

SURPLUS ORIENTATION PACKAGE

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Surplus Orientation Package

Introduction

Overview

Such things as technological change, changes in operations, and/or centralization, may necessitate a reduction in the number of regular employees. This may result in what is known as a surplus force condition.

This Surplus Orientation Package will guide you through the options that you can exercise in determining your future and other possibilities with the Company. To minimize the impact on the employees involved all available options and related items will be covered in detail. As we go through this guide, you will be given the opportunity to ask questions as each topic is covered.

Roles and Responsibilities

Each employee plays a significant role in this process:

- As the affected employee you will have important decisions to make in the days ahead. You will be provided with the necessary information and options available to make these choices.
 - Your supervisor will be there to support you and provide answers to your questions and act as a liaison between you and the Staffing Office. Your supervisor will also pass job offers to you if they become available. Once a job offer is made you will have one (1) business day to make your decision.
 - Your Union representative will also provide support and can assist with questions.
 - Your Staffing Office Personnel will guide you through the Surplus Orientation Package, alerting you to important dates, advising you of different options that are available and providing you with answers to your questions.
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Introduction, Continued

At Risk vs. Not at Risk

It is important for each surplus employee to understand his/her status in the Surplus Work Group. Employees are categorized as either at risk or not at risk. Any employee attending a full-length SOP meeting is considered at risk at the beginning of the surplus. As the surplus progresses, the “line” that separates the at risk from the not at risk may move down. If a not at risk employee accepts VSP, for example, the line moves down to encompass one more employee into the not at risk group. Conversely, if a not at risk employee accepts a job via a requisition then retreats while the surplus is open, the line would move down then back up after he/she returns to the Surplus Work Group. Depending on the activities of all the employees in the Surplus Work Group, you could be at risk one day, then not at risk the next, and vice versa. If you have any questions about your status, please ask your supervisor.

Available Options

To minimize the impact on the employees involved, there are options that may be available to the employee, which we will go into detail. Those options are:

- Surplus Transfer Request (STR)
 - Hometown Job Security Commitment (HJSC)
 - Follow-the-Work (FTW)
 - Severance Payments (Voluntary & Involuntary)
 - Surplus Leave of Absence (SLA)
 - Transitional Leave of Absence (TLOA)
 - Job Offer Guarantee (JOG)
 - Voluntary Severance Candidate Process (VSCP)
-

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Introduction, Continued

Items Related to the Options

There are items related to the available options that can intertwine with each other that will be covered in this binder. Those items are:

- Testing
- Reassignment Pay Protection Plan (RPPP)
- Reassignment Pay Protection Plan Request
- Surplus Return Request
- Treatment of Remaining Surplus Employees at Force Disposition Date
- Recall/Rehire Rights
- Pensions
- Career Resource Center (CRC)
- National Transfer Plan – CWA Surplus Exchange (CSE)

This guide will enable you to understand the options that are available to you and help make the transition easier.

SURPLUS ORIENTATION PACKAGE

Timeline

Surplus Work Group Timeline

When a surplus condition is declared, your departmental personnel will coordinate with the local Staffing Office in an effort to clear the surplus condition.

Normally, there is a 60-day period from the time you are notified of your surplus status until your actual Force Disposition Date. However, that time period may be extended at Management's discretion, depending on the needs of the business.

To familiarize you with some of the critical dates in this time period, the following information is provided as an example of a surplus that has a normal 60-day Force Disposition Date.

Surplus Notification (Day 0)

Your department will notify you of the surplus condition. Your departmental personnel will meet with your local Staffing Office to establish specific dates for the critical decisions you will need to make.

Starting Day 1

The Staffing Office will conduct a Surplus Orientation Meeting with you and other surplus employees in your work group to discuss and answer questions regarding your surplus status. You will be given a Surplus Orientation Package and encouraged to file a Surplus Transfer Request as soon as possible. You will also be advised of all upcoming decisions you will need to make regarding your surplus status.

NOTE: A Surplus Transfer Request must be on file by the 28th day subsequent to surplus notification for you to be eligible to participate in the Voluntary Severance Candidate Process and to be considered as a candidate for Involuntary Severance Payment.

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SURPLUS ORIENTATION PACKAGE

TIMELINE, Continued

-
- Day 28** All Surplus Transfer Requests must be submitted by this date for surplus employees to be eligible for several surplus processes, including the VSC process and the displacement process. This will be the earliest date a Voluntary Severance Payment or Transitional Leave of Absence will be offered to surplus employees, if needed.
- Your Surplus Transfer Request or Hometown Job Security Commitment must be submitted by this date. Otherwise, if you are still at risk at the FDD, you will be considered to have elected a Voluntary Severance Payment (VSP).
-
- Day 30** If a “follow-the-work” job offer has been extended to you, you will notify Management of your acceptance or declination by this day. Failure to notify Management will be considered as a rejection of the offer.
-
- Day 32** This is the earliest date the Voluntary Severance Candidate Process can begin.
-
- Day 60** This is your Force Disposition Date (FDD). If you are “at risk” and have not received a job offer in your Force Adjustment Area (FAA) by this date, your FDD will be extended up to 30 days.
-
- Day 90** This is the earliest date for involuntary termination for those surplus employees who do not receive a job offer in their FAA.
- NOTE:** If you are “at risk” and refuse a lateral assignment in your FAA and are not subsequently placed prior to your FDD, you will, in effect, have resigned and will receive no severance.
-

AT&T SURPLUS TIMELINE

ACTION	DAY	DATE
Surplus Notification Date	Day 0	
Surplus Orientation Meeting	Starting Day 1	
Surplus Transfer Request (STR) Submitted	Day 28	
Last Day to Elect Hometown Job Security* (HJSC)	Day 28	
Voluntary Severance Payments (VSP) May Be Offered*	Day 28	
Transitional Leaves of Absence (TLOA) May be Offered *	Day 28	
Notification of Acceptance of “Follow-The-Work” Job Offer*	Day 30	
Voluntary Severance Candidate Process (VSCP) May Begin*	Day 32	
Last Date to Elect Job Offer Guarantee (60 days following notification)*	Day 60	
Force Disposition Date (FDD) (Saturday following day 60)*	Day 60	
Force Disposition Date Extension (EFDD) For those employees who do not receive a job offer within the FAA and did not elect HJSC, the FDD may be extended <u>up to</u> 90 days from the Surplus Notification Date.	Day 90	
Job Offer Guarantee (JOG) Qualified surplus employees will be considered for all jobs at all locations within the Job Vacancy Scope.	Day 91	

*Or by such later date as determined by Management

ADDITIONAL NOTE: The administration of Section 3f, 3g and 3h (2009 Labor Agreements) if applicable, will occur following the completion of the Voluntary Severance Candidate Process (Day 32) in subsequent order.

Surplus Transfer Request

Introduction When a surplus condition is officially declared, full-time and part-time regular employees may elect to submit a Surplus Transfer Request (STR), (**Exhibit 1**), as one of the seven (7) Job Vacancy Requests they may have on file with the Staffing Office. Employees not meeting expectations and/or on a step of Positive Discipline will still be eligible to submit an STR. If you are declared surplus, time-in-title and location will be waived on your current job.

Placement Consideration The STR affords you the opportunity to be considered for placement into regular vacancies as follows:

- You will receive automatic *priority consideration (considered for vacancies and openings before non-surplus candidates) for all lateral positions in your Force Adjustment Area;
- You will receive *priority consideration for lateral positions outside your Force Adjustment Area in which you have expressed an interest;
- You will receive *priority consideration for all downgrades in which you have expressed an interest; and
- You will receive consideration, along with non-surplus employees, for all upgrades in which you have expressed an interest.

Employees in a surplus workgroup who are not “at risk” may also submit a STR.

If you submitted an STR, you will also receive consideration for potential “created” openings through the Voluntary Severance Candidate Process (page 53) in which you have expressed an interest. The placement of qualified surplus employees in the vacancies created will be in seniority order and in accordance with the order of consideration as referenced in Section 3-e- (2) (page 72) of the 2009 Labor Agreements.

***NOTE:** Priority consideration means surplus employees will be *considered* for laterals and downgrades prior to employees with regular transfer requests on file. *Selections* will be made based on length of service [Net Credited Service (NCS)], demonstrated abilities and service requirements also taking into consideration that the employee is surplus.

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Surplus Transfer Request, Continued

**Job Interest
Survey
Worksheet**

If you elect to submit an STR, you must also complete a Job Interest Survey Worksheet (**Exhibit 2**) which will be covered in detail during this session. The worksheet allows you to indicate those job titles/classifications to which you would **not** be interested in transferring.

Remember, you will be given automatic consideration for all lateral transfers in your Force Adjustment Area, so the titles you indicate on the Worksheet should be those you would not consider for other types of movement.

Your STR will remain active until the Force Disposition Date or Extended Force Disposition Date, unless one of the following conditions occurs:

- You are placed in another job
- You accept a follow-the-work offer
- You decline four (4) job offers*
- Your surplus condition is closed
- You elect the Transitional Leave of Absence (TLOA – Page 56)
- You accept a Voluntary Severance Payment (VSP)

***NOTE:** Refusal of a Voluntary Severance Candidate Process or Follow-the-Work offer does not count toward the four (4) declinations afforded by the STR but may impact a Severance Payment.

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Surplus Transfer Request, Continued

Important Note

Job Offer Declinations

You will be allowed four job offer declinations with your STR. You will be advised with your third job offer declination that you will be allowed only one more job offer declination. With your fourth declination, regardless of the level of the job offer made, i.e., lateral, downgrade or upgrade, your STR will be canceled.

- You will not be offered the same job and location again during this surplus period.
- You will not be eligible to submit another STR during the existing surplus condition; however,
- You will be able to submit regular Job Vacancy Requests for any titles/locations, which you have not declined within the past three months.

The cancellation of your STR due to job offer declinations does not affect your eligibility to participate in the Voluntary Severance Candidate Process, unless you have declined a lateral offer within the Force Adjustment Area.

IMPORTANT – If you are “at risk” and decline a lateral assignment in the Force Adjustment Area (FAA) and are not subsequently placed prior to the Force Disposition Date (FDD), you will be considered to have resigned with no severance.

Continued on next page

Surplus Transfer Request, Continued

**Availability
While on
Vacation**

If you have scheduled a vacation during the surplus condition, you should leave a number where you can be reached or call your supervisor daily to ensure you can be reached for possible job offers.

**Lateral
Transfer
Definition**

A lateral transfer is a change to another place of reporting with the same job title or to another job title, for which the maximum rate of pay is within plus or minus five dollars (+/- \$5) of the established maximum rate of pay for the employee's prior job title, excluding the changes to jobs whose maximum rates of pay are below the maximum rate for E-3 Clerical titles.

NOTE: For RPPP purposes, the lateral definition does not change the application of the provisions of Reassignment Pay Protection Plan (RPPP – Page 34) i.e., RPPP will continue to apply only in surplus situations and when an employee is assigned to a vacancy where the maximum rate of pay is less than the maximum rate for the employee's surplus job even if that transfer is considered a "lateral" under the definition. The above also applies to the Transition Allowance.

Retreats

If you retreat from any job on which you have been placed during the surplus period, the retreat would count against the four job offer declinations afforded by your STR. In addition, any previous job offer declination would apply. For example: If you had declined two (2) downgrades prior to being on an upgrade and you retreat from the upgrade, you will be considered to have three (3) job offer declinations against your STR (2 downgrades and 1 upgrade).

NOTE: The cancellation of your STR due to job offer declinations does not affect your eligibility to participate in the Voluntary Severance Candidate Process, unless you have declined a lateral offer within the Force Adjustment Area.

Continued on next page

Surplus Transfer Request, Continued

Requirements The Staffing Office personnel will determine your qualification status for the titles requested. The Staffing Office will send a status report (**Exhibit 3**) to your supervisor. Your supervisor should receive the status report within one week; if the report is not received, your supervisor should contact the Staffing Office for assistance.

The status report will include significant factors about your STR, such as:

- Your force disposition date.
- The job titles in which you are not interested. A series of letters and numbers will appear in the “Comments” section on the left side. These will correspond to what you’ve indicated on your Job Interest Survey Worksheet.
- Your test history. The Status Report will show whether or not you are qualified for the jobs requested. It will also show the dates you took these tests to determine your eligibility for retesting.

You must meet all qualifications as indicated on the applicable job brief for the requested titles (testing, physical requirements, etc.) in order to be considered for possible placement. If you are made a job offer to fill a vacancy, you must notify your supervisor of your acceptance or declination within one (1) business day of the offer.

**Premises
Technician
Provisions**

Appendix J of the 2009 Settlement Agreement provides special provisions for Customer Services Technicians (CST) in Network I/M (and Systems Techs who are in an I/M crew and do I/M work) who are declared surplus in an exchange where U-verse is offered. Surplus employees holding these titles will receive automatic priority consideration to transfer to a Premises Technician title, and because it is considered a lateral job offer, a declination carries the same penalties as declining any lateral in the FAA.

If a surplus remains after the application of paragraph 3.h. in Article XVII, this same group of surplus CSTs may displace the least senior Premises Technician who is junior to the CST in the same exchange.

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Surplus Transfer Request, Continued

**Premises
Technician
Provisions**
(continued)

Employees covered by these provisions must be satisfactory in attendance and performance to displace a Premises Technician or transfer into Appendix J. CSTs who accept Premises Technicians titles do not receive a Reassignment Pay Protection Plan (RPPP) payment but are required to submit a RPPP Request. CSTs who are moved outside the Force Adjustment Area will be required to submit a Surplus Return Request.

