Summary Plan Description

IMPORTANT BENEFITS INFORMATION

AT&T Southeast Disability Benefits Program

This is an updated summary plan description (SPD) for the AT&T Southeast Disability Benefits Program. This SPD replaces your existing SPD dated March 2011 and all of its summaries of material modifications (SMMs).

Please keep this SPD for future reference.

NIN: 78-31419

IMPORTANT INFORMATION

This summary plan description (SPD) along with the AT&T Umbrella Benefit Plan No. 3 (Plan) is the official document for the benefits offered under the AT&T Southeast Disability Benefits Program (Program). It will govern and be the final authority on the terms of the Program. AT&T reserves the right to terminate or amend any and all of its employee benefit plans or programs, at any time for any reason. Participation in this Program is neither a contract nor a guarantee of future employment.

What is this document?

This SPD, together with any summaries of material modifications (SMMs) issued for this Program, constitute your SPD for this Program.

Este documento contiene un resumen, en inglés. Si usted tiene dificultad en entender este documento, entre en contacto por favor con AT&T Integrated Disability Service Center, **866-276-2278**.

What action do I need to take?

You should review this SPD.

How do I use this document?

As you read this SPD, pay special attention to the key points at the beginning of most major sections and shaded boxes that contain helpful examples and important notes. While AT&T has provided these tools to help you better understand the Program, it is important that you read the SPD in its entirety, so that you can understand the Program details. Also, throughout this SPD, there are cross-references to other sections in the SPD. Please consult the Table of Contents to help you locate these cross-referenced sections.

Keep your SPDs and SMMs for you future reference. They are your primary resource for your questions about the Program.

Questions?

If you have questions regarding your Program benefits, contact the Claims Administrator. See the "Contact Information" section for information on how to contact the Claims Administrator.

Si usted tiene alguna dificultad en entender cualquier parte de este documento, entre en contacto por favor con el Claims Administrator en la seccion de "Contact Information".

USING THIS SUMMARY PLAN DESCRIPTION

KEY POINTS

- *This SPD applies to you if you become Partially Disabled or Totally Disabled on or after April 1, 2013.*
- *If you were Disabled before April 1, 2013 and continue to be Disabled on and after April 1, 2013, the determination as to whether you are eligible for benefits under the Program, whether you are Disabled, and the amount and duration of your benefits are determined by the plan provisions that were in effect when you became Disabled. For all other purposes (such as the contact information and the claim and appeal process), the provisions of this SPD are applicable to you beginning April 1, 2013.*

- *Special rule for employees in BellSouth Telecommunications, LLC (Internet Services) - CWA District 3. You continue to be covered by the AT&T Southeast Disability Benefits Program SPD dated March 2011. You are not covered by this SPD while you are in this bargaining agreement.*

This SPD is a legal document that provides comprehensive information about the AT&T Southeast Disability Benefits Program (Program).

This document describes the disability benefits offered to those employees eligible to receive benefits from the Program and is intended to serve as the SPD as required by the Employee Retirement Income Security Act of 1974 (ERISA).

Use this SPD to find answers to your questions about your Program benefits in effect as of April 1, 2013. This SPD replaces all previously issued SPDs and SMMs and applies to you if you become Partially Disabled or Totally Disabled on or after April 1, 2013. If you became Partially Disabled or Totally Disabled before April 1, 2013, and continue to be Disabled on and after April 1, 2013, the determination as to whether you are eligible for benefits under the Program, whether you are Disabled, and the amount and duration of your benefits are determined by the plan provisions that were in effect when you became Disabled. For all other purposes (such as the contact information and the claim and appeal process), the provisions of this SPD are applicable to you beginning April 1, 2013.

Section References

Many of the sections of this SPD relate to other sections of the document. You may not obtain all of the information you need by reading only one section. It is important that you review all sections that apply to a specific topic. Also, see the footnotes and notes embedded in the text. They further clarify content, offer additional information or identify exceptions that apply to certain Participants. These notes are important to fully understand Program benefits.

Terms Used in This SPD

Terms that are capitalized are explained in the text of this SPD or defined in the “Definitions” section of the SPD.

CONTENTS

BENEFITS AT A GLANCE

KEY POINTS

- *The Program, which is 100 percent paid by the Company, provides Short-Term Disability Benefits and Long-Term Disability Benefits to Eligible Employees.*
- *See the "Eligibility and Participation" section for more information on eligibility.*

The AT&T Southeast Disability Benefits Program (the Program) provides for ongoing income if you become Partially Disabled or Totally Disabled and unable to work. The Company pays the full cost of your participation in the Program. See the *Benefits at a Glance* table below.

Short-Term Disability Benefits	
Minimum/Maximum Benefit	50% or 100% of your Pay, based on your Term of Employment and subject to applicable Offsets
Maximum Duration	52 weeks, provided you remain Partially or Totally Disabled
Definition of Disability	You are considered Disabled for purposes of Short-Term Disability Benefits if the Claims Administrator, at its sole discretion, determines that you are Partially or Totally Disabled. You are considered Totally Disabled when, because of illness or injury, you are unable to perform all the essential functions of your job or another available job assigned by your Participating Company with the same full-time or part-time classification for which you are qualified. You are considered Partially Disabled when, because of illness or injury, you are unable to perform all of the essential functions of your job or another available job assigned by your Participating Company within the same full-time or part-time classification for which you are qualified, for the same number of hours that you were regularly scheduled to work before your Partial Disability. See the "When You Are Considered Disabled" section for more information.
Waiting Period	7 (full) consecutive calendar Days of Absence
When Payments Begin	8th consecutive calendar Day of Absence as a result of an approved Partial or Total Disability
When Payments End	Generally, the earlier of the date when you return to work, you cease to be Disabled, you have received the maximum 52 weeks of Short-Term Disability Benefits, or your employment is terminated. See the "When Your Short-Term Disability Benefits End" section for more circumstances under which benefits may end.
Benefit Reduction/Offsets	Your benefits will be offset by other applicable sources of income that are available to you. See the "Offsets" section for more information.
Relapse (Successive Periods of Disability)	For benefit information on claims for Participants who have a subsequent Disability after recovering or returning to work from a prior Disability, see the "Relapses" section.
Disability Claim Filing	If not filed within 60 days of the first day absent from work, the Claims Administrator will deny any claim and no benefits will be paid unless the Claims Administrator, at its sole discretion, determines that the circumstances warrant an extension of the 60-day period.

Long-Term Disability Benefits	
Coverage Amounts	50% of your Pay when combined with certain other sources of income
Maximum Duration	Age 65 (or beyond if Long-Term Disability Benefits begin at or after age 60) provided you remain Disabled. See the "When Your Long-Term Disability Benefits End" section for more information.
Definition of Disability	You are considered Disabled for purposes of Long-Term Disability Benefits when you have a continuous physical or mental illness or injury, whether work-related or non-work-related, that renders you unable to perform any type of work other than work for which the rate of pay is less than 50% of your Pay on the day immediately before your Short-Term Disability Benefits began. You may be eligible for Long-Term Disability Benefits payable if you are only capable of performing a job which pays less than 50 percent of your Pay before your Short-Term Disability Benefits started. See the "When You Are Considered Disabled" section for more information.
When Payments Begin	On the first day immediately following the end of 52 weeks of Short-Term Disability Benefits, when Long-Term Disability Benefits are approved.
When Payments End	Generally, payments end the earlier of the date you return to work with any of the AT&T Group of Companies, cease to be Disabled, or reach age 65 (unless you are age 60 when your Long-Term Disability begins). See the "When Your Long-Term Disability Benefits End" section for more circumstances under which benefits may end.
Benefit Reduction/Offsets	Your benefits will be offset by other applicable sources of income that are available to you. See the "Offsets" subsection of the "Amount of Long-Term Disability Benefits" section for more information.
Relapse (Successive Periods of Disability)	For benefit information on claims for Participants who have a second period of Disability after recovering or returning to work from a prior Disability, see the "Successive Periods of Long-Term Disability" section for more information.
Disability Claim Filing	Within 90 days after the end of the period for which Short-Term Disability Benefits are payable.

ELIGIBILITY AND PARTICIPATION

KEY POINTS

- *You must be an Eligible Employee (full-time or part-time), who is classified as a Regular, Regular Limited Term or Temporary Employee to be eligible for the Program.*
- *Eligible Employees are eligible for the Program on the first day after completing a six-month Term of Employment.*
- *Eligible Employees are eligible for Long-Term Disability Benefits after completing a 12-month Term of Employment.*
- *Regular Limited Term and Temporary Employees are **not** eligible for Long-Term Disability Benefits*

To be eligible for the Program, you must:

- Be an Eligible Employee.
- Have completed a six-month Term of Employment to be eligible for Short-Term Disability Benefits, or have completed a 12-month Term of Employment for Long-Term Disability Benefits.

Eligible Employee

To be considered an Eligible Employee, you must be a Bargained Employee on the active payroll of a Participating Company and be included in an Employee Group listed in *Appendix A*. You must also be receiving a regular and stated compensation for your services rendered to a Participating Company as a full-time or part-time Regular, Regular Limited Term or Temporary Employee.

However, even if you are included in an eligible Employee Group described in the previous paragraph, you are not eligible to participate in the Program if you are classified by the Participating Company as a(n):

- Occasional Employee.
- Leased Employee.
- Independent contractor.
- Non-payroll worker under Company policies.
- Nonresident alien employed outside of the United States.
- Bargained Employee who is temporarily promoted to a management position (also known as an acting title).

You are also not eligible to participate in the Program if you are eligible for disability coverage (long-term or short-term) under any other disability benefit program sponsored by AT&T.

- **Special Rule for Employees in BellSouth Telecommunications, LLC (Internet Services) - CWA District 3**

  You continue to be covered by the AT&T Southeast Disability Benefits Program SPD dated March 2011. You are not covered by this SPD until you transfer to an eligible Employee Group listed in Appendix A.

