

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
---	---	---

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☒ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>CINGULAR WIRELESS PENSION PLAN</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:80%;">1b Three-digit plan number (PN) ▶</td> <td style="width:20%; text-align: center;"><u>008</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>11/01/2001</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>008</u>	1c Effective date of plan <u>11/01/2001</u>	
1b Three-digit plan number (PN) ▶	<u>008</u>				
1c Effective date of plan <u>11/01/2001</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>AT&T INC.</u> <u>P.O.BOX 132160</u> <u>DALLAS, TX 75313-2160</u>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>43-1301883</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>210-351-3333</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>517000</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>43-1301883</u>	2c Sponsor's telephone number <u>210-351-3333</u>	2d Business code (see instructions) <u>517000</u>	
2b Employer Identification Number (EIN) <u>43-1301883</u>					
2c Sponsor's telephone number <u>210-351-3333</u>					
2d Business code (see instructions) <u>517000</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2010	JOHN J.STEPHENS SR.VP CONTROLLER
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/08/2010	JOHN J.STEPHENS SR.VP CONTROLLER
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") AT&T INC. P.O.BOX 132160 DALLAS, TX 75313-2160	3b Administrator's EIN 43-1301883 3c Administrator's telephone number 210-351-3333
---	---

4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
---	-----------------------------------

5 Total number of participants at the beginning of the plan year	5	878
---	----------	-----

6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	0
b Retired or separated participants receiving benefits.....	6b	0
c Other retired or separated participants entitled to future benefits.....	6c	0
d Subtotal. Add lines 6a , 6b , and 6c	6d	0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
--	----------	--

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1C 1G 3F 3J 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
---	---

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☐ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)
---	---

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>CINGULAR WIRELESS PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>008</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>AT&T INC.</u>	D Employer Identification Number (EIN) <u>43-1301883</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>	
2 Assets:	
a Market value	2a <u>5350000</u>
b Actuarial value	2b <u>5885000</u>
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>0</u> <u>0</u>
b For terminated vested participants	3b <u>77</u> <u>396000</u>
c For active participants:	
(1) Non-vested benefits	3c(1) <u>714000</u>
(2) Vested benefits	3c(2) <u>5041000</u>
(3) Total active	3c(3) <u>960</u> <u>5755000</u>
d Total	3d <u>1037</u> <u>6151000</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐
a Funding target disregarding prescribed at-risk assumptions	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b
5 Effective interest rate	5 <u>8.07</u> %
6 Target normal cost	6 <u>1041000</u>

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>09/28/2010</u>
Signature of actuary	Date
<u>THOMAS MIANO, FSA, EA</u>	<u>08-04601</u>
Type or print name of actuary	Most recent enrollment number
<u>AON CONSULTING</u>	<u>214-989-0000</u>
Firm name	Telephone number (including area code)
<u>2711 NORTH HASKELL AVENUE, 7TH FLOOR</u> <u>DALLAS, TX 75204</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	400000	
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	250000	
9	Amount remaining (Item 7 minus item 8).....	150000	0
10	Interest on item 9 using prior year's actual return of <u>26.40</u> %	-40000	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____ %		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	110000	0

Part III Funding percentages			
14	Funding target attainment percentage.....	14	93.88 %
15	Adjusted funding target attainment percentage.....	15	95.67 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	96.50 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2009	284000				
07/15/2009	284000				
10/15/2009	17000				
01/15/2010	234000				
09/13/2010	170000				
			Totals ►	18(b)	989000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	931000
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 59
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	1041000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33).....	34	1041000
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	110000	
36 Additional cash requirement (item 34 minus item 35).....	36	931000
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	931000
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

<div>SCHEDULE D</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div>		<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>		<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>	
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009					
A Name of plan CINGULAR WIRELESS PENSION PLAN				B Three-digit plan number (PN) ▶ 008	
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 AT&T INC.				D Employer Identification Number (EIN) 43-1301883	
Part I Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)					
a Name of MTIA, CCT, PSA, or 103-12 IE: SBC MASTER PENSION TRUST					
b Name of sponsor of entity listed in (a): AT&T INC.					
c EIN-PN 91-1990052-020		d Entity code M		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:					
b Name of sponsor of entity listed in (a):					
c EIN-PN		d Entity code		e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan CINGULAR WIRELESS PENSION PLAN	B Three-digit plan number (PN) ►	008
C Plan sponsor's name as shown on line 2a of Form 5500 AT&T INC.	D Employer Identification Number (EIN) 43-1301883	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	976000	0
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)	4372000	0
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	5348000	0

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	5348000	0
---	-----------	---------	---

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	989000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		989000

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		757000
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		1746000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	498000	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		498000
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		0
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		498000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1248000
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan	2l(2)		6596000

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ERNST & YOUNG LLP

(2) EIN: 34-6565596

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....	X		
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☒ Yes ☐ No Amount: 0

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
AT&T PUERTO RICO PENSION BENEFIT PLAN	43-1301883	007

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>CINGULAR WIRELESS PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>008</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AT&T INC.</u>	D Employer Identification Number (EIN) <u>43-1301883</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-6568107</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>42</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☒ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☒ Increase	☐ Decrease	☐ Both	☐ No
--	--	-----------------------------------	-------------------------------	-----------------------------

Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Report of Independent Auditors