Full details of the Premises Technician agreement are available on pages 15 – 19 and pages 81 – 90 of the 2009 Settlement Agreement (or the Union's 2009 Negotiating Report).

**Completing the
STR**

At this time we will go over how to fill out a STR. Detailed instructions for completion of the STR can be found in the Job Vacancy Manual. The following items must be completed on your STR (see **Exhibit 1** for a sample of a completed STR):

- Current class of employee: Regular, Full-time/Part-time
- Last name, First name, middle initial, ATTUID and NCS
- Type of Activity: New
- Type of Request: Surplus
- Willing to work part-time: yes or no
- Driving information
- Time-In-Title/Location information: Yes – Time-in-Title/Location are waived for surplus conditions
- Surplus Expiration Date: Your Force Disposition Date
- Desired Job Title: Indicate “Surplus”
- Desired Location: Leave blank as information is provided on Job Interest Survey Worksheet
- Supervisory information
- Employee information and signature
- Additional Factor information

Your completed STR should be faxed to your local Staffing Office. The STR cannot be submitted online or via the IVR.

Continued on next page

Surplus Transfer Request, Continued

Questions and Answers

1Q	What happens to my other Job Vacancy Requests once I am placed on a new Job?
1A	Once you are placed and report to the new job, your other Job Vacancy Requests will be canceled. Once you have accepted or say “yes” to a job offer, you will not be considered for any additional job offers prior to reporting to the new job.
2Q	When can I resubmit a Job Vacancy Request?
2A	If you were placed on a downgrade, you may submit a Reassignment Pay Protection Plan Request immediately to return to your former level. Time-in-title and location requirements on your current job will be waived. If you were placed outside your Force Adjustment Area (FAA), you may submit a Surplus Return Request to return to your former FAA immediately. Time-in-title and location requirements on your current job will be waived. If you were placed on a lateral, through a STR or Job Vacancy Request (JVR), you retain your time-in-title/location from your surplus position. If you were placed on an upgrade, your time-in-title/location begins again and you must meet the requirements for the job.
3Q	Do I have retreat rights?
3A	You may retreat to your former surplus position provided the work has not been curtailed or discontinued and provided relocation expenses have not been paid. (Curtailed or discontinued is the FDD or the date the Surplus is closed, whichever occurs first.) It will be necessary to complete a new STR once you have retreated back to your surplus position.
4Q	Can I go on a job visit?
4A	Yes, however, it must take place within the 24-hour decision period. The Job Visit can also be made via telephone.

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Surplus Transfer Request, Continued

**Questions and
Answers**
(continued)

5Q	If I submit a STR, can I decide to cancel at a later date?
5A	Yes, but outright cancellation by an employee will preclude that employee from submitting another STR and from being eligible for an Involuntary Severance Payment (Exhibit 4), the Voluntary Severance Candidate Process and the Employment Security Commitment (ESC – Exhibit 5)
6Q	Am I entitled to relocation expenses?
6A	If you relocate as a result of having been declared surplus under Article XVII, Force Adjustment, you are entitled to receive reimbursement for certain relocation expenses as covered in Operating Practice 63, Relocation Plan. You may obtain a copy from your supervisor. If you have additional questions, you may contact your Relocation Consultant at Altair Global Relocation at 1-800-285-1776.
7Q	If I am not “at risk” and I decline 4 job offers what will happen?
7A	Your Surplus Transfer Request will be canceled.

Testing

Introduction

As jobs become available, you will still be required to meet any testing requirements for placement. Specific testing requirements for each job title are listed on the appropriate job brief contained in the Job Vacancy Manual.

Guidelines

Staffing Office personnel will contact your supervisor and schedule you for the tests you are required to take in relation to the job for which you are being considered.

Test Information Pamphlets (see **Exhibit 6** for listing) which contain general information about the testing program and specific information for each test are available on line at OneStop – NM Career Section.

It is very important for you to understand that taking a Company test is a serious matter. You have been given priority consideration for laterals and downgrades so that you can be considered for openings over nonsurplus employees. In order to be considered for these openings, it is necessary to meet the testing requirements of any job. It is your obligation as an employee to put forth your best effort to complete the tests and answer the questions to the best of your ability.

Declination of Testing

If you decline testing necessary for consideration for placement, the refusal to test will be considered as a job offer declination and will count against the four allowable declinations under your Surplus Transfer Request.

If you as an “at risk” employee decline testing necessary for a lateral in the Force Adjustment Area and are not subsequently placed prior to your Force Disposition Date/Extended Force Disposition Date, you will be terminated without a severance payment.

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Testing, Continued

**Questions and
Answers**

1Q	As a surplus employee, if I do not qualify on the tests, how often may I be retested?
1A	You would follow the same retesting guidelines that apply to all employees as indicated on Exhibit 7 . If you tested recently and did not qualify, you still have to meet the retest guidelines. For example, if you took the typing test and did not qualify, you can retest in one week. If you do not qualify again you can retest in 1 month and then every subsequent retest is 3 months. If 12 months or more have elapsed since the employee’s previous test, the retest interval starts over.
2Q	Do employees have to be test qualified in order to participate in the Voluntary Severance Candidate Process “pool” outlined in Article XVII, Section 3.e.(2)?
2A	Yes, qualification requirements have not changed.

Hometown Job Security Commitment (HJSC)

Introduction The Hometown Job Security Commitment (HJSC) is a commitment between the Company and the Union that provides **two options** to regular surplus employees who wish to restrict the area for placement consideration. The two options are Hometown A (HA) and Hometown B (HB).

Options You may elect either option no earlier than day two (2) and not later than twenty-eight (28) days following the date of surplus notification (or by such later date as determined by Management).

This election requires completing the Hometown Job Security Commitment Election Form (**Exhibit 8**) and submitting it to your supervisor. Failure to submit the form within the required time frame will constitute a rejection of the HJSC.

NOTE: Prior to invoking the HJSC, you will be treated under the terms of Article XVII, Force Adjustment. Once you elect one of the HJSC options you cannot revoke that decision and revert to treatment under the Force Adjustment Article or the Employment Security Commitment (described later in this package). However, you may change your election between the two options.

Continued on next page

Hometown Job Security Commitment (HJSC), Continued

Hometown A (HA)

Hometown A states that a qualified employee may restrict the area of placement to the Exchange in which the surplus is located, and up to four (4) additional Exchanges within the 5-state region, for a total of five (5) Exchanges.

To be eligible for Hometown A option, an employee must meet the following conditions:

- The employee elects the HJSC by completing the Hometown Job Security Commitment Election Form (**Exhibit 8**) and submitting it to his/her supervisor by the 28th day.
- The employee completes and submits the HA Request with the associated Job Interest Survey Worksheet (**Exhibits 9 and 10**) by the 28th day.
- The employee is already qualified or becomes qualified by passing the Keyboarding Skills Test-Level 1 and the appropriate Operator and entry level Clerical tests.
- The employee meets all expectations on his/her current job in all categories.
- The employee has not refused a lateral job offer within the FAA through a Job Vacancy Request or a Surplus Transfer Request during the Surplus period.

If you are “at risk” and select this option and have not received a job offer (lateral, downgrade or upgrade) in the designated Exchange(s) by the Force Disposition Date, you will be removed from the active payroll and placed on a Surplus Leave of Absence (SLA). During the SLA period, you will be eligible for educational development and receive a monthly Voluntary Severance Payment. A regular transfer request must be maintained on file for all jobs you are qualified for in the designated Exchange (s).

Additional terms and conditions of the SLA are described in the next section of this package.

Continued on next page

Hometown Job Security Commitment (HJSC), Continued

Hometown B (HB)

Under this option, as in Hometown A, you may restrict the area of placement to the Exchange in which the surplus is located and up to four (4) additional Exchanges, within the 5-state region, for a total of five (5) Exchanges. To be eligible for Hometown B option, an employee must meet the following conditions:

- The employee elects HJSC by completing the Hometown Job Security Commitment Election Form (**Exhibit 8**) and submitting it to his/her supervisor by the 28th day.
- The employee completes and submits the HB Request with the associated Job Interest Survey Worksheet (**Exhibits 9 and 10**) by the 28th day.
- The employee must not have refused a lateral job offer within the FAA through a Job Vacancy Request or a Surplus Transfer Request.

If you are “at risk” and have not received a job offer (lateral, downgrade or upgrade) in the designated Exchanges by the FDD, you will be terminated and receive a lump sum Voluntary Severance Payment. Eligibility for the SLA and educational development applies only to Hometown A.

General Guidelines

A HJSC Request (options HA or HB) affords you the opportunity to be considered for placement into regular vacancies as follows:

- You will receive automatic priority consideration (considered for vacancies and openings before non-surplus candidates) for all lateral positions within your designated Exchange(s) which are within your Force Adjustment Area;
 - You will receive priority consideration for lateral positions within your designated Exchange(s) which are outside your Force Adjustment Area/Expanded Force Adjustment Area in which you have expressed an interest;
 - You will receive priority consideration for all downgrades in your designated Exchange(s) in which you have expressed an interest;
 - You will receive consideration, along with non-surplus employees, for all upgrades within your designated Exchange(s) in which you have expressed an interest.
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Hometown Job Security Commitment (HJSC), Continued

**General
Guidelines
(continued)**

NOTE: Priority consideration means surplus employees will be *considered* for laterals and downgrades prior to employees with regular transfer requests on file. *Selections* will be made based on length of service [Net Credited Service (NCS)], demonstrated abilities and service requirements also taking into consideration that the employee is surplus.

You must meet all qualifications as indicated on the applicable job brief in order to be considered for placement. If you are made an offer, you will have one (1) business day to accept or decline the offer.

The HJSC Request must be submitted with the associated Job Interest Survey Worksheet. With either option, you will be allowed four job offer declinations. You will be advised with your third declination that you will be allowed one more job offer declination. With your fourth declination, your HA or HB Request will be canceled. However, you will be able to submit regular Job Vacancy Requests for any titles/locations which you have not declined within the past three months.

**Important
Notes About
HJSC**

The four declinations apply to the number of declinations before your HJSC Request is canceled. However, if you are at risk and you decline any HJSC job offer, regardless of whether it is a lateral, downgrade, or upgrade, and you are not subsequently placed by the Force Disposition Date, you will be terminated without a severance payment. A declination of the HJSC offer also disqualifies your participation in the Voluntary Severance Candidate Process.

Once you elect HJSC, you cannot revert to treatment under the terms of the Force Adjustment Article. You can switch between the two options (that is, change HA to HB or HB to HA). If you did not initially select five (5) Exchanges, you can add additional Exchanges, but you cannot change any Exchange already selected.

Continued on next page

Hometown Job Security Commitment (HJSC), Continued

Questions and Answers

1Q	How long after I'm declared surplus, do I have to invoke the HJSC?
1A	You may invoke the HJSC by advising the Company not less than two days and not more than 28 days (or by such later date as determined by Management) following the date of the formal surplus notification. Prior to invoking the HJSC, you will be treated under the terms of Article XVII, Force Adjustment.
2Q	What criteria must I meet to be eligible for HJSC?
2A	For Option A, you must be already qualified for consideration, or become qualified by passing the Keyboarding Skills Test – Level 1 and the appropriate operator and entry level clerical tests, and you <u>must be meeting expectations on your current job</u> . This is not required for Option B. However, an employee who has declined a lateral job offer within the FAA prior to invoking the HJSC will not be eligible for either option.
3Q	After I invoke the HJSC, can I change my mind and revert to treatment under the terms of Article XVII, Force Adjustment, and be eligible for an Involuntary Severance Payment, or can I invoke the Employment Security Commitment (ESC)?
3A	No. Once an employee selects an HJSC option, prior to the FDD he/she may change his/her election between the two options. However, once an employee selects an HJSC option, the employee cannot revoke that decision and revert to treatment under Article XVII, Force Adjustment, or the ESC.

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Hometown Job Security Commitment (HJSC), Continued

**Questions and
Answers**
(continued)

4Q	If I decline a job offer in the FAA prior to invoking the HJSC am I still eligible to invoke it?
4A	If you decline an upgrade or downgrade in the FAA prior to invoking the HJSC, you are still eligible. If you decline a lateral in the FAA prior to invoking the HJSC, you are no longer eligible. However, if you elect to invoke one of the HJSC Options, any offers declined prior to electing HJSC will count against the four job offer declinations afforded by your HJSC Request.
5Q	Can I change the Exchanges I originally selected?
5A	Once selected, the Exchanges may not be altered or modified. However, you may supplement them up to the maximum of five.
6Q	Am I still eligible to participate in the Voluntary Severance Candidate Process if I elect HJSC?
6Q	Yes, provided the VSC match is in one of the Exchanges you designated on your JISW <u>and</u> is within your FAA/EFAA. You must also not have previously declined a HJSC offer (lateral, downgrade or upgrade) during the surplus condition.

Surplus Leave of Absence (SLA)

Introduction A regular “at risk” surplus employee who has invoked the “Hometown A” option and has not received a job offer in his/her designated Exchange(s) by the Force Disposition Date will be removed from the active payroll and placed on a Surplus Leave of Absence. The period of the SLA shall extend up to twenty-four (24) months from the date the employee leaves the active payroll.

Educational Program Available While on the SLA, you will be eligible to participate in an educational development program that will provide training and/or tuition up to a maximum Company expense of \$5,000 per employee, not to exceed an overall Company total of \$3 million over the life of the contract. This educational development program will be jointly administered by the Union and the Company through the Training Advisory Board (TAB).

Guidelines The Training Advisory Board will provide general guidelines on the types of training/development that are acceptable, monitor participation and expenses associated with the program, and resolve issues if there is a disagreement on whether a course should be approved or not.