- **Special Rule for Employees Formerly Classified on March 31, 2013 as Nonmanagement, Nonunion Employees of BellSouth Telecommunications, LLC or SBC Internet Services, LLC (in the AT&T Southeast Region)**

  If your disability claim is due to, or Relapses back to, a first Day of Absence before April 1, 2013 you are ***not*** *eligible for this Program. You will continue participation under the AT&T Disability Income Program. For the disability benefits provided to you, refer to the AT&T Disability Income Program SPD in effect on your first Day of Absence.*

- **Special Rule for Long-Term Disability Benefits**

  You must also be actively at work on the day you attain 12 months of Term of Employment. If you are not actively at work on that day, you will become eligible for Long-Term Disability Benefits on the date you return to actively-at-work status. You are considered actively at work for your employer on:

- A scheduled work day if you are performing your regular work duties at either your employer's place of business, or at some location to which your employer's business requires you to travel (1) on a full-time basis on that day if you are a full-time employee, or (2) on a part-time basis if you are a part-time employee, or
- A day which is not a scheduled work day, if you were actively at work on the preceding scheduled work day.

- **Special Rule for Regular Limited Term Employees and Temporary Employees**

  Regular Limited Term Employees and Temporary Employees are eligible for Short-Term Disability Benefits under the Program only. If you are a Regular Limited Term Employee or a Temporary Employee, you are not eligible for Long-Term Disability Benefits.

Eligibility During a Leave of Absence

You are eligible for Short-Term Disability Benefits while you are on a Short-Term Disability Appeal Leave of Absence. You also may be considered eligible if you are granted a Leave of Absence in accordance with the Family and Medical Leave Act (FMLA) or if your approved Leave of Absence provides for continued eligibility for this Program. You are not eligible for Short-Term Disability Benefits at the expiration of a Leave of Absence unless the applicable Leave of Absence policy contains mandatory return rights. Refer to the AT&T Southeast Leave of Absence Policy for more information about how a Leave of Absence affects your eligibility for this Program.

Eligibility While Suspended From Work

You are not eligible for Short-Term Disability Benefits from the Program while you are absent from work because of a disciplinary suspension. If you become Totally or Partially Disabled during a disciplinary suspension, you will not be entitled to benefits during the period of suspension. Your first Day of Absence will be the first day after the last day of your suspension. Benefits may be payable on the eighth consecutive Day of Absence following the suspension period.

Participating Companies and Applicable Bargaining Agreements

See *Appendix A* for the list of AT&T companies and bargaining units that participate in the Program.

Term of Employment

Term of Employment (also known as net credited service (NCS)) is determined by the AT&T Pension Benefit Plan.

You must have completed a six-month Term of Employment to be eligible for Short-Term Disability Benefits, or a 12-month Term of Employment to be eligible for Long-Term Disability Benefits.

IMPORTANT: Any period for which you are receiving Long-Term Disability Benefits will not be included in your Term of Employment.

ENROLLMENT

You are automatically enrolled in the Program if you are an Eligible Employee.

CONTRIBUTIONS

The Company pays the entire cost of the Program; you are not required to contribute.

WHEN COVERAGE BEGINS AND ENDS

Coverage Begins

Your coverage under this Program begins on the date you fulfill all eligibility requirements, including the Term of Employment requirement. See the "Eligibility and Participation" section for more information.

Coverage under this Program means that you are eligible for Program benefits for an absence from work as a result of a Partial or Total Disability.

IMPORTANT: The following rules apply if you transfer from another Interchange Company, as determined by your pension plan, into a job title covered by this Program and your coverage under the previous company's plan ends solely as a result of the transfer. These rules apply unless your union or previous employer negotiated another arrangement:

(1) If you are receiving short-term disability benefits at the time of the transfer, then you will be covered immediately by this Program. The length of time that you receive Short-Term Disability Benefits and the amount you receive will take into account the period of time you received benefits from the previous plan. All other Program rules and conditions apply.

(2) If you are not receiving short-term disability benefits at the time of the transfer and you become Disabled after the transfer, the relapse rules under this Program apply, taking into account any short-term disability benefits you received from the previous plan. All other Program rules and conditions apply.

Coverage Ends

You are no longer covered under the Program on the date you cease to fulfill any of the eligibility requirements described in this SPD (See the "Eligibility and Participation" section for more information on eligibility). Generally, your coverage under the Program ends on the earliest date when:

- The Program ends.
- You are no longer Disabled under the terms of the Program.
- Your employment is terminated for any reason (including your death, retirement or layoff).
- The Program is terminated by the Company for your Employee Group. See *Appendix A* for more information.
- You begin a Leave of Absence unless you continue to be covered as explained in the "Eligibility During a Leave of Absence" section.

- You cease to fulfill any of the eligibility requirements described in this SPD. (See the "Eligibility and Participation" section for more information.)
- The Company may, from time to time, move job positions that are covered by the Program out of the Program (for example, a group of jobs may be transferred to coverage under another disability program). If that happens while you are Disabled and receiving Short-Term Disability Benefits or Long-Term Disability Benefits from the Program (or would be receiving benefits in the absence of Offsets), you will continue to be covered by this Program until you are no longer considered Disabled. Once you are no longer considered Disabled, your eligibility for coverage under the Program will cease.

But, you will continue to be covered by the Program after employment ends if:

- You terminate employment from an Employee Group in a Participating Company and are immediately employed or reemployed as an Eligible Employee by another Employee Group in a Participating Company listed in *Appendix A*. See *Appendix A* for more information.
- You are receiving Long-Term Disability Benefits from this Program.

IMPORTANT: You will not be eligible for Long-Term Disability Benefits from the Program if your employment with a Participating Company ends for any reason, including but not limited to retirement or layoff, before the expiration of the 52-week maximum for Short-Term Disability Benefits.

YOUR SHORT-TERM DISABILITY BENEFITS

KEY POINTS

- *Short-Term Disability Benefits under the Program may be available if you are determined by the Claims Administrator to have a Total Disability or Partial Disability. Short-Term Disability Benefits under the Program are payable beginning on the eighth consecutive calendar Day of Absence as a result of an approved Total or Partial Disability.*
- *The amount of Short-Term Disability Benefits depends on your Pay and your Term of Employment.*
- *Short-Term Disability Benefits are payable for a maximum of 52 weeks while you are Totally Disabled or Partially Disabled.*
- *Your Short-Term Disability Benefits will be reduced by certain other income sources known as Offsets.*

When You Are Considered Disabled

You are considered Disabled for purposes of Short-Term Disability Benefits if the Claims Administrator determines, at its sole discretion, that you are Totally or Partially Disabled. Disabled means that you have a medical condition supported by objective Medical Evidence.

When You Are Considered Totally Disabled

You are considered Totally Disabled when, because of illness or injury, you are unable to perform all the essential functions of your job or another available job assigned by your Participating Company with the same full-time or part-time classification for which you are qualified.

When You Are Considered Partially Disabled

You are considered Partially Disabled when, because of illness or injury, you are unable to perform all of the essential functions of your job or another available job assigned by your Participating Company within the same full-time or part-time classification for which you are qualified, for the same number of hours that you were regularly scheduled to work before your Partial Disability. No Short-Term Disability Benefits will be paid if you do not return to work when you are approved as Partially Disabled.

Filing for Short-Term Disability Benefits

In order to be considered for Short-Term Disability Benefits under the Program, you must:

- Be an Eligible Employee. You must meet the eligibility requirements as of the eighth consecutive calendar Day of Absence from work as a result of a Disability. See the "Eligibility and Participation" section for more information on eligibility.
- Contact your supervisor, or appropriate designated representative, as soon as reasonably practicable to report your absence.
- Contact the Claims Administrator as soon as reasonably practicable, but no later than 60 days after your first Day of Absence.
- Ensure that your medical providers cooperate with the Claims Administrator to provide all necessary information to the Claims Administrator in a timely manner.

> **IMPORTANT:** Your claim for benefits under the Program is considered filed when you notify the Claims Administrator. You will **not** be entitled to benefits under the Program for any absence that occurs before you notify the Claims Administrator, unless the Claims Administrator, at its sole discretion, determines that the delay was unavoidable.

- Take proper care of yourself and obtain appropriate professional treatment.
- Cooperate and communicate with the Claims Administrator regarding your Disability unless your condition is so severe that you are unable to do so.
- Report for and permit any examination, such as a medical examination by a physician designated by the Claims Administrator or a functional capacity evaluation, if the Claims Administrator requires this examination. The Claims Administrator, at its discretion, may require medical examinations in order to evaluate whether you are Disabled for the following reasons:
    - If the objective Medical Evidence from your treating physician is insufficient to evaluate your ability to return to work in a current or modified assignment;
    - If the course of your treatment does not appear to address the Disability documented by your medical records;
    - If it is necessary to verify your ability to perform job functions; or
    - If the Claims Administrator seeks to validate or determine the appropriateness of any permanent restrictions.

IMPORTANT: You will **not** be entitled to Short-Term Disability Benefits if you do not comply, or if you prevent the necessary examination (for example, by staying away from home without making arrangements with the Claims Administrator or failing to provide satisfactory reasons for not making arrangements with the Claims Administrator and furnishing necessary evidence). If you initially refuse a medical examination arranged by the Claims Administrator and then reconsider, you will **not** be entitled to Benefits for the period of refusal, even if the subsequent medical examination determines that you are Disabled.

- Periodically furnish all necessary and appropriate objective Medical Evidence of your Disability from you, your physician or medical provider when requested by the Claims Administrator.
- Ensure that your medical providers cooperate with the Claims Administrator to provide all necessary information to the Claims Administrator in a timely manner.
- Provide your physician or other medical provider with a signed copy of the medical release form from the Claims Administrator.

IMPORTANT: You are responsible for maintaining contact with the Claims Administrator and cooperating with the Claims Administrator as the Claims Administrator may require.

Contact the Claims Administrator to obtain permission if you plan to recuperate away from your home.

IMPORTANT: Travel is not permitted without prior permission of the Claims Administrator. Contact the Claims Administrator if you need to recuperate away from home. Your physician or other medical provider **must** approve this as well. Benefits are **not** payable unless the Claims Administrator has approved this request.

Only the Claims Administrator (or its delegates) has the discretion to determine whether you have a disability that qualifies you for Short-Term Disability Benefits under the Program.