AT&T Inc.
Human Resources and Finance/Pension Committees

We have audited the accompanying statements of net assets available for benefits of AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan, and Cingular Wireless Pension Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plans at December 31, 2009 and 2008, and the changes in their financial status for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

September 10, 2010

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
--	--	---

For calendar plan year 2009 or fiscal plan year beginning and ending

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan CINGULAR WIRELESS PENSION PLAN	B Three-digit plan number (PN) ▶ 008
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AT&T Inc.	D Employer Identification Number (EIN) 43-1301883
E Type of plan: ☐ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>	
2 Assets:	
a Market value.....	2a 5,350,000
b Actuarial value.....	2b 5,885,000
3 Funding target/participant count breakdown	
	(1) Number of participants (2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 0 0
b For terminated vested participants.....	3b 77 396,000
c For active participants:	
(1) Non-vested benefits.....	3c(1) 714,000
(2) Vested benefits.....	3c(2) 5,041,000
(3) Total active.....	3c(3) 960 5,755,000
d Total.....	3d 1,037 6,151,000
4 If the plan is at-risk, check the box and complete items (a) and (b)..... ☐	
a Funding target disregarding prescribed at-risk assumptions.....	4a
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b
5 Effective interest rate.....	5 8.07 %
6 Target normal cost.....	6 1,041,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		09/28/2010
THOMAS MIANO, FSA, EA		Date
Type or print name of actuary		08-04601
AON CONSULTING		Most recent enrollment number
2711 North Haskell Avenue, 7th Floor		(214) 989-0000
Dallas TX 75204		Telephone number (including area code)
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II		Beginning of year carryover and prefunding balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	400,000	
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	250,000	
9	Amount remaining (Item 7 minus item 8).....	150,000	0
10	Interest on item 9 using prior year's actual return of <u>(26.40)</u> %	(40,000)	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		
b	Interest on (a) using prior year's effective rate of _____%		0
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance.....		
12	Reduction in balances due to elections or deemed elections.....		
13	Balance at beginning of current year (item 9 + item 10 + item 11d - item 12)	110,000	0

Part III		Funding percentages	
		14	93.88 %
14	Funding target attainment percentage.....		
15	Adjusted funding target attainment percentage.....	15	95.67 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	96.50 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV		Contributions and liquidity shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2009	284,000				
07/15/2009	284,000				
10/15/2009	17,000				
01/15/2010	234,000				
09/13/2010	170,000				
			Totals ▶	18(b)	989,000
				18(c)	0

19 Discounted employer contributions - see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contribution from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c 931,000
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of Quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 59
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29).....	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	1,041,000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment	0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33).....	34	1,041,000
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	110,000	110,000
36 Additional cash requirement (item 34 minus item 35).....	36	931,000
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	931,000
38 Interest-adjusted excess contributions for current year (see instructions).....	38	0
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

Cingular Wireless Pension Plan

2009 Schedule SB, line 22 — Description of Weighted Average Retirement Age

Description of Weighted Average Retirement Age Calculation

The rates of retirement at each age depend on the following factors:

- age

The detailed description of the exact rates that apply at each age for each of the various categories is contained in the attachment to Part V — Statement of Actuarial Assumptions/Methods. These rates have not changed from the prior year.

In computing the weighted-average retirement age, the weight applied to each age is (a)/(b), where (a) and (b) are defined as follows:

(a) The number of participants expected to retire at the retirement age to which the weight is being applied. The number of participants expected to retire is estimated by applying the assumed rates of decrement to the current active population.

(b) The total number of participants expected to retire. The number of participants expected to retire is estimated by applying the assumed rates of decrement to the current active population.

AT&T Inc.

Summary of plan provisions Cingular Wireless Pension Plan (Puerto Rico)

Effective date

The effective date of the Plan was November 1, 2001 resulting from spin-offs from the SBC Pension Benefit Plan and BellSouth Personal Retirement Account Pension Plan into the Cingular Wireless Pension Plan. The Plan was last amended effective January 1, 2009.

Contributions

The Company will, from time to time, pay to the Trustee such sums of money as the enrolled actuary shall certify as the amounts necessary to provide the retirement income benefits specified by the Plan and to prevent the Plan from having an accumulated funding deficiency within the meaning of IRC Section 412. The Company may also provide additional sums of money to the Trustee as deemed appropriate.

Employee contributions are neither required nor permitted under the Plan.

Expenses

All expenses incurred in connection with the administration of the Plan and the Trust are paid by the fund to the extent they are not paid by the Company.

Changes from prior year

There were no changes from the prior year.

Employees eligible for participation

Any nonbargained Puerto Rico employee, or bargained employee that bargained to participate in the Plan, who is regularly employed by Cingular Wireless will become a participant the day after completing one Year of Service. Any nonbargained employee or bargained employee that bargained to participate in the Plan, of Cingular Wireless that transferred from SBC Corporation or BellSouth Corporation is a participant in the Plan on the date of transfer. Any nonbargained employee, or bargained employee that bargained to participate in the Plan, hired by Cingular Wireless prior to December 31, 2001 becomes a participant in the Plan on January 1, 2002 if not already a participant in the Plan.

Definitions

Transferred employee

A former employee of SBC Corporation, BellSouth Corporation or an affiliate thereof who became an employee of Cingular in connection with the formation of Cingular.

