

Summary of Material Modifications



Important Benefits Information

AT&T CarePlus – A Supplemental Medical Plan

This summary of material modifications (SMM) is an update to the summary plan description (SPD) for the AT&T CarePlus – A Supplemental Medical Plan.

Please keep this SMM with your Program SPD.

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CarePlus

Summary of Material Modifications

July 2007

IMPORTANT INFORMATION

This SMM is an attachment to your SPD for the Program. It is written for easy readability. Therefore, it may contain generalizations and informal language rather than precise legal terms. Also, this document only summarizes benefits and individual situations may vary. In all cases, the official documents for the Program govern and are the final authority on the terms of the Program, and, if there are any discrepancies between the information in the SMM, the SPD and the Program, the Program document will control. The AT&T companies reserve the right to terminate or amend any and all of their employee benefit plans or programs, subject to any applicable collective bargaining agreement. Participation in the Program is neither a contract nor a guarantee of future employment. Please keep this SMM with your SPD for future reference.

This SMM is provided for your information and review; no other action is necessary.

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Introduction

Unless otherwise noted, this summary of material modifications (SMM) describes changes to the AT&T CarePlus – A Supplemental Medical Plan (CarePlus) effective Jan. 1, 2007. This SMM describes changes to the CarePlus Covered Procedures and a contribution waiver for Plan Year 2007, which affect all CarePlus Participants. In addition, as described in this SMM, certain changes apply only to specific groups. Please read this SMM carefully to determine which information applies to you.

Changes that Apply to All CarePlus Participants

Covered Procedures for 2007

The list of Covered Procedures has changed effective Jan. 1, 2007. **Changes for 2007 are bolded in the chart below.**

Although this list may change at any time and for any reason, Covered Procedures generally are reviewed at least annually. During this review, a procedure or treatment may be eliminated from coverage if, for example, it is determined that the procedure or treatment has become covered under most medical plans as “mainstream medical care” and is no longer considered investigational or experimental in nature.

CAREPLUS 2007 COVERED PROCEDURES
AIDS/HIV
<ul style="list-style-type: none">▪ Remune Vaccine▪ Interleukins — 2, 16
CANCER THERAPIES
<ul style="list-style-type: none">▪ Autologous stem cell (including bone marrow) transplant with high dose chemotherapy (for cancer)<ul style="list-style-type: none">• Breast cancer• Lung cancer (including small cell)• Colon cancer• Brain cancer (primary)• Brain tumor (recurrent)• Osteosarcoma• Retinoblastoma• Rhabdomyosarcoma (metastatic)• Fibrosarcoma• Uterine/fallopian tube cancer (including vaginal, cervical)• Metastatic prostate cancer (hormone-resistant)• Wilms tumor, including recurrent• Desmoplastic small round cell tumor• Nasopharyngeal cancer• Liver cancer
<i>Table continued on next page</i>

CAREPLUS 2007 COVERED PROCEDURES

CANCER THERAPIES (CONTINUED)

- Small cell bone carcinoma
- Metastatic Ewing's sarcoma
- Metastatic gastrointestinal malignancy
- Allogeneic stem cell (including stem cells derived from bone marrow, peripheral blood, umbilical cord blood or more than one umbilical cord blood, i.e., "double cord") transplant with high dose chemotherapy
 - Advanced renal cell carcinoma
 - Advanced melanoma
 - Breast cancer
 - Cholangiocarcinoma
 - Colon/rectal cancer
 - Bladder cancer
 - Basal cell cancer
 - Adrenal cancer
 - Esophageal/gastric cancer
 - Hepatocellular cancer
 - Ovarian cancer
 - Prostate cancer
 - Small cell lung cancer
 - Non small cell lung cancer
 - Adenocarcinoma, unknown origin
 - Pancreatic cancer
 - Mycosis fungoides and sezary syndrome
 - Systemic mastocytosis
 - Neuroblastoma
 - Bony/soft tissue sarcoma
 - Severe Combined Immunologic Disorders (SCIDS)
- Tandem (autologous followed by autologous or allogeneic) stem cell (including stem cells derived from bone marrow, peripheral blood, umbilical cord blood or more than one umbilical cord blood, i.e., "double cord") transplant with high dose chemotherapy
 - Multiple myeloma
 - Lymphomas (Hodgkins and non-Hodgkins)
 - Acute leukemias
 - Testicular germ cell tumors
- Cellular vaccines for melanoma and other cancers
- Oncotype DX: genetic diagnostic test to determine treatment course for breast cancer

Table continued on next page.