The training you receive through the educational development program does not have to be telecommunications-oriented, but it does need to be career-oriented. Training cannot be geared to hobbies or leisure activities and all training through the program must be from an approved facility. If you are interested in participating in the program and are eligible, you will need to submit form SW-1107, Training/Retraining Application, to indicate your training interest. It is important for you to indicate on the form that you are requesting the training through the educational development program.

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Surplus Leave of Absence (SLA), Continued

Conditions for VSP

You will receive a Voluntary Severance Payment (VSP) payable in monthly installments of 1/24th of the total VSP. If during the period of the leave you decline an offer in any of the designated Exchanges, the SLA will be canceled. You will be considered to have resigned, the monthly VSP payments will cease and no further VSP payments will be due to you. If you decline a job offer and you are retirement eligible, you may still elect to retire.

If you elect to retire, which may or may not occur as a result of declining a job offer, the SLA will be canceled, the monthly VSP payments will cease and no further VSP payments will be due to you.

NOTE: Employees who are eligible to receive a Service Pension as of the beginning of the Surplus Leave of Absence (SLA), or who become Service Pension eligible at any time during the leave, will remain entitled to all benefits otherwise available to retirees as of the Pension Effective Date.

Requirements

During the period of leave, you must maintain an active regular transfer on file for the Exchange(s) originally designated on your Hometown A Request. You will be considered for all jobs for which you are qualified at all locations in the designated Exchange(s). (Remember, if you did not initially select five (5) Exchanges, you can add additional Exchanges; but you cannot change any Exchange already selected.) You will receive consideration for all jobs along with other non-surplus employees.

If you receive and accept a job offer from the Company, you will not suffer a break in your term of employment for pension purposes for the period of leave, and your Net Credited Service (NCS) will be bridged immediately upon return to the active payroll.

Prior to the start of the SLA you will need to complete form SBC30511, Surplus Leave of Absence (SLA), (**Exhibit 11**) and forward it to your supervisor. Your supervisor will complete his/her portion and submit the online Leave of Absence (LOA) application in the LOA Website <https://hrweb01.sbc.com/hro/loa/ssl/loa.asp>.

A chart with the basic elements described above is shown on page 26, along with other information regarding benefits like medical, life insurance, telephone concession, etc.

Continued on next page

Surplus Leave of Absence (SLA), Continued

Questions and Answers

1Q	Can any employee go on a Surplus Leave of Absence?
1A	No. Only an “at risk” employee who is formally declared surplus, has invoked the Hometown Job Security Commitment (HJSC – Option A), and who does not receive an HJSC offer prior to the Force Disposition Date (FDD).
2Q	If I invoke the HJSC Option A, and I decline a job offer in my designated Exchange(s), am I still eligible for the Surplus Leave of Absence (SLA)?
2A	No. After invoking the HJSC, and prior to the FDD, you will be offered upgrade/downgrades for jobs for which you have expressed interest as indicated on your Job Interest Survey Worksheet (JISW) and laterals in your designated Exchange(s). If you decline one of these HJSC job offers, you will not be eligible for the SLA. At the FDD, you will be terminated. A severance payment is not applicable in this situation. Likewise, if you invoke the HJSC Option B, and decline a job offer as described above, at the FDD you will be terminated without a severance payment.
3Q	If I go on the SLA, will I only receive job offers for upgrades/downgrades listed on my JISW and laterals in my designated Exchange(s)?
3A	During the period of the leave, you must maintain an active regular transfer on file for the Exchange(s) originally selected, and you will be considered for all jobs for which you are qualified at all locations in the designated Exchange(s). While on a SLA, you will be considered for applicable job offers in the same order as active, non-surplus employees.

Continued on next page

Surplus Leave of Absence (SLA), Continued

**Questions and
Answers**
(continued)

4Q	If I go on the SLA, prior to the 24 months expiring, can I cancel the SLA and receive the balance of the monthly Voluntary Severance Payments?
4A	No. You can change between Options A and B <u>before</u> your FDD. However, once you are on the SLA, you cannot revert to Option B and receive the balance of the monthly VSP in a lump sum.
5Q	If I decline a job, or elect to retire while on the SLA, will I receive the balance of the Voluntary Severance Payment?
5A	No. If during the period of the leave, you decline any job offer from the Company in the designated Exchanges, the SLA shall be canceled, you will be considered to have resigned, the monthly VSP installments shall cease, and no further payments will be made. If during the period of the leave, an eligible employee decides to retire, which may or may not occur as a result of declining a job offer in the designated Exchange(s), the SLA shall be canceled and the monthly VSP installments shall cease, and no further VSP payments will be due the employee.
6Q	Can I work while I am on a SLA?
6A	Yes, provided you are not working for an AT&T Company.

Continued on next page

SURPLUS ORIENTATION PACKAGE

Surplus Leave of Absence (SLA), Continued

ELEMENTS OF THE SURPLUS LEAVE OF ABSENCE (Applies only to Hometown A Option)

Eligibility	All bargained-for at-risk employees who are part of a surplus work group, and who request the leave on or before the twenty-eighth calendar day following the affected employee's surplus notification.
Minimum Duration	None
Length of Leave	This leave may be granted for a maximum of 24 months. The leave will terminate at the end of the 24 month leave period, or when either: 1) the employee receives a job offer within the Exchange(s) designated by the employee. 2) the employee accepts employment with AT&T Communications Inc., any of its subsidiaries, joint ventures or entities, any of their competitors, or any companies involved in divestiture; or 3) an eligible employee elects to retire.
Service Credit	Upon return to work, the employee will receive service credit for the length of the leave, up to a maximum of 30 days.
Severance Pay	Company pays 1/24th of the employee's severance pay each month, as calculated from the day next following the force disposition date.
Job Reinstatement	Provides no guarantee that at the end of the leave the employee will be returned to the same or any other position of employment.
CustomCare/HMO, Dental, and Vision	Company-extended coverages are available, subject to regular Company and employee contributions, as such contributions are applicable and existed immediately prior to the start of the leave, until the end of the month in which the leave begins, then for the duration of the leave Company-extended coverages are available, subject to the employee paying the full cost of coverage; COBRA continuation coverage is available as an alternative.
Basic Group Life and AD&D Insurance	Company-paid coverage will continue through the end of the leave.
Seat Belt Incentive	Terminates the day before the effective date of the leave.
CarePlus	Company-extended coverage is available, subject to regular employee contributions as such contributions are applicable and existed immediately prior to the start of the leave, for the duration of the leave.
Supplementary Group Life, Dependent Group Life, and Long-Term Care Insurance	Coverage may continue through the end of the leave by making the required contributions.
Dependent Care Reimbursement (DCRA) Medical Care Reimbursement Account (MCRA)	DCRA deposits cease at the beginning of the leave. MCRA pre-tax deposits cease immediately at the start of the leave; COBRA continued coverage is available for continuation of MCRA coverage, including deposits on an after-tax basis.
Savings Plan	Participation is suspended during the leave. Employee obligation under the loan provision continues.
Educational Development	Tuition assistance and training will be jointly administered by the Union and the Company through the Training Advisory Board, up to a maximum Company expense of \$5,000 per employee, not to exceed an overall Company total of \$3 million over the life of the contract.
Telephone Concession	Telephone concession will continue until the end of the month in which the leave begins.

Job Offer Guarantee (JOG)

Introduction The Job Offer Guarantee (JOG) is a commitment between the Company and the Union that guarantees employment security from involuntary layoff to qualified surplus regular employees who have not received a job offer within their Job Vacancy Scope by their Force Disposition Date or Extended Force Disposition Date. The JOG is part of the Employment Security Commitment which supplements the existing employment provisions in Article XVII, Force Adjustment of the 2009 Labor Agreements.

Requirements In order to be considered for the JOG, a surplus regular employee must file a Surplus Transfer Request within the initial 28 day period following surplus notification and must meet the following conditions:

- The employee must have been on the payroll on July 1, 2004.
- The employee has not refused an opportunity to follow-the-work within his/her Job Vacancy Scope (see Appendix F of the 2009 Labor Agreements for specifics to your scope).
- The employee has not invoked Hometown Job Option A or B.
- The employee has not refused a job offer in his/her Job Vacancy Scope through a Job Vacancy Request, a Surplus Transfer Request or the Voluntary Severance Candidate matching process.
- The employee is already qualified for consideration, or becomes qualified by passing the Keyboarding Skills Test – Level 1 and the appropriate operator and entry level clerical tests.
- The employee meets all expectations on his/her current job in all categories.
- The employee completes the Employment Security Commitment Election Form (**Exhibit 5**) within 60 days of the surplus notification (or a later date as determined by management).

NOTE: Since the Company commits to guarantee a job offer in the Job Vacancy Scope, a surplus employee who elects to invoke the Job Offer Guarantee waives his/her right to displace a junior employee as outlined in Article XVII, Force Adjustment, Sections 3.g. and 3.h.

Continued on next page

Job Offer Guarantee (JOG), Continued

Terms and Conditions

Within sixty (60) days of the date of Surplus Notification (or a later date as determined by management), you must advise the Company of your election to “invoke” or participate in the JOG. This requires completing the Employment Security Commitment Election Form (**Exhibit 5**) and submitting it to your supervisor. Failure to submit the form within this time frame will constitute rejection of the JOG.

If you invoke the JOG, beginning on the ninety-first (91st) day following the date of Surplus Notification (or on the day following the anticipated Force Disposition Date for those surplus situations declared more than ninety [90] days in advance), you will be considered for all jobs (lateral, downgrade or upgrade) at all locations within your Job Vacancy Scope.

The JOG job offer will be made to qualified surplus employees in the Surplus Work Group by order of seniority. The employee will have one (1) business day to accept the offer after which it will be considered rejected. Rejection of a JOG job offer voids the Employment Security Commitment and will be considered an election by the employee to continue under the terms of Article XVII, Force Adjustment, except for the displacement provisions. A qualified surplus employee who at his/her Force Disposition Date is entitled to, but has not yet received a JOG job offer will remain on the payroll at his/her existing wage rate and will be assigned work within the Force Adjustment Area as management deems appropriate until the guaranteed job offer is made.

NOTE: No job offer will be made unless the candidate is qualified or becomes qualified for the position. If the employee is not already qualified, he/she will be scheduled for testing. If the employee declines testing, the JOG is cancelled and the employee leaves the payroll (see JOG Job Offer Declination following). If the employee takes the test and does not qualify, he/she will not be offered the job. If the employee qualifies, he/she will be offered the job. If he/she declines, the JOG is cancelled and the employee leaves the payroll.

Continued on next page

Job Offer Guarantee (JOG), Continued

JOG Job Offer Declination If an employee who has been retained on the payroll following his/her Force Disposition Date/Extended Force Disposition Date (FDD/EFDD) **declines** the JOG job offer and the offer is a:

- Lateral within the employee's FAA, the employee will be considered to have resigned.
- Lateral outside the employee's FAA but within the Job Vacancy Scope, the employee will be terminated with an Involuntary Severance Payment (ISP).
- Downgrade or upgrade within the Job Vacancy Scope, the employee will be terminated with an ISP.

An employee who has been retained on the payroll beyond his/her FDD/EFDD and who rejects the JOG when made, will be subject to treatment outlined above. The amount of wages received during the period from the FDD/EFDD to the termination date will be deducted from any severance payment due.

Extended Employment Opportunity Period (EEOP)

A new "Extended Employment Opportunity Period" MOA became effective with the 2009 Labor Agreements. This MOA provides a Job Offer Guarantee for employees hired as Regular after July 1, 2004 but prior to April 5, 2009. The guaranteed job offer may be for any CWA-represented job in any location in the Southwest region (Texas, Missouri, Kansas, Oklahoma and Arkansas) and at any of the companies in the Southwest core contract, in SBC Internet Services, Inc., or in any Legacy T company, as long as the job is located within the Southwest region. See Exhibit 19 for a copy of the EEOP Election form.

Continued on next page

Job Offer Guarantee (JOG), Continued

Questions and Answers

1Q	Can an employee revoke his/her Employment Security Commitment?
1A	Yes, under the following terms: <ul style="list-style-type: none"> • Before Day 60 with no penalty • Between Day 60 and Day 90 with loss of displacement rights • After Day 90, ISP will be offset by wages earned during the JOG period.
2Q	What happens if an employee refuses a job <u>assignment</u> in the FAA while they are waiting for a JOG job offer?
2A	Rejection of a guaranteed job offer voids the ESC, and shall be considered an election by the employee to continue under the terms of Article XVII, Force Adjustment, of the 2009 Labor Agreements (except for displacement provisions outlined in Section 3.g. and 3.h. of this Article). Any employee who has been retained on the Company payroll beyond his/her FDD pursuant to the ESC and who then rejects the guaranteed job offer shall be terminated or considered to have resigned, depending on the type of offer declined.
3Q	If I refuse a guaranteed job offer will I still receive a severance payment?
3A	That depends on the type of offer you decline. If the guaranteed job offer is a lateral within the FAA, you will be considered to have resigned, and will not receive a severance payment. If the offer declined is a lateral outside your FAA or a downgrade or upgrade, you will still be eligible for an involuntary severance payment. The amount of wages received during the period from the FDD/EFDD to the termination date will be deducted from any severance pay due.
4Q	Will a regular part-time job be offered during the expanded job search period?
4A	Normally, a part-time job would not be offered. However, in the event an ESC participant does receive a part-time job offer during the expanded job search period, he/she may decline the offer without penalty.