Transferred participant

A former participant in the SBC Pension Benefit Plan - Nonbargained Plan or BellSouth Personal Retirement Account Pension Plan whose accrued benefit was transferred to the Plan, or a former participant in the Ameritech Management Pension Plan whose transfer resulted in the creation of a Transition Account.

AT&T Inc.

Years of service

Years of Service will be calculated on an elapsed time basis for the number of whole 12-month periods of service.

Years of vesting service credit

For a BellSouth Transferred Employee, the sum of his years of vesting service credit under the BellSouth Plan plus the number of whole and partial Years of Service earned on and after January 1, 2002.

Years of pension eligibility service

For a SBC Transferred Employee, the sum of his years of pension eligibility service under the SBC Plan plus the number of whole and partial Years of Service earned on and after January 1, 2002.

Years of net credited service

For a SBC Transferred Employee, the years of Pension Eligibility Service as of the employee's transfer date plus the Years of Service earned under the Plan after such transfer date. For a BellSouth Transferred Employee, the years of "Net Credited Service" under Section 10.02 of the BellSouth Plan as of the employee's transfer date plus the Years of Service earned under the Plan after such transfer date. For a SBC Transferred Employee who was previously a participant in the Ameritech Management Pension Plan, the term of employment defined under Section B-2(e) of the Ameritech Plan as of the employee's transfer date plus the Years of Service earned under the Plan after such transfer date.

Normal retirement age

Age 65.

Benefit compensation

The sum of a participant's W-2 wages, excluding certain amounts such as discretionary bonuses, plus any elective deferral not included in W-2 wages. Benefit Compensation is limited to the IRC section 401(a)(17) compensation limits.

SBC career-average benefit

For SBC Transferred Participants hired before June 1, 1997, a monthly benefit of one-twelfth of 1.6% of the adjusted career income as determined under the SBC Plan plus 1.6% of the Benefit Compensation paid to the participant through June 1, 2002. The SBC Career-Average Benefit was frozen as of June 1, 2002.

Special pension account (SPA)

For a SBC Transferred Participant eligible to retire as of December 31, 1999, a special pension account (SPA) was created at SBC equal to the lump sum value of the participant's December 31, 1999 retirement benefit assuming they retire on that date increased with interest to December 31, 2000 at 6.15%, and then frozen.

AT&T Inc.

PTG Accelerated Transition Benefit

For a SBC Transferred Participant who was a participant in the Pacific Telesis Group Pension Plan for Salaried Employees on March 22, 1996, the accelerated transition benefit to which the participant was entitled under the SBC Plan on December 31, 2001.

PTG special ATB

For a SBC Transferred Participant who was a participant in the Pacific Telesis Group Pension Plan for Salaried Employees on March 22, 1996, the actuarial equivalent single life annuity of the lump sum value of the Accelerated Transition Benefit to which the participant was entitled under the SBC Plan on January 1, 1999 increased with interest for the period from January 1, 1999, through December 31, 2001.

BellSouth management pension plan benefit

For a BellSouth Transferred Participant who was a participant in the BellSouth Management Pension Plan on July 1, 1993 and who would have been eligible for a service pension under the BellSouth Plan if he had remained an active participant in that plan through December 31, 2005, the continuation of the career average formula through December 31, 2005. The career average formula provides a monthly benefit equal to one-twelfth of the sum of 1.6% of the BellSouth Transferred Participants adjusted career income determined under the BellSouth Plan as of the transfer date plus 1.6% of all Benefit Compensation paid to the participant through January 1, 2006 plus 0.3% of the adjusted career income plus compensation through January 1, 2006 divided by the corresponding service which is in excess of the Average Social Security Covered Wage Base multiplied by the corresponding service.

BellSouth pension plan benefit (combo benefit)

For a BellSouth Transferred Participant who was a bargained participant in the BellSouth Pension Plan and whose accrued benefit under the BellSouth Pension Plan was transferred to the BellSouth Personal Retirement Account Pension Plan, the accrued benefit shall never be less than the following. The accrued benefit attributable to service under the BellSouth Pension Plan based on the pension band multiplier in effect as of December 31, 2001 plus the accrued benefit based on service since transfer from the BellSouth Pension Plan as of the earlier of termination of employment or December 31, 2006.

BellSouth management pension plan minimum lump sum benefit

For a BellSouth Transferred Participant, the largest of the actuarial equivalent lump sum value of the BellSouth Management Pension Plan Benefit on December 31, 1999, December 31, 2000 or December 31, 2001 calculated at the interest rate applicable at the given date.

Ameritech transition account

For an Ameritech Transferred Employee, a bookkeeping account which as of December 31, 2001 is equal to the greater of a projected transition shortfall after 5 years or \$500. The Ameritech Transition Account shall be reduced at the end of each month by a monthly credit amount equal to the current balance divided by the number of whole months until December 31, 2006. The account shall receive interest credits at the end of each month at the same rate as the Cash Balance Account. The balance of the Ameritech Transition Account will be zero as of January 1, 2007.

AT&T Inc.

Cash balance account

The cash balance account is a bookkeeping account which will periodically receive service credits, interest credits and transition credits (if applicable) as follows.

- **Transferred account balance**

For a Transferred Participant, the Cash Balance Account is set equal to the cash balance account under the SBC Plan or the BellSouth Plan at the time of transfer to Cingular Wireless.