CAREPLUS 2007 COVERED PROCEDURES

CANCER THERAPIES (CONTINUED)

- Gene transfer therapy
 - Glioma
 - Leukemias
 - Lymphoma
 - Multiple myeloma
 - Oropharyngeal cancers
 - Heart disease
- For indications approved by: FDA, NIH/NHLBI, NCI, Phase I, Phase II, or Phase III Clinical Trials
- Emerging treatments or therapies for cancer and other severe, life-threatening diseases:
 - Conducted pursuant to an FDA, NIH, NCI, or Cancer- cooperative group approved Phase I, II or Phase III Clinical Trial. In the event a covered person is not formally a participant in the approved Clinical Trial, such treatment or therapy must be administered under the direction of a physician, follow the protocols and procedures utilized in the trial and be delivered at a facility that has been designated as a participant under the approved FDA, NIH, NCI, or Cancer- cooperative group for Phase I, II or Phase III Clinical Trial.

OR

- **Where the illness is encountered so infrequently that no formal trials exist, if the proposed treatment is considered promising care by knowledgeable experts in the field and is supported by evidence of efficacy in the peer reviewed literature, such treatment will be allowed when performed within a facility that actively participates in approved FDA, NIH, NCI, or Cancer- cooperative group Phase I, II or Phase III Clinical Trials.**
- Proton beam therapy for head and neck cancers
- Radiofrequency ablation
 - Lung cancer
 - Bone cancer (palliation)
 - Renal cancer
- Photodynamic therapy
 - Bladder cancer
 - Cutaneous malignant metastases (for example, breast cancer)
 - **Cancer of the esophagus**
- Autologous stem cell (including bone marrow) transplant with high dose chemotherapy for additional (non-cancer) indications:
 - Systemic lupus erythematosus
 - Systemic sclerosis
 - Rheumatoid arthritis
 - Juvenile rheumatoid arthritis
 - Dermatomyositis
 - Polymyositis

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CAREPLUS 2007 COVERED PROCEDURES

CANCER THERAPIES (CONTINUED)

- Multiple sclerosis
- HIV/AIDS
- Crohn's disease
- Ulcerative colitis
- **Accelerated partial breast irradiation (breast brachytherapy)**
- **Brachytherapy for treatment of malignant brain tumors**
- **Cryosurgery for treatment of renal cancer**
- **Implantable beta-emitting microspheres for treatment of malignant tumors**

MULTIPLE SCLEROSIS

- T-cell vaccination (antigen immunotherapy)
- Bacille Calmette-Guerin – (BCG)
- Plasmapheresis
- Interferon (alpha, gamma)
- Interleukin-2-toxin
- Anti-T-cell monoclonal antibodies
- T-cell receptor therapy
- Transforming Growth Factor Beta (TGF)

CARDIAC/VASCULAR PROCEDURES

- Dynamic cardiomyoplasty
- Mini-Ventricular Assist Device (Mini-VAD) — Designated Emergency Covered Procedure
- 2nd generation VAD (e.g., Heartmate II, III, Jarvik 2000, Abiocror, DeBakey) — Designated Emergency Covered Procedure
- Artificial heart (for infants, for example, Berlin Heart) — Designated Emergency Covered Procedure
- Artificial heart (for adults e.g., non-CardioWest devices, Jarvik, Abiocror, DeBakey, LionHeart) — Designated Emergency Covered Procedure
- Percutaneous transmyocardial laser revascularization
- Non-invasive mitral valve replacement surgery (e.g., Evalve Inc. device inserted via catheter)
- Photoangioplasty
- Muscle tissue replacement (stem cell transplant)
 - Heart failure
 - Ischemic heart disease
- Merci retriever (for acute cerebral blood clots/stroke) — Designated Emergency Covered Procedure
- Acorn CorCap (mesh) for heart failure
- Extra-cranial/intra-cranial vascular bypass (for stroke prevention)
- **Patent Foramen Ovale (PFO) closure devices to prevent migraine headaches and strokes**
- **Wingspan – intracranial stent for patients at risk of stroke**

Table continued on next page.