Continued on next page

Job Offer Guarantee (JOG), Continued

**Questions and
Answers**
(Continued)

5Q	If an employee is not at top wage when they invoke the JOG, will they still receive 6-month increases?
5A	Yes.
6Q	While employees are being kept on the payroll under the Employment Security Commitment, do they have to work whatever hours and at whatever location (within the FAA) the Company determines?
6A	Yes. The employee will be covered by the provisions of Article VI, <u>Hours of Work</u> , for scheduling purposes. If the location assigned is not the employee's Regular Place of Reporting, the employee will be covered by the provisions of Article XVI, <u>Travel</u> .
7Q	If I accept a job under the JOG that is outside my FAA, am I entitled to relocation reimbursement?
7A	Yes, as long as you meet the requirements of Operating Practice 63, Relocation.
8Q	Do JOG employees have retreat rights?
8A	No.

Follow-The-Work

Introduction In certain surplus conditions, you may be offered the opportunity to follow-the-work (i.e., your job may be moving to a different work location and/or work group). If this is the case, your supervisor will be contacting you to determine your decision regarding this option.

Terms and Conditions You will be asked to complete a form indicating your acceptance or declination of this offer (see **Exhibit 12**). You must notify the Company of your decision within thirty (30) calendar days following your surplus notification or by such later date as determined by management. Failure to notify the Company by the deadline date will be considered as a rejection of the offer.

NOTE: If you are uncertain about your decision to follow-the-work, you should file a Surplus Transfer Request (STR) or a Hometown Job Security Commitment (HJSC) Request within the allotted time frame in order to be considered for the Voluntary Severance Candidate Process and to be eligible for an Involuntary Severance Payment (ISP) or Voluntary Severance Payment (VSP), as applicable. Follow-the-work is only applicable for employees electing HJSC if the follow-the-work location is in one of the Exchanges designated on the HJSC Request.

Guidelines If your work group has the opportunity to follow-the-work to another work group, the employees from both work groups will be considered for available jobs in the consolidated work group on “pooled seniority” basis. If your seniority does not secure a position at the pooled seniority “to” location, you will be treated as if you had no follow-the-work offer.

If you accept a follow-the-work offer, your assignment is made at the “to” location on a date specified by management. Your STR or your HJSC Request, if previously filed, will be canceled. (Regular Job Vacancy Requests remain on file.)

Follow-the-work outside the region (outside District 6 but to another AT&T CWA-represented bargaining unit) is considered a job offer.

Continued on next page

Follow-The-Work, Continued

Declinations If you decline a follow-the-work offer, your STR or HJSC Request, if previously filed, remains active.

Rejection of a follow-the-work offer impacts other provisions you have under the Force Adjustment Article or HJSC as follows:

- If you are “at risk” and did submit a STR; and the offer is in your Force Adjustment Area (FAA); and you are not placed by the Force Disposition Date (FDD), you will be considered to have, in effect, resigned.
- If you are “at risk” and did submit an HJSC Request; and the offer is in one of your designated Exchanges; and you are not placed by the FDD, you will be considered to have, in effect, resigned.
- If you are “at risk” and did not submit a STR or HJSC Request; and the offer is in your FAA; and you are not placed by the FDD, you will be considered to have, in effect, resigned.
- If the offer is outside of your FAA and you did submit a STR, you will remain eligible for a Severance Payment and extension of your FDD. You will not be eligible to participate in the displacement process under Article XVII, Section 3.g., but would be entitled to displacement considerations under Section 3.h.
- If the offer is within your Job Vacancy Scope and you have filed a STR, you will not be eligible to invoke the Job Offer Guarantee (JOG).

Continued on next page

Follow-The-Work, Continued

Questions and
Answers

1Q	It appears from the language of Section 3.c. of the Force Adjustment Article that surplus employees do not have until the FDD to make a decision related to follow-the-work.
1A	Yes, that’s true. Where applicable, affected employees must advise the Company within 30 days following surplus notification of their acceptance of the follow-the-work offer. In cases where there are more than 60 days between the date of notification and the FDD, Management may establish a later date for employees to confirm their acceptance of the offer, but the later date must be communicated to the work group at the time the surplus is announced.
2Q	Is there any obligation to hold a job at the follow-the-work location beyond the 30th day (or such later date as established by Management)?
2A	If the employee initially refuses the follow-the-work job offer, the Company can proceed to fill the job at the “to” location. If, however, the employee later changes his/her mind and wants to follow-the-work, this request can be accommodated, <u>provided</u> a job is still available at the “to” location.
3Q	What if the surplus employee first accepted the follow-the-work job offer and later changes his/her mind?
3A	The employee cannot be forced to follow-the-work, but because his/her STR was canceled upon acceptance of the job offer, a new STR must be filed in order for the employee to receive surplus treatment. However, based on the time remaining before the FDD, the employee should be cautioned that there is no guarantee of an ISP, a VSP or placement, as the surplus condition may be otherwise cleared.

Continued on next page

Follow-The-Work, Continued

**Questions and
Answers
(Continued)**

4Q	<p>How is a surplus employee who accepts a follow-the-work offer and subsequently declines treated in regard to the application of VSP versus ISP? <i>For example:</i> A surplus employee submits a STR and has it on file on the 28th day. The surplus employee receives and accepts the follow the work offer. The Staffing Office is notified and cancels the STR. The employee later changes his/her mind and decides not to follow the work and resubmits a STR after the 28 day timeframe. Is he/she eligible for VSP or ISP?</p>
4A	<p>The employee in the situation above is eligible for an ISP. An employee who had a STR on file before the 28th day time frame, but not on file on the 28th day, and later resubmits after the 28th day, is only eligible for VSP. This is because he/she did not have a STR on file on the 28th day.</p> <p>In addition, for declination purposes, one would need to know whether the follow-the-work offer was inside or outside the FAA to determine eligibility for either type of severance (page 63, SOP). <i>For example:</i> If someone declined a lateral follow-the-work offer within his/her FAA, he or she would receive no severance; If someone declined a follow-the work offer outside the FAA he/she would receive ISP.</p>
5Q	<p>If I accept follow-the work, do I keep my time-in-title?</p>
5A	<p>You will retain your time-in-title.</p>

Reassignment Pay Protection Plan (RPPP)

Introduction If you, as a surplus employee, accept a position where the rate of pay is **less than** the rate of pay on your current job, you are eligible for a RPPP lump sum payout. The RPPP allows you to receive a payout upon reporting to your new position, based on your length of service in accordance with the table on **Exhibit 13**.

The receiving department is responsible for completing the RPPP payout form, SBC30408 immediately after the employee reports to the new department.

Important Note Where the total payout exceeds \$5,000, you will receive an initial payment of \$5,000 at the time you report to your new position. Subsequent payments of \$5,000 (or a portion thereof) will continue to be made at six-month intervals until you receive the total amount, provided the following conditions are met:

- You have a valid transfer request on file to return to the same job level you held in the surplus work group.
- You have not rejected a job offer at that prior job level; and
- You have not been returned to a job at that prior job level.

Any former surplus employee who receives RPPP may immediately submit a RPPP Request to return to his/her prior job level and will receive priority consideration for such vacancies for a period of 2 years following placement in the new position.

Continued on next page

Reassignment Pay Protection Plan (RPPP), Continued

Assignments to Console Operator and Central Office Assistant Surplus employees assigned to the Console Operator and Central Office Assistant titles from a position with a higher rate of pay will be eligible for a Transition Allowance in accordance with the table below:

TRANSITION ALLOWANCE *				
<u>CONSOLE OPERATOR AND CENTRAL OFFICE ASSISTANT</u>				
Weekly Difference		Years of Net Credited Service		
		<10	10<25	25+
\$ 0.50	\$ 99.50	\$260	\$1,050	\$ 3,150
\$100.00	\$149.50	\$350	\$1,320	\$ 4,250
\$150.00	\$199.50	\$450	\$1,660	\$ 5,750
\$200.00	\$249.50	\$600	\$2,090	\$ 7,770
\$250.00	+	\$790	\$2,630	\$10,500

* Payment of the allowance is subject to the same conditions specified in the Note in Article XVII, Force Adjustment, of the 2009 Labor Agreements, Section 4.a.(2)(Note 1). Such employees are not eligible for the Reassignment Pay Protection Plan.

- Notes:
1. RPPP will not apply to surplus employees who accept an assignment to the titles of Sales Clerk, Sales Agent, Console Operator or Central Office Assistant.
 2. Neither RPPP nor the Transition Allowance will apply to employees engaged or re-engaged as occasional and temporary employees.
 3. An employee returning from a Surplus Leave of Absence will have the amount of monthly Voluntary Severance Payments received during the leave deducted from any RPPP or Transitional pay-out.

Continued on next page

Reassignment Pay Protection Plan (RPPP), Continued

Questions and Answers

1Q	Article XVII, Force Adjustment, Section 4.a.(2) (a) Note 1, provides that when the total RPPP payout amount exceeds \$5,000, the employee will receive an initial payment of \$5,000, at the time they report to the new position and the balance will be paid at six-month intervals in subsequent \$5,000 increments (or portion thereof), <u>provided</u> three conditions are met. One of these conditions, paragraph (ii), states that the employee has not rejected a job offer at the prior job level. Does this apply only to job offers in the Force Adjustment Area (FAA)?
1A	The employee actually makes this determination when submitting the transfer request to return to their original level. As with any Transfer Request, the employee may specify one of the location options as outlined in Article XIII, Job Vacancy, Section 1.b. (1), (2) and (3). The continuance of the RPPP payout amount is therefore dependent upon an employee not refusing a job offer at his/her prior level for which he/she has a valid Transfer Request on file.
2Q	Should any additional amounts, such as night differential or special city allowance, be added to the RPPP payout table?
2A	No. The total RPPP payout amount should be taken from the table based on the weekly difference in basic wages between the surplus job and the new lower rated job.
3Q	Explain Section 4.a.(2) (a), “Priority consideration for return to the previous job level and FAA”.
3A	Employees who receive the RPPP Payout, and who file an appropriate Transfer Request, will be considered for openings at their previous job level <u>concurrently</u> with employees who have filed a Surplus Transfer Request and <u>before</u> employees who have filed regular Transfer Requests. Further, this provision is not limited to the former FAA as is the provision outlined in Section 5.b. of the Force Adjustment Article.
4Q	Do you recalculate the RPPP Payout amount if either the employee’s length of service or wage’s increase?
4A	No. The amount is locked-in at the time the employee accepts the lower-rated job.
5Q	Do I have to repay my RPPP if I am placed back to my former level?
5A	No. Repayment of RPPP is applicable only after a retreat to the original surplus position.

Continued on next page

Reassignment Pay Protection Plan (RPPP), Continued

**Questions and
Answers**
(continued)

6Q	If an employee rejects a job offer at his/her prior level after having opted for the RPPP Payout, who is responsible for stopping the RPPP payments?
6A	It would normally be the employee’s current supervisor. If the employee is entitled to receive additional RPPP payments, the department must re-submit the form to the Special Pay Unit. If the form is not submitted, the employee does not receive additional payments.
7Q	What happens to my Basic and Supplementary Life Insurance if I am placed in a job that pays less than my surplus job?
7A	If you were assigned to a job with a lower rate of pay as a result of being declared surplus, your wages and associated life insurance coverage are reduced immediately.
8Q	In order to continue receiving the \$5,000 incremental RPPP payments (or portion thereof), do employees have to keep their qualifications current on their Transfer Requests?
8A	Yes.
9Q	Can I roll over any RPPP payout amount into an IRA?
9A	No. The payments are not qualifying distributions and cannot be rolled over to an IRA. They are taxable as ordinary income in the year in which such payments are made.
10Q	Does the definition of lateral, plus or minus five dollars, apply for RPPP purposes?
10A	No. The definition does <u>not</u> change the application of the provisions of the RPPP; i.e., RPPP will continue to apply only in surplus situations and when an employee is assigned to a vacancy where the maximum rate of pay is less than the maximum rate for the employee’s surplus job even if the transfer is considered a “lateral” under the definition. This also applies to the Transition Allowance.
11Q	If I receive the RPPP payout, will Savings and Security Plan allotments be taken from that payment(s)?
11A	No. RPPP payments are not eligible compensation for the Savings and Security Plan.

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Reassignment Pay Protection Plan (RPPP), Continued

Questions and Answers
(continued)

12Q	If an employee who has received a lump-sum RPPP payment retreats (Company or employee initiated) to his/her former surplus position, does he/she have to repay the amount?
12A	<p>The supervisor should calculate the “wages lost” while the employee was on the lower-rated job, i.e.,</p> <p>Weekly Wage Rate of original “surplus” job - Weekly Wage Rate of lower-rated job ÷ 5 = daily difference in wages x number of days on lower-rated job = “Wages Lost”</p> <p>The product should be deducted from the RPPP payment and the resultant amount (reduced RPPP payment) recorded for later use. The supervisor should also inform the employee of the following pay-back provisions.</p> <ol style="list-style-type: none"> 1. If the surplus employee is ultimately placed in another position for which a RPPP lump sum payment is applicable, and the new RPPP lump-sum is: <ol style="list-style-type: none"> a) <u>greater than</u> the “reduced RPPP payment” previously calculated, the employee should receive <u>the difference</u>. b) <u>less than</u> the “reduced RPPP payment” previously calculated, make arrangements for the employee to repay the difference by payroll deductions of ten (10) percent of the employee’s basic weekly wage rate until the amount owed has been repaid. c) equal to the “reduced RPPP payment” previously calculated, <u>do nothing</u>. The employee is not entitled to an additional RPPP payment nor required to pay back any amount. 2. If the surplus employee is ultimately placed in another position for which a RPPP lump-sum payment is not applicable (i.e., top wage rate of new job is ≥ top wage rate of surplus job), make arrangements as in 1.b. above, for repayment of the entire “reduced RPPP payment.” 3. If the surplus employee is ultimately terminated and entitled to a severance payment, deduct the “reduced RPPP payment” from the severance payment and pay the difference. 4. If the employee is no longer surplus (e.g., surplus satisfied by other employees or canceled), make arrangements as in 1.b. above, for repayment of the entire “reduced RPPP payment”.

Reassignment Pay Protection Plan (RPPP) Request

Introduction Any former surplus employee who has elected to receive RPPP, upon reporting to their new job, may immediately submit a RPPP Request to return to their prior job level and will receive priority consideration for such vacancies for a period of two years following their placement in the new position. The RPPP Request will be automatically renewed if applicable.

Guidelines The RPPP request will be considered one of the employee's seven valid Job Vacancy Requests, as provided for in Article XIII, Job Vacancy, of the 2009 Labor Agreements. A RPPP Job Interest Survey Worksheet (located on OneStop or Section 5 - Job Vacancy Manual) must be completed and provided along with the request to the local Staffing Office.

Consideration The employee will be given priority consideration for all job titles at the level of the job that qualified the employee for RPPP as indicated on the worksheet, as well as be considered for any locations as indicated on the worksheet. Relocation expenses are not applicable to RPPP placements.

Terms & Conditions If the employee declines one job offer, the RPPP Request will be canceled in its entirety. The employee will not be allowed to submit another request for the RPPP situation. If the RPPP payout exceeds \$5,000 and the employee declines a job offer to return to his/her prior job level, he/she will not receive subsequent payments after the initial \$5,000 payment.

Note: Instructions for completion of the RPPP Request can be found in Section 2 of the Job Vacancy Manual. Instructions for completion of the RPPP Job Interest Survey Worksheet can be found in Section 5 of the Job Vacancy Manual.

Continued on next page

Reassignment Pay Protection Plan (RPPP) Request, Continued

Questions and Answers

1Q	Will I have retreat rights if I am placed as a result of a RPPP Request?
1A	No.
2Q	How will my time-in-title and time-in-location be affected by a RPPP Request?
2A	Time-in-title and location will be waived on your current job. If you are placed as a result of your RPPP Request, your time-in-title and location will start over on the new job.

Severance Payments

Voluntary Severance Payment (VSP) Process

A Voluntary Severance Payment (VSP) is a payment that may be offered by your department to certain surplus and/or non-surplus employees as business needs dictate in order to eliminate a surplus condition. This payment may be offered to you no earlier than 28 calendar days after being notified of the surplus condition.

Terms and Conditions

The offers of a VSP can be made to affected employees in any order but the acceptances must be taken in seniority order to the extent necessary to eliminate the surplus. Surplus employees who are offered a VSP will have 4 business days to respond to the offer. If you fail to respond to the offer within that time frame, you will be considered to have rejected the offer.

NOTE: To determine your VSP amount, refer to **Exhibit 4**, “Voluntary Severance Payment Table.”

Disability/ FMLA Absences

If you are on disability or FMLA protected absence and are part of a work group declared surplus your supervisor will contact you at the time of the surplus declaration to explain your surplus options. You will be considered, in seniority order, with other affected employees in the surplus work group, as the provisions of the Article XVII, Force Adjustment, are administered. During this process, you will be offered all options, if applicable, related to Follow-the-Work, a Surplus Transfer Request, a Voluntary Severance Payment or a Transitional Leave of Absence (TLOA), etc., while you are on a disability or FMLA protected absence; however, the outcome of your decisions will not take effect until your return to work. If, for example, you elect, and are granted a Voluntary Severance Payment (VSP) in accordance with Section 3.d. (1) of Article XVII, at such time that your disability case is closed and you are released to return to work full-time, you will be terminated with a Voluntary Severance Payment (VSP).

Continued on next page

Severance Payments, Continued

Involuntary Severance Payment (ISP)

An ISP is available only to employees who have submitted a STR during the 28 day period subsequent to surplus notification. The payment is offered at the Force Disposition or Extended Force Disposition Date to any remaining “at risk” surplus employees who:

- have not already elected a VSP;
- have not invoked the HJSC;
- have not resigned by nature of their refusal of a lateral assignment in the Force Adjustment Area; or
- have not canceled their STR.

NOTE: To determine your ISP amount, refer to **Exhibit 4**, “Involuntary Severance Payment Table.” **IMPORTANT:** If you are paid a Severance Payment and subsequently hired (within 24 months) within the core contract from which you were involuntarily terminated, you must pay back the Severance Payment on a pro rata basis.

No STR Submitted - Effect on Severance Payments

If you are an “at risk” employee and have not submitted a Surplus Transfer Request (STR) or elected the Hometown Job Security Commitment (HJSC) during the allotted period subsequent to surplus notification (day 28 for the STR and day 2 through 28, or such later date as determined by management, for the HJSC), you will not be considered for further openings through the Voluntary Severance Candidate Process (VSCP) and will not be eligible for an Involuntary Severance Payment (ISP) if the surplus condition is not cleared by the Force Disposition Date (FDD).

If you have not been placed by the FDD, you will be considered to have elected to voluntarily resign and accept a VSP.

Continued on next page

Severance Payments, Continued

Questions and Answers

1Q	Does the VSP have to be offered on the 28th day?
1A	In the case of an FDD that is beyond the minimum 60 day notification period, it is not required that VSPs be offered on the 28 th day; however, they can be offered <u>no earlier</u> than the 28 th day. VSPs must be offered prior to beginning the VSCP.
2Q	Why does a surplus employee who accepts a VSP offer have to stay on the payroll until the FDD?
2A	In many cases, the work in the surplus group will not yet have been curtailed or discontinued at the point the VSP is offered (i.e., 28 days after the surplus notification). Therefore, the surplus employee must continue to perform his/her job. However, in some situations, the work could be curtailed prior to the FDD and, in those cases, the employee could be allowed to leave sooner.
3Q	How does the Wage Progression Treatment footnote work on the Involuntary and Voluntary Severance Payment Tables?
3A	To use these tables, you must first determine the applicable Pension Band. Do this by using the Wage Progression Schedule for your current Job/Title Classification. (Refer to Appendices A – E and I to determine the appropriate pension band.) The Pension Band is shown on the Wage Progression Schedule at the bottom of the column. Once you have the Pension Band, use the appropriate column on the Severance Payment Table and locate the point of intersection with your completed years of Net Credited Service to determine the dollar amount. Multiply that dollar amount by the appropriate percentage in the footnote, based on your Wage Length of Service, to determine the final amount of the severance payment.
4Q	Why are the Voluntary Severance Payment Table amounts less than the Involuntary Severance Payment Table amounts for an employee who has the same Pension Band and completed years of Net Credited Service?
4A	Two levels of severance payments are provided in recognition of the fact that an employee who elects to leave the Company <u>voluntarily</u> , whether in a surplus or non-surplus group, should not receive the same compensation as a surplus employee who wants to continue working, makes every effort to find a job, but, when all efforts at placement fail, is ultimately <u>involuntarily</u> terminated, i.e., laid off.

Continued on next page

Severance Payments, Continued

Questions and Answers
(Continued)

5Q	Are severance payments considered ordinary income?
5A	Yes.
6Q	Explain the four business days that a surplus employee has to respond to an offer of a VSP.
6A	Before a search of the VSC “pool” is begun, surplus employees are solicited for their interest in leaving the Company voluntarily through an offer of a VSP. The four business days gives the employees the opportunity to make this decision.
7Q	Are part-time employees eligible for a VSP, and if so how is the amount determined?
7A	A <u>surplus</u> regular part-time employee is eligible for a prorated severance payment, either Voluntary or Involuntary, as applicable. The amount of the payment is determined by the ratio of the RP classification hours to 40 hours. Then multiply the resultant amount by the RP classification/40 hour ratio to arrive at the final severance payment amount. For example, in the case of a part-time employee classified as RP20, the ratio is 50 percent. Consequently, the employee would be eligible for 50% of the amount derived from the appropriate severance payment table. A <u>non-surplus</u> part-time employee is <u>not</u> eligible for a VSP. By definition, in order to file a VSCR, an employee must be classified as full-time, as outlined in Section 2.j., Article XVII, Force Adjustment.
8Q	How will Severance Payments be taxed?
8A	A standard flat-rate for Federal, State, and Local taxes, that is higher than the average withholding rate, is applicable for all special payments. Local taxes are applicable to Kansas City and St. Louis, MO only. Severance Payments are also subject to Social Security, FICA and Medicare. For current rates you will need to check with the payroll office.
9Q	Can a severance payment be deferred until the following tax year or be taken in monthly increments versus one payment?
9A	No. One payment will be made shortly after termination (approximately four to six weeks).

Continued on next page

Severance Payments, Continued

**Questions and
Answers**
(Continued)

10Q	How do the Force Adjustment/Severance Payment provisions affect me if I am on a Leave of Absence, other than FMLA, and previously worked in a group that has been declared surplus?
10A	You will not be included in your former group's surplus declaration while you are on Leave of Absence, and therefore, are not affected by the provisions of Article XVII, Force Adjustment, of the 2009 Labor Agreements. At the expiration of your Leave of Absence, based on the reinstatement provisions of your specific type of leave, the Company will attempt to return you to a non-surplus job. If there is no work available at the time, you may be eligible for an Involuntary Severance Payment (ISP) in accordance with the provisions of Article XVIII, Severance Payments, Section 1.c., or a Transitional Leave of Absence.
11Q	If I elect a VSP, e.g., but am not released to return to work at the expiration of my disability benefits, am I still entitled to the VSP?
11A	No. Surplus treatment is not applicable to those employees unable to return to work. They may, however, be eligible for a Disability Pension, Service Pension or Long-Term Disability.
12Q	Am I eligible for unemployment compensation if I request and receive a Voluntary Severance Payment?
12A	If you terminate your employment voluntarily, you are <u>generally</u> not entitled to unemployment compensation. You should check with your local State Unemployment Compensation Office to verify eligibility.
13Q	If I accept the Company's offer of a Voluntary Severance Payment, under Article XVII, Force Adjustment, will I receive medical coverage after my employment ends?
13A	If you are not eligible for a service pension, your Company-paid medical coverage will end as of the end of the month in which you terminate employment. (You may elect COBRA coverage.) If you request and receive a Voluntary Severance Payment under Article XVII, and you are eligible for a service pension, you will receive medical coverage as a retired employee under the applicable terms and conditions of such coverage.

NOTE: The above procedures for a regular leave of absence do not apply to FMLA (protected period not associated with a personal disability).

Continued on next page

Severance Payments, Continued

Questions and Answers
(Continued)

14Q	If I am involuntarily terminated and receive an ISP and I am not eligible for a service pension, will I receive medical coverage after my employment ends?
14A	<p>As part of your severance, you are eligible for 12 months of company-extended medical coverage. Part of this coverage <i>may be</i> subsidized by AT&T, depending upon the length of your service with AT&T:</p> <ul style="list-style-type: none"> • If your length of service with AT&T was greater than five years, you are eligible for six months of medical coverage subsidized by AT&T and an additional six months of coverage at 100% of cost to you. • If your length of service with AT&T was between one and five years, you are eligible for three months of medical coverage subsidized by AT&T and an additional nine months of coverage at 100% of cost to you. • If your length of service with AT&T was less than one year, you are eligible for 12 months of medical coverage at 100% cost to you. <p>You will be automatically enrolled in Company-extended medical coverage effective on the first of the month following your separation date from AT&T.</p> <ul style="list-style-type: none"> • NOTE: Any applicable contributions that you were required to make as an active employee will continue to apply during any company-subsidized severance period. <p>As an alternative to the company-extended coverage, you may elect to continue your medical coverage through COBRA for a period up to 18 months at 102% of the full cost of the company-extended coverage. If you elect to continue your medical through COBRA, you will be ineligible to receive the company-extended coverage described above.</p> <p>Any additional information and/or questions should be referred to AT&T Health Benefits Enrollment Center at 1-877-722-0020.</p>
15Q	If I am involuntarily terminated and receive an ISP and decide to retire, will I receive medical coverage after my employment ends?
15A	If you receive an Involuntary Severance Payment under Article XVII, and you are eligible for a service pension, you will receive medical coverage as a retired employee subject to the applicable terms and conditions for such coverage.