- **Interest credits**

Interest is credited to the Cash Balance Account monthly, based on the average 30-year Treasury bond yield for the middle month of the prior quarter.

- **Service credits**

Service Credits equal to 5% of a participant's Benefit Compensation are credited monthly to the Cash Balance Account.

- **BellSouth basic transition service credits**

As of the last day of each month ending prior to January 1, 2007, a Service Credit shall be credited to the Cash Balance Account of each Transferred Participant who was a participant in the BellSouth Plan equal to a percent of Benefit Compensation based on Years of Vesting Service Credit completed at the beginning of the plan year. The applicable percentage is 0% for service less than 10 years, 1% for service from 10 to 15 years, 2% for service from 15 to 20 years, 3% for service from 20 to 25 years, 4% for service from 25 to 30 years, 2% for service from 30 to 35 years and 0% for service on or in excess of 35 years.

- **BellSouth supplemental transition service credits**

As of the last day of each month ending prior to January 1, 2007, a Service Credit shall be credited to the Cash Balance Account of each Transferred Participant who was a participant in the BellSouth Plan equal to 3% of Benefit Compensation in excess of the Social Security taxable wage base.

- **Ameritech transition service credits**

The monthly credit from the Ameritech Transition Account (if any) is credited to the Cash Balance Account.

- **Initial account balance**

Upon participation in the plan, new participants, that are not Transferred Participants, receive retroactive service and interest credits back to the later of their date of employment with Cingular Wireless or 12 months prior to becoming a participant in the Plan.

Service pension

Eligibility

For a SBC Transferred Participant, termination of employment after attaining age 65 with 10 years of Net Credited Service, age 55 with 20 years of Net Credited Service, age 50 with 25 years of Net Credited Service or 30 years of Net Credited Service. For a BellSouth Transferred Participant, termination of employment after attaining age plus Net Credited Service of 75 and at least 10 years of Net Credited Service.

Lump sum benefit

A lump sum benefit is available equal to the greater of the following, as applicable:

AT&T Inc.

- the Cash Balance Account.
- the SBC Career-Average Benefit, reduced for distribution prior to age 55, times an immediate lump sum factor. Reduction is $\frac{1}{2}\%$ for each month the participant's age on the commencement date is prior to age 55. If the participant has attained 30 Years of Net Credited Service, then reduction is $\frac{1}{4}\%$ for each month the participant's age on the commencement date is prior to age 55.
- the SPA.
- the Accelerated Transition Benefit, reduced for distribution prior to age 55, times an immediate lump sum factor.
- the Special ATB.
- the BellSouth Management Pension Plan benefit, reduced for distribution prior to age 60 (age 61 for terminations during 2004, 2005 or age 62 for termination during 2006 or later) times an immediate lump sum factor. Reduction is $\frac{1}{2}\%$ for each month the participant's age on the commencement date is prior to the applicable age based on year of termination. If the participant has attained 30 Years of Net Credited Service, then reduction is $\frac{1}{4}\%$ for each month the participant's age on the commencement date is prior to applicable age based on year of termination.
- the BellSouth Pension Plan Benefit, reduced for commencement prior to age 56, times an immediate lump sum factor. Reduction is $\frac{1}{2}\%$ for each month the participant's age on the commencement date is prior to age 56. If the participant has attained 30 Years of Net Credited Service, then the benefit is not reduced for early commencement.
- the BellSouth Management Pension Minimum Lump Sum benefit.

Annuity benefit

In lieu of a lump sum benefit, a participant may receive an immediate monthly pension, payable for life, equal to the actuarial equivalent of the lump sum benefit.

Date payments begin

If a monthly pension is elected, the benefit commences on the first day of the month following the date of retirement, or a later date elected by the participant, not later than age 65. If a lump sum benefit is elected, payment is made upon retirement, or a later date elected by the participant, not later than age 65.

Termination benefit

Eligibility

Termination while vested, and for Transferred Participants, termination prior to eligibility for a Service Pension. All Cingular nonbargained employees, or bargained employees that bargained to participate in the Plan, hired prior to January 1, 2002 are considered fully vested. For those Cingular employees hired after December 31, 2001, a Termination Benefit is payable upon termination of employment after completing at least 5 years of Net Credited Service. A participant who terminates employment due to disability will be considered fully vested.

AT&T Inc.

Lump sum benefit

A lump sum benefit is available equal to the greater of the following, as applicable:

- the Cash Balance Account.
- the SBC Career-Average Benefit times a deferred to age 65 lump sum factor.
- the Accelerated Transition Benefit reduced for distribution prior to age 55, times an immediate lump sum factor.
- the Special ATB.
- the BellSouth Management Pension Plan Benefit times a deferred to age 65 lump sum factor.
- the BellSouth Management Pension Plan Benefit reduced for early commencement.
- times an immediate lump sum factor.
- the BellSouth Management Pension Minimum Lump Sum Benefit.

Annuity benefit

In lieu of a lump sum benefit, a participant may receive an immediate monthly pension, payable for life, equal to the greater of the SBC Career-Average Benefit, the Accelerated Transition Benefit, the Special ATB, the BellSouth Management Pension Plan Benefit and the Cash Balance Account converted to an annuity. All annuity benefits are reduced as applicable for early commencement.

Date payments begin

If a monthly pension is elected, the benefit commences on the first day of the month following the date of termination, or a later date elected by the participant, not later than age 65. If a lump sum benefit is elected, payment is made upon termination, or a later date elected by the participant, not later than age 65.

