

Welcome to AT&T!

We're pleased to have you with us and to introduce you to the benefits offerings available. AT&T provides you with a comprehensive, competitive and personalized benefits package that gives you flexibility and choices when making decisions about your health, your finances and your home and work lives. We are committed to giving you the tools and information that you need, when you need it, so that you can understand your benefits options and make informed decisions.

In September, you received a booklet titled "Your Guide to Your 2009 Benefits." Now that you are a bargained employee, that communication no longer applies. Instead, this guide and the tools listed on page 8 will provide you with all of your benefits information as well as instructions for enrolling in your benefits for the remainder of this year and for 2009.






An Overview of Your AT&T Benefits

This booklet provides you with a high-level look at the benefits plans and programs that you will be eligible for the rest of this year and for 2009. Coverage for health and welfare benefits described in this guide, unless otherwise noted, will begin on Oct. 19.

It's possible that your 2009 benefits options may change in 2009 contingent on the outcome of the current arbitration proceeding required by the 2004 National Bargained Benefit Plan. Should there be a change mandated by the arbitration process, you will receive additional communications at that time instructing you on what you will need to do.

To ensure that you and your family get the most out of your benefits and enroll in the right benefits for the rest of this year and for 2009, it is important that you:

-  Carefully review the information in the booklet.
-  Go to HROneStop and review the rest of your benefits information, including your summary plan descriptions, summaries of material modifications, prospectuses and plan documents.
-  Enroll in your benefits for the remainder of 2008 and for 2009 by following the instructions on page 6.

Distributed to:

New Dobson bargained employees.

IMPORTANT

This document was written to make it easier to read. So, sometimes it uses informal language, like "AT&T employees," instead of precise legal terms. Also, this is only a summary, and your particular situation could be handled differently. More specific details about your benefits, including eligibility rules, are in the summary plan descriptions (SPDs), summaries of material modifications (SMMs) or the plan documents. The plan documents always govern, and they are the final authority on the terms of your benefits. AT&T reserves the right to terminate or amend any and all benefits plans, and your participation in the plan is neither a contract nor a guarantee of future employment.

Your Health

Medical



Your options for medical coverage, and the applicable costs, are listed on your online enrollment worksheet found on the AT&T Benefits Center Web site. The company-offered non-HMO medical option includes medical, surgical, prescription drug and mental health/substance abuse (MH/SA) benefits. You may also have the option of enrolling in an alternative managed care product (as described below), if available in your area.

Alternative Managed Care Products



Your alternative managed care product (e.g., EPO) options, if offered in your area, are listed on your online enrollment worksheet found on the AT&T Benefits Center Web site. If you enroll in an alternative managed care product, your medical, surgical, prescription drug and MH/SA benefits are generally provided through that alternative managed care product. Some exceptions apply.

Contact the EPO directly by calling the EPO service center telephone number provided on your online enrollment worksheet. When you call the EPO service center, be prepared to give the reference number that is located in the **Group ID** field referenced on the health plan comparison charts found on the AT&T Benefits Center Web site. Be sure to say that you are an **AT&T participant**. This helps the service center associate answer your specific questions.

Note: Options are based on your home ZIP code.

Dental



Dental coverage helps pay for routine dental care, as well as many basic and major restorative services. Your options for dental coverage are listed on your online enrollment worksheet. Dental benefits are offered separately from your medical program options.

Vision



Vision coverage helps pay for eye exams, eyeglasses, contact lenses and frames. In addition, participants may be eligible for referrals to providers who perform laser vision correction procedures at a discounted price. Vision benefits are offered separately from your medical program options.

Note: Your vision vendor for the remainder of 2008 will be VSP. Your vision vendor for 2009 will be EyeMed Vision Care.

AT&T Employee Assistance Program



The AT&T Employee Assistance Program provides you and your family with professional and confidential assessments and referrals. The program offers help with marriage, family and relationship problems; alcohol and drug abuse problems; and emotional, personal and stress-related problems.