If you do not file your claim for Short-Term Disability Benefits within 60 days of your first Day of Absence from work, the Claims Administrator will deny your claim and no Short-Term Disability Benefits will be payable unless the Claims Administrator, at its sole discretion, determines that the circumstances warrant an extension of the 60-day period.

See the “Additional Information About Filing a Claim for Benefits Under the Program” section for information about filing a claim.

When Short-Term Disability Benefits Begin

Your Short-Term Disability Benefits begin on the eighth consecutive calendar day that you are away from work as a result of an approved Total and/or Partial Disability (unless your absence begins within two weeks of a previous short-term disability absence -- see the “Relapses” section).

Any scheduled absences, including but not limited to a vacation day, optional holiday, excused work day, departmental leave, or suspension, do not count as a Day of Absence for purposes of satisfying the seven-consecutive-day waiting period. In addition, if the eighth calendar day falls on your normally scheduled day off or on a scheduled optional holiday and you return to work the following day, then no benefit absence would have occurred.

EXAMPLE: Mary is an Eligible Employee who is first absent from work as a result of an illness or injury beginning on Dec. 16. If her absence continues until Dec. 23, her Short-Term Disability Benefits would begin on Dec. 23 (eighth calendar Day of Absence) if approved. If Mary's first Day of Absence is Dec. 18, her eighth consecutive calendar Day of Absence is Dec. 25 — a holiday that Mary is not scheduled to work. If Mary returns to work on Dec. 26, she will not have had a short-term disability under the Program. If she is still absent on Dec. 26 as a result of her approved Disability, she will begin receiving Short-Term Disability Benefits as of Dec. 25.

If the Company determines that your injury or illness is a workers' compensation injury or illness, and that the associated absence is medically necessary, the applicable waiting period for pay treatment otherwise provided by the applicable collective bargaining agreement will be waived. This payment is made by your department and is not a Short-Term Disability Benefit.

How a Leave of Absence Affects When Your Short-Term Disability Benefits Begin

If you become Totally Disabled or Partially Disabled during a Leave of Absence (with the exception of the Short-Term Disability Appeal Leave of Absence), you are **not** eligible for Short-Term Disability Benefits during the absence. You will **not** be entitled to benefits during the leave or at the expiration of the leave, unless the leave has mandatory return rights. Following a leave with mandatory return rights, the first full Day of Absence is the date of your mandatory return. Benefits may be payable beginning on the eighth consecutive Day of Absence from the date of mandatory return.

If you become Totally Disabled or Partially Disabled while on a departmental Leave of Absence (and before a formal leave is authorized), your first full Day of Absence is the day you were scheduled to return to work. Refer to the AT&T Southeast Leave of Absence Policy for more information on any Leave of Absence you may be eligible to receive.

Amount and Duration of Short-Term Disability Benefits

Your Short-Term Disability Benefits can last up to 52 weeks if you remain Totally and/or Partially Disabled. The amount of your Short-Term Disability Benefits depends upon your Term of Employment and your Pay, both as of your eighth Day of Absence, as the chart below shows.

Term of Employment as of the 8th Day of Absence	Weeks at full Pay (100 Percent of Pay)	Weeks at half Pay (50 Percent of Pay)
6 months to 2 years	0	52
2 but less than 5 years	4	48
5 but less than 15 years	13	39
15 but less than 20 years	26	26
20 but less than 25 years	39	13
25 or more years	52	0

Pay

Your Pay is your weekly base Pay, including evening and night differential, if applicable, based on your normally scheduled hours of work per week as a full-time or part-time employee as determined by the Company's payroll records. For Sales Consultants paid pursuant to a leveraged compensation plan, Pay will be based on base wages plus 100 percent of the target

incentive amount, as defined under the collective bargaining agreement. For other commissioned sales representatives, Pay will be based on your average weekly earnings or the non-selling rate, whichever is applicable. Pay does not include short-term awards, bonuses, and any other non-periodic payments. Your normally scheduled hours are those hours that you generally are scheduled to work, excluding additional special hours worked such as overtime, special projects, and training.

Offsets

Your Short-Term Disability Benefits will be offset (reduced) by the amount of any other disability or injury-related payments that you receive by operation of law (in effect now or in the future), including but not limited to:

- Workers' Compensation Benefits. If you are unable to work as a result of a work-related disability, you may be eligible to receive Workers' Compensation Benefits. Workers' Compensation Benefits, including wage-replacement payments for permanent disability, will reduce your Short-Term Disability Benefits.

- State Disability Insurance (SDI) and other benefits of the same general character under any state or federal disability law now in force or under any future law, such as benefits under disability insurance laws of any other state, or the functional equivalent of Workers' Compensation Benefits but excluding benefits for military service or under the Social Security Act. You must pursue any applicable appeals if your claim is denied. The Plan Administrator has the sole discretion to determine what payments under current or future laws are of the same general character as benefits under the Program.

This means that if the amount you receive from Offsets is less than the applicable percentage of your Pay, Short-Term Disability Benefits provide additional payments to bring your total disability income up to that level. If your combined income from the Offsets is equal to or greater than the applicable percentage of your Pay, you will not receive payments from the Program. The Program may seek to recover any overpayments that you receive.

> **EXAMPLE:** Suppose you have five years of Term of Employment, and your weekly Pay is $700. Suppose further that your Disability was as a result of an on-the-job injury, and you are receiving Workers' Compensation Benefits of $490 per week. The Claims Administrator approves you for Short-Term Disability Benefits at 100 percent of $700 per week. Since you are receiving Workers' Compensation Benefits of $490 per week, you will receive Short-Term Disability Benefits of $210 per week to bring your total weekly benefit up to $700 (equal to 100 percent of Pay).
>
> If your short-term disability is still approved by the Claims Administrator after 13 weeks, you will be eligible to receive Short-Term Disability Benefits at half Pay. However, if Workers' Compensation Benefits of $490 per week continue, you will not receive any payments from the Program because the $490 per week of Workers' Compensation Benefits is more than Short-Term Disability Benefits at half Pay.

Furthermore, if Short-Term Disability Benefits and Offsets are payable or awarded at different times for the same periods of Disability, Short-Term Disability Benefits will be adjusted to take the Offsets into account.

EXAMPLE: If you receive retroactive Workers' Compensation Benefits four months after you have begun receiving Short-Term Disability Benefits, you will be considered to have been overpaid by the Program for those first four months, and future Short-Term Disability Benefits will be reduced to reflect the future Workers' Compensation Benefits and to recapture the past overpayments. In some cases, the Program may determine that you have received an overpayment for which repayment to the Program will be necessary.

There is no time limit on when Offsets can be applied. Failure to apply an Offset as soon as it is available will not constitute a waiver by the Program of offset rights or otherwise prevent their later exercise.

IMPORTANT: No Short-Term Disability Benefits will be reduced by reason of any governmental benefit payable for military service or under the Social Security Act.

Relapses

If you return to work following a short-term disability and you experience a relapse, you may be eligible for Short-Term Disability Benefits for your relapse depending upon the length of your original short-term disability and the length of time you returned to active work. Note that this section applies whether your relapse is for the same Disability or a different one. Short-Term Disability Benefits will be determined based upon your Pay and Term of Employment at the time of the subsequent absence.

If you return to work after receiving less than the maximum 52 weeks of Short-Term Disability Benefits

If you return to work for 13 weeks or more of continuous performance of duty following your original short-term disability and are again Totally Disabled or Partially Disabled, you are eligible for a new 52 weeks of Short-Term Disability Benefits on the eighth consecutive calendar Day of Absence. Short-Term Disability Benefits will be determined without regard to prior Short-Term Disability Benefit payments.

To determine whether you have worked for 13 full weeks of continuous performance of duty, your continuous performance of duty is broken when any of the following occurs:

- Absence due to sickness of more than seven consecutive calendar days;
- Absence without credit for service under the AT&T Pension Benefit Plan;
- Absence of more than one month, with credit for the one month of service;
- Cumulative vacation in excess of one week (i.e., total vacation hours exceeding 37.5 or 40 hours, as applicable).

Only one week of vacation (a normal work week of 37.5 or 40 hours whether or not those days or hours are taken consecutively or in segments) will be counted toward the 13 weeks of continuous performance of duty. Vacation in excess of one week:

- Will not count as part of the 13 weeks of continuous performance of duty;
- Will not be used in calculating the time required to meet the 13 weeks of continuous performance of duty; and
- Will not reduce the remaining time period required to meet the 13 weeks of continuous performance of duty.

If you return to work for 14 days or more but less than 13 weeks, and you are again Totally Disabled or Partially Disabled, you are **not** eligible for a new 52-week maximum benefit. Your Short-Term Disability Benefits will begin again on the eighth consecutive Day of Absence. Your earlier period of disability absence will be counted with your later period of disability absence, and your maximum benefit will be a total of 52 weeks. Your previous disability absence will be counted in determining whether you are eligible for full Pay, half Pay or both. This is true whether or not the two absences relate to the same Disability.

> **EXAMPLE:** Suppose Mary became Disabled and was unable to work for four weeks (a one-week waiting period and three weeks of Short-Term Disability Benefits). She has four years of service. She returned to work and after 20 days was again Disabled.
>
> Since Mary had four years of service, she is eligible for four weeks of full Pay and 48 weeks of half Pay. Mary received three weeks of full Pay after the seven-day waiting period. After her relapse, Mary will have another seven-day waiting period. After the waiting period, Mary can receive Short-Term Disability Benefits on the eighth day of this absence. If she remains Disabled, she will be eligible to receive the remaining one week of full Pay and 48 weeks of half Pay.

If you return to work for less than 14 days and are again Disabled, you are not eligible for a new 52-week maximum benefit. Your Short-Term Disability Benefits will begin on the first subsequent Day of Absence. Your prior period of disability absence will be counted with your later period of disability absence, and your maximum benefit will be a total of 52 weeks. Your previous disability absence will be counted in determining whether you are eligible for full Pay, half Pay or both. This is true whether or not the two absences relate to the same Disability.