Surviving spouse benefit

Eligibility

Surviving spouse of an active participant, regardless of net credited service amount, or deferred vested participant in the event of the participant's death.

Annuity benefit

The monthly benefit that would have been payable to the surviving spouse if the participant had retired or terminated his active employment on the earlier of his date of death or most recent termination of employment, commenced benefits in the form of a qualified joint and survivor annuity and died on the day of commencement, or the actuarial equivalent of the participant's Cash Balance Account.

Lump sum benefit

The eligible spouse of an active participant who dies prior to Normal Retirement Age and before benefit payments commence is entitled to a lump sum benefit which is the largest of the actuarial equivalent of the annuity benefit commencing at either the date of death or the participant's normal retirement date and the participant's cash balance account.

AT&T Inc.

Death benefit if no surviving spouse

Eligibility

Death of an active participant, regardless of Net Credited Service amount, or deferred vested participant that does not have a surviving spouse.

Lump sum benefit

A lump sum death benefit equal to the Cash Balance Account is paid in accordance with the Cingular rules for employee beneficiary designation.

Forms of payment

The normal form is a straight life annuity. The automatic form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity, with 50% of the benefit continuing to the surviving spouse upon the earlier death of the Participant. Cash balance accounts are converted to an annuity using the applicable mortality under IRC section 417(e) and the interest crediting rate at the time of conversion.

In lieu of the automatic form of payment, a Participant may elect, with the proper spousal consent, to waive the qualified joint and survivor annuity and to receive an actuarial equivalent retirement benefit in the form of a single life annuity or a 75% joint and survivor annuity.

A Participant may also elect to receive a lump sum. Benefits will be converted to lump sums based on an interest rate equal to the average 30-year Treasury bond yield for the middle month of the quarter preceding distribution and the Applicable Mortality Table.

Applicable Mortality Table shall mean the table based on the mortality rates in Revenue Ruling 2001-62, effective January 1, 2003.

EIN 43-1301883/PN 008

Cingular Wireless Pension Plan

2009 Schedule SB, line 24 — Change in Actuarial Assumptions

Effective January 1, 2009, the changes in actuarial assumptions are as follows:

The lump sum conversion rate and cash balance crediting rate was adjusted from 4.52% in 2008, 5.25% thereafter to 4.00% in 2009, 5.00% thereafter. This change was made to reflect the current and long term expectation of the 30 year Treasury Rate.

Expenses included in the Target Normal Cost are based on expected administration expenses and PBGC premiums for 2009.

Cingular Wireless Pension Plan
2009 Schedule SB, line 25 — Change in Method

The method to calculate actuarial value of assets is changed from using the market value of assets for 2008 to recognizing gains and losses over a period of three years for 2009, effective January 1, 2009.

The interest rates used for determining liabilities as of January 1, 2009 changed from a 24 month average with phase-in three-segment rates with no lookback month to full yield curve with an October lookback which was published in November.

AT&T Inc.



**Number of active participants and average valuation pay by age and service
AT&T Mobility CWPP (Puerto Rico)**

Age on valuation	Years of completed service										Total
	0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	
0-24	35	59	1	--	--	--	--	--	--	--	95
	\$18,946	\$23,689	--	--	--	--	--	--	--	--	\$22,102
25-29	37	160	47	2	--	--	--	--	--	--	246
	\$21,090	\$28,494	\$31,014	--	--	--	--	--	--	--	\$27,877
30-34	19	93	141	26	--	--	--	--	--	--	279
	--	\$34,279	\$36,995	\$45,421	--	--	--	--	--	--	\$36,487
35-39	3	36	51	68	4	--	--	--	--	--	162
	--	\$37,358	\$38,460	\$46,380	--	--	--	--	--	--	\$41,849
40-44	6	11	20	44	12	--	--	--	--	--	93
	--	--	\$37,756	\$51,188	--	--	--	--	--	--	\$50,977
45-49	1	6	4	22	10	--	--	--	--	--	43
	--	--	--	\$58,641	--	--	--	--	--	--	\$65,296
50-54	--	--	9	13	3	--	--	--	--	--	25
	--	--	--	--	--	--	--	--	--	--	\$62,019
55-59	--	1	4	3	3	--	--	--	--	--	11
	--	--	--	--	--	--	--	--	--	--	--
60-64	--	--	1	1	3	--	--	--	--	--	5
	--	--	--	--	--	--	--	--	--	--	--
65-69	--	--	1	--	--	--	--	--	--	--	1
	--	--	--	--	--	--	--	--	--	--	--
70+	--	--	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--	--	--
Total	101	366	279	179	35	--	--	--	--	--	960
	\$22,653	\$31,726	\$36,956	\$49,298	\$90,175	--	--	--	--	--	\$37,699

EIN 43-1301883/PN 008

Cingular Wireless Pension Plan

2009 Schedule SB, Line 3 — Description of Funding Target / Count Breakdown

Description of Funding Target / Count Breakdown

- Funding target liability/counts under line 3a are determined for the participants who are currently receiving or have received benefits.
- Funding target liability/counts under line 3b are determined for the retired/separated participants who are entitled to future benefits.

AT&T Inc.