Continued on next page

Severance Payments, Continued

Questions and Answers
(continued)

16Q	What happens to my Savings and Security Plan if I accept a VSP under Article XVII, Force Adjustment, of the 2009 Labor Agreements?
16A	<p>If you are eligible for a service pension (meeting the modified rule of 75) or are disabled, you may elect one of the following options:</p> <ol style="list-style-type: none"> 1) receipt of your entire account balance in a lump sum; 2) deferral of distribution until age 70 ½; 3) annual installments (maximum number of installments can be no more than the participant’s life expectancy; distribution of account by April 1 of the Plan year after the year in which the participant reaches age 70 ½ will occur if installments have not begun by end of year participant reaches age 70 ½.) 4) partial distributions of no less than \$1,000 once every 6 months until the end of the year the participant attains age 70 ½ or the election of annual installments (whichever is earlier); 5) delayed distribution option is deleted. <p>If you are not eligible for a service pension (meeting the modified rule of 75) and you are vested, you may receive your entire Savings and Security Plan balance in a lump sum any time after termination prior to end of year of attaining age 70 ½.</p> <p>If you are not vested, you may receive your contributions and the earnings on your contributions in a lump sum at any time after termination prior to the end of the year of attaining age 70 ½. All company contributions and earnings will be forfeited.</p>

Continued on next page

Severance Payments, Continued

**Questions and
Answers**
(continued)

17Q	How do I know if I am vested?
17A	You are vested if you have five or more years of vesting service.
18Q	What happens to my Savings and Security Plan account if I am laid off with an ISP?
18A	A participant's account in the Savings and Security Plan is immediately vested effective with the date of layoff. An employee who has been placed in layoff status is eligible to take full distribution of his/her account (same as terminated employees) as soon as the layoff code is received at the service center. Laid off employees have 90 days to repay a loan (same as retirees or terminated employees). In-service withdrawals are not available to laid off employees. Laid off employees may leave their accounts in the Plan until the end of the year of attaining age 70 ½. Participants may elect to receive entire Savings and Security Plan balance in a lump sum any time after termination prior to end of year of attaining age 70 ½.
19Q	What happens if I have an outstanding loan balance when I leave employment?
19A	If you are laid off, you will have 90 days (same as retirees or terminated employees) to repay a loan from the date of your layoff. If you leave the Company and do not repay your loan, your loan will be treated as part of your distribution and will be reported that way for tax purposes. For example, if you have \$5,000 in your Savings and Security Plan account plus an outstanding loan balance of \$900, your distributions will be reported to the IRS as \$5,900 although you will receive only \$5,000 (less any taxes withheld) from the Trustee.
20Q	How can I find out my outstanding loan balance?
20A	Contact the Fidelity Service Center at 1-800-416-2363 or http://netbenefits.fidelity.com . You will need your Social Security Number and Personal Identification Number (PIN).
21Q	Will Savings and Security Plan allotments be taken from the severance payment I receive under Article XVIII, Severance Payments, of the 2009 Departmental Agreement?
21A	No.

Continued on next page

Severance Payments, Continued

Questions and Answers
(continued)

22Q	Will I still be eligible for a pension if I accept a Voluntary Severance Payment under Article XVII, Force Adjustment?										
22A	<p>-If you are eligible for a service pension, you will receive your service pension following your termination of employment, in addition to the Voluntary Severance Payment you receive under Article XVIII, Severance Payments. If you are eligible for a deferred vested pension, the Service Center will notify you following your termination of the amount of that pension and when it may be paid (usually when you are age 65), however you will immediately be entitled to receive payment of the VSP under Article XVIII, Severance Payments.</p> <p>You are eligible for a service pension if you satisfy the modified rule of 75. The modified rule of 75 is satisfied if you meet one of the following age and service requirements:</p> <table border="1" data-bbox="397 934 1388 1123"> <thead> <tr> <th data-bbox="397 934 893 976">If you are at least</th> <th data-bbox="893 934 1388 976">And have at least</th> </tr> </thead> <tbody> <tr> <td data-bbox="397 976 893 1008">Any age</td> <td data-bbox="893 976 1388 1008">30 years of Net Credited Service</td> </tr> <tr> <td data-bbox="397 1008 893 1039">Age 50</td> <td data-bbox="893 1008 1388 1039">25 years of Net Credited Service</td> </tr> <tr> <td data-bbox="397 1039 893 1071">Age 55</td> <td data-bbox="893 1039 1388 1071">20 years of Net Credited Service</td> </tr> <tr> <td data-bbox="397 1071 893 1123">Age 65</td> <td data-bbox="893 1071 1388 1123">10 years of Net Credited Service</td> </tr> </tbody> </table>	If you are at least	And have at least	Any age	30 years of Net Credited Service	Age 50	25 years of Net Credited Service	Age 55	20 years of Net Credited Service	Age 65	10 years of Net Credited Service
If you are at least	And have at least										
Any age	30 years of Net Credited Service										
Age 50	25 years of Net Credited Service										
Age 55	20 years of Net Credited Service										
Age 65	10 years of Net Credited Service										
23Q	Can I roll over any severance payment into an IRA?										
23A	No. The payments are not qualifying distributions and cannot be rolled over to an IRA. They are taxable as ordinary income in the year in which such payments are made.										
24Q	In general, what type of Benefit coverage am I entitled to under the Severance Payment Plan?										
24A	<p>If you are laid off with an ISP, you will need to contact the AT&T Health Benefits Enrollment Center at 1-877-722-0020 to determine your entitlements.</p> <p>If you request and receive voluntary termination with a VSP, you will need to contact the AT&T Health Benefits Enrollment Center at 1-877-722-0020 to determine your entitlements.</p>										
25Q	If a surplus employee accepts VSP, can he/she change his/her mind?										
25A	Once the four (4) day decision period elapses, the employee cannot revoke his/her decision to accept VSP. However, the employee may re-submit a Surplus Transfer Request and compete for jobs up until the FDD. If the employee has not accepted a job by the FDD, the employee will be terminated with a VSP.										

Voluntary Severance Candidate Process (VSCP)

Introduction

When a surplus condition exists that has not been cleared through the Surplus Transfer Process, one of the Hometown Options, “Follow-the-Work” offers, or Voluntary Severance Payments to the surplus work group, the Voluntary Severance Candidate Process (VSCP) may be implemented as soon as 32 days after the surplus notification.

NOTE: The Department declaring the surplus is responsible for any payments associated with the VSCP.

General Guidelines

The VSCP establishes a “pool” of employees in non-surplus positions who have expressed an interest in leaving the Company with a Voluntary Severance Payment. In doing so, a position could be vacated for a surplus employee who desires to continue working. This “pool” will be searched to find a “match” for a surplus employee who has expressed interest by submitting a Surplus Transfer Request (STR) or Hometown Job Security Commitment (HJSC) Request.

Terms and Conditions

If a “match” is made (i.e., a job is found for which the surplus employee qualifies), the Staffing Office will make the offer to the surplus and non-surplus employee contingent upon the other employee’s decision. The surplus employee will have one business day to accept the offer. If an employee who has filed a STR refuses an offer, no further “like” job offers (i.e., same title at same location) will be made. If an employee who has elected one of the HJSC Options refuses an offer, no additional offers will be made through the VSC Process. Eligibility requirements to be considered for a “match” are as follows:

- Submitted a STR or HJSC by the 28th day
- Has not declined a lateral offer within his/her FAA through a STR
- Has not declined a Follow-the-Work offer within the FAA
- Has not declined a HJSC offer (lateral, downgrade or upgrade)

NOTE: Refer to Article XVII, Force Adjustment, of the 2009 Labor Agreements for additional information regarding VSCP.

Continued on next page

Voluntary Severance Candidate Process (VSCP), Continued

**Questions and
Answers**

1Q	Who will administer the matching of employees interested in the VSCP with surplus employees?
1A	The Staffing Office will compile a list of employees who have expressed interest in the VSCP and “match” surplus employees to the positions they currently hold.
2Q	What happens if my Surplus Transfer Request is canceled because I have declined 4 job offers? Can I still be considered in the process?
2A	Yes, provided you have <u>not</u> declined a lateral job offer within your Force Adjustment Area (FAA).
3Q	Will I have to test qualify for the potential non-surplus position?
3A	Yes. You must meet all qualifications for the position.
4Q	What happens after an appropriate non-surplus candidate is identified?
4A	The Staffing Office will confirm with the non-surplus employee his/her acceptance of a Voluntary Severance Payment and confirm with you your acceptance of the non-surplus position. If both of you accept, appropriate release dates are negotiated.
5Q	Will I have any retreat rights if I accept a non-surplus position through VSCP?
5A	No.
6Q	When a former surplus employee has been placed on a lateral or upgrade position vacated by the acceptance of a VSP by a VSC, who tracks the re-establishment of time-in-title as required in Article XVII, Section 2.j.?
6A	Should a former surplus employee submit a VSCR after such a placement, the immediate supervisor must verify that eligibility requirements are met prior to completing the form. As such, the supervisor is in the best position to track the re-establishment of time-in-title.

Continued on next page

Voluntary Severance Candidate Process (VSCP), Continued

Questions and
Answers
(continued)

7Q	Does a former surplus employee who accepted a downgrade into a job which was vacated by the acceptance of a VSP by a VSC, have to re-establish time-in-title prior to submitting a VSC request form or a Transfer Request?
7A	No. A surplus employee who accepts a downgrade retains his/her time-in-title and location from the previous surplus job. However, if a surplus employee is matched to a VSC on a lateral or upgrade he/she must re-establish time-in-title prior to submitting a VSC Request or regular Job Vacancy Request.
8Q	Can Management prevent the offering of VSPs to their employees who are viable VSCs, in order to control force movement?
8A	No. If a VSCs job is “matched” with a surplus employee and he/she is offered a VSP, Management can negotiate a release date, just as with job offers resulting from transfer requests today, but <u>cannot</u> prevent the offer.
9Q	If a VSCs job is “matched” with a surplus employee and he/she is offered a VSP, can Management elect not to replace the employee?
9A	No. The purpose of offering a VSP to a VSC is to create an opening for a surplus employee.
10Q	Do these procedures apply to nonbargained-for (NBF) employees?
10A	The procedures apply to <u>surplus</u> NBF employees. Non-surplus NBF employees, for example, cannot file a VSCR.
11Q	Can a surplus Communications Technician who is trained to work on circuits in an office be matched to a VSCs Communications Technician job that entails maintenance of a switch?
11A	No, if the surplus employee has no knowledge or experience in that function. In the case of technical jobs, a “match” will occur if the surplus employee is qualified and can perform the job with minimal training.
12Q	Can an employee refuse a downgrade in Tier 2 in order to be considered for a lateral in Tier 3?
12A	Yes, if the employee submitted a Surplus Transfer Request. If an employee who has elected one of the HJSC Options refuses an offer, no additional offers will be made through the VSC Process.

Continued on next page

Voluntary Severance Candidate Process (VSCP), Continued

**Questions and
Answers**
(continued)

13Q	Is an employee who refused a follow-the-work offer eligible for the provisions of Section 3.e. (the VSC process)?
13A	Yes. The purpose of the VSC process is to enhance the opportunity for surplus employees to remain on the payroll through the offering of a VSP to an employee who wishes to leave voluntarily, unless the follow-the-work offer is a lateral within the FAA for employees filing an STR. For employees who have filed an HJSC Request, any job offer received would disqualify them from receiving an offer through the VSC process.
14Q	If a surplus employee who has submitted a Surplus Transfer Request declines a lateral job offer in the Force Adjustment Area, can he/she still be matched to a VSC?
14A	No. He/she is not eligible for the VSC process. If the surplus employee has not accepted a job by the FDD, since a lateral job offer in the anticipated FAA was declined, the employee will be considered to have resigned without a severance payment.
15Q	If I invoke one of the HJSC options, am I eligible to be matched to a non-surplus employee in the VSC process?
15A	Yes, provided the VSC match is in one of the Exchanges you designated and also part of the Force Adjustment Area/Expanded Force Adjustment Area, and you haven't previously declined an HJSC offer (lateral, upgrade or downgrade).

Transitional Leave of Absence (TLOA)

Introduction The Transitional Leave of Absence (TLOA) is a leave that may be offered to eligible surplus employees, as business needs dictate, in order to eliminate a surplus condition. The TLOA applies only to surplus employees who, as of the Force Disposition Date (FDD) (see Terms and Conditions below for those narrow instances where a surplus employee could elect TLOA after the FDD) are within 24 months of achieving eligibility for a Service Pension and who have not declined a lateral job offer in the Force Adjustment Area (FAA). A TLOA may be offered no earlier than 28 calendar days following the surplus notification. Employees already pension eligible will not be offered TLOA.

Guidelines If you accept a TLOA offer, you must complete Form SBC30510, Transitional Leave of Absence (TLOA), (**Exhibit 14**) and forward to your supervisor. Your supervisor will complete his/her portion of the form and submit the online Leave of Absence (LOA) application in the LOA Website at <https://hrweb01.sbc.com/hro/loa/ssl/loa.asp> .

Upon acceptance, you will have seven (7) calendar days to revoke or change your decision, after which it is irrevocable. If you decline a TLOA offer or revoke your decision to accept it, you will continue in your surplus status under the terms of Article XVII, Force Adjustment.

Terms and Conditions An eligible surplus employee may decide (instead of other options described in Article XVII, Force Adjustment) to enter a TLOA for a period of up to 24 months when offered by the Company. If offered, you will have four (4) business days to respond to the offer. If you decide to enter a TLOA, you will receive service credit, up to 24 months, for pension eligibility purposes only, but not for pension benefit calculation purposes, for the duration of the leave.

You will receive Company-paid medical, dental and vision coverage for up to 6 months and will be eligible to purchase coverage through the Company for the balance of the leave. (COBRA continued coverage for 18 months will be available as an alternative to this option.) You will also receive a Transitional Leave Allowance of \$100 per week for the duration of the leave (paid monthly). You will be required to remain on the payroll until your FDD or an earlier date to which Management may agree (see Exhibit 15 for additional information regarding the TLOA).

Continued on next page

Transitional Leave of Absence (TLOA), Continued

**Terms and
Conditions
(continued)**

If, at your FDD or extended FDD you are eligible to terminate with an Involuntary Severance Payment, you may instead accept the Company's earlier offer of the TLOA.

The TLOA will extend up to the date you obtain pension eligibility. Once the leave begins, the Employee cannot cancel the leave and return to the active payroll.