> **EXAMPLE:** Suppose Don became Disabled and was unable to work for six weeks (a one-week waiting period and five weeks of Short-Term Disability Benefits). He has four years of service. He returned to work and within two weeks was again Disabled.
>
> Since Don had four years of service, he is eligible for four weeks of full Pay and 48 weeks of half Pay. Don received four weeks of full Pay and one week of half Pay after the seven-day waiting period. After his relapse, Don can receive Short-Term Disability Benefits on the first day of this absence. If he remains Disabled, he will be eligible to receive the remaining 47 weeks of half Pay.

If you were considered disabled under the terms of another Company disability plan or program, then returned to work and transferred into coverage under this Program, and then become Disabled under the terms of this Program, the determination of whether you have had a relapse will be made under the terms of this Program. The time period for which you received disability benefits under the previous program will be counted in determining how much time you may receive Short-Term Disability Benefits under this Program. For example, if you had received eight weeks of short-term disability benefits under the previous program, transferred into this Program, and then relapsed, you will be treated during the relapse period as if you had already received eight weeks of Short-Term Disability Benefits from this Program.

If you return to work after receiving the maximum 52 weeks of Short-Term Disability Benefits

If you return to work for less than 13 full weeks after having received the maximum 52 weeks of Short-Term Disability Benefits during your previous disability absence and you are again Totally Disabled or Partially Disabled, you may be eligible for Long-Term Disability Benefits. If

approved by the Claims Administrator, your Long-Term Disability Benefits begin on the first day after the end of your 52 weeks of Short-Term Disability Benefits.

If you return to work for more than 13 weeks after having received the maximum 52 weeks of Short-Term disability Benefits during your previous disability absence and are again Totally Disabled or Partially Disabled, you will be eligible for a new 52 weeks of Short-Term Disability benefits.

Returning To Work Temporarily When You Are Partially Disabled

The Claims Administrator may approve Short-Term Disability Benefits for a reasonable period of time when you are Partially Disabled if there is satisfactory objective Medical Evidence that supports your need to temporarily return to work on a modified schedule.

Short-Term Disability Benefits when you are Partially Disabled normally follow a prolonged period of absence and are paid only when it is expected that you will resume full duty within a short period of time (typically not more than two weeks) or such longer period as the Claims Administrator determines at its sole discretion based upon extenuating circumstances. You must provide continued satisfactory objective Medical Evidence consistent with your Disability that supports your continued need for a temporary modified work schedule, as determined by the Claims Administrator at its sole discretion.

Short-Term Disability Benefits are payable when you are Partially Disabled if:

- You return to work on a partial-day basis immediately following a benefit absence for which you received Short-Term Disability Benefits for less than 52 weeks, or
- You have a relapse that limits you to work for a partial day within 14 calendar days of returning from an absence for which you received Short-Term Disability Benefits for less than 52 weeks.

If you return to work for partial days, your Short-Term Disability Benefits will be calculated using the same level of Short-Term Disability Benefits (full Pay or half Pay) that you would have received had you otherwise remained on a full-time, short-term disability absence. That is, the Short-Term Disability Benefits otherwise payable to you will be adjusted to reflect only the time you are not working. If you are in full Pay benefit status, you will receive wages (for time worked) plus Short-Term Disability Benefits for the hours you are Partially Disabled equal to your full Pay.

> **EXAMPLE:** Your weekly Pay is $800 and you become Disabled and are entitled to full Pay Short-Term Disability Benefits. You return to work for four hours a day for which you earn $400 per week. Your Short-Term Disability Benefits will be $400 so that your total income equals your full Pay of $800 per week.

If you are in half Pay status, in addition to the wages you earn for your partial day work, you will receive Short-Term Disability Benefits equal to one-half the difference between the wages you receive and your full Pay.

> **EXAMPLE:** Your weekly Pay is $800, and you become Disabled and are entitled to half Pay. You are determined to be Partially Disabled and return to work for four hours a day for which you earn $400 per week. Your Short-Term Disability Benefits will be $200 per week—which is one-half the difference between the $400 wages you earn and your full Pay.

Although your attainment of a Term of Employment milestone (for example, you attain 5 years of service) will not entitle you to higher benefits while you continue to be Totally Disabled, if your Total Disability becomes a Partial Disability, that Term of Employment milestone will be

taken into account in determining your Partial Disability and any subsequent Total Disability benefits.

Short-Term Disability Benefits when you are Partially Disabled will be discontinued when any of the following events occur (whichever is earliest):

- You fail to provide satisfactory objective Medical Evidence of continued need for a temporary modified work schedule;
- You are able to resume your normal schedule for a period of 14 consecutive calendar days;
- You relapse and become Disabled as defined in the "When You Are Considered Disabled" section;
- You exhaust a combined 52 weeks of approved absence when you are Totally Disabled and/or Partially Disabled; or
- The Claims Administrator determines that your ability to work on a permanent basis is limited to part-time duty.

Each day you are Partially Disabled is counted as a full day of benefits for the purposes of calculating the combined 52 weeks of benefits. If you relapse to Total Disability prior to exhausting the 52-week maximum, the Short-Term Disability Benefits previously paid for the days you were Partially Disabled will not count toward the 52 weeks of Short-Term Disability Benefits.

How Your Short-Term Disability Benefits Are Paid

Your Short-Term Disability Benefits accrue and ordinarily will be paid as soon as practicable following a determination that you have a Disability and at the same time as wages are paid by the Participating Company, except that arrears may be paid in a single sum (calculated using the factors described in the "Pay" section). The Plan Administrator may, at its discretion, direct that Short-Term Disability Benefits be paid monthly. Additionally, under current law, Short-Term Disability Benefits are considered federal taxable income.

Except during the time you are receiving Short-Term Disability Benefits when you are Partially Disabled, you are not entitled to receive Short-Term Disability Benefits for any period of time during which wages are paid to you by a Participating Company or an affiliated company or a company which has entered into an arrangement for an interchange of benefits obligations.

Conversion to Lump Sum

If you are gravely injured or ill, you may request payment in a lump sum representing the present value of the Short-Term Disability Benefits that you would receive if your short-term disability continues as would reasonably be expected. The present value will be computed on a basis chosen by the Plan Administrator, with your agreement, that this lump sum is paid in full and final settlement of all claims under the Program and against your Participating Company and related parties on account of your illness or injury. The Plan Administrator will make the decision at its sole discretion, whether to pay you a lump sum. Your request should be made according to the appeal procedures of this Program. If you receive a lump sum settlement under this section, you shall not in any event be eligible for any benefits under the Long-Term Disability portion of the Program or any disability pension under the AT&T Pension Benefit Plan. See the "How to Appeal a Denied Claim" section for more information.

When Your Short-Term Disability Benefits End

Your Short-Term Disability Benefits end on the earliest day any of the following events occur:

- You are no longer Disabled under the terms of the Program.
- You return to work with the AT&T Group of Companies or any other employer. (Exception: If the Claims Administrator at its sole discretion determines that you are eligible for Partial Disability benefits).
- Your employment is terminated for any reason (including death, involuntary termination, resignation, retirement or layoff).
- For Temporary Employees and Regular Limited Term Employees, your work completion date (even if you are receiving Short-Term Disability Benefits on that date).

Benefits are **not** payable:

- If you fail to make a claim within 60 days of your first Day of Absence due to Disability, unless the Claims Administrator, at its sole discretion, determines that a delay was unavoidable.
- For periods of time when the Claims Administrator, at its sole discretion, determines that you are not Totally Disabled or Partially Disabled for purposes of Short-Term Disability Benefits.
- For a period of time during which you fail to comply with the terms of the Program.
- If you travel away from home without obtaining prior permission from the Claims Administrator for a specific period of recuperation. The Claims Administrator determines each request for travel on an individual basis. You must provide satisfactory proof of Total Disability or Partial Disability while away from home.

> **IMPORTANT:** Travel is not permitted without prior permission of the Claims Administrator. Contact the Claims Administrator if you need to recuperate away from home. Your physician or other medical provider must approve this as well. No benefits are payable unless the Claims Administrator has approved this request based on medical necessity.

- If you refuse a medical examination or otherwise fail to cooperate with the Claims Administrator regarding your claim for benefits. If you initially refuse a medical examination, and then reconsider, you are not entitled to Short-Term Disability Benefits for the period of refusal, even if the medical examination determines that you are Totally Disabled or Partially Disabled.
- If you or another person on your behalf brings a legal claim against any member of the AT&T Group of Companies or one of its employees or representatives, and that claim is based upon or related to an illness or injury for which benefits were or could have been provided under this Program, except for claims that are brought to enforce the provisions of this Program.

Impact on Your Employment Status

If you reach the end of your 52 weeks of Short-Term Disability Benefits and do not return to work, your employment status will be determined under your Participating Company's policies which, at this time, generally provide that your employment will be terminated unless you are approved for a Leave of Absence. The termination, as administered under your Participating Company's policies, will generally occur even if you are approved for Long-Term Disability Benefits. Contact your supervisor if you have any questions about your employment status.

If the Claims Administrator determines that you are no longer eligible for Short-Term Disability Benefits before you reach 52 weeks, you will be required to return to work in accordance with normal corporate policies. If you do not return to work, you will be considered a former employee unless you are approved for a Leave of Absence, and, as a former employee have no guarantee of reemployment with the Company.

Any absence that qualifies for Short-Term Disability Benefit payments (as well as the first seven Days of Absence due to an illness or injury that results in a Short-Term Disability Benefit payment under this Program) shall be counted against your annual leave entitlement under the Family and Medical Leave Act (FMLA) to the extent that such entitlement is available.

YOUR LONG-TERM DISABILITY BENEFITS

KEY POINTS

- *If you are approved to receive Long-Term Disability Benefits, your benefits will begin on the first day immediately following your 52 weeks of Short-Term Disability Benefits.*
- *The Program pays Long-Term Disability Benefits that equal 50 percent of your Pay, reduced by the listed Offsets.*
- *Long-Term Disability Benefits will continue for most Eligible Employees until age 65 if you remain Disabled for purposes of Long-Term Disability Benefits.*
- *If you are receiving Long-Term Disability Benefits, your employment with the AT&T Group of Companies will end unless you are approved for a Leave of Absence.*

This Program provides Long-Term Disability Benefits to Eligible Employees who are Disabled on the first day immediately following 52 weeks of Short-Term Disability Benefits.