Summary of actuarial assumptions

	2009	2008
Effective interest rates	8.07%	6.01%
Segment rates*		
1st segment rate (years 0 to 4)	n.a.	5.72%
2nd segment rate (years 5 to 19)	n.a.	5.92%
3rd segment rate (years 20 and after)	n.a.	6.09%
PBGC segment rates**		
PBGC 1st segment rate (years 0 to 4)	n.a.	4.93%
PBGC 2nd segment rate (years 5 to 19)	n.a.	6.13%
PBGC 3rd segment rate (years 20 and after)	n.a.	6.69%
Lump sum conversion rate	4.00% in 2009 and 5.00% thereafter	4.52% in 2008 and 5.25% thereafter
Cash balance crediting rate	4.00% in 2009 and 5.00% thereafter	

* October 2008 yield curve for 2009.

** The alternate method interest rates (i.e., Funding Target Liability interest rates) were used for 2009.

AT&T Inc.



Summary of actuarial assumptions (continued)

Other assumptions

Form of payment

- The form of payment is assumed to be a lump sum for retirees and a lump sum, with 40% of distributions paid in the first year following termination, 35% in the second year and 25% deferred to normal retirement date for terminations.

Valuation earnings

Actual Pension Compensation for 2008 increased for one year by the salary scale.

Maximum earnings

\$245,000.00

Maximum benefit

The maximum benefit payable under IRC Section 415 at Normal Retirement Age.

Spouse age

Actual if available, else husband is 3 years older than wife.

Mortality for funding

- The mortality table for funding is the 2009 static mortality table, with separate rates for annuitants and non-annuitants, prescribed by Treasury regulations section 1.430(h)(3).

AT&T Inc.



Demographic assumptions

	CWPP
Expected rate of salary increase	Exhibit A-1
Retirement rates	Exhibit B-1
Withdrawal rates	Exhibit C-1
Disability rates	Exhibit D-1
Mortality rates *	2009 IRS Static Mortality
Mortality for lump sum option	Rates prescribed in Rev. Ruling 01-62
Percent married	
-Active employees	80% for male; 55% for female
-Retired employees	N/A

* The mortality table for funding is the 2009 static mortality table, with separate rates for annuitants and non-annuitants, prescribed by Treasury regulations section 1.430(h)(3).

AT&T Inc.

Exhibit A-1

**Annual rates of salary increase
CWPP**

Age	Annual increase	Age	Annual increase	Age	Annual increase
15	15.00%	35	5.40%	55	3.81%
16	15.00	36	5.20	56	3.78
17	15.00	37	5.00	57	3.75
18	14.40	38	4.90	58	3.72
19	13.80	39	4.80	59	3.69
20	13.20	40	4.70	60	3.66
21	12.60	41	4.60	61	3.63
22	12.00	42	4.50	62	3.60
23	11.40	43	4.40	63	3.60
24	10.80	44	4.30	64	3.60
25	10.20	45	4.20	65	3.60
26	9.60	46	4.10	66	3.60
27	9.00	47	4.00	67	3.60
28	8.40	48	3.98	68	3.60
29	7.80	49	3.96	69	3.60
30	7.20	50	3.94	70 & over	3.60
31	6.60	51	3.92		
32	6.00	52	3.90		
33	5.80	53	3.87		
34	5.60	54	3.84		

AT&T Inc.

Exhibit B-1

**Annual rates of retirement
CWPP**

Age	Rate
46 & under	0.000
47	0.100
48	0.100
49	0.100
50	0.100
51	0.100
52	0.100
53	0.100
54	0.100
55	0.150
56	0.150
57	0.150
58	0.250
59	0.250
60	0.250
61	0.250
62	0.250
63	0.250
64	0.250
65 & over	1.000

AT&T Inc.

Exhibit C-1

**Annual rates of withdrawal
CWPP**

Select rates of withdrawal* (based on near years of service)		Ultimate rates of withdrawal (based on attained age - add select rates if 12 years of service or less)					
Service	Rate	Age	Male	Female	Age	Male	Female
0	0.1500	20	0.0700	0.0700	40	0.0625	0.0625
1	0.1100	21	0.0700	0.0700	41	0.0600	0.0600
2	0.0800	22	0.0700	0.0700	42	0.0530	0.0530
3	0.0600	23	0.0700	0.0700	43	0.0470	0.0470
4	0.0500	24	0.0700	0.0700	44	0.0420	0.0420
5	0.0400						
6 to 8	0.0300	25	0.0700	0.0700	45	0.0370	0.0370
9	0.0200	26	0.0695	0.0695	46	0.0330	0.0330
10 to 12	0.0100	27	0.0690	0.0690	47	0.0310	0.0310
		28	0.0685	0.0685	48	0.0310	0.0310
		29	0.0680	0.0680	49	0.0310	0.0310
		30	0.0675	0.0675	50	0.0310	0.0310
		31	0.0670	0.0670	51	0.0310	0.0310
		32	0.0665	0.0665	52	0.0310	0.0310
		33	0.0660	0.0660	53	0.0310	0.0310
		34	0.0655	0.0655	54	0.0310	0.0310
		35	0.0650	0.0650	55 & over	0.0310	0.0310
		36	0.0645	0.0645			
		37	0.0640	0.0640			
		38	0.0635	0.0635			
		39	0.0630	0.0630			

* Added to ultimate rates

AT&T Inc.

Exhibit D-1

**Annual rates of disability
CWPP**

Age	Male	Female
All	0.00051	0.00103

AT&T Inc.

Actuarial methods

Actuarial methods

Valuation date

The valuation date is January 1.

Calculation of normal costs and liabilities

The method used to calculate the ERISA target normal cost and funding target and PBGC premium funding target is the unit credit cost method.

Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date. The present value of these estimated benefits using the applicable ERISA assumptions is the ERISA funding target. The target normal cost is the present value of the benefits earned during the year.

For calculating the actuarial present value of vested benefits, including the PBGC premium funding target, benefits at each decrement age are determined in the same manner, but are then multiplied by each participant's vesting percentage as of the valuation date. The present value of these estimated vested benefits is determined without recognition of any benefit for which a participant will become entitled only through the advancement in service or age while actively employed. In addition, the following ancillary benefits have been treated as vested: disability and temporary supplemental retirement benefits in pay status and death benefits except for post-retirement death benefits.

Actuarial value of assets

The actuarial value of assets is used to calculate contribution requirements under ERISA. The actuarial value of assets is determined by recognizing asset gains and losses over a period of three years. Asset gains and losses are defined as the difference between the expected return on the market value of assets, using a return assumption not to exceed the third segment rate, and the actual return on the market value of assets. This gain or loss is recognized over a period of three years at 33% per year, beginning in the current year. The actuarial value of assets must be within 10% of the market value of assets.

Changes from prior year

The actuarial value of assets was changed from using the market value of assets for 2008, to recognizing gains and losses over a period of three years for 2009, effective January 1, 2009.

EIN 43-1301883/PN 008

**Cingular Wireless Pension Plan
2009 Schedule SB, Attachment A — Plan Merger**

As of the December 31, 2009 (merger date), the following two plans:

- AT&T Pension Plan (currently EIN 43-1301883; Plan Number 012)
- Cingular Wireless Pension Plan (currently EIN 43-1301883; Plan Number 008)

merged with the AT&T Puerto Rico Pension Benefit Plan (EIN 43-1301883; Plan Number 007). The AT&T Puerto Rico Pension Benefit Plan will remain after the mergers.

These two plans will be maintained as two separate programs within the AT&T Puerto Rico Pension Benefit Plan.

FINANCIAL STATEMENTS

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T
Puerto Rico Pension Benefit Plan and Cingular Wireless
Pension Plan

Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

Ernst & Young LLP

 **ERNST & YOUNG**

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Financial Statements

Years Ended December 31, 2009 and 2008

Contents

Report of Independent Auditors.....	1
Financial Statements	
Statements of Net Assets Available for Benefits.....	2
Statements of Changes in Net Assets Available for Benefits	3
Notes to Financial Statements.....	4

Report of Independent Auditors

AT&T Inc.
Human Resources and Finance/Pension Committees

We have audited the accompanying statements of net assets available for benefits of AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan, and Cingular Wireless Pension Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plans' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plans' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plans at December 31, 2009 and 2008, and the changes in their financial status for the years then ended, in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

September 10, 2010

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Statements of Net Assets Available for Benefits

At December 31
(Dollars in Thousands)

	2009				2008			
	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan
Assets								
Investments, at fair value								
Plan interest in SBC Master Pension Trust	\$ 46,990,564	\$ —	\$ 16,784	\$ —	\$ 46,403,934	\$ 4,303	\$ 4,989	\$ 4,372
Plan interest in AT&T Master Pension Trust II	1	—	—	—	4,295	1	2	—
Contributions receivable	—	—	—	404	—	—	—	976
Plan transfer receivable	104	104	404	—	—	—	—	—
Total assets	46,990,669	104	17,188	404	46,408,229	4,304	4,991	5,348
Plan transfer payable	—	104	104	404	—	—	—	—
Total liabilities	—	104	104	404	—	—	—	—
Net assets available for benefits	\$ 46,990,669	\$ —	\$ 17,084	\$ —	\$ 46,408,229	\$ 4,304	\$ 4,991	\$ 5,348

See accompanying notes.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Statements of Changes in Net Assets Available for Benefits

For the Year Ended December 31
(Dollars in Thousands)

	2009				2008			
	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan
Additions								
Net investment gain (loss) from Plan's interest in:								
SBC Master Pension Trust	\$ 6,883,173	\$ 798	\$ 847	\$ 757	\$ (12,043,781)	\$ (2,644,652)	\$ (2,001)	\$ (1,790)
AT&T Master Pension Trust II	(4,294)	(1)	(2)	—	(395)	—	—	—
Contributions	—	—	—	989	—	—	—	976
Total additions, net of investment loss	6,878,879	797	845	1,746	(12,044,176)	(2,644,652)	(2,001)	(814)
Deductions								
Pension and death benefits	6,296,439	147	304	498	4,093,084	354,774	319	414
Total deductions	6,296,439	147	304	498	4,093,084	354,774	319	414
Net increase (decrease) before transfers	582,440	650	541	1,248	(16,137,260)	(2,999,426)	(2,320)	(1,228)
Plan mergers	—	(4,954)	11,552	(6,596)	20,828,335	(8,098,345)	—	—
Transfers due to Mandatory Portability Agreement (Note 1)	—	—	—	—	(10,325)	5,341	—	—
Interplan transfers, net	—	—	—	—	7,313	—	—	—
Net assets available for benefits, beginning of year	46,408,229	4,304	4,991	5,348	41,720,166	11,096,734	7,311	6,576
Net assets available for benefits, end of year	\$ 46,990,669	\$ —	\$ 17,084	\$ —	\$ 46,408,229	\$ 4,304	\$ 4,991	\$ 5,348

See accompanying notes

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements

December 31, 2009
(Dollars in Thousands)

1. Plan Descriptions

This report includes the selected employee benefit plans (the Pension Plans) of AT&T Inc. (AT&T) and its wholly owned subsidiaries (collectively, the Company) that participate in the SBC Master Pension Trust (MPT) and the AT&T Master Pension Trust II (MPT II). The following description of the AT&T Pension Benefit Plan (AT&T Plan), AT&T Pension Plan (Legacy T Plan), AT&T Puerto Rico Pension Benefit Plan (PR Plan), and Cingular Wireless Pension Plan (CWPP) provides general information. The Pension Plans are summarized in the Plans' Summary Plan Descriptions, which have been distributed to all participants. Specific details of the Pension Plans' provisions are contained in the official plan documents, which may be examined without charge by participants or beneficiaries at the participant's benefit office. Plan participants or beneficiaries may obtain copies of the plan document by writing to the secretary of the employees' benefit committee. There is a charge for copying the document. The Pension Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Pursuant to the Mandatory Portability Agreement (Agreement), participants covered by the Agreement may transfer their accumulated interest in the Pension Plans to and from other plans sponsored by companies outside of the AT&T-controlled group that were part of the Bell System before its divestiture in 1984.

Interplan transfers reflect the amounts associated with the transfer of an employee from one AT&T-sponsored plan to another.

AT&T Pension Benefit Plan

The AT&T Plan is a noncontributory qualified defined benefit pension plan covering substantially all bargained and non-bargained employees of the participating subsidiaries of AT&T. Employees of participating subsidiaries are eligible to participate in the AT&T Plan if they meet the eligibility requirements for the underlying applicable program, which are discussed below.

Effective November 1, 2008, plan assets and liabilities of the BellSouth Personal Retirement Account Pension Plan, the BellSouth Pension Plan, and the U.S. domestic employees' assets and liabilities of the AT&T Pension Plan were merged into the AT&T Plan.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

At December 31, 2009 and 2008, the AT&T Plan's assets are invested in the MPT (see Note 9).

The AT&T Plan maintains the following programs, under which participants' benefits are calculated based on the plan from which they were merged:

- The Bargained Cash Balance Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this specific cash balance form of pension benefit.
- The Bargained Cash Balance Program #2 maintains benefits for various collective bargaining units that have negotiated for their members to receive this specific cash balance form of pension benefit and includes a substantial majority of bargained employees hired after August 8, 2009.
- The Southwest Program (formerly known as the "Bargained Program") maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Southwest Participating Company as defined by the AT&T Plan, but excludes most new hires after August 8, 2009.
- The Nonbargained Program maintains benefits of certain non-bargained participants (with the exception of those programs mentioned below, which cover non-bargained participants) of the AT&T Plan who are employed by a Non-bargained Participating Company, as defined by the AT&T Plan, and who were hired prior to January 1, 2007.
- The West Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a West Participating Company, as defined by the AT&T Plan, but excludes most new hires after August 8, 2009.
- The East Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by an East Participating Company, as defined by the AT&T Plan.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

- The Midwest Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Midwest Participating Company, as defined by the AT&T Plan, but excludes most new hires after August 8, 2009.
- The Wireless Program maintains benefits of (i) all U.S. non-bargained employees hired prior to January 1, 2006, employed by a Wireless Participating Company and (ii) bargained participants whose collective bargaining units have negotiated for their members to receive this pension benefit, and covers participants employed by a Wireless Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009.
- The AT&T Legacy Management Program maintains benefits of all U.S. non-bargained employees hired prior to January 1, 2007, employed by an AT&T Legacy Participating Company, as defined by the AT&T Plan.
- The Wireless Bargained Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by a Wireless Bargained Participating Company (formerly the Cingular Wireless Bargained Pension Plan), as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009.
- The Midwest Publishing Ventures Program maintains benefits of individuals who were formerly employees of Ameritech Publishing Ventures, Inc. (APVI) and was frozen in 1992.
- The Management Cash Balance Program maintains benefits of specified management employees of the AT&T Controlled Group, as defined by the AT&T Plan, generally hired on or after January 1, 2007 (except for certain AT&T Mobility employees hired on or after January 1, 2006), and who are not residents of Puerto Rico.
- The Southeast Management Program (formerly the BellSouth Personal Retirement Pension Plan, which merged into the AT&T Plan on November 1, 2008) maintains benefits for certain non-bargained employees of BellSouth Corporation and its subsidiaries hired prior to May 1, 2007.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

- The Southeast Program (formerly the BellSouth Pension Plan, which merged into the AT&T Plan on November 1, 2008) maintains benefits for substantially all represented employees of BellSouth Corporation and its subsidiaries, but effective January 1, 2011, excludes most new hires after August 8, 2009.
- The AT&T Legacy Bargained Program maintains benefits for various collective bargaining units that have negotiated for their members to receive this pension benefit and covers participants employed by an AT&T Legacy Bargained Participating Company (the participants in this Program formerly participated in the AT&T Pension Plan and became participants in the AT&T Plan on November 1, 2008), but excludