibility	1 year of service	1 year of service												
Vesting	100% vested after 5 years of vesting service	100% vested after 3 years of vesting service												
Retirement Types	<u>Service Pension</u> <ul style="list-style-type: none"> Modified Rule of 75 <u>Deferred Vested Pension</u> <ul style="list-style-type: none"> Vested at termination <u>Disability Pension</u> <ul style="list-style-type: none"> At least 15 yrs service Totally disabled while employed 	<u>N/A</u> <ul style="list-style-type: none"> Immediate eligibility for distribution at vested termination 												
Benefit Payment	<u>Service Pension</u> <ul style="list-style-type: none"> Single Life Annuity 50% J&S Annuity w/pop-up 75% J&S Annuity w/pop-up 100% J&S Annuity w/pop-up Lump Sum <u>Deferred Vested Pension</u> <ul style="list-style-type: none"> Single Life Annuity 50% J&S Annuity 75% J&S Annuity 100% J&S Annuity <u>Disability Pension</u> <ul style="list-style-type: none"> Single Life Annuity 50% J&S Annuity w/pop-up 75% J&S Annuity w/pop-up 100% J&S Annuity w/pop-up 	<ul style="list-style-type: none"> Single Life Annuity 50% J&S Annuity 75% J&S Annuity Lump Sum 												
Lump Sum Conversion	<u>Annual Applicable Interest Rate and Mortality Table per 417(e)</u> <ul style="list-style-type: none"> PPA Rate and Mortality Table Interest Rate phased in at 25% over 4 years starting 1/1/2012 	<u>N/A</u> <ul style="list-style-type: none"> Lump Sum equals account balance 												

AT&T Inc.

The information in this document is a high-level summary.

If there are any discrepancies between this and the Plan Documents, Summary Plan Descriptions or Summary of Material Modifications (official plan documents), the official plan documents will govern.