Excluded Employees

Regular Limited Term and Temporary Employees are not eligible for Long-Term Disability Benefits under the Program.

When You Are Considered Disabled

You are considered Disabled for purposes of Long-Term Disability Benefits under this Program when you have a continuous physical or mental illness or injury, whether work-related or non-work-related, that renders you unable to perform any type of work other than work for which the rate of pay is less than 50 percent of your Pay on the day immediately before your Short-Term Disability Benefits began.

- Your earnings potential will be determined using potential jobs in the community.
- The earnings test takes into account your functional capacities, background (i.e., education, training, work experience), transferable skills, and your age.
- The geographic area searched for jobs will be within a 35-mile radius of your home address and/or your prior work location.

You may be eligible for Long-Term Disability Benefits payable if you are only capable of performing a job which pays less than 50 percent of your Pay before your Short-Term Disability Benefits started.

The sum of your Long-Term Disability Benefits and the gross pay you receive from working (or potential gross wages) and other sources of income or benefits listed as Offsets cannot exceed 75 percent of your Pay before your long-term disability began.

You are **not** eligible to receive Long-Term Disability Benefits if your Disability is caused by or contributed to by any injury or illness sustained as a result of any of the following:

- Your committing a felony;
- Your intentionally self-inflicting an injury (whether or not you are sane or insane when inflicted);
- Military service;
- War, declared or undeclared, or any act or hazard of war occurring after you become covered under the Program; or
- Your active participation in a riot, terrorist act, insurrection, rebellion or civil commotion.

Filing for Long-Term Disability Benefits

As a general rule, shortly before you reach the end of the 52-week period during which you received Short-Term Disability Benefits under the Program, the Claims Administrator will send you the appropriate forms to apply for Long-Term Disability Benefits, as well as information on filing for Social Security Disability Insurance benefits. If you are within a few days of the end of the 52-week Short-Term Disability Benefits period and you have not received the forms to apply for Long-Term Disability Benefits, contact the Claims Administrator. See the "Contact Information" section for information on how to contact the Claims Administrator.

In order to be considered for Long-Term Disability Benefits, you must:

- Be an Eligible Employee. See the "Eligibility and Participation" section for more information on eligibility.
- Have received the maximum amount (52 weeks) of Short-Term Disability Benefits under the Program.
- Continue to be Disabled as a result of injury or illness beyond the 52-week maximum of Short-Term Disability Benefits.
- Ensure that your medical providers cooperate with the Claims Administrator to provide all necessary information described in this section.
- Provide your physician or other medical provider a signed copy of the medical release form provided by the Claims Administrator.
- File a written application for Long-Term Disability Benefits with the Claims Administrator no later than 90 days after the end of the period for which Short-Term Disability Benefits are payable (not 90 days from the date you receive your last short-term disability payment). See the "Contact Information" section for the mailing address of the Claims Administrator.
- Be under the care of a physician and follow his or her recommended treatment. The Claims Administrator will require that you periodically furnish satisfactory Medical Evidence of your Disability. Proof of Disability must be in writing and consist of all objective Medical Evidence, psychological, educational, and vocational information that the Claims Administrator considers pertinent to your claim.

- Report for a medical examination or testing by a physician or any other medical or clinical provider with expertise in assessing the nature and extent of a disability as requested by the Claims Administrator, if the Claims Administrator requires this examination to initially qualify for or continue your Long-Term Disability Benefits. If your claim for benefits is approved, the Claims Administrator may at its discretion require periodic medical updates, including medical examinations. You will not be required to pay for medical examinations requested by the Program to determine your continuing qualifications for Long-Term Disability Benefits.
- Maintain contact with the Claims Administrator as required by the Claims Administrator unless your location or the severity of your condition prevents you from doing so.
- The Claims Administrator may require any person for whom a claim is pending or in progress to undergo a vocational assessment by a qualified vocational counselor. You will not be required to pay for this assessment.

Only the Claims Administrator has the discretion to determine whether you have a disability that qualifies you for Long-Term Disability Benefits under the Program. See the "Additional Information About Filing a Claim for Benefits Under the Program" section for information about filing a claim.

When Long-Term Disability Benefits Begin

Your Long-Term Disability Benefits begin on the first day immediately following the end of the 52-week period during which you received Short-Term Disability Benefits from this Program, provided that at the end of the 52-week period you are considered Disabled for purposes of Long-Term Disability Benefits.

> **IMPORTANT:** If your employment with a Participating Company ends for any reason, including but not limited to retirement or layoff, before the expiration of the 52-week maximum of Short-Term Disability Benefits, you will not be eligible for Long-Term Disability Benefits from the Program.

Impact on Your Employment Status

If you are approved for Long-Term Disability Benefits, your employment ends when you have reached your maximum Short-Term Disability Benefits unless you return to work or are approved for a Leave of Absence.

- **Special Rule for Reemployment**

  If you qualified for Long-Term Disability Benefits before Jan. 1, 1993, you have no guarantee of reemployment if your Disability ceases.

If you qualified for Long-Term Disability Benefits on or after Jan. 1, 1993, when your Disability ceases you will be given the same return rights as laid-off employees of your Participating Company, in accordance with the applicable collective bargaining agreement.

Amount of Long-Term Disability Benefits

The Program pays Long-Term Disability Benefits that equals 50 percent of your Pay, offset (reduced) by other sources of income listed in the "Offsets" section.

Pay

Pay is your monthly base Pay based on your normally scheduled hours, including evening and night differential, if applicable, as determined from the Company's payroll records immediately prior to the start of your Long-Term Disability Benefits. For Sales Consultants paid pursuant to a leveraged compensation plan, Pay is based on base wages plus 100 percent of the target incentive amount, as defined under the collective bargaining agreement. For other commissioned sales representatives, Pay is based on your average weekly earnings or the

non-selling rate, whichever is applicable. Pay will not include short-term awards, bonuses, and any other non-periodic payments. Your normally scheduled hours are those hours that you generally are scheduled to work, excluding additional special hours worked such as overtime, special projects, and training.

Offsets

Your Long-Term Disability Benefits will be offset (reduced) by amounts paid from any of the following sources of income available to you (but excluding cost-of-living increases that may occur after your first monthly Benefit is paid) taken in the following order:

- Social Security Disability Insurance (SSDI) and/or Social Security Retirement Benefits under the Social Security Act. Only the Primary Social Security Benefit will be taken into account. You are required to apply for benefits under the Social Security Act. If you have not applied for SSDI, then your Long-Term Disability Benefits will be offset (reduced) by an estimated SSDI amount until you make application for SSDI. The SSDI application procedure will be provided with the Long-Term Disability application. Proof of application for SSDI may be provided when applying for Long-Term Disability Benefits. If such proof is provided along with a signed agreement obligating you to repay any Long-Term Disability Benefits overpayment if SSDI is awarded (including an automatic debit agreement), the SSDI Offset will be waived. If such repayment agreement is not honored, the Participating Company has and reserves the right to deduct the amount of overpayment from future Long-Term Disability Benefits payments.

  IMPORTANT: You and your Participating Company both pay Social Security taxes to provide benefits at retirement or if you become Disabled. If you qualify, you may receive Social Security Disability Insurance benefits. Social Security Disability Insurance benefits are not paid automatically, so you must apply for them in all cases. Social Security uses a different definition of "disability" than the Program. There may be circumstances where you may be considered "disabled" by Social Security but not by the Program.

  You are required to appeal any denial of your Social Security benefit. If you fail to make an appeal, your Long-Term Disability Benefits will be offset (reduced) by an estimated SSDI amount. You must advise the Claims Administrator of the final Social Security award or denial as soon as you receive it. The monthly benefit paid will be recalculated to determine the amount of monthly benefit which would have been paid had the Social Security decision been known when the monthly benefit was being paid. If the monthly benefit paid was:

  - Less than it should have been, you will be paid the difference, with interest.
  - More than it should have been, you will be billed the difference.

- When you reach age 62, your Long-Term Disability Benefits will be reduced by the amount of your Social Security Retirement Benefits, whether or not you apply, unless your Long-Term Disability Benefits are already offset by SSDI which started at an earlier age.
- Your Long-Term Disability Benefits will not be reduced by any cost-of-living adjustments to any Offsets after your first Long-Term Disability Benefit payment. Future benefits under the Social Security Act will be used to offset your Long-Term Disability Benefits.

- Benefits from the AT&T Pension Benefit Plan (including both qualified and non-qualified payments for disability, service, or deferred vested pension) whether paid in a monthly annuity or lump sum or rolled-over amount. Your Program benefits will be reduced in the amount equal to the amount payable to you as a monthly single life annuity, whether or not you actually elect this form of payment. For example, if you elect a lump sum cash-out to be paid to you or roll it over into a traditional individual retirement account (IRA) or an Eligible Retirement Plan (as defined by the Internal Revenue Code), the equivalent monthly single life annuity amount will be calculated and your Long-Term Disability Benefits will be reduced by that amount each month. Once the amount of your pension benefit is determined and paid, any increase in your pension benefit due to pension plan amendment will not decrease the amount of your Long-Term Disability Benefits. Your Long-Term Disability Benefits will only be offset by the AT&T Pension Benefit Plan benefits if your pension plan benefits actually commence.

- Workers' Compensation Benefits. If you are unable to work as a result of a work-related disability, you may be eligible to receive Workers' Compensation Benefits. Workers' Compensation Benefits, including permanent disability, will reduce your Long-Term Disability Benefits. Any Workers' Compensation or similar law benefits paid as a lump sum will be considered to be paid in monthly amounts over the period of time covered by the lump sum payment. If the period of time is not specified, a five-year period, or such other period as may be determined by the Plan Administrator, will be used to calculate the Offset.

- State Disability Insurance (SDI) and other benefits of the same general character under any state or federal disability law, such as benefits under disability insurance laws of any other state, or the functional equivalent of Workers' Compensation Benefits except veterans' benefits. You must pursue any applicable appeals if your claim is denied. The Plan Administrator has the sole discretion to determine what payments under current or future laws are of the same general character as benefits under the Program.

