AT&T Benefits Overview
Management L1-L4 | January 2016
Getting Started ..................................................1

Your Health Matters ............................................3
Overview of your health benefits..........................4
AT&T Medical Program: Getting the most
from consumer-driven health care.......................6
AT&T Medical Program 2016 Annual
Deductibles/Out-of-Pocket Maximums: ........7
AT&T Medical Program 2016
Monthly Contributions.....................................8
Develop a plan for wellness
with Your Health Matters.............................11

Your Money Matters ...........................................12
Take a closer look at Your Money Matters........13
Employee discounts and offers.........................15
Save money with health savings accounts
and flexible spending accounts....................15

You Matter ........................................................19
Enrich your life away from work
with these benefits ........................................20
Special circumstances.....................................21

PDF NAVIGATION:
On the left side of each page, you will find navigation
bars that allow you to quickly move between
sections. Each page also contains arrows to the
right and left of the page number. Click these icons
to advance to the next page or return to the previous
page. Click “AT&T Benefits Overview” in the bottom
right corner of any page to return to the table of
contents.

AT&T would like to extend a warm thank you to Melinda Gooch,
Jared Miller, Martha Monreal, Lily Moore, Alvaro Nunez, Shrinath Parikh
and Angela Scott and Theo Williams and family for participating
in the Annual Enrollment/Benefits photo shoot.

Distributed to candidates interested in a management position with AT&T in the U.S. (excluding AT&T Technical Services Company, Inc.,
AT&T Government Solutions, Inc., employees in Puerto Rico and international employees).

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 AT&T
employee 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 AT&T employee benefits.
AT&T reserves the right to terminate or amend any and all benefits plans at any time, for any reason, and AT&T employee participation
in the plan is neither a contract nor a guarantee of future employment.
Here at AT&T, we care about each other — inside and outside of work.

We also invest in our people and support them in meaningful ways. One way is by offering a comprehensive, competitive package of benefits. Our benefits give employees the flexibility and choices they need in the areas that matter most — their health, finances and families.

Understanding your benefits and knowing how to use them wisely is just as important as having access to them. AT&T provides employees with the right tools, information and resources they need to get the most out of their benefits.
Your Health Matters
Know your options. It’s the best way to make sure that you and your family are covered.
Overview of your health benefits

**Medical**  As an AT&T management employee, your medical coverage begins Day One. You can choose medical coverage through the consumer-driven health plan (CDHP) options of the AT&T Medical Program or a Fully-Insured Managed Care option, including HMOs (where available). Fully-insured options are determined by your home ZIP code.

In addition to medical/surgical benefits, your medical coverage also includes access to prescription drug and mental health/substance abuse benefits.

**CarePlus**  For as little as $1 per month, CarePlus is a supplemental benefit program that helps cover the cost of certain specified medical treatments not usually covered by AT&T medical program options. You don’t need to be enrolled in a separate AT&T medical program to sign up.

Here are examples of some of the services* currently covered by CarePlus:

- Coverage for certain emerging treatments for cancer and other severe, life-threatening diseases
- Hearing aid benefit
- Certain preventive cancer screenings:
  - Digital Mammography for breast cancer
  - Reflectance Confocal Microscopy and MelaFind for melanoma
  - Confocal Endomicroscopy for esophageal cancer
- Xolair for acute allergy attacks
- Effective Jan. 1, 2016, applied behavior analysis treatment for autism spectrum disorders

*Prior approval and other program limitations generally apply.
**Dental**  Our dental coverage helps pay for certain dental care, including routine cleanings, oral exams, fluoride treatments and X-rays, as well as many basic and major restorative services and orthodontia. The PPO plan options have thousands of in-network providers that offer you significant savings compared to your costs when using a non-network provider. Monthly contributions range from $2-$54.

**Vision**  Our vision coverage helps pay for eye exams, frames, lenses and contact lenses. The vision program administrator also offers a list of providers of discounted laser vision-correction procedures. Monthly contributions range from $2-$7.