Transitional Leave of Absence (TLOA), Continued

Questions and Answers

1Q	<i>Do I have to be considered “at risk” or submit a STR to be offered a TLOA?</i>
1A	No; however, you must be part of a formally declared surplus and meet eligibility requirements.
2Q	Can I cancel a TLOA once it starts?
2A	No. Once a TLOA begins, you cannot cancel the leave and return to the active payroll.
3Q	Am I eligible for unemployment compensation if I am on a TLOA?
3A	While you are on a TLOA, your employment is not terminated and you are generally not entitled to unemployment compensation. You should check with your local State Unemployment Compensation Office to verify eligibility.
4Q	What happens to my Savings and Security Plan account if I am on a TLOA?
4A	While on a TLOA, your savings plan allotments will be suspended. You are, however, eligible to request a loan from the Plan, take a withdrawal from the Plan, or transfer your Account Balances (other than Company contributions) among the Investment Funds.
5Q	What happens if I have an outstanding loan balance when I am on a TLOA?
5A	While on a TLOA, you must make your loan payments or your loan will be in default. If you default on your loan, it will be treated as a distribution.
6Q	If I am repaying a tuition payment or an emergency disaster loan, how will that be handled during my TLOA?
6A	While on the TLOA, the amount previously authorized to be deducted per pay period will be withheld from your monthly Transitional Leave Allowance.

Continued on next page

Transitional Leave of Absence (TLOA), Continued

Questions and Answers
(continued)

7Q	If I'm on a TLOA, will full time or part time employment affect my leave of absence?
7A	Yes. The leave will terminate the earlier of when the Bargained-for Employee: Engages in full-time employment outside the AT&T controlled group of companies (i.e., employment in a position with a base wage that is 50 percent or more of the Bargained-for Employee's base wage at the time the Bargained-for Employee's leave began); or Engages in any employment within the AT&T controlled group of companies
8Q	Are all employees eligible for a TLOA?
8A	No. An employee must be in a formally declared surplus group and within 24 months of Service Pension eligibility as of his/her FDD (see Terms and Conditions above for those narrow instances where a surplus employee could elect TLOA <u>after</u> the FDD) to be eligible for a TLOA offer.
9Q	If I meet the eligibility criteria, will I automatically receive a TLOA offer?
9A	No. The TLOA shall be offered to affected eligible employees in the Surplus Work Group no earlier than 28 calendar days following the affected employee's surplus notification [coincident with Voluntary Severance Payment (VSP) offers]. If the surplus is cleared prior to the 28 th day, or more senior employees clear the surplus by accepting VSP or TLOA, you will no longer be surplus and, therefore, are not eligible for TLOA.
10Q	If I am eligible for a TLOA offer, and I turn down a job offer, will that impact my eligibility?
10A	If you turn down a lateral in the FAA, you will not be eligible for a TLOA offer. Declining a downgrade/upgrade will not impact eligibility.
11Q	If I'm offered and accept a TLOA, can I leave the payroll immediately?
11A	Employees accepting a TLOA offer shall be required to remain on the payroll until their FDD or such earlier date to which Management may agree.
12Q	How is the Transitional Leave Allowance of one hundred dollars per week paid?
12A	This is paid on a monthly basis – the first pay day at the beginning of the month for that month.

Surplus Return Request

Introduction Any surplus employee who has been relocated in conjunction with Article XVII, Force Adjustment, may submit a Surplus Return Request to return to a job in his/her former Force Adjustment Area (FAA).

Guidelines The employee, in order of seniority with other employees similarly situated, will be placed first in order of consideration for laterals and downgrades as compared to their original surplus title for a period of three years following the placement necessitating the employee's relocation. However, upgrade movement is not covered by the Surplus Return Request.

The Surplus Return Request will be considered one of the employee's seven valid Job Vacancy Requests, as provided for in Article XIII, Job Vacancy, of the 2009 Labor Agreements. A Surplus Return Request Job Interest Survey Worksheet must be completed and provided along with the request to the local Staffing Office.

Terms and Conditions The employee will be considered for all laterals and downgrades as compared to their original surplus title in their former FAA as indicated on the Worksheet. Relocation expenses are not applicable to Surplus Return placements.

If the employee declines one job offer, the Surplus Return Request will be canceled in its entirety. The employee will not be allowed to submit another request for the specific surplus return situation. This request automatically expires after three (3) years. No renewal is required.

Instructions for completion of the Surplus Return Request and the Surplus Return Job Interest Survey Worksheet can be found in the Job Vacancy Manual.

Continued on next page

Surplus Return Request, Continued

Questions and Answers

1Q	Will I have retreat rights if I am placed as a result of a Surplus Return Request?
1A	No.
2Q	How will my time-in-title and time-in-location be affected by a Surplus Return Request?
2A	Time-in-title and location will be waived on your current job. If you are placed as a result of your Surplus Return Request, your time-in-title and location will start over on the new job.

Treatment of Remaining Surplus Employees at Force Disposition Date (FDD)

Introduction

If you are a surplus employee and have not been placed by your Force Disposition Date (FDD), one of the following will occur:

- If you elected a Voluntary Severance Payment (VSP), you will leave the Company on this date (this date may be negotiated).
 - If you are not “at risk”, your Surplus Transfer Request (STR) or Hometown Job Security Commitment (HJSC) Request will be canceled and you are no longer considered surplus.
-

“At Risk” Surplus Employees

If you are an “at risk” surplus employee and have not been placed by your Force Disposition Date (FDD), one of the following will occur:

- 1) Surplus employees who have filed a STR within the specified time frame but have not elected to invoke the Job Offer Guarantee (JOG) or either Hometown Option or who are no longer eligible under JOG:
 - If you received and declined a lateral job offer within the Force Adjustment Area (FAA), you will be considered to have resigned with no severance payment.
 - If you did not receive a lateral job offer in the FAA, but did receive and decline other job offers in the FAA, you will be laid off with an Involuntary Severance Payment (ISP)*
 - If you did not receive a job offer in the FAA, your Force Disposition Date (FDD) may be extended up to an additional 30 days. If your original FDD is 90 days or greater, the addition of up to 30 days does not apply.
 - If at any time during this extension period you decline an upgrade or downgrade job offer in the FAA, you will be laid off at the time of declination with an Involuntary Severance Payment.*
 - If you decline a lateral job offer in the FAA in the extension period, you will be considered to have resigned at the time of declination with no severance payment.
 - If you decline any job offer outside the FAA and are still surplus at the extended FDD, you will be laid off at the extended FDD with an Involuntary Severance Payment.

*or, if eligible, you may accept the Company’s previous offer of the TLOA.

Continued on next page

Treatment of Remaining Surplus Employees at Force Disposition Date (FDD), Continued

**“At Risk”
Surplus
Employees
(continued)**

- If you have filed a STR within the specified time frame and have not received a job offer by the FDD and no Severance Candidates were identified for you, you will be entitled by order of seniority to displace the most junior employee with your job title within the FAA, who performs similar job functions and possesses essentially the same skills.
- If you are still surplus at the FDD, you may elect to displace, if such displacement can be achieved with little or no training, the least-senior temporary or occasional employee within the expanded FAA, assume the temporary/occasional employee’s work completion date, but retain surplus status and job title. If no job results by the work completion date, you will be laid off with an Involuntary Severance Payment.*
- If you have not received any job offers by the Extended Force Disposition Date, you will be terminated with an Involuntary Severance Payment.*

*or, if eligible, you may accept the Company’s previous offer of the TLOA.

2) Surplus employees who have filed a Hometown Job Security Commitment (HJSC) Request for Option A (HA) within the specified time frame:

- If you received and declined any job (lateral, downgrade or upgrade) within your designated Exchange(s), you will be terminated with no severance payment.
- If you have not received a job offer by the Force Disposition Date (FDD) and no severance candidates were identified for you, you will be removed from active status and placed on a Surplus Leave of Absence (SLA) with a monthly Voluntary Severance Payment.

Continued on next page

Treatment of Remaining Surplus Employees at Force Disposition Date (FDD), Continued

**“At Risk”
Surplus
Employees
(continued)**

- 3) Surplus employees who have filed a HJSC Request for Option B (HB) within the specified time frame:
 - If you received and declined any job offer (lateral, downgrade or upgrade) within your designated Exchange(s), you will be terminated with no severance payment.
 - If you have not received a job offer by the FDD and no severance candidates were identified for you, you will be terminated with a VSP.
- 4) Surplus employees who invoke and qualify for the Job Offer Guarantee (JOG) will have their FDD extended up to an additional 30 days.
- 5) If you are “at risk” and did not submit an STR or elect the HJSC during the allotted time frame, and you are not placed by the FDD, you will be considered to have elected to voluntarily resign and accept a VSP.

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Treatment of Remaining Surplus Employees at Force Disposition Date (FDD), Continued

Questions and Answers

1Q	Section 3.a. states that no affected employee shall be involuntarily terminated prior to 90 calendar days following surplus notification unless they have received a job offer within the Force Adjustment Area (FAA). Can this job offer come from either a regular Transfer Request, a Surplus Transfer Request or a Follow-the-Work offer?
1A	Yes, since the job offer must be in the FAA, however, in the case of Follow-the-Work, only a “pooled seniority” condition could meet this requirement and only if the employee’s NCS entitled him/her to a job in the consolidated work group. In other words, if the employee merely competes for the job, but cannot secure one of the remaining jobs due to his/her ranking on the “pooled seniority” list, no job offer is made and it is not considered as such for purposes of 3.a.
2Q	Can this job offer be a downgrade?
2A	Yes, provided it is within the FAA.
3Q	If no job offer is received by the 60th day, must the employee be extended the entire extra 30 days?
3A	No. If an employee receives a job offer in the Force Adjustment Area (FAA) during this extended period, that offer completes the obligation. If the employee turns it down and it is a lateral within the FAA, they will be considered to have resigned at that time. If the offer is an upgrade or a downgrade, and the employee turns it down, the employee will be involuntarily terminated at that point with an ISP. In other words, the employee will remain on the payroll up to the 90 th calendar day, or <u>until</u> a job offer is made in the FAA. If no such job offer is made by the 90 th day, the employee will be involuntarily terminated with an Involuntary Severance Payment (ISP) unless the employee is eligible for the Job Offer Guarantee (JOG) under the Employment Security Commitment (ESC) program. In that case, the employee will remain on the payroll until he/she receives a job offer in the Job Vacancy Scope.
4Q	Can this job offer be for a regular part-time job in the FAA?
4A	If an affected employee lists a part-time job on the Job Interest Survey Worksheet, and it is offered, it will be considered a job offer. Declination means the employee could be terminated involuntarily prior to 90 calendar days.

Displacement Process – Surplus Employee

Introduction Any “at risk” surplus employee who has filed a Surplus Transfer Request within the specified time frame, but has not received a job offer by the Force Disposition Date (FDD), and for whom no Severance Candidates were identified and who has not elected to invoke the Job Offer Guarantee (JOG) or either Hometown Option, will be entitled, by order of seniority, to displace the most junior employee with his/her job title within the Force Adjustment Area (FAA), who performs similar job functions and possesses essentially the same skills.

Displacement of Premises Tech Appendix J of the 2009 Labor Agreements provides special provisions for surplus CSTs (and Systems Techs who are in an I/M crew and do I/M work) who are located in an exchange where U-verse is offered.

If a surplus remains after paragraphs 3g. and 3h. are administered, these CSTs will be made an offer to displace the junior Premises Technician in the exchange (must be junior to the CST) if applicable.

The following information is applicable to these situations:

- The displacing CST must be satisfactory in performance and attendance
- CST wages are frozen once on the Premise Tech title, until the Premises Tech wage schedule reaches the CST’s current rate of pay. Until such time, these employees will receive no wage increase.

In the event that a surplus CST displaces a junior Premises Tech, a letter will be provided to the surplus CST detailing specific terms and conditions as applicable.

Displacement of Temporary or Occasional Employee Any remaining “at risk” surplus employee who has not elected to invoke the JOG may elect to displace, if such displacement can be achieved with little or no training, the least senior temporary or occasional employee within the Expanded Force Adjustment Area (EFAA). The surplus employee would assume the temporary/occasional employee’s work completion date, but retain surplus status and job title. If no job results by the work completion date, the surplus employee would be laid off with an Involuntary Severance Payment (ISP).

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Displacement Process – Surplus Employee, Continued

Questions and Answers

1Q	Article XVII, Section 3.g. of the contract provides that a surplus employee who has not received a job offer is entitled to displace a junior employee. How does a follow-the-work job offer impact this entitlement?
1A	For this purpose, follow-the-work <u>is</u> considered a job offer and, if refused, precludes the surplus employee’s entitlement to the displacement provision. This provision is designed as a “last-ditch” effort to place a surplus employee and is only used if <u>no other job</u> , including follow-the-work, was offered to the surplus employee. Conversely, follow-the-work is not considered a job offer for the entitlement of 3.f. and does not preclude a surplus employee from electing to replace the senior voluntary severance candidate (for whose job the surplus employee is qualified) in the Scope/State if a STR has been filed within the 28 day time frame.
2Q	If an “at risk” employee is not eligible to displace the most junior employee provided in Article XVII, Section 3.g., are they entitled to the displacement provision of Section 3.h.?
2A	If a surplus remains after application of Section 3.g., an “at risk” employee is eligible to displace the junior temporary/occasional employee in the EFAA, <u>provided</u> this displacement can be achieved with <u>limited or no</u> training.
3Q	How is the surplus person that displaces a regular employee treated as far as TNT/TNL?
3A	The surplus person that displaces a regular employee receives the following consideration: <ul style="list-style-type: none"> • He/She retains their TNT/TNL. • All JVR’s and the STR will be cancelled upon reporting. • The employee may immediately submit new JVR’s upon reporting.

Continued on next page

Displacement Process – Surplus Employee, Continued

Questions and Answers
(continued)

4Q	Once I have displaced a temporary/occasional employee, do I have to resubmit a STR?
4A	No. The employee displacing a temporary/occasional employee is treated under the terms of Section 3.h. Note 1, 2009 Labor Agreements: <i>The surplus employee who displaces a temporary or occasional employee shall assume that employee’s work completion date and the surplus employee’s force disposition date shall be extended to coincide with the work completion date. The employee shall also retain surplus status and job title up to the date of the extended force disposition date.</i>
5Q	How are the benefits of a Surplus employee affected when displacing a temporary/occasional employee?
5A	Benefits are not affected.
6Q	Can an “at risk” surplus employee choose not to displace?
6A	Yes. If eligible the surplus employee will be terminated with an ISP.

Displacement Process – Displaced Employee

Guidelines

The following guidelines pertain to the “most junior” displaced employee, NOT the “least senior temporary or occasional employee.”

The displaced employee shall be subject to layoff fourteen (14) calendar days following notification of displacement. The employee must be given the full 14-day period. The contract does not provide for an extension of the 14-day period.

A displaced employee cannot participate in the Voluntary Severance Candidate Process (VSCP) within the fourteen (14) day time period, however they may participate in the process during the Job Offer Guarantee (JOG) period.

Terms and Conditions

The following applies to the displaced employee:

- 1) A displaced employee can submit a Surplus Transfer Request (STR) within two working days following first being advised that he/she is subject to displacement. If the employee is placed on a downgrade, he/she is entitled to Reassignment Pay Protection Plan (RPPP), and may subsequently submit a RPPP Request. If the employee is placed outside the Force Adjustment Area (FAA) and receives relocation benefits, he/she may subsequently submit a Surplus Return Request.
 - 2) A displaced employee may invoke the Hometown Job Security Commitment (HJSC), if qualified or becomes qualified, and has two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke one of the HJSC options.
 - 3) A displaced employee can receive an Involuntary Severance Payment (ISP), if the employee submits a STR within two (2) working days and does not decline a lateral job offer in the FAA during the fourteen (14) day period. If the employee receives an ISP, he/she would subsequently be entitled to Recall/Rehire rights.
-

Continued on next page

Displacement Process – Displaced Employee, Continued

**Terms and
Conditions
(continued)**

- 4) A displaced employee can receive a Voluntary Severance Payment (VSP), if the employee elects one of the HJSC Options within two (2) working days and does not decline any job offers in the designated Exchange(s) during the fourteen (14) day period; or if the employee does not submit a STR within the 2 day time frame, he/she effectively elects VSP.
 - 5) A displaced employee may invoke the JOG, if qualified or becomes qualified, and has two (2) working days following first being advised that he/she is subject to displacement to advise the Company of his/her election to invoke the JOG. If the employee elects this option, he/she must submit a STR within the same two (2) day time frame.
 - 6) An employee displaced under paragraph 3g. may displace a temporary or occasional employee under paragraph 3h., assuming all other eligibility issues are met.
 - 7) An employee displaced under paragraph 3g. may, in narrow circumstances, displace a junior employee under paragraph 3g.
-

Recall/Rehire Rights

Recall Rights Employees who are involuntarily terminated* and who create a profile** on www.att.jobs will receive consideration for openings to which they have applied in their former title and Force Adjustment Area (FAA), if qualified, for a period of twelve months following their layoff, prior to internal candidates, provided there are no qualified surplus candidates who have priority consideration for that title (i.e. the job would represent a lateral or downgrade for the surplus employee.)

*Only employees who are terminated with an Involuntary Severance Payment (ISP) are considered “laid-off” (i.e., employees terminated with a Voluntary Severance Payment (VSP) are not considered “laid-off” and do not qualify for these provisions).

**The employee must notify the Priority Placement team at 1-800-376-7284 that they have created a profile.

Rehire Rights Employees who are involuntarily terminated* and who create a profile** at www.att.jobs will receive priority consideration, if qualified, prior to external candidates, for a period of three years following layoff. The former employee must apply for positions of interest in order to receive consideration. The former employee shall be given priority consideration over other job applicants for regular and temporary job vacancies within the FAA. The employee must be physically able and equipped by training and experience to perform the duties of the work available.

*Only employees who are terminated with an Involuntary Severance Payment (ISP) are considered “laid-off” (i.e., employees terminated with a Voluntary Severance Payment (VSP) are not considered “laid-off” and do not qualify for these provisions).

**The employee must notify the Priority Placement team at 1-800-376-7284 that they have created a profile.

Continued on next page

Recall/Rehire Rights, Continued

**Terms and
Conditions**

Involuntarily terminated employees who desire to be considered for recall or rehire will be responsible for creating a profile and keeping the Staffing Office informed of their current address and telephone number. These former employees must meet all qualifications (i.e., testing requirements, etc.) for the job.

Failure to notify the Company of acceptance of a recall or rehire offer within seven calendar days and to report for duty within fifteen (15) calendar days from the date of the offer will be considered a rejection of the offer.

If a former employee is recalled or rehired within the core contract within 24 months of the effective date of their termination, he/she will be required to repay the amount of the Severance Payment received, less 1/24 of the payment times the number of full months between the termination date and the recall/rehire date. The repayment will be made by payroll deduction of 10 percent of the "Basic Wage Rate For a Normal Work Week" based on the job into which the employee is hired, until the amount has been paid in full.

Recall/Rehire Rights, Continued

Questions and Answers

1Q	Will an employee who is rehired after being laid off within a two-year period have their Net Credited Service (NCS) date automatically bridged?
1A	<p>Article XVII, Section 9.a. defines layoff periods that are considered “temporary.” This treatment is summarized below:</p> <ul style="list-style-type: none">• An employee will receive Net Credited Service for a period of absence and will also keep the Net Credited Service earned before the absence if absent as a result of a <u>temporary</u> layoff that lasts <u>six months or less</u>.• An employee will keep the Net Credited Service earned before an absence, but will <u>not</u> receive Net Credited Service for the period of the absence if absent as a result of a temporary layoff that lasts <u>longer than six months but less than two years</u>.

National Transfer Plan – CWA Surplus Exchange (CSE) Process

Overview

The National Transfer Plan (NTP) process provides CWA-represented surplus employees in participating companies to apply for CWA-represented positions in other participating companies (see Exhibit 20) through the CWA Surplus Exchange (CSE) process.

The CSE process is not to be used to apply for opportunities within your current subsidiary. Through the CSE process, you will have the opportunity to express interest in CWA-represented positions that would be available to “external” candidates.

Eligibility Guidelines

It is important for you to note the following when considering participating in the CSE Process:

- You must meet all the qualification criteria (e.g., interviewing, testing, driving or security checks, etc.) and selection criteria required by the applicable subsidiary including meeting attendance and performance standards.
 - All testing must be completed on your own personal time.
 - There are no retreat rights if you are placed through the CSE process.
 - All travel expenses incurred as a result of the CSE process will be your responsibility.
 - Questions regarding changes to your Pension and Benefits should be directed as follows:
 - Pensions – 1-800-416-2363
 - Benefits – 1-877-722-0020
-

Valid Period of Request and Placement Consideration

You are eligible to apply for positions through the CSE process for the duration of your surplus condition. Surplus employees who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which you qualify.

Employees who are declared surplus and subsequently involuntarily laid off and who express interest in available positions in participating companies will receive priority placement before external hires after regional contract processes for any bargaining unit job for which you qualify for a period of twelve (12) months following the involuntary layoff.

Continued on next page

National Transfer Plan – CWA Surplus Exchange (CSE) Process, Continued

Relocation Expenses

Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company who becomes surplus and is offered a job, through the CSE process, in another participating company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. Employees who accept a job offer in lieu of any severance payment and who are placed at and report to, the new location will receive payment for this Relocation Allowance when 1) the employee relocates his/her home residence, and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.

Follow-the-Work

Any CWA-represented regular employee covered by a CWA Labor Agreement held by a participating company whose work is moving from that company to another participating company may be offered the opportunity to follow their work. Such offer will be subject to the need for additional employees at the receiving Company and all applicable qualifications and selection criteria at the receiving Company. Employees who select this option in lieu of any severance payment and who are placed at and report to, the receiving Company, will receive payment for Relocation Allowance per the applicable terms and conditions of the collective bargaining agreement at their former Company. This Relocation Allowance will be paid when 1) the employee relocates his/her home residence, and 2) the employee's new place of reporting is fifty (50) miles or greater road miles by the most direct route farther from their residence than was the old report location.

Net Credited Service

Employees selected to fill openings in accordance with the terms of the National Transfer Plan will have the Net Credit Service or Seniority at the departing company recognized by the receiving Company's pension plan or program, subject to the receiving Company's service bridging rules.

Order of Consideration

Eligible employees will receive priority placement before external hires after regional contract processes for any bargaining unit job for which they qualify.

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National Transfer Plan – CWA Surplus Exchange (CSE) Process, Continued

**Vacation
Portability**

When a bargained-for employee moves to another bargaining unit of the Company covered by the NTP, treatment of vacation time, the Designated Holiday (DH), Floating Holidays (FHs), and Excused Work Days (EWDs) or their equivalent (covered time) will be treated as follows:

- A covered employee will be eligible for covered time for the current vacation year at the new entity based on the existing labor agreements at that entity. Any covered time already taken at the former entity will be deducted from equivalent covered time for which the employee is eligible at the new entity; the remaining covered time will be scheduled at the new entity subject to needs of the business.
- Covered time carried over from the prior vacation year must be disposed of, i.e., paid in lieu of or taken at the former entity.
- In no case will an employee's movement from one entity to another result in the double payment for covered time.

**Premises
Technician**

Employees who have held the Premises Technician job title or any job title in an agreement or appendix to an agreement that provides for the terms and conditions of employment for Premises Technicians ("premises Technician Agreements"), are eligible for CSE, but shall be treated as provided in this paragraph. Any employee who has ever held a position in a Premises Technician Agreement will be treated by any receiving company that is party to this CSE agreement and that also is party to a Premises Technician Agreement as if they were received from their own Premises Technician Agreement for all purposes. If the receiving company does not have a Premises Technician Agreement, then employees transferring to that company shall receive the benefits applicable to other bargained-for employees with similar service in the receiving company, except for pension and post-retirement medical and dental benefits; instead, 1) such employees shall participate in the Bargained Cash Balance Program 2 and 2) if such employee meets the eligibility requirements for post-retirement benefits upon termination, the former employee will pay contributions equal to 50% of the total cost of coverage for post-retirement medical and dental coverage if the former employee is not Medicare eligible and will not be eligible for medical or dental post-retirement coverage if Medicare eligible.

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National Transfer Plan – CWA Surplus Exchange (CSE) Process, Continued

Applying for Positions

CSE employees interested in applying for CWA-represented positions at other participating companies can apply via the [NTP website](#). There is no limit on the number of positions for which an eligible CSE employee may apply.

Employees should carefully review the Logon procedures (Exhibit 21) prior to logging on to the NTP website. Information is also included for logging on from home.

Additional information regarding the National Transfer Plan is located on OneStop <http://ebiz.sbc.com/hronestop>. This site provides information on the following:

- Access the NTP website
- View NTP Logon Instructions
- Review Frequently Asked Questions (FAQs)
- Review List of AT&T Participating Companies
- Access Labor website

NOTE: If a conflict arises between the Memorandum of Agreement – National Transfer Plan and this document, the Memorandum of Agreement shall prevail.

AT&T Career Development Resource Center

Overview

The AT&T Career Development Resource Center is available for all nonmanagement employees via the web at:

http://ebiz.sbc.com/hronestop/index.cfm?fuseaction=Display&type=SelfDev1_Resources

The Resource Center provides a wide variety of self development and assessment tools and resources such as:

- Self Assessment
- Career Exploration
- Strategy Development
- Leadership Development
- News
- Related textbooks, study guides, retest interval and/or general course information to prepare for tests. Test Information Pamphlets are available on OneStop at:

http://ebiz.sbc.com/hronestop/index.cfm?fuseaction=Display&type=SelfDev17_TestPrepTIPs

A toll free number has also been established to ensure employees have access to these services. Career Specialists are available to answer your questions at 1-888-355-2227.

Pensions

Eligibility

An employee is eligible for a Service Pension if they satisfy the modified rule of 75. The modified rule of 75 is satisfied if you meet one of the following age and service requirements:

- You are any age and have at least 30 years of Net Credited Service
 - You are at least age 50 and have 25 years of Net Credited Service
 - You are at least age 55 and have 20 years of Net Credited Service
 - You are at least age 65 and have 10 years of Net Credited Service
-

Requirements

Before eligible participants can begin receiving pension benefits, they must:

- Consent to an immediate distribution of their pension, and
 - Either elect or waive survivor annuity coverage for their spouse, if they are married.
-

Guidelines

For specific information on your pension plan, contact the Fidelity Service Center at 1-800-416-2363 or at <http://netbenefits.fidelity.com> .

NOTE: If you leave employment before meeting the requirements for a Service Pension, you may be eligible for a Deferred Vested Pension provided you have at least one year of Vesting Service and do not qualify for a Service of Disability Pension.

Continued on next page

Pensions, Continued

**Questions and
Answers**

1Q	How can I figure my pension to get a close estimate?
1A	<p>To determine your basic monthly pension: Find your pension band and rate that goes with it, depending on your age Multiply that rate times your Net Credited Service Pension bands are listed in the Wage Progression Schedules for all classifications in the 2009 Labor Agreements. The rates for the pension bands can be obtained from the pension center.</p> <p>NOTE: An employee who is under age 55 with less than 30 years of service will have his/her monthly benefit reduced by ½ % each month.</p>