For any Offset amounts which are paid on any basis other than monthly (excluding Workers' Compensation or similar law benefits and pension payments from the AT&T Pension Benefit Plan), the Plan Administrator will determine the monthly equivalent of that payment to be used as an Offset to the Long-Term Disability Benefits. Any such benefits (Offsets) paid in a lump sum will be considered as paid in monthly amounts over the period of time covered by the lump sum payment. Any lump sum payments from any of the above Offset sources will be considered as an Offset of Disability payments unless you give the Claims Administrator satisfactory proof to the contrary.

This means that if the amount you receive from Offsets is less than 50 percent of your Pay, Long-Term Disability Benefits provide additional payments to bring your total disability income up to that level. If your combined income from Offsets is equal to or greater than 50 percent of your Pay, you will not receive payments from the Program. The Program may seek to recover any overpayments that you receive.

> **EXAMPLE:** If you receive Workers' Compensation Benefits or a settlement of those benefits while, or after, you have been receiving Long-Term Disability Benefits from this Program, your future Long-Term Disability Benefits will be reduced to reflect the amount of the payment. In some cases, the Claims Administrator may determine that you have received an overpayment for which repayment to the Program will be necessary.

There is no time limit on when Offsets can be applied. Failure to apply an Offset as soon as it is available will not constitute a waiver by the Program of Offset rights or otherwise prevent later exercise.

IMPORTANT: Long-Term Disability Benefits payable under the Program will not be reduced by reason of any veterans' benefits.

How Long-Term Disability Benefits Are Paid

Any Long-Term Disability Benefits you receive will be payable on the last day of each month. Any payment due for a period of time that is less than one month will be prorated based on the number of days for which Long-Term Disability Benefits are payable. Additionally, under current law, the Long-Term Disability Benefits are considered federal taxable income.

If you have income from a job you are performing while you continue to qualify for Long-Term Disability Benefits, your Long-Term Disability Benefit amount will be adjusted as described in the "When You Are Considered Disabled" section.

Except when you receive a partial month payment (as described in the "How Benefits Are Paid" section) or are working Disabled (as described in the "When You are Considered Disabled" section), you are not entitled to receive Long-Term Disability Benefits for any period of time during which wages are paid to you by a Participating Company or an affiliated company or a company that has entered into an arrangement for an interchange of benefits obligations.

Conversion to Lump Sum

If your Long-Term Disability Benefits are initially approved for an injury or illness from which you are expected to die within 12 months, you may request payment in a lump sum representing the present value of the Long-Term Disability Benefits that you would receive based on your life expectancy (not to exceed 12 months). Your request should be made according to the appeal procedures of this Program. If you receive a lump sum settlement under this section, you shall not be eligible for any additional benefits from the Program. See the "How to Appeal a Denied Claim" section for more information.

When Your Long-Term Disability Benefits End

Your Long-Term Disability Benefits end when the first of the following events occur:

- You are no longer Disabled under the terms of the Program.
- You die.
- You are not under the continuous care of a physician or you are not receiving treatment considered reasonable by the Claims Administrator.
- You fail to furnish objective Medical Evidence of the continuance of Disability when requested by the Claims Administrator or you fail to submit to an examination requested by the Claims Administrator.
- Your current gross wages plus Long-Term Disability Benefits and Offset amounts set forth under the subsection entitled "Amount of Long-Term Disability Benefits" equal or exceed 75 percent of your pre-Long-Term Disability Pay.
- You reach age 65 (if you begin receiving Long-Term Disability Benefits before age 60) or the date that is five (5) years after benefits begin (if benefits begin under the Long-Term Disability Benefits after you reached age 60).
- You return to work with any of the AT&T Group of Companies.

Successive Periods of Long-Term Disability

If your Long-Term Disability Benefits cease because you are no longer Disabled and you are rehired by a Participating Company, your Long-Term Disability Benefits will continue if you become Disabled within 26 consecutive weeks of the date your Disability ended. Your second

period of Disability will be considered a continuation of the prior Disability (regardless of whether the second Disability results from a different illness or injury) using the Pay applicable as of the first day of the most recent period of Disability, subject to any increases or decreases in the Offset amounts. You will not be eligible for a new 52 weeks of Short-Term Disability Benefits for the second period of Disability.

FINAL UNPAID BENEFITS UNDER THE PROGRAM

If you die, any unpaid benefits under the Program may be paid through the date of your death, at the discretion of the Claims Administrator and if permitted under local law, to your spouse, domestic partner (as recognized under AT&T Southeast's domestic partner policy), or Legally Recognized Partner, provided that such person did not willfully contribute to your death. If you have no spouse, domestic partner, or Legally Recognized Partner, these benefits will be paid to your estate.

BENEFITS PROVIDED UNDER OTHER PLANS OR PROGRAMS

For eligibility regarding other health and life insurance benefits that you may be eligible for while receiving benefits under the Program, refer to the SPD that governs eligibility for the applicable benefit plan.

ADDITIONAL INFORMATION ABOUT FILING A CLAIM FOR BENEFITS UNDER THE PROGRAM

KEY POINT

- *Generally, you will receive a written notice within 45 days from the Claims Administrator whether your claim for benefits is approved or denied.*

When you make a claim for benefits under the Program, the Program's Claims Administrator will notify you of the decision regarding your claim within 45 days of the date your claim is received by the Claims Administrator. The Claims Administrator may extend this 45-day period for up to 30 days (plus an additional 30 days if needed) if it determines that special circumstances outside of the Program's control require more time to determine your claim.

You will be notified within the initial 45-day period (and within the first 30-day extension period if an additional 30 days are needed) whether additional time is needed and what special circumstances require the extra time. If extensions are required because the Claims Administrator needs additional information from you, you will have 45 days from the Claims Administrator's notification to provide that information. Once you have provided the information, the Claims Administrator will decide your claim within the time remaining within either the initial or the extended review period. If you do not receive a written response within the time limits described in this paragraph, your claim will be deemed denied and you will have the right to file an appeal.

If your claim for benefits is denied in whole or in part, the Claims Administrator will provide you with a written or electronic notification of the denial that will include:

- Specific reasons for the denial.
- Specific reference(s) to the Program provisions, or applicable law upon which the denial is based, where applicable.
- If applicable, a statement that an internal rule, guideline, protocol or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.

- An explanation of the scientific or clinical judgment for the determination and how the terms of the Program were applied to your medical circumstances if the determination is based on medical necessity, experimental treatment or a similar exclusion or limit and that a copy of this explanation will be provided free of charge upon request.
- If applicable, a description of any additional information needed to make your claim acceptable and the reason the information is needed.
- A description of the Program's appeal procedures.
- A statement concerning your right to file a civil action under ERISA after the required review and all appeals have been completed.

IMPORTANT: As a requirement for receiving benefits from the Program, you must authorize AT&T or any Participating Company or any provider of documentation of a claim to furnish the Claims Administrator with any and all information and records relating to your claim. Such authorization will be treated as a waiver of all provisions of law forbidding such disclosure.

HOW TO APPEAL A DENIAL OF BENEFITS

KEY POINTS

- *You have 180 days after receipt of the denial notice to submit a written request to appeal the decision.*
- *Generally, you will receive a final determination regarding your appeal within 45 days of receipt of your appeal by the Claims Administrator.*
- *You may not file a lawsuit against the Plan until the appeal process has been exhausted.*

When You May File an Appeal

If your claim is denied in whole or in part (or you have **not** received a decision or a notice of extension within the applicable period) and you disagree with the decision, you may appeal the decision by filing a written request for review. You or your authorized representative must make the request for review within 180 days of receipt of the denial notice (or within 180 days after the review period has expired).

Who Decides Your Appeal

The Plan Administrator has delegated discretion and authority to decide appeals to the Claims Administrator. See the "Contact Information" section for information on how to contact the Claims Administrator. The Claims Administrator will have full and exclusive authority and discretion to grant and deny appeals under the Program. The decision of the Claims Administrator regarding any appeal will be final and conclusive.

How to Appeal a Denied Claim

If you or your authorized representative sends a written request for review of a denied claim, you or your representative has the right to:

- Send a written statement of the issues and any other comments along with any new or additional evidence or materials in support of your appeal. See the "Contact Information" section for the mailing address of the Claims Administrator.
- Upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits provided that the Claims Administrator finds that the requested documents or material are pertinent to your appeal and required to be disclosed by ERISA.
- Request and receive, free of charge, documents that bear on your claim, such as any internal rule, guideline, protocol or other similar criterion relied on in denying your claim.

In your appeal, you should state as clearly and specifically as possible any facts and/or reasons why you believe the Claims Administrator's action is incorrect. You should also include any new or additional evidence or materials in support of your appeal that you wish the Claims Administrator to consider. Such evidence or material must be submitted along with your written statement at the time you file your appeal.

One or more qualified individual(s) who was not involved in the decision to deny your initial claim will be appointed to decide the appeal. This individual will decide the appeal based upon the evidence that was considered by the Claims Administrator; the issues, records and comments submitted by you; and such other evidence as the individual may independently discover.

If your claim was denied based upon medical judgment, the review will be done in consultation with a health care professional with appropriate expertise in the field and who was not involved in the initial determination. The Claims Administrator may consult with, or seek the participation of, medical experts either employed by or retained by the Claims Administrator as part of the appeal resolution process. When you file your appeal, you consent to this referral and the sharing of pertinent information.

Your appeal may be decided entirely on the basis of evidence submitted in writing. You are not entitled to a hearing, nor do you have the right to present oral testimony or cross-examine authors of written evidence submitted. You will be provided with the identity of any medical or vocational experts whose advice the Program obtained in connection with denial of your appeal, without regard to whether the advice was relied upon in making the benefit determination.

Unless you are notified in writing that more time is needed, a review and decision on your appeal must be made within 45 days after your appeal is received. If special circumstances require more time to consider your appeal, the Claims Administrator may take an additional 45 days to reach a decision, but you must be notified in writing that there will be a delay prior to the end of the initial period, the reason for the delay, and the date by which a decision will be made. If the decision of the Claims Administrator is not furnished within the time specified above, the appeal will be considered denied.