CAREPLUS 2007 COVERED PROCEDURES

SURGICAL PROCEDURES

- Fetal surgery for the following indications:
 - Spina Bifida
 - Congenital heart disease
 - **In utero fetal surgery to correct congenital diaphragmatic hernia**
- Artificial spinal disk (cervical and lumbar disks)
- Corneal stem cell transplant
- Sural nerve transplant (in conjunction with radical prostatectomy for prostate cancer)
- Artificial liver (BAL)
- Artificial pancreas
- Islet cell transplant
- Adjustable skeletal prosthesis (for example, repiphysis) — for children

ADDITIONAL PROCEDURES

- Enterra gastric stimulator (humanitarian use for gastroparesis)
- On trial basis: access to eCleveland Clinic Web-based health benefits
 - Online second opinion for certain life-threatening and life-altering conditions
- Intradiscal Electrothermal Catheterization (IDET) for chronic discogenic back pain
- Botulinum Toxin (Botox) for:
 - Migraine prophylaxis
 - Spasticity associated with traumatic brain injury
 - Severe paradoxical vocal cord movement (functional airway obstruction)
 - Trismus and Stridor in Amyotrophic Lateral Sclerosis
 - Refractory Gastroparesis (idiopathic and diabetic)
 - Neurogenic bladder
- Interferon therapy for:
 - AIDS-related complex
 - Cytomegalic Virus (CMV)
 - Varicella Zoster Virus
- Approved (FDA, NIH, Neurologic-cooperative groups) Phase I, II or III Clinical Trials for diagnosis and/or treatment of Alzheimer's disease
- Rituximab (anti B-cell) therapy for:
 - Systemic Lupus Erythematosus
 - Systemic Sclerosis
 - ANCA – positive vasculitis
- **ExAblate MRI-guided focused ultrasound for non-invasive ablation of uterine fibroids (MR-guided focused ultrasound to treat uterine fibroids)**

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CAREPLUS 2007 COVERED PROCEDURES

ADDITIONAL PROCEDURES (CONTINUED)

- Intraocular Avastin to treat macular degeneration
- Occipital nerve injection to treat headache

IMPORTANT: Designated Emergency Covered Procedures, including, artificial heart procedures, the Mini-VAD, 2nd Generation VAD and the Merci retriever procedure, may be approved by the CarePlus Coordinator retrospectively. Notification is required within three business days of the Emergency Covered Procedure being performed. Failure to provide timely notification to the CarePlus Coordinator of a designated Emergency Covered Procedure will result in a \$500 reduction in the benefits that would otherwise be payable.

Effective Jan. 1, 2007, the following procedures or treatments have been **eliminated** from coverage because they were determined to be covered under most medical plans as “mainstream medical care” and no longer considered investigational or experimental in nature:

- Nitric Oxide Therapy for premature, NICU-confined infants
- Rituximab (Anti B-Cell) Therapy for Rheumatoid Arthritis
- Interferon Therapy for Hepatitis B
- Wearable Automatic External Defibrillator (where traditional implantation surgery is not technically feasible or advisable)
- HIV/AIDS under Allogenic Stem Cell

Vagus Nerve Stimulator for treatment of Chronic Refractory, Major Depression was also removed from the list for 2007 as it is currently being reviewed for safety and effectiveness.

Contributions Waived Through Dec. 31, 2007

Generally, CarePlus is funded through Employee and Retiree contributions that are paid into the AT&T Voluntary Employees' Beneficiary Association (VEBA) Trust (formerly the SBC Voluntary Employees' Beneficiary Association Trust). However, Participant contributions will not be required through the end of Dec. 31, 2007. This waiver of Participant contributions will not affect coverage provided under the Program, and Participant contributions will resume on Jan. 1, 2008.

Eligibility and Enrollment

Active and Former Employees of Pre-SBC/AT&T Merger AT&T Corp. Region Companies

In connection with the merger of SBC Communications Inc. with AT&T Corp., active and retired management employees of several new Participating Companies are eligible to participate in CarePlus. The list of these new Participating Companies is provided in *Appendix A* of this SMM below.

Appendix A: Participating Companies, Company Acronyms and General Employee/Retired Employee Participation Information

The following table is added to *Appendix A* of the SPD.