**Disability**  If you are absent from work as a result of an illness or injury, you may receive company-paid short- or long-term disability benefits as a continuing source of income. You’ll also have the option of enrolling for supplemental long-term disability benefits.

**AT&T Employee Assistance Program (EAP)**  This program provides you and your family with professional and confidential assessments, referrals and short-term intervention to help with personal issues that may impact work performance. These can include, for example, stress, grief or substance abuse.

**LifeCare**  There are moments in life when we struggle with managing daily responsibilities. The experts at LifeCare provide educational materials, personalized referrals and an interactive website to help you achieve balance in your life for issues including:

- Adult care and aging
- Child care and parenting
- Financial and legal concerns
- Health and wellness
- Higher education
- Home improvement and more
- Pet care
- Relocation

In addition, LifeCare offers their online discount center, LifeMart, for great savings on a wide variety of products and services.
AT&T Medical Program:
Getting the most from consumer-driven health care

This information is specific to the consumer-driven option of the AT&T Medical Program. It does not pertain to any other options that may be available to you, such as Fully-Insured Managed Care options.

In the sections that follow, you’ll see how consumer-driven health care differs from traditional health care by putting you in control of your health care dollars. AT&T’s consumer-driven health plan offers high-deductible options that combine medical, prescription, and mental health/substance abuse coverage, lower employee contributions and access to a wealth of tools and resources, including eligibility to establish a health savings account (HSA).* This combination helps prepare you to make informed health care decisions.

Whether you’re searching for a low-cost quality provider, interested in researching treatment options or looking for a wellness program that fits your lifestyle, you’ll find the latest information and customized solutions at your fingertips through the Your Health Matters (YHM) online portal. (See the YHM section for details.)

With the exception of preventive services, an annual network deductible applies to all eligible expenses that you incur from network providers related to medical/surgical services, prescription drugs and mental health/substance abuse services. (You can also use non-network providers if you choose, but you will be responsible for a greater percentage of eligible charges, and some services may not be covered.)

*The Fidelity HSA is not an AT&T-sponsored employee benefit plan. You can establish and contribute to an HSA at many financial institutions. See more information on page 16.
### AT&T Medical Program 2016 Annual Deductibles/Out-of-Pocket Maximums

<table>
<thead>
<tr>
<th></th>
<th>Individual</th>
<th>Individual + Dependents or Family</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bronze</td>
<td>Silver</td>
<td>Gold</td>
</tr>
<tr>
<td>Deductible</td>
<td>$2,500</td>
<td>Deductible</td>
<td>$1,500</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,500</td>
<td>$1,300</td>
</tr>
<tr>
<td>Out-of-pocket max.</td>
<td>$5,000</td>
<td>Out-of-pocket max.</td>
<td>$4,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$4,000</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

As a participant in the consumer-driven options of the AT&T Medical Program, after meeting your network annual deductible, you will pay for the applicable percentage of your eligible medical/surgical and mental health/substance abuse network expenses as well as a copayment for eligible prescription drugs until you reach your network annual out-of-pocket maximum. Once you meet your network annual out-of-pocket maximum, the plan pays 100% of your eligible network expenses for the remainder of the year. You have the option of paying a higher monthly contribution to reduce your network deductible and annual out-of-pocket maximum.
If you choose to use non-network providers, you will pay a higher percentage of your eligible non-network expenses for medical and mental health/substance abuse once you meet your separate non-network annual deductible. For a prescription drug you will pay the greater of the applicable network retail copayment, or the balance after the Program pays the applicable percentage of the network retail cost of the prescription drug.

### AT&T Medical Program 2016 Monthly Contributions

<table>
<thead>
<tr>
<th>Plan</th>
<th>Bronze</th>
<th>Silver</th>
<th>Gold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>$12.50</td>
<td>$23</td>
<td>$79</td>
</tr>
<tr>
<td>Individual + Spouse/LRP</td>
<td>$12.50</td>
<td>$111</td>
<td>$270</td>
</tr>
<tr>
<td>Individual + Child(ren)</td>
<td>$12.50</td>
<td>$56</td>
<td>$129</td>
</tr>
<tr>
<td>Family</td>
<td>$12.50</td>
<td>$132</td>
<td>$277</td>
</tr>
</tbody>
</table>

**Preventive care when you use network providers** The AT&T Medical Program covers preventive care services at no cost to you when you use network providers. Preventive care services are those services which are determined by the benefits administrator to provide preventive care and are included in the benefits administrator’s preventive care policy. Examples of preventive care generally include annual routine physicals, pap smears, immunizations, routine mammograms and well-baby and well-child care. For more information regarding covered preventive care services, contact UnitedHealthcare (UHC).

**Spouse/Legally Recognized Partner (LRP) Medical Contribution Surcharge** We will apply a monthly surcharge of $100 (up to $1,200 annually) toward your medical coverage contribution if you enroll your spouse/LRP in an AT&T medical program and your spouse/LRP has access to medical coverage through their current employer.
Tobacco Medical Contribution Surcharge  We will apply a monthly surcharge of $50 (up to $600 annually) toward your medical coverage contribution if you are a tobacco user.

Shop around for the best providers

We’re all used to going online and shopping for the best prices on big-ticket items such as cars and flat-screen TVs. As a participant in the AT&T Medical Program, you can do the same thing with medical services and providers. You’ll have access to myuhc.com, a powerful website developed by our plan’s benefits administrator, UnitedHealthcare. UHC’s myHealthcare Cost Estimator tool allows you to search for network specialists based on health conditions and procedures. The site also allows you to compare network providers by cost and quality ratings to help you get the best care and value.

You can preview the website at any time by visiting myuhc.com. Some site features, however, are available only to active plan participants.

Castlight helps you shop for providers who fit your needs  Castlight is your online medical care shopping resource. Castlight can help you find a network provider close to home and estimate what you can expect to pay for needed services. Available to eligible employees enrolled in AT&T medical coverage at no additional cost, Castlight can help you to:

- See personalized cost estimates, based on your location and your medical plan.
- Receive recommendations about ways to find high quality care and save money.
- Access patient reviews and ratings about network doctors and facilities.
Don’t miss out on AT&T medical program resources  When you participate in the AT&T Medical Program (excluding Fully-Insured Managed Care options), you have access to wellness programs and treatment decision resources, helping you take advantage of all that Your Health Matters has to offer. Programs include ConsumerMedical (CM), coaching programs for Weight Management, Tobacco Cessation, Stress Management and many more (online or by phone).

ConsumerMedical™: Helping you navigate a complex health care system  ConsumerMedical offers reliable and confidential information kits as part of your benefits package, at no cost to you. You can learn more about any medical diagnosis, understand available treatment options and find questions to ask your provider. You receive up-to-date, comprehensive information about many medical topics, including cancer, low back pain, asthma, osteoarthritis, high blood pressure, diabetes and stress.

Contacting ConsumerMedical is easy. Call 888-361-3944 from 7:30 a.m. to 5 p.m. Central time, Monday through Friday. Or visit myConsumerMedical.com which provides immediate access to comprehensive and accurate information, interactive tools and other resources to help you make empowered decisions about your health care. myConsumerMedical.com is confidential, secure and available 24 hours a day.
Develop a plan for wellness with Your Health Matters

AT&T’s Your Health Matters program is committed to providing interactive, personalized resources that help empower you to take control of your health and wellness. Through online tools, face-to-face conversations and live events, we aim to provide you and your family with resources needed to achieve your health and wellness goals.

The Your Health Matters portal is your single entry point to all things health and wellness. It features personalized reminders and information, a library to search health-related topics, health and wellness tools and a confidential Health Questionnaire (HQ) to get a pulse on your current health status and determine your eligibility for any of the available health and wellness programs at no additional cost. By completing the HQ, you can receive up to $150 in total annual credits toward your monthly medical coverage contributions.