If your appeal is denied in whole or in part, the Claims Administrator will provide you with written or electronic notification that will contain:

- Specific reasons for the denial.
- Specific references to the Program provisions on which the denial is based.
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to your claim.

- If applicable, a statement that an internal rule, guideline, protocol or other similar criterion was relied upon in making the determination and that a copy of the rule, guideline, protocol or criterion will be provided free of charge upon request.
- An explanation of the scientific or clinical judgment for the determination and how the terms of the Program were applied to your medical circumstances if the determination is based on medical necessity, experimental treatment or a similar exclusion or limit and that a copy of the explanation will be provided free of charge upon request.
- A description of any additional material or information required for payment of benefits under the Program.
- A statement of your right to file a civil action under ERISA after you have exhausted all opportunities to appeal under the Program.
- The following statement:

  "You and your plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor Office and your State insurance regulatory agency."

How to File a Second Appeal for Short-Term Disability Benefits

If your appeal for Short-Term Disability Benefits is denied, you or your authorized representative has the right to send a written request for review of a denied appeal. The procedure, requirements, and timeframes to submit a second appeal are the same as above in the "How to Appeal a Denied Claim" section. One or more qualified individual(s) who was not involved in the decision to deny your initial appeal will be appointed to decide the second appeal.

Importance of Exhausting Administrative Remedies

If your appeal is denied, it is final and not subject to further review unless a court of competent jurisdiction determines that the Claims Administrator has abused its discretion in denying the claim.

If you wish to bring a legal action concerning your right to participate in the Program or your right to receive benefits under the Program, you must first go through the applicable claim and appeal process described in this section including both levels of appeal for Short-Term Disability Benefits. You may not file a legal action until you have completed the claim and appeal process. Legal action involving the Program should be filed against the Plan.

Any legal action based on a denial of eligibility and/or benefits under the Program must be filed no later than 180 days after the date of the final denial by the Claims Administrator.

OVERPAYMENTS

The Program has the right to collect (at any time) any overpayment you receive by withholding your benefit payments from this Program, by deducting it from future wages, by seeking it from any organization or person to, for or with respect to whom such payment was made (including your estate), or by any other means, including bringing a civil action in court. Any overpayment by the Program may be recovered by withholding any benefit payable by the Program (for example, an overpayment while you are receiving Short-Term Disability Benefits may result in a reduction in your Long-Term Disability Benefits from the Program). If such amount is not paid immediately, you or your representatives or estate will be responsible for payment with interest and any attorneys' fees involved in collecting the amount due. If you, your attorney or other representative receives any funds that qualify as Offsets, you agree to place the funds in a separate, identifiable account. You also agree that the Program has an equitable lien on the funds, and/or you agree to serve as a constructive trustee over the funds

to the extent that the Program has paid expenses related to that illness or injury. This means that you will be deemed to be in control of the funds.

ERISA RIGHTS OF PARTICIPANTS

KEY POINTS

- *ERISA is a federal law that provides certain rights and protection to all Program Participants.*
- *The persons who are responsible for the operation of the Program have a duty to act prudently and in the interest of the Participants and their beneficiaries.*
- *No one may fire or discriminate against you for exercising your ERISA rights.*

Your ERISA Rights

As a Participant in the Program, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Participants are entitled to:

Receive Information About Your Plan and Benefits

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Program, including collective bargaining agreements, insurance contracts and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Association (EBSA). There is no charge for this review.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Program, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies. Your written request must be directed to:

  AT&T Services, Inc.
  Attn: Plan Documents
  P.O. Box 132160
  Dallas, TX 75313-2160

- Receive a summary of the Program's annual financial report, if it is required to be prepared by ERISA. The Plan Administrator is required by law to furnish each Participant with a copy of any required summary annual report (SAR).

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report (if any) from the Program but do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, and you have exhausted all applicable administrative remedies under the Program, you may file suit in state or federal court.

If it should happen that Program fiduciaries misuse the Program's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance With Your Questions

If you have any questions about your Program, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or at the address below:

The Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

DEFINITIONS

AT&T. AT&T Inc. a Delaware corporation, or its successors.

AT&T Group of Companies. AT&T Inc. and any other entity included with it as an "employer" as determined pursuant to Internal Revenue Code §414(b), (c), (m) and (o) and the regulations thereto.

Bargained Employee. Any employee whose job title and classification is included in a collective bargaining agreement between a Participating Company and a union that has agreed to the benefits provided under the Program.

Claims Administrator. The individual or entity delegated by the Plan Administrator to determine all claims and appeals for benefits under the Program. Currently, the Claims Administrator is Sedgwick Claims Management Services, Inc., which operates the AT&T Integrated Disability Service Center. See the "Contact Information" section for information on how to contact the AT&T Integrated Disability Service Center.

Company. Company means any or all of AT&T Inc., AT&T Services, Inc., or a Participating Company as indicated by the context.

Day of Absence. A full day of absence, based on your normal daily schedule, on which you were expected or scheduled to report for duty but could not do so because of illness or injury. Day of Absence does not mean any scheduled absence, such as a vacation day, optional holiday, excused work day, period of departmental leave, or period of suspension. However, with respect to vacation, you may request, on or before the first day of any full week of vacation, to reschedule vacation if you would otherwise be unable to report for duty because of illness or injury. If this occurs, your first Day of Absence is the first day of the vacation week that was rescheduled. If you are on a departmental leave at the onset of an illness or injury, your first Day of Absence is the day you were scheduled to work following the departmental leave but were unable to do so because of illness or injury.

Leased Employee. An individual who is being paid by a company other than one of the AT&T Group of Companies and who is providing services to one or more of the AT&T Group of Companies in accordance with a contract that is between the company that is paying him and one or more of the AT&T Group of Companies. A Leased Employee is not eligible for coverage under the Program even if he is later determined (by judicial action or otherwise) to be a "common law employee" of one of the AT&T Group of Companies.

Leave of Absence. A leave of absence formally granted to an employee in accordance with rules established by his Participating Company.

Legally Recognized Partner (LRP). An individual who is:

- A Registered Domestic Partner (RDP)(who is an individual with whom you have entered into a domestic partnership that has been registered with a government body); or
- An individual with whom you have entered into a same-gender relationship in accordance with state or local law, such as marriage, civil union or another legally recognized arrangement that provides similar legal benefits, protections and responsibilities under state law as those afforded to a spouse.

An individual who has a spouse is not permitted to designate a LRP. No individual is permitted to designate more than one LRP during the same period or to designate different LRPs for different Company-sponsored plans or programs during the same period.

Long-Term Disability Benefits. Long-Term Disability Benefits that are provided under the Program. See the "Your Long-Term Disability Benefits" section.

Medical Evidence. Objective medical information sufficient to show that the Participant is Disabled, as determined at the sole discretion of the Claims Administrator. Objective medical information includes, but is not limited to, results from diagnostic tools and examinations performed in accordance with the generally accepted principles of the health care profession. In general, a diagnosis that is based largely or entirely on self-reported symptoms will not be considered sufficient to support a finding of Disability. For example, reports of intense pain, standing alone, will be unlikely to support a finding of Disability, but reports of intense pain associated with an observable medical condition that typically produces intense pain could be sufficient.

Nonmanagement Nonunion Employee. An employee who is not covered by a collective bargaining agreement and who is not classified as a management employee.

Occasional Employee. You are an Occasional Employee if you are engaged by a Participating Company on a daily basis for a period of not more than three consecutive weeks, or for a cumulative total of not more than 30 days in any calendar year, regardless of the length of the daily or weekly assignments, or as otherwise defined in the collective bargaining agreement applicable to you. Occasional Employees are **not** eligible for the Program.

Participant. Either an Eligible Employee or former employee who is receiving benefits under the Program.

Primary Social Security Benefits. The Primary Insurance Amount payable to the employee on account of disability in accordance with the United States Social Security Act that covers any portion of the period for which benefits are paid under the Program, and are payable on account of the employee's Disability.

Regular Employee. You are a Regular Employee if your employment with a Participating Company is expected to be indefinite, as determined by your Participating Company, or as otherwise defined in the collective bargaining agreement applicable to you.

Regular Limited Term Employee. You are a Regular Limited Term Employee if you are in a position designated as "Regular Limited Term" by your Participating Company pursuant to the terms of the collective bargaining agreement applicable to you.

Short-Term Disability Benefits. Short-Term Disability Benefits that are provided under the Program. See the "Your Short-Term Disability Benefits" section.

Temporary Employee. You are a Temporary Employee if you are in a position designated as "Temporary" by your Participating Company pursuant to the terms of the collective bargaining agreement applicable to you.

Trust. The Code Section 501(c)(9) Voluntary Employee Beneficiary Association (VEBA) trust which provides funding for the Program and which was established under the Internal Revenue Code of 1986, as amended.

Workers' Compensation Benefits. All classes of benefits under the workers' compensation laws of any state, the District of Columbia, the United States government (e.g., benefits under the Longshore and Harbor Workers' Compensation Act) or any other jurisdiction in any country that requires payments to employees on a temporary or permanent basis in connection with injuries arising out of or in the course of employment, to replace or supplement income, or to compensate for diminished ability to compete in an open labor market, including but not limited to payments for temporary partial disability, temporary total disability, permanent partial disability, permanent total disability, vocational rehabilitation maintenance allowance and disability pension, whether liability for such payment has been determined by the court or administrative agency that determines liability for workers' compensation under the laws of such jurisdiction, or accepted voluntarily by the Participating Company or the Participating Company workers' compensation administrator or insurer.

OTHER PLAN INFORMATION

Other Plan Information	
Plan Name	AT&T Umbrella Benefit Plan No. 3
Program Name	AT&T Southeast Disability Benefits Program
Plan Number	603
Plan Sponsor/Employer Identification Number (EIN)	AT&T Inc. P.O. Box 132160 Dallas, TX 75313-2160 **210-351-3333** EIN 43-1301883

Other Plan Information	
Plan Administrator	AT&T Services, Inc. P.O. Box 132160 Dallas, TX 75313-2160 **210-351-3333**
Type of Administration	The Plan Administrator determines eligibility for coverage under the Program, that is, whether any particular individual is included in a group of employees that is covered by the Program. The Claims Administrator has been delegated the complete discretionary fiduciary responsibility for all disability determinations by the Plan Administrator to determine whether a particular Eligible Employee who has filed a claim for benefits is entitled to benefits under the Program, to determine whether a claim was properly decided, and to conclusively interpret the terms and provisions of the Program. Such determinations and interpretations shall be final and conclusive. The Plan Administrator (or, in matters delegated to third parties, the third-party that has been so delegated) will have sole discretion to interpret the Program, including, but not limited to, interpretation of the terms of the Program, determinations of coverage and eligibility for benefits, and determination of all relevant factual matters. Any determination made by the Plan Administrator or any delegated third party will not be overturned unless it is determined to be arbitrary and capricious.
Agent for Service of Legal Process	Process in legal actions in which the Plan is a party should be served on the Plan at the following Address CT Corporation 350 N. St. Paul St. Dallas, TX 75201 Service of legal process also may be made upon a Trustee or the Plan Administrator.
Type of Plan	The Plan is an employee welfare benefit plan.
Plan Year	Jan. 1 through Dec. 31
Trustee	AT&T Voluntary Employee Beneficiary Association Trust Frost National Bank 100 W. Houston St. P.O. Box 2950 San Antonio, TX 78299

Other Plan Information	
Plan Funding and Contributions	The Program is funded by a trust. Program costs are funded by periodic, non-reversionary Company contributions determined by the Program's actuaries for the purpose of funding Program benefits and maintaining appropriate reserves. Contributions are transferred to the Trust, which is established exclusively for approved Plan purposes. Benefits under the Program are paid or reimbursed by the Trust. Benefits paid in excess of IRS limits are funded by the general assets of your Participating Company. No benefits provided under the Program are provided by insurance.
Collectively Bargained Plan	With respect to certain Eligible Employees, the Program is maintained pursuant to one or more collective bargaining agreements. A copy of the collective bargaining agreement(s) may be obtained by Participants and beneficiaries whose rights are governed by such collective bargaining agreement upon written request to the Plan Administrator and also is available for examination by Participants and beneficiaries as specified under Department of Labor Regulations Section 2520.104b-30.

Amendment or Termination of the Program

The Program is adopted with the intention that it will be continued for the benefit of present and future employees of Participating Companies; however, the right is reserved by the Plan Sponsor to terminate, amend, change or modify the Program retroactively or prospectively, in whole or in part at any time or for any reason, including changes in any and all of the benefits herein provided. Further, any Participating Company may terminate its participation in the Program at any time and for any reason. Such termination, amendment, change or modification of the Program, or termination of any Participating Company's participation in the Program may cause employees to lose all or a portion of their benefits or eligibility under the Program but will not affect the right of any employee to receive benefits for which he has already become entitled under the Program. Not affecting an employee's right to any benefit for which he has already become entitled under the Program means that the employee who is actually receiving payments would be entitled to continue receiving his disability benefits through the date of the Program's termination or change until such benefits would otherwise cease. This does not mean that an employee will acquire a lifetime right to any Program benefit, to eligibility for coverage under the Program or to the continuation of the Program merely by reason of the fact that such benefit or the Program is in existence at any time during the employee's employment. The Program will comply with all requirements of applicable law and will be amended, if necessary, in order to satisfy any such requirements.

In the event of termination of the Program, you will be entitled to the benefits in effect at the time of any event that requires payment of such benefits.

Although a certain Plan or one of its Programs may be in effect during your employment or at the time of your retirement, it does not mean that you or any other employee or beneficiary will have:

- A lifetime right to any benefits under the Plan or Program.
- Eligibility for coverage under any such Plan or Program.
- Guaranteed continuation of any such Plan or Program.
- Coverage at Company expense or based upon a previously identified contribution schedule.

Limitations on Rights

Participation in the Program does not give you a right to remain employed with your Participating Company or any AT&T-affiliated Company.

Applicable Law

The Program shall be construed and administered in accordance with the laws of Georgia unless preempted by federal law.

Assignment and Nonalienation

Except as otherwise required by law, benefits provided under the Program may not be assigned or alienated. This means that you may not sell, assign, pledge or otherwise transfer benefits under the Program before the benefits are distributed to you, nor are your Program benefits subject to attachment, garnishment, execution or encumbrance of any kind prior to distribution to you.

Release of Information

When you file a claim, the Claims Administrator will forward a medical release form to you. This form allows the Claims Administrator to request, obtain or release any information necessary for the Claims Administrator to process or verify your claim. If the medical release form is not completed and returned to the Claims Administrator in a timely manner, benefits under the Program may be delayed or denied.

Facility of Payment

If benefits under this Program have been paid under any other plan or program, the Plan has the right to pay any amounts, as determined by the Claims Administrator, to such other plan or program, or any other organization making those other payments. Such payment by the Plan will discharge the Plan from any liability for such benefits under the Program.

Withholding of Taxes

Taxes may be withheld from any payment of benefits under the Program in an amount deemed sufficient to cover required withholding. The Participant shall be required to furnish information deemed necessary to meet any tax withholding or reporting obligation before receiving any payment under the Program.

Benefit Payment Checks

Benefit payment checks that are not cashed within 120 days after the date of the check will be considered null and void, and the benefit so paid will be forfeited. Any benefit so forfeited may be reinstated by filing a claim for the forfeited amount within 12 months of the date the check was originally issued and satisfactorily documenting entitlement to the payment.

CONTACT INFORMATION

Contact Information	
Claims Administrator	
Name	AT&T Integrated Disability Service Center
Type	Claim initiation and appeals for Disability Programs
Claims Administrator Contact Numbers	
Domestic Telephone Number	**866-276-2278**
Claims Administrator Hours of Operation	
Hours of Operation	**Service Center:** Monday through Friday from 7 a.m. to 7 p.m. Central time
Claims Administrator Mailing Address	
Claims	
Claims Regular	AT&T Integrated Disability Service Center P.O. Box 14627 Lexington, KY 40512-4627 **866-224-4627** (fax)
Appeals	
Appeals Regular	AT&T Integrated Disability Service Center Quality Review Unit P.O. Box 14626 Lexington, KY 40512-4626 **866-856-5065** (fax)

INFORMATION CHANGES AND OTHER COMMON RESOURCES

It's important to keep your work and home addresses current. The majority of your benefits, payroll or similar information is sent to work or home. Please include any room, cubicle, apartment or suite number that will help make mail-routing more efficient.

Active Employee Address and Telephone Number Changes
For employees with access to the employee intranet: **Home** and **work** address updates: • Go to **insider.web.att.com.** • Click on OneStop (**onestop.web.att.com**) and select eLink (eCORP) under Tools & Resources. • Enter your AT&T user ID and password for the AT&T Global Logon. (If you do not know your password, please follow the instructions on the screen.) • Once logged on, click OK. • On the eCORP home page, click on Employee Services. • **Note**: Please be sure the far right-hand scroll bar is all the way to the top. • Select Personal Information. • Select Maintain Addresses and Telephone Numbers. • To update your home address, select "Edit" at the bottom of the Permanent Residence box, make any necessary changes, and click Save. • To update your work address, select "Edit" at the bottom of the Cubicle/Office box, make any necessary changes, and click Save. **For employees without access to the employee intranet:** Contact your supervisor or eLink assistant.

Former Employees Home Address Changes
Call the Fidelity Service Center to change your address. **Telephone numbers and dialing instructions:** **800-416-2363** **888-343-0860** (hearing-impaired) Dial your country's toll-free AT&T Direct access number, then enter **800-416-2363** (international) **Hours of operation:** Monday through Friday from 7:30 a.m. to 11 p.m. Central time. You will need your Fidelity Service Center PIN and Social Security number/customer ID when you call to speak to a service associate.

IMPORTANT: The instructions are also for recipients of Long-Term Disability Benefits and employees on a Leave of Absence.

If you are not eligible to receive a pension or savings plan benefit, or have already received your entire pension and savings plan benefits in a lump sum and are not eligible for a retiree death benefit from your pension plan, call the AT&T Benefits Center at **877-722-0020** to update your home address.

AT&T Benefits Intranet and Internet Access
Your Money Matters section of OneStop (Active Employees only) Go to the Your Money Matters section of OneStop at **onestop.web.att.com**.
Your Money Matters section of access.att.com (Active Employees from home) Go to the Your Money Matters section of **access.att.com** (AT&T's secure Internet site) for benefits information at home.
Your Benefits section of access.att.com (Former Employees from home) Go to the Your Benefits section of **access.att.com** (AT&T's secure Internet site) for benefits information at home.

APPENDIX A: PARTICIPATING COMPANIES AND APPLICABLE BARGAINING AGREEMENTS

	Participating Company Name and Acronym	Employee Group	Bargaining Unit
Population Abbreviation			
BBI - CWA District 3	AT&T Billing Southeast, LLC BBI	Bargained	AT&T Billing Southeast, LLC - CWA District 3
BCS - CWA District 3	BellSouth Communication Systems, LLC BCS	Bargained	AT&T Southeast Core Contract - CWA District 3
BSC - CWA District 3	BellSouth Corporation BSC	Bargained All Active Employees moved to AT&T Services, Inc. June 16, 2012.	AT&T Southeast Core Contract - CWA District 3
BST - CWA District 3	BellSouth Telecommunications, LLC BST	Bargained	AT&T Southeast Core Contract - CWA District 3
BST - SE NMNU M	BellSouth Telecommunications, LLC BST	Nonmanagement Nonunion Effective Aug. 11, 2013, all BellSouth NMNUs were reclassified as Bargained Employees. All Active Employees now covered by AT&T Southeast Core Contract - CWA District 3. Eligible Former Employee benefits follow the benefits for similarly situated former Employees who were Management Employees at Termination of Employment.	N/A
BST (IS) - CWA District 3	BellSouth Telecommunications, LLC BST (IS)	Bargained Bargaining unit contract terminated Oct. 31, 2013. All Active Employees now covered by AT&T Southeast Core Contract - CWA District 3.	BellSouth Telecommunications, LLC (Internet Services) - CWA District 3
SBCSI - CWA District 3	AT&T Services, Inc. SBCSI	Bargained	AT&T Southeast Core Contract - CWA District 3