

**CWA – AT&T (Legacy T)**  
**Summary of Tentative Agreement**  
**2015**

What follows is an initial summary of the changes in the Tentative Agreement. A more detailed report will be provided to the Presidents at the Contract Explanation Meeting on May 17<sup>th</sup> for distribution to members in preparation for the ratification vote.

In this round of bargaining our Bargaining Team was faced with many retrogressive proposals from the Company which we are able to overcome such as:

- Increase our share of health care costs to 32 % of the total cost, which is the same as the management plan.
- \$100 a month “spousal surcharge” if your spouse has access to health care through their employer and a \$50 a month tobacco surcharge.
- Eliminate pensions for new hires.
- Completely freeze pensions for all current employees.
- Eliminate paid sick time for new hires and severely cut it for current employees.
- Eliminate our monitoring language.
- Eliminate JOG and the watermarks.

The Bargaining Team believes this is a good Contract. We were able to gain significant wage increases for all titles including an additional lump sum increase for our lowest paid members. We limited our increased “cost share” for Health Care to 1% each year (as opposed to 2% in 2012). The average member, even after deducting the increased cost in health care, will see on average, well over \$12,000 in “new money” over the course of the agreement (see the chart below). We will receive a pension increase and an extra amount for those in the CBA who are close to retirement. A higher percentage of our members will be protected with our watermarks and “limited layoff” language.

Finally, we added language in several parts of the agreement about improving our members’ ability to perform the jobs required for AT&T’s Workforce 2020 initiative.

We believe this agreement achieves our members’ key goals and it is a Contract that should be ratified.

*Your Legacy T Bargaining Team.*

**2015 AT&T Legacy T Summary of Tentative Agreement**

**Term of the Agreement:** April 12, 2015 to April 11, 2018.

**WAGES:** Cumulative Wage increase 8.48%  
Retroactive to April 12, 2015 – 3.00%  
                  April 11, 2016 – 2.25%  
                  April 9, 2017 – 3.00%

\$750 lump sum at Ratification for LS Associates and Office Support Clerks.

Below are some examples of the wage increases from around the country. The number may change slightly due to different rounding but they should be very close.

<b>Annual Wages</b>	<b>Start Wage</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
Communications Tech. (White Plains, NY)	\$84,552	\$87,089	\$89,048	\$91,719
Bus. Cust. Service Prov. Eng. (Sacramento, CA)	\$77,480	\$79,804	\$81,600	\$84,048
Network Tech. Specialist (Atlanta, GA)	\$77,480	\$79,804	\$81,600	\$84,048
CSSS (Syracuse, NY)	\$66,820	\$68,825	\$70,373	\$72,484
Reports Clerk (Bedminster, NJ)	\$59,436	\$61,219	\$62,597	\$64,474
Teleconference Specialist (Minneapolis, MN)	\$54,288	\$55,917	\$57,175	\$58,890
Office Support Clerk (Lisle, IL)	\$42,172	\$43,437	\$44,414	\$45,747

Below is a chart for those same titles that shows the total “new dollars” we will receive based on the wages increases bargained in this agreement. It adds all the new wages and subtracts the average increased costs for Medical Care (including premiums, deductibles, co-pays, etc.). It includes all of 2018 since the Medical plan is bargained through the end of 2018 and people will get at least the 2017 wage increase through April, 2018. (That amount will actually increase assuming a wage increase bargained in April, 2018.)

<b>Better Off over Bargained Terms of Contract (2015 – 2018)</b>	<b>Single</b>	<b>Family</b>
Communications Tech. (White Plains, NY)	\$17,634	\$15,972
Bus. Cust. Service Prov. Eng. (Sacramento, CA)	\$16,046	\$14,384
Network Tech. Specialist (Atlanta, GA)	\$16,046	\$14,384
CSSS (Syracuse, NY)	\$13,654	\$11,992
Reports Clerk (Bedminster, NJ)	\$11,996	\$10,334
Teleconference Specialist (Minneapolis, MN)	\$10,841	\$9,179
Office Support Clerk (Lisle, IL)	\$8,871	\$7,209

Note: Office support clerk includes \$750 payment in 2015 for low wage workers

**EMPLOYMENT SECURITY: Retained Employment Security and Job Security letters with the following improvements.**

- Watermark: 3600 (82.5% of current headcount) through Dec. 21, 2015; 3400 through Dec. 31, 2017 ; 3200 through expiration.
- Limited Layoff: After April 11, 2015, **500** is the maximum number of involuntary layoffs permitted in Legacy T titles. This is an improvement from 800 in the previous agreement. That protects approximately 89% of the current Legacy T workforce from involuntary layoff. (The 2012 agreement protected 85%.) Considered in the 500 are all those involuntarily laid off even if they refused a JOG offer, were at-risk and laid off at the end of ECO, SLP or were at risk and took TLA.
- Also, those transferring into Article 43 from equivalent titles (including through ATS) will keep their original termination pay schedule if it is higher than Article 43.
- **JOG (Job Offer Guarantee) – Expanded** to cover those hired until April 11, 2015.
- A high level “**Workforce 2020**” Committee will meet to discuss training/re-training of **all functions** in preparation for the technological changes.
- A side letter requiring the company to meet with us to discuss potential jobs related to the acquisition of **Direct TV**.

**HEALTH CARE:**

All employees will be entitled to a comprehensive **Wellness Program** that had previously just been available to management.

**New Hires** will be eligible for company-subsidized individual health care coverage after **90 days** instead of the previous 6 month wait as a result of the Affordable Care Act. Eligibility for company subsidized family health coverage remains at 6 months.

**Everyone will have TWO OPTIONS, one with higher contributions (premiums) and lower deductibles; one with lower contributions and higher deductibles.**

	<b>Option 1</b>			<b>Option 2</b>		
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Contributions – Current Employees / 2009 New Hires / 2015 New Hires</b>						
Individual	96	119	129	24	36	50
Family	214	246	267	60	89	124
<b>Contributions – 2015 New Hires</b>						
Individual	163	175	173	73	80	90
Family	337	361	356	181	200	222
<b>Medical Deductible</b>						
Network – Individual	550	550	600	1300	1300	1300
Network – Family	1100	1100	1200	2600	2600	2600
Non-Network – Individual	1300	1300	2100	3900	3900	3900
Non-Network – Family	2600	2600	4200	7800	7800	7800
<b>Medical Out-of-Pocket Maximum (includes deductible)</b>						
Network – Individual	2550	2550	3000	6450	6450	6450
Network – Family	5100	5100	6000	12900	12900	12900
Non-Network – Individual	7300	7300	9000	19350	19350	19350
Non-Network – Family	14600	14600	18000	38700	38700	38700
<b>Medical Coinsurance</b>						
Network	10%	10%	10%	10%	10%	10%
Non-Network	40%	40%	50%	50%	50%	50%
<b>Prescription Drug Deductible</b>						
Individual	0	0	0	<i>Integrated w/ Medical</i>		
Family	0	0	0	<i>Integrated w/ Medical</i>		
<b>Prescription Drug Out-of-Pocket Maximum</b>						
Individual	1200	1200	1200	<i>Integrated w/ Medical</i>		
Family	2400	2400	2400	<i>Integrated w/ Medical</i>		
<b>Prescription Drug Copays</b>						
Generic Copay						
Retail	10	10	10	9	9	9
Mail Order	20	20	20	18	18	18
Brand Copay						
Retail Preferred	35	35	35	35	35	35
Retail Non-Preferred	60	60	70	70	70	70
Mail Order Preferred	70	70	70	70	70	70
Mail Order Non-Preferred	120	120	140	140	140	140

**Dental and Vision Coverage\***

<u>2016 – 2018</u>	<u>Dental</u>	<u>Vision</u>
Individual	\$7.00	\$2.00
Individual + 1	\$14.00	\$4.50
Family	\$23.00	\$7.50

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\*Dental costs are fixed for the life of the agreement. Vision premiums can fluctuate yearly depending on cost. 2016 Vision premiums were LOWERED for Individuals and Individuals+1.

**FUTURE RETIREES:**

Current employees who retire during the life of this Contract will be treated the same as active employees.

**CURRENT RETIREES:**

A side-letter guaranteeing the Company will continue to fund HRAs at the same level in 2016 for post-65 retirees.

**PENSIONS:** **Traditional Banded Pension:** Increased 1% each year of the agreement  
**Cash Balance Account:** Increased pension band credits 1% each year of the agreement

**In addition:** All employees who reach age 55 as of January 1, 2016 who did not received the extra lump sum to their CBA account in 2012 will receive an additional \$3700 on Jan. 1, 2016. This is will impact over 800 people.

**SUCCESS SHARING PLAN:** (no change in eligibility rules)

**SSP payments** based on the increased stock price will be paid out in cash rather than into an HRA for plan years 2016. In addition, for 2017 and 2018, the payment will include 150 times the yearly dividend which, if the dividend stays at \$.47 a quarter, will be an additional \$282.00 a year.

**Article 4 – Authorized Union Representatives** Added excused unpaid time for Union activities will be considered time worked for determining eligibility for FMLA.

**Article 6 – Union Activities** Union officers will be paid for time spent in joint union-management meetings with representatives of other AT&T companies. This will also include grievance meetings, investigatory meetings and meetings in which discipline is announced.

**Article 8 – Non-Discrimination** Added “gender identity” and “additional characteristics protected by applicable federal, state or local law.”

**Article 15 – Wages:** Deleted “are in the first year of hire” from Article 15 (1)(b) so if someone is hired into a department with a higher rate of pay than someone who is already working there, the current employee will be moved to the higher rate of pay. Previously, if the current employee had more than a year’s service, this wasn’t rectified.

**Article 20 – Absence: NO CHANGE** for current employees. New hires will be capped at 5 days.

**FUNCTIONAL ARTICLES:**

**All Articles:** The **bi-lingual differential** was increased from \$2.50 to **\$3.00** in to all articles. The title section of most Articles has changed due to elimination of unpopulated titles.

**Article 32:** Eliminated. Some titles were moved into Article 36 and some into Article 41. There is no negative impact on anyone and improvements for some.

**Article 34:** (3)(b) changed “The starting time of a tours determines the day on which the tour occurs.”

**Article 43 – Extended 800 watermark** for an additional 3 years. Termination pay increased for those with 25 years of service and less than 30 from 40 weeks to 45 weeks; and 45 weeks to 50 weeks for those over 30 years of service

**Article 45** – Termination pay increased for those with 25 years of service and less than 30 from 40 weeks to 45 weeks; and 45 weeks to 50 weeks for those over 30 years of service.

**Coordinators -- ARS/ARC and Healthcare:** No change.

**National Transfer Plan:** No change.

**TRAINING AND EDUCATION:**

**Alliance for Employee Growth and Development:** \$17 million a year plus approval for \$2 million from the reserves if needed in 2016 and 2017. **This is an increase** based on the current headcount.

**FAD:** Reduced from \$2500 to \$2000 for future surpluses. Those who are already off the payroll and using FAD will continue to receive \$2500.

**AT&T Learning:** Added language on training for Workforce 2020; added language emphasizing that the 40 hours training should not be used solely for “compliance” training.

**Tuition Assistance Plan (TAP)** – The Company may make modifications to the qualifying programs.

**OTHER**

**Electronic Monitoring Language:** No change. The Union agreed to a trial with absolutely no discipline to our members.