Go to the portal first to find resources and wellness programs to help you maintain your health, manage your weight, stay active, quit tobacco, manage a condition and more.

Monitoring your health status over time is important as it provides concrete information to help you see your progress and continue to make desired and/or necessary lifestyle changes. Another key resource Your Health Matters provides is our tSpace community, which is one of the largest and most active communities at AT&T. The community is a space to share tips, successes and challenges, and receive motivation to start — or stick with — your health and wellness goals.
Your Money Matters

AT&T is dedicated to helping you make the most of your financial benefits.
Take a closer look at Your Money Matters

AT&T believes in promoting your financial wellness. Your Money Matters is designed to help you understand the resources and savings vehicles available to you as an AT&T employee.

**Savings** Eligible employees may immediately enroll in the AT&T Retirement Savings Plan (ARSP). This 401(k) plan allows you to save for retirement through payroll deductions into the ARSP and provides a very generous company match. To maximize your company match, you should consider contributing at least 6% of your salary as a basic contribution. The company will match 100% of your basic contribution. You can choose from a wide range of investment options, and you’ll have the choice of contributing on a before- or after-tax basis (including after-tax Roth contributions). If you are newly hired, rehired or transferred into the ARSP, you may be automatically enrolled into the plan after 60 days. A before-tax basic contribution of 3% of your salary will be deducted from your paycheck if you are automatically enrolled. During this 60-day period, you may stop the automatic enrollment and make your own enrollment decisions, or you may elect not to be enrolled.

**Health savings accounts** If you enroll in the AT&T Medical Program, you may elect to contribute to a health savings account (HSA).* Like a flexible spending account, you can use the funds in an HSA to pay for qualified medical expenses. You can also use HSAs to save for health care expenses in years to come in a tax-efficient manner. Learn more about HSAs on page 15.

*The Fidelity HSA is not an AT&T-sponsored employee benefit plan. You can establish and contribute to an HSA at many financial institutions. See more information on page 15.
Flexible spending accounts  Participating in a health care and/or dependent care flexible spending account (FSA) can help reduce your taxes and increase your spendable income. FSAs allow you to pay for eligible health care and dependent care expenses with funds not subject to payroll taxes. You can learn more about health care FSAs on page 15.

Commuter benefit policy  This policy lets you pay for certain costs associated with public transportation, van pools and work-related parking with before-tax funds.

Life insurance  You’re automatically covered for employer-paid basic life and accidental death and dismemberment insurance in the amount equal to your annual rate of pay and a $10,000 seat-belt incentive insurance. You may elect to purchase additional coverage for yourself and/or your dependents.

Voluntary benefits*  In addition to your company-sponsored benefits, you’re eligible to participate in a group of voluntary benefits offered by Mercer PersonalPlans at group rates. Offerings include:

- Accident insurance
- Auto and homeowners insurance
- Cancer insurance
- Financial-planning services
- Group legal services
- Veterinary pet insurance

*The offerings available through Mercer PersonalPlans are not AT&T-sponsored benefits plans, nor are they subject to Employee Retirement Income Security Act (ERISA) laws and regulations. Other than offering the opportunity to purchase these services through payroll deductions for active employees, AT&T has no connection with or control over these services. The availability of these services is not to be considered an endorsement by AT&T.
Employee discounts and offers

**AT&T products and services:** You are immediately eligible for free or significant discounts — on average, up to 50 percent — on popular AT&T-branded products and services, such as wireless, AT&T U-verse, Digital Life, wireline voice and DIRECTV.

AT&T also offers exclusive access to discount shopping for items from electronics to education and discounted tickets to sports and other entertainment venues.

Save money with health savings accounts and flexible spending accounts

Save for eligible health care costs by enrolling in a health savings account (HSA)* or flexible spending account (FSA). While they differ, both accounts offer tax advantages that can help offset eligible expenses. You don’t pay taxes on these contributions, leaving more money in your paycheck.

