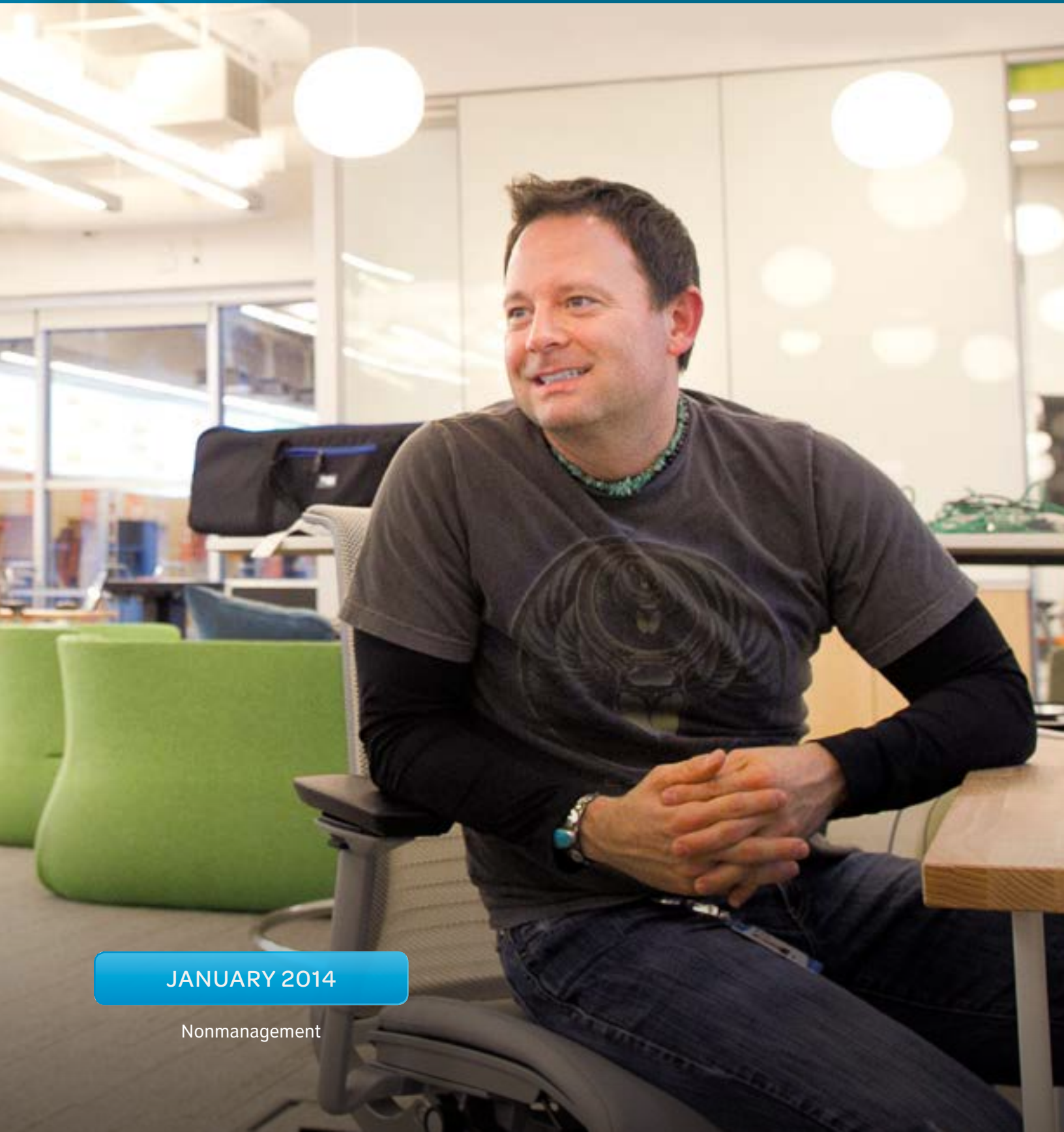


Benefits Overview



JANUARY 2014

Nonmanagement

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.

What's inside

- 1 Your health
- 2 *Your Money Matters*
- 3 Your home and work
- 4 Other

Your health

MEDICAL

As an AT&T nonmanagement employee, you can choose medical coverage through the company-offered, self-insured option, which includes medical, surgical, prescription drug and mental health/substance abuse (MH/SA) benefits.