MedPlus



MedPlus is an optional, participant-paid supplemental medical program that provides financial protection against the high cost of certain medical procedures generally not covered by your medical program. You (and your eligible dependents) may be eligible to enroll in MedPlus regardless of any other medical coverage you have.

Disability (Short-Term and Long-Term)



Eligible employees who are absent from work as a result of illness or injury may receive short-term and long-term disability benefits as a continuing source of income. Coverage is effective after six months of service, including your legacy Dobson service.

Long-Term Care Insurance



Long-term care insurance is an optional, participant-paid benefit that provides eligible employees (and their eligible family members) with access to extended care when a covered individual has an ongoing illness or disability and cannot care for himself or herself. Coverage is designed to help pay for qualified expenses related to nursing home care, qualified assisted living facilities, home health care and adult day care. You can apply for group long-term care insurance at any time during the year, and you pay the full cost of this insurance through convenient payroll deductions. You are guaranteed acceptance into the AT&T Long-Term Care Insurance Plan if you apply for coverage *within 31 days* of your hire date. A statement of health will be required if you apply after this period.

Life Insurance



Eligible AT&T employees are automatically covered for employer-paid basic life insurance and accidental death and dismemberment (AD&D) coverage. No enrollment is required. In addition, you may choose to purchase supplemental life insurance for yourself and/or dependent life insurance for your spouse/legally recognized partner and children. The AT&T Benefits Center Web site provides you with the cost of supplemental and dependent life insurance.

It's important to note that your supplemental insurance rates may be higher for 2009 than they are for the remainder of 2008. Also, Prudential will be your life insurance vendor for 2008 and Metlife will be your life insurance vendor in 2009.

Note: Depending upon the timing of your enrollment and/or the level of coverage sought, your requested coverage and effective date may be subject to Evidence of Insurability requirements. Refer to your online enrollment worksheet or the AT&T Benefits Center Web site for details or check your applicable summary plan description.

Your Finances

Pension Plan



The AT&T company pension plans help provide retirement funds for your future. You do not make contributions because the plans are entirely funded by AT&T. If you are eligible to participate in an AT&T company pension plan, you will automatically begin participating in the applicable plan as of the date you are eligible.

Savings Plan



The AT&T company 401(k) savings plans provide you with an avenue to save for retirement through the direct deduction of a portion of your eligible pay on a before- or after-tax basis. Also, you will be eligible to receive a company matching contribution on the amount you choose to contribute. The savings plan offers several features that make it an attractive savings vehicle. You will receive enrollment information at your home mailing address letting you know when you are eligible to participate. Participating in this program on a before-tax basis can reduce your taxable income.

Your Home and Work

Adoption Reimbursement Program



This program reimburses employees for certain costs associated with the legal adoption of a child.

Tuition Aid



AT&T offers tuition aid to support eligible employees in their professional development. These funds can be used to help cover the cost of qualified expenses that have been approved by the company.

Employee Discounts — Employee Preferred Customer Discounts



Here at our company, we believe the more you understand and use our products and services, the more you'll recommend them to your family and friends. You may be eligible for discounts on popular AT&T-branded products and services, where available, such as wireless services, high speed and dial-up Internet services, AT&T U-verse TV service, AT&T|DISH Network satellite TV service, as well as local and long distance telephone services. To learn which products and services are available to you, visit the Employee at Home Web site. (<http://attathome.att.com>)

Additionally, AT&T's top customers provide discounts on their products and services through the AT&T Employee Preferred Customer Program. To learn more about this program and available discounts from AT&T's top customers, visit HROneStop.

Flexible Spending Accounts



Participating in flexible spending accounts (FSAs) — the health care FSA and/or the dependent care FSA — is an easy way to reduce your taxes and increase your spendable income. An FSA allows you to set aside before-tax money — money that comes out of your paycheck before Social Security, federal, and most state and local income taxes are deducted — to reimburse yourself for eligible out-of-pocket health care expenses (such as deductibles, coinsurance or copayments, many over-the-counter medications, as well as prescription drugs, contact lenses, eyeglasses, orthodontia and hearing aids) and/or dependent care expenses (such as child care or elder care) incurred throughout the year.