**What are eligible health care expenses?**

If you have an HSA* or a health care FSA, you may use the funds in your account to pay for “eligible health care expenses,” those items defined by the Internal Revenue Service (IRS) that taxpayers can claim on their taxes. That list includes:

- Doctor and hospital bills
- Chiropractor visits
- Prescription drugs
- Lab tests and much more
If you’d like to view a more complete list of qualified health care expenses, you can request a copy from the IRS or you can view it online at IRS.gov.

*The Fidelity HSA is not an AT&T-sponsored employee benefit plan or subject to the federal Employee Retirement Income Security Act (ERISA) laws and regulations. It is your personal account opened and maintained by the HSA provider. You can establish and contribute to an HSA at many financial institutions.

**Health savings accounts**

If you enroll in the CDHP option of the AT&T Medical Program (and meet all IRS requirements for HSA eligibility), you may elect to contribute to a health savings account (HSA).

If you are eligible, an HSA can help pay for qualified health care expenses for you and your eligible dependents. The HSA is a special savings account offered by many financial institutions that you can use to pay for eligible health care expenses with funds that haven’t been subject to federal tax.

Unlike the funds in an FSA, the funds remaining in an HSA at the end of the year are yours and will not be forfeited. The balance will roll over from year to year and earn interest or can be invested in financial instruments such as mutual funds. Establishing an HSA may be an attractive option if you wish to pay for health care expenses pre-tax today or to save for health care expenses you will incur down the road.

You can use the funds in your HSA to meet your annual deductible with tax-advantaged dollars, using the funds to pay for out-of-pocket expenses such as office visits, prescription medications and more.

Starting an HSA is easy. AT&T also allows you to contribute through payroll deduction to an HSA established with Fidelity Investments.
You can sign up for an HSA with Fidelity by visiting the AT&T Benefits Center or through the financial institution of your choice. The HSA offered by Fidelity Investments is not an AT&T-sponsored employee benefits plan nor is it subject to the Employee Retirement Income Security Act (ERISA) laws and regulations. It is your personal account established and maintained by Fidelity, and Fidelity is the trustee for your account.

It is permissible to participate in both a health care FSA and an HSA. Please note, however, that if you do participate in both, your FSA will become “limited” and can only be used to pay eligible dental and vision expenses.

**Can you establish an HSA?**

If you meet the following requirements, you can generally contribute to an HSA:

- You must be enrolled in the high-deductible health plan option of the AT&T Medical Program or a plan that meets the Internal Revenue Code (IRC) requirements for a high-deductible health plan.
- You cannot be covered by another medical plan that does not qualify as a high-deductible health plan or high-deductible health insurance according to IRS regulations.
- You cannot be enrolled in Medicare.
- You cannot be claimed as a dependent on someone else’s tax return.

**Health care flexible spending accounts**

No matter which type of health coverage you have, you’ll be able to participate in a health care flexible spending account (FSA). FSAs can help you pay for eligible health care expenses with funds set aside through payroll deduction. You don’t pay taxes on the funds you contribute, so more money is available in your paycheck as disposable income. The money you put in an FSA must be used during the year you set it aside, or you’ll lose the funds.
In 2016, you’ll be able to set aside up to $2,550 in a health care FSA and $5,000$ for a dependent care FSA. Your annual contribution will be deducted evenly from your paychecks throughout the year.

**Which is right for you?** Though both HSAs and FSAs allow you to set aside tax-advantaged dollars to pay for health care expenses, there are important differences between the two. The following chart shows how the tools are alike and how they differ.

<table>
<thead>
<tr>
<th>Maximum Election for 2016</th>
<th>HSA</th>
<th>Health Care FSA</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,300 for Individual Participants</td>
<td>$6,550 for those with Family Coverage</td>
<td></td>
</tr>
<tr>
<td>Funded with before-tax dollars</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Total elected amount available on Jan. 1</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Funded via payroll deduction</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Can be established at any financial institution</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Loss of unused funds at the end of the year</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Long-term savings tool</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Must be selected during annual enrollment</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

$1The annual maximum contribution is $2,500, if you’re married and filing separate tax returns.
You Matter

AT&T offers other benefits to help you get more out of life both at work and at home.
Enrich your life away from work with these benefits

Paid time off

This article does not apply to employees in Puerto Rico or to AT&T Government Solutions Inc. employees.

AT&T provides eligible employees with paid time off (PTO) for leisure, observing six Company-designated holidays, and handling personal activities.

Management employees are eligible for at least 18-23 days of PTO (pro-rated based on month of hire and dependent on management level) in the first year.

New hire pro-rated examples

<table>
<thead>
<tr>
<th>Example</th>
<th>Levels 1 and 2</th>
<th>Levels 3 and 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example 1</td>
<td>An employee hired in March will be advanced 15 days or 120 hours of paid time off at time of hire.</td>
<td>An employee hired in March will be advanced 20 days or 160 hours of paid time off at time of hire.</td>
</tr>
<tr>
<td>Example 2</td>
<td>An employee hired in September will be advanced 6 days or 48 hours of paid time off at time of hire.</td>
<td>An employee hired in September will be advanced 8 days or 64 hours of paid time off at time of hire.</td>
</tr>
</tbody>
</table>

We encourage our people to volunteer in their neighborhoods and include a paid “community day” each year for employees to work in their communities.
Adoption reimbursement policy
This policy reimburses you up to $5,000 for certain costs associated with adoption, such as agency fees, legal and court fees and foreign-adoption fees.

Leaves of absence
AT&T offers leaves of absence, subject to advance approval, for certain needs including family care and personal leaves.

Tuition aid
At AT&T, we’re all about making sure you have the tools you need to deliver for our customers and grow professionally. One of those tools is tuition aid. Up to $5,250 is available annually for eligible full-time employees to help cover education costs that have been approved by the company. Program participants may be reimbursed up to a maximum of $20,000 for courses leading to an approved undergraduate degree and up to $25,000 for courses leading up to an approved graduate degree.

Special circumstances
This does not apply to employees in Puerto Rico or to AT&T Government Solutions Inc. employees.

Rehired retiree
If you are a rehired retiree, review the summary of material modifications (SMM) for the Rehired Eligible Former Employee Supplement to find additional information about your benefits. Contact staffing to request a copy of this document.
Bargained to management

If you are a bargained employee moving to a management position, the following information applies to you.

**Savings** Eligible employees may immediately enroll in the AT&T Retirement Savings Plan (ARSP). This 401(k) plan allows you to save for retirement through payroll deductions into the ARSP and provides a very generous company match. To maximize your company match, you should consider contributing 6% of your salary as a basic contribution. The company will match 100% of your basic contribution. You can choose from a wide range of investment options, and you’ll have the choice of contributing on a before- or after-tax basis (including after-tax Roth contributions).

**Pension** You will retain any pension benefit that you accrued during your employment as a bargained employee, however, you will not be eligible for a pension program.

**Medical** If you transfer to a new position, your current medical, dental and vision coverage options may not be available. If you enroll in a new coverage option, the expenses accumulated toward meeting the out-of-pocket maximum and deductibles under your current coverage will not apply toward meeting your out-of-pocket maximum and deductibles under your new coverage option. If you subsequently terminate from the company and are eligible for post-employment benefits, your coverage options will be based on the position at the time of termination (unless you are a rehired retiree).

In all cases, the official Plan documents govern and are the final authority on Plan terms. AT&T reserves the right to terminate or amend any and all of its employee benefits plans or programs.
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 AT&T employee 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 AT&T employee benefits. AT&T reserves the right to terminate or amend any and all benefits plans at any time, for any reason, and AT&T employee participation in the plan is neither a contract nor a guarantee of future employment.