Fully-Insured Managed Care Options Fully-Insured Managed Care options may be offered in your area. If you enroll in a fully-insured managed care option, your medical, surgical, prescription drug and MH/SA benefits are generally provided through that option.

ELIGIBILITY

Employment restrictions may apply. Certain bargained employee groups are not eligible for all of the plans and/or programs listed in this guide. Eligibility for participation in AT&T benefits plans and programs is based upon several factors, including your hire date, your bargaining contract and your employee status, among others.

CarePlus CarePlus is a supplemental benefit program that helps cover the cost of certain 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 emerging treatments for cancer and other severe, life-threatening diseases
- ▶ Certain preventive cancer screenings:
 - Digital Mammography for breast tumors
 - Reflectance Confocal Microscopy and MelaFind for melanoma
 - Confocal Endomicroscopy for esophageal cancer
- ▶ Xolair for acute allergy attacks
- ▶ Fragile X testing for Autism
- ▶ Occupational therapy and speech therapy for the treatment of Autism, Down syndrome, Rett syndrome, Klinefelter syndrome, Turner syndrome, and other genetic disorders

Dental Our dental coverage helps pay for necessary dental care, including routine cleanings, oral exams, fluoride treatments and X-rays, as well as many basic and major restorative services, such as orthodontia.

Vision Our vision coverage helps pay for eye exams, eyeglasses, contact lenses and frames. EyeMed, the vision plan administrator, also offers a list of providers who offer discounted laser vision-correction procedures.

Disability (Short-Term and Long-Term) If you are absent from work as a result of an illness or injury, you may receive short-term disability and long-term disability benefits as a continuing source of income. You may also have the option of enrolling in supplemental long-term disability benefits.

Employee Assistance Program This company-paid benefit provides you and your family with professional and confidential assessments and referrals to help with personal issues that may impact your work performance. These can include, for example, alcohol and drug abuse, emotional difficulties and stress-related problems.

Your Money Matters

It's your future, and Your Money Matters.

AT&T believes in promoting your financial wellness. That's why we developed the *Your Money Matters* program, to help you understand the resources and savings vehicles available to you as an AT&T employee:

PENSION PLAN

You'll be eligible to participate in the Bargained Cash Balance Program No. 2 of the AT&T Pension Benefit Plan, which helps provide income during retirement. The program is funded entirely by the company.

SAVINGS PLAN

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 percent of your salary as a basic contribution. The Company will match 80 percent 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 percent 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.

FLEXIBLE SPENDING ACCOUNTS

Health care and dependent care flexible spending accounts (FSAs) are easy ways 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) that is used only to reimburse you for eligible out-of-pocket expenses incurred throughout the year. Eligible health care expenses include deductibles, coinsurance or copayments, as well as prescription drugs, contact lenses, eyeglasses, orthodontia. Eligible dependent care expenses include dependent day care expenses, such as child care or elder care.

Your home and work

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.

COMMUTER BENEFIT POLICY

This policy (available to some nonmanagement employees) lets you pay for certain costs associated with public transportation, van pools and work-related parking with money deducted from your paycheck before taxes are applied.

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 \$10,000 seat-belt incentive insurance. You may elect to purchase additional coverage for yourself and/or your dependents.

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:

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

In addition, LifeCare offers their online discount center, LifeMart, for great savings on a wide variety of brand-name products and services.

Other

EMPLOYEE DISCOUNTS & OFFERS

AT&T products and services 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. These include wireline voice, wireless, high speed Internet, AT&T U-verse (portfolio of IP based services: digital TV, high speed Internet and voice), Digital Life and AT&T | DIRECTV cable and satellite TV.

OneStopShop An eMarketplace, powered by Next Jump, Inc. and co-branded by AT&T; where you have access to over 30,000 national and local merchants that provide discounts across 28 shopping categories.

Employee Preferred Customer Discounts Additionally, AT&T's top customers provide discounts on their products and services through the AT&T Preferred Customer Discount Program.

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.

Voluntary benefits In addition to your company-sponsored benefits, you're eligible to participate in a group of voluntary benefits offered by Marsh PersonalPlans at group rates.

Offerings include:

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

The voluntary benefit offerings available through Mercer PersonalPlans are not AT&T-sponsored employee benefits plans nor are they subject to ERISA. Other than offering the opportunity to purchase these services through payroll deductions, AT&T has no connection with or control over these services. The availability of these services should not be considered an endorsement by AT&T.

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.