How to Get Started

PREPARE Carefully review your online materials found on the AT&T Benefits Center Web site. You can also go to the Your Benefits section of HROneStop (from work) or access.att.com (from home) to learn more about the benefits available to you and access your summary plan descriptions (SPDs) and summaries of material modifications (SMMs). You can also link to the AT&T Benefits Center Web site to view your personalized information and to enroll that same day!

TAKE ACTION There are two steps you must take to ensure that you and your family have the right benefits for the rest of 2008 and for 2009.

1. Enrolling in Benefits for the Remainder of 2008

Beginning Oct. 22, log on to the AT&T Benefits Center Web site to review your benefits options and costs and to get enrolled. If you have questions about medical, dental, vision, life insurance, flexible spending account enrollment or contributions, call the AT&T Benefits Center and speak with a service center associate.

You have **31 days** to enroll in your 2008 health care benefits — such as medical, dental and vision —

IF YOU TAKE NO ACTION, YOU WILL BE DEFAULTED TO NO MEDICAL, DENTAL OR VISION COVERAGE. The AT&T Benefits Center Web site will reflect your enrollment window and the number of days remaining for you to enroll.

Even though your AT&T Benefits are effective Oct. 19, continue to use your Dobson medical and dental benefits until Oct. 31. We encourage you to enroll in your new AT&T benefits before Nov. 1 to avoid any gap in coverage.

2. Enrolling in Benefits for 2009

Beginning Nov. 17, and after you enroll for your 2008 coverage, you will have a second enrollment window to make elections for 2009. The AT&T Benefits Center Web site will show your enrollment window for this annual enrollment period. If you take no action, you will automatically be enrolled in the same benefits for 2009 as you chose for the remainder of 2008, with the exception of the flexible spending accounts. Flexible spending accounts require active elections each year during annual enrollment.

Enroll for Your Benefits Online

To enroll for your benefits online, visit the AT&T Benefits Center Web site at <http://resources.hewitt.com/att>.

Before enrolling, you must establish a specialized AT&T Benefits Center user ID and password.

1. Go to <http://resources.hewitt.com/att>.
2. Click on Register as a New User.
3. Follow the instructions.

Enroll yourself and your eligible dependents in the benefits coverages and/or programs listed below (if you are eligible) by the date specified on your enrollment information.

- Medical
- Dental
- Vision
- MedPlus
- Flexible spending accounts (FSAs)
- Supplementary life insurance
- Dependent life insurance

IMPORTANT: Refer to your health plan SPDs for a complete list of dependents eligible for coverage under your company benefits. Also review the online Health and Dental Plan Comparison Charts for high-level plan information.

Want More Information? Go Online

The following resources can help you learn more about your benefits:

HROneStop (from work):

<http://hronestop.att.com> > Your Benefits

access.att.com (from home):

<http://access.att.com> > Your Benefits

The Your Benefits section serves as your one-stop resource for news and information related to your health, your finances and your home- and work-life issues. Use it to stay current on the latest benefits news and to access tools and resources to help you manage your benefits online, including your SPDs and SMMs.

Note: When you visit the Your Benefits section for the first time, you will be asked to select the status and subsidiary that apply to you. You may ask your supervisor if you have questions.

What Else You Should Know

Once you've enrolled, it may take a couple of weeks before your eligibility information becomes available to your health care administrator. In the meantime, if you have questions about your enrollment, call the AT&T Benefits Center at 877-722-0020.

Note: Once you've enrolled, if you or an eligible enrolled dependent has a medical emergency or needs medical attention before you receive your medical ID cards, contact the AT&T Benefits Center and speak to a service center associate.

Be sure to print the **Completed Successfully** pages for both your 2008 and 2009 benefits, and keep them for your records. These will serve as your Confirmation of Enrollment statements. These statements list the benefits you have elected for yourself and for your eligible dependents. Review them carefully.