PRE-SBC/AT&T MERGER AT&T CORP. REGION COMPANIES		
PARTICIPATING COMPANY <i>COMPANY ACRONYM</i>	PARTICIPATION BY ACTIVE MANAGEMENT EMPLOYEES (INCLUDING STD AND LOA PARTICIPANTS) AND FORMER EMPLOYEES (RETIRED MANAGEMENT EMPLOYEES, LTD RECIPIENTS AND THOSE ELIGIBLE FOR COBRA COVERAGE)	PARTICIPATION BY ACTIVE BARGAINED EMPLOYEES (INCLUDING STD AND LOA PARTICIPANTS) AND FORMER EMPLOYEES (RETIRED BARGAINED EMPLOYEES, LTD RECIPIENTS AND THOSE ELIGIBLE FOR COBRA COVERAGE)
Alascom, Inc. AKI	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
AT&T Corp. TCORP	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
AT&T Enterprise Services, Inc. TESI	Active and Former Employees	N/A
AT&T Global Communication Services, Inc. TGCS	Active and Former Employees	N/A
AT&T Global Network Services LLC GNS-LLC	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
AT&T Government Solutions, Inc. TGSI	Active Employees only Former Employees: N/A	N/A
AT&T Investment Management Corp. TIMC	Active and Former Employees	N/A
AT&T Network Procurement Management LLC TNPM	Active and Former Employees	N/A
AT&T Puerto Rico, Inc. TPR	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
AT&T Solutions, Inc. TSI	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
<i>Table continued on next page.</i>		

PRE-SBC/AT&T MERGER AT&T CORP. REGION COMPANIES		
PARTICIPATING COMPANY COMPANY ACRONYM	PARTICIPATION BY ACTIVE MANAGEMENT EMPLOYEES (INCLUDING STD AND LOA PARTICIPANTS) AND FORMER EMPLOYEES (RETIRED MANAGEMENT EMPLOYEES, LTD RECIPIENTS AND THOSE ELIGIBLE FOR COBRA COVERAGE)	PARTICIPATION BY ACTIVE BARGAINED EMPLOYEES (INCLUDING STD AND LOA PARTICIPANTS) AND FORMER EMPLOYEES (RETIRED BARGAINED EMPLOYEES, LTD RECIPIENTS AND THOSE ELIGIBLE FOR COBRA COVERAGE)
AT&T Technical Services Company, Inc. TTSC	Active Employees only Former Employees: N/A	N/A
AT&T of the Virgin Islands, Inc. TVI	Active and Former Employees	N/A
AT&T World Personnel Services TWPS	Active and Former Employees	N/A
TC Systems, Inc. TSYS	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
TCG of the Carolinas, Inc. TCAR	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
TCG Delaware Valley, Inc. TDV	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
TCG New Jersey TNJ	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
TCG Rhode Island TRI	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
TCG Services, Inc. TSRVC	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
Teleport Communications Boston, Inc. TCB	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible
Teleport Communications New York TNY	Active and Former Employees	Active Employees: Not Eligible Former Employees: Not Eligible

Bargained Employees and Former Bargained Employees of SBC Global Services doing Business in California and Nevada

The information in this section applies to Active Bargained Employees and former Bargained Employees of SBC Global Services, Inc. doing business in California and Nevada ("AIS-CA/NV"). This information reflects the changes required as a result of the letter of agreement

dated April 3, 2006, between SBC Global Services, Inc. and the Communications Workers of America (“CWA”) creating a new Appendix D to the 2004 West Core CWA Agreement and incorporating the provisions of the SBC Global Services, Inc. (California/Nevada) collective bargaining agreement into the new Appendix D.

Employees in a position covered under Appendix D will continue to be eligible to participate in CarePlus under the terms, conditions and provisions that apply under the SBC Global Services, Inc. (California/Nevada) collective bargaining agreement, except as described below.

Employees Newly Hired Into Appendix D

An Appendix D Employee who was newly hired into an Appendix D job title and later transfers from an Appendix D job title into a job title under Appendix A or B of the 2004 West Core CWA Agreement, will continue to participate in CarePlus under the terms, conditions and provisions that apply to an Appendix D Employee.

Employees Who Transfer Into an Appendix D Job Title From an Appendix A or B Job Title Under the West Core CWA Agreement

An Employee who transfers from an Appendix A or B job title under the West Core CWA Agreement into an Appendix D job title, either as a result of a surplus declaration or voluntarily, is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee holding the Employee’s previous job title. If the Appendix D Employee later voluntarily returns to an Appendix A or B job title, the Employee will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to Employees in that job title.

Bargained Employees and Former Bargained Employees Whose Job Title is or was Premises Technician

The information in this section applies to Active Employees and former Employees whose job title is premises technician under the following letters of agreement:

- The letter of agreement dated May 12, 2006, regarding Appendix F Employees of AT&T Midwest, Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, The Ohio Bell Telephone Company, Wisconsin Bell, Inc. and Michigan Bell Telephone Company (“Midwest Core CWA Agreement”)
- The letter of agreement dated May 31, 2006, regarding Appendix E Employees of AT&T Services, Inc. (“West Core CWA Agreement”)
- The letter of agreement dated June 16, 2006, regarding Appendix J Employees of Southwestern Bell Telephone, L.P., SBC Advanced Solutions, Inc., SBC DataComm, Inc., AT&T Operations, Inc., AT&T Services, Inc., SBC Telecom, Inc. and SBC Internet Services, Inc. (“Southwest Core CWA Agreement”)
- The letter of agreement dated Dec. 19, 2006, regarding Appendix C Employees of AT&T Teleholdings, Inc. d/b/a AT&T Midwest, Illinois Bell Telephone Company, and AT&T Services, Inc. (“Midwest Core IBEW 21 Agreement”)
- The letter of agreement dated May 7, 2007, regarding Appendix F Employees of The Southern New England Telephone Company and The Woodbury Telephone Company (“East Core CWA Agreement”)

Midwest Core CWA Agreement Appendix F Employees

Newly Hired Employees or Voluntary Transfers Into an Appendix F Job Title

An Active Employee in an Appendix F job title who is newly hired into the Appendix F job title or voluntarily transferred into the Appendix F job title is eligible to participate in CarePlus under the same terms, conditions and provisions as an Active Bargained Employee covered under the Midwest Core CWA Agreement.

If the Employee terminates employment from an Appendix F job title, the Employee will **not** be eligible for CarePlus post-employment benefits except through COBRA continuation coverage. Refer to the “Extension of Coverage – COBRA (Continuation of Coverage)” section beginning on Page 38 of the SPD for information on COBRA continuation coverage.

Surplus Transfers From A Midwest Core CWA Agreement Job Title Into an Appendix F Job Title

An Employee who transfers from a Midwest Core CWA job title into an Appendix F job title as a result of a surplus declaration pursuant to the Midwest Core CWA Agreement (“Surplused Appendix F Employee”) is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in the surplused Employee’s previous job title. If the surplused Employee later voluntarily returns to the Midwest Core CWA Agreement job title, the Employee will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Bargained Employee in that job title.

A Surplused Appendix F Employee who retires from an Appendix F job title during the term of the Midwest Core CWA Agreement, is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retires from a Midwest Core CWA Agreement job title.

Voluntary Transfers From an Appendix F Job Title Into a Midwest Core CWA Agreement Job Title

An Employee who voluntarily transfers into a Midwest Core CWA Agreement job title from an Appendix F job title will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Employee under a Midwest Core CWA Agreement job title.

An Employee who terminates employment from a Midwest Core CWA Agreement job title will be eligible to participate in CarePlus based on service credit earned as an Employee under a Midwest Core CWA Agreement job title and the applicable CarePlus terms, conditions and provisions. The Employee’s service credit from an Appendix F job title will **not** be counted toward post-employment eligibility for the remaining term of the Agreement. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Surplus Transfers From a National Internet Contract (SBCIS) or SBC Global Services, Inc. CWA Agreement (AIS-CWA) Job Title

An SBCIS or AIS-CWA Employee who transfers to an Appendix F job title as a result of a surplus declaration pursuant to the National Internet Contract or AIS-CWA Agreement (“Surplused SBCIS or AIS-CWA Employee”) will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in their previous job title.

If a Surplused SBICS or AIS-CWA Employee retires from an Appendix F job title during the term of the Midwest Core CWA Agreement, the former Employee will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retired from the job title from which the Employee was surplused.

West Core CWA Agreement Appendix E Employees

Newly Hired Employees or Voluntary Transfers Into an Appendix E Job Title

An Active Employee in an Appendix E job title who is newly hired into the Appendix E job title or voluntarily transferred into the Appendix E job title is eligible to participate in CarePlus under the same terms, conditions and provisions as an Active Bargained Employee covered under the West Core CWA Agreement.

If the Employee terminates employment from an Appendix E job title, the Employee will **not** be eligible for CarePlus post-employment benefits except through COBRA continuation coverage. Refer to the “Extension of Coverage – COBRA (Continuation of Coverage)” section beginning on Page 38 of the SPD for information on COBRA continuation coverage.

Surplus Transfers From A West Core CWA Agreement Job Title Into an Appendix E Job Title

An Employee who transfers from a West Core CWA Agreement job title into an Appendix E job title as a result of a surplus declaration pursuant to the West Core CWA Agreement (“Surplused Appendix E Employee”) is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in the surplused Employee’s previous job title. If the surplused Employee later voluntarily returns to the West Core CWA Agreement job title, the Employee will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Bargained Employee in that job title.

A Surplused Appendix E Employee who retires from an Appendix E job title during the term of the West Core CWA Agreement is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retires from a West Core CWA Agreement job title.

Voluntary Transfers From an Appendix E Job Title Into a West Core CWA Agreement Job Title

An Employee who voluntarily transfers into a West Core CWA Agreement job title from an Appendix E job title will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Employee under a West Core CWA Agreement job title.

An Employee who terminates employment from a West Core CWA Agreement job title is eligible to participate in CarePlus based on service credit earned as an Employee under a West Core CWA Agreement job title and the applicable CarePlus terms, conditions and provisions. The Employee’s service credit from an Appendix E job title will **not** be counted toward post-employment eligibility for the remaining term of the Agreement. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Surplus Transfers From the National Internet Contract Job Title Into an Appendix E Job Title

An Employee who transfers from a National Internet Contract job title into an Appendix E job title as a result of a surplus declaration pursuant to the National Internet Contract (“Surplused SBICIS Employee”), is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in their previous job.

If a Surplused SBICIS Employee retires from an Appendix E job title during the term of the West Core CWA Agreement, the former Employee will be eligible to participate in CarePlus under the

terms, conditions and provisions that apply to an Employee who retired from the job title from which the Employee was surplus.

Southwest Core CWA Agreement Appendix J Employees

Newly Hired Employees or Voluntary Transfers Into an Appendix J Job Title

An Employee in an Appendix J job title who is newly hired into the Appendix J job title or voluntarily transferred into the Appendix J job title is eligible to participate in CarePlus under the same terms, conditions and provisions as an Active Bargained Employee covered under the Southwest Core CWA Agreement.

If the Appendix J Employee terminates employment from an Appendix J job title, the Employee will **not** be eligible for CarePlus post-employment benefits except through COBRA continuation coverage. Refer to the “Extension of Coverage – COBRA (Continuation of Coverage)” section beginning on Page 38 of the SPD for information on COBRA continuation coverage. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Surplus Transfers From A Southwest Core CWA Agreement Job Title Into an Appendix J Job Title

An Employee who transfers from a Southwest Core CWA Agreement job title into an Appendix J job title as a result of a surplus declaration pursuant to the Southwest Core CWA Agreement (“Surplused Appendix J Employee”) is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in the surplus Employee’s previous job title.

A Surplused Appendix J Employee who retires from an Appendix J job title during the term of the Southwest Core CWA Agreement is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retires from a Southwest Core CWA Agreement job title.

Voluntary Transfers From an Appendix J Job Title Into a Southwest Core CWA Agreement Job Title

An Employee who voluntarily transfers into a Southwest Core CWA Agreement job title from an Appendix J job title is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Employee under a Southwest Core CWA Agreement job title.

An Employee who terminates employment from a Southwest Core CWA Agreement job title is eligible to participate in CarePlus based on service credit earned as an Employee under a Southwest Core CWA Agreement job title and the applicable CarePlus terms, conditions and provisions. The Employee’s service credit from an Appendix J job title will **not** be counted toward post-employment eligibility for the remaining term of the Agreement. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Surplus Transfers From the National Internet Contract Job Title Into an Appendix J Job Title

An Employee who transfers from a National Internet Contract job title into an Appendix J job title as a result of a surplus declaration pursuant to the National Internet Contract (“Surplused SBICIS Employee”) is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in their previous job title.

If a Surplused SBICIS Employee retires from an Appendix J job title during the term of the Southwest Core CWA Agreement, the former Employee will be eligible to participate in

CarePlus under the terms, conditions and provisions that apply to an Employee who retired from the job title the Employee was surplusd from.

Midwest Core IBEW 21 Agreement Appendix C Employees

Newly Hired Employees or Voluntary Transfers Into an Appendix C Job Title

An Active Employee in an Appendix C job title who is newly hired into the Appendix C job title or voluntarily transferred into the Appendix C job title is eligible to participate in CarePlus under the same terms, conditions and provisions as an Active Bargained Employee covered under the Midwest Core IBEW 21 Agreement.

If the Employee terminates employment from an Appendix C job title, the Employee will **not** be eligible for CarePlus post-employment benefits except through COBRA continuation coverage. Refer to the “Extension of Coverage – COBRA (Continuation of Coverage)” section beginning on Page 38 of the SPD for information on COBRA continuation coverage.

Surplus Transfers From A Midwest Core IBEW 21 Agreement Job Title Into an Appendix C Job Title

An Employee who transfers from a Midwest Core IBEW 21 job title into an Appendix C job title as a result of a surplus declaration pursuant to the Midwest Core IBEW 21 Agreement (“Surplused Appendix C Employee”) is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in the surplusd Employee’s previous job title. If the surplusd Employee later voluntarily returns to the Midwest Core IBEW 21 Agreement job title, the Employee will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Bargained Employee in that job title.

A Surplused Appendix C Employee who retires from an Appendix C job title during the term of the Midwest Core IBEW Agreement, is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retires from a Midwest Core IBEW 21 Agreement job title.

Voluntary Transfers From an Appendix C Job Title Into a Midwest Core IBEW 21 Agreement Job Title

An Employee who voluntarily transfers into a Midwest Core IBEW 21 Agreement job title from an Appendix C job title will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Employee under a Midwest Core IBEW 21 Agreement job title.

An Employee who terminates employment from a Midwest Core IBEW 21 Agreement job title will be eligible to participate in CarePlus based on service credit earned as an Employee under a Midwest Core IBEW 21 Agreement job title and the applicable CarePlus terms, conditions and provisions. The Employee’s service credit from an Appendix C job title will **not** be counted toward post-employment eligibility for the remaining term of the Agreement. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Surplus Transfers From a SBC Global Services, Inc. (AIS) IBEW Local 21 Contract Job Title to an Appendix C Job Title

An AIS IBEW Local 21 Employee who transfers to an Appendix C job title as a result of a surplus declaration pursuant to the AIS IBEW Local 21 Agreement (“Surplused AIS IBEW Local 21 Employee”) will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in their previous job title.

A Surplused Appendix C Employee who retires from an Appendix C job title during the term of the Midwest Core IBEW 21 Agreement, is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retires from a Midwest Core IBEW 21 Agreement job title.

East Core CWA Agreement Appendix F Employees

Newly Hired Employees or Voluntary Transfers Into an Appendix F Job Title

An Active Employee in an Appendix F job title who is newly hired into the Appendix F job title or voluntarily transferred into the Appendix F job title is eligible to participate in CarePlus under the same terms, conditions and provisions as an Active Bargained Employee covered under the East Core CWA Agreement.

If the Employee terminates employment from an Appendix F job title, the Employee will **not** be eligible for CarePlus post-employment benefits except through COBRA continuation coverage. Refer to the “Extension of Coverage – COBRA (Continuation of Coverage)” section beginning on Page 38 of the SPD for information on COBRA continuation coverage. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Surplus Transfers From An East Core CWA Agreement Job Title Into an Appendix F Job Title

An Employee who transfers from an East Core CWA job title into an Appendix F job title as a result of a surplus declaration pursuant to the East Core CWA Agreement (“Surplused Appendix F Employee”) is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee in the surplused Employee’s previous job title. If the surplused Employee later voluntarily returns to the East Core CWA Agreement job title, the Employee will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Bargained Employee in that job title.

A Surplused Appendix F Employee who retires from an Appendix F job title during the term of the East Core CWA Agreement is eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Employee who retires from a East Core CWA Agreement job title.

Voluntary Transfers From an Appendix F Job Title Into a East Core CWA Agreement Job Title

An Employee who voluntarily transfers into a East Core CWA Agreement job title from an Appendix F job title will be eligible to participate in CarePlus under the terms, conditions and provisions that apply to an Active Employee under a East Core CWA Agreement job title.

An Employee who terminates employment from a East Core CWA Agreement job title will be eligible to participate in CarePlus based on service credit earned as an Employee under a East Core CWA Agreement job title and the applicable CarePlus terms, conditions and provisions. The Employee’s service credit from an Appendix F job title will **not** be counted toward post-employment eligibility for the remaining term of the Agreement. Refer to the Net Credited Service definition on Page 19 of this SMM for additional information.

Bargained Employees and Former Bargained Employees of SBC Internet Services, Inc. (Customer Assistant)

The information in this section applies to Active Employees and former Employees of SBC Internet Services Inc. (SBCIS) whose job title is customer assistant under the 2005 National

Internet Contract. This information reflects the benefit changes as a result of the bargaining agreement between SBC Internet Services, Inc. and the Communications Workers of America (CWA) dated Aug. 15, 2006.

If you are an Active Employee or former Employee of SBCIS and your current or former job title is customer assistant, you will be eligible to participate in CarePlus under the same Program terms, conditions and provisions in effect on Jan. 1, 2007, that apply to Management employees hired on or after Jan. 1, 2007.

Bargained Employees and Former Bargained Employees of SBC Advanced Solutions, Inc. (ASI-Telecom OutRegion)

The information in this section applies to Active Employees and former Employees of SBC Advanced Solutions, Inc. (OutRegion (ASI-Telecom OutRegion)). The information reflects the benefit changes as a result of the bargaining agreement between SBC Advanced Solutions, Inc. and the Communications Workers of America (CWA) dated April 8, 2007.

If you are an Active Employee or former Employee of ASI-Telecom OutRegion, you are no longer eligible to participate in CarePlus effective May 1, 2007. You and your dependents may be eligible to continue coverage as provided under COBRA. Refer to the "Extension of Coverage – COBRA (Continuation of Coverage)" section beginning on Page 38 of the SPD for details.

Changes that Apply to Bargained Employees and Former Bargained Employees of SBC Global Services, Inc. (AIS-Warehousers)

The information in this section applies to Active Employees and former Employees of SBC Global Services, Inc. effective June 1, 2007. The information reflects the benefit changes as a result of the bargaining agreement between SBC Global Services, Inc. and the International Brotherhood of Electrical Workers Local Union 21 (IBEW Local 21) dated March 7, 2007.

If you are an Active Employee or former Employee of SBC Global Services, Inc. and your current or former job title is or was warehouse operator in accordance with the IBEW Local 21 agreement dated March 7, 2007, effective June 1, 2007, you will be eligible to participate in CarePlus with the same Program terms, conditions and provisions that apply to an Active Employee and former Employee in accordance with the agreement between SBC Midwest and the IBEW Local Union 21 dated June 27, 2004.

Definitions

The Net Credited Service definition on Page 75 of the SPD is deleted and replaced by the following definition as a result of the recent bargained changes that apply to Bargained Employees and former Bargained Employees whose job title is or was premises technician

Net Credited Service (NCS). NCS refers to a period of employment of an Employee in the service of one or more members of the AT&T Controlled Group of Companies, as determined in accordance with the applicable pension benefit plan of a Participating Company. However, for purposes of determining the eligibility for post-employment coverage of an Employee who hired into or voluntarily transferred into a premises technician job title under one of the following labor agreements:

- Midwest Core CWA Agreement (Appendix F Employees);
- West Core CWA Agreement (Appendix E Employees);
- Southwest Core CWA Agreement (Appendix J Employees);
- Midwest Core IBEW 21 Agreement (Appendix C Employees); and
- East Core CWA Agreement (Appendix F Employees)

as described on Page 13 of this SMM, the period of employment during which the Employee remained in the premises technician job title is subtracted from the Employee's NCS determined as described above.