Dependent Eligibility Verification

Providing you and your eligible dependents with competitive health and welfare benefits is important to AT&T. Part of keeping the benefit plans competitive is to ensure that only eligible dependents — as defined by the AT&T benefit plans — have access to benefits coverage. As a result, participants who enroll new dependents for coverage are required to provide documents to verify that their dependents meet the eligibility requirements for benefits coverages.

Once you enroll your dependents for coverage, the AT&T Benefits Center will mail you a Dependent Eligibility Verification kit outlining the steps you need to take to establish that your dependents are eligible to be covered in AT&T benefit plans. Failure to comply with the verification process will result in your dependents being dropped retroactive to the date that their coverage became effective, and COBRA coverage will not be available. In addition, you may be personally liable for any benefit costs incurred for the dependent while the dependent was enrolled.

Disability and Leave of Absence Claims

Beginning Oct. 19, Nationwide Better Health (NBH) will be your administrator for disability claims and leaves of absence, including requests for Family Medical Leave (FMLA).

Follow these steps to apply for a leave or disability that begins on or after Oct. 19:

1. Call NBH at 866-453-2837 and select option 5. The call center is open Monday through Friday from 9 a.m. to 5 p.m. Eastern time.
2. Identify yourself as a legacy Dobson employee.
3. You will be transferred to a claims representative who will assist you with your application. NBH will determine eligibility for coverage, make all claim determinations and notify you of its determination.

In December, you will be transitioning to the AT&T disability, FMLA and leave of absence administration processes. Information about this transition will be included in separate communications.

Key Tools to Help You Understand and Use Your Benefits

Tool	Purpose	How to Access
Online enrollment worksheet (or the Enroll in Your Benefits page of the AT&T Benefits Center Web site)	Instructs you on how to enroll in your health care, life and flexible spending account plans/programs.	Visit the AT&T Benefits Center Web site at http://resources.hewitt.com/att . Or call the AT&T Benefits Center at 877-722-0020. Representatives are available Monday through Friday from 7 a.m. to 7 p.m. Central time.
Medical and Dental Plan Comparison Charts	List and compare the benefits offered under the medical and dental programs for which you are eligible and the costs of such programs.	Visit the AT&T Benefits Center Web site at http://resources.hewitt.com/att .
Benefits Updates	Provide updates and important information about your company-offered benefit plans/programs.	Visit the Your Benefits section of HROneStop or access.att.com and click on Your Benefits Updates.
Where to Go for More Info Web site	Provides a one-stop reference for frequently called numbers, Web site addresses and other important contact information.	Visit the Your Benefits section of HROneStop or access.att.com and click on the Where to Go for More Info link located on the right-hand side of the screen under Benefits Tools and Resources.
Summary Plan Descriptions (SPDs), Summaries of Material Modifications (SMMs) and/or Prospectus Supplements	Provide descriptions of your benefits and rights under an employee benefits program in which you are an eligible participant or beneficiary.	You can access copies online in the Your Benefits section of HROneStop or access.att.com by clicking on Your Summary Plan Descriptions. (You may be directed to other Web sites that require a separate log in.)
AT&T Beneficiary Designation Form	Provides you with a form and instructions on how to designate the people, estate or trust that will receive the proceeds of your benefits programs in the event of your death.	Contact the Fidelity Service Center at 800-416-2363 to request a form. Hours of operation: Monday through Friday from 7:30 a.m. to 11 p.m. Central time
COBRA Rights Notice	Explains your rights to temporary continuation of coverage in certain cases when you or your covered dependent(s) lose eligibility for health care coverage.	AT&T Benefits Center will mail you a packet that contains this notice.
Notice of Privacy Practices for Protected Health Information (PHI) brochure	Explains how protected health information about you may be used and disclosed and your rights pertaining to this information.	AT&T Benefits Center will mail you a packet that contains this notice. A copy is also available online in the Your Benefits section of HROneStop or access.att.com by clicking on Your Health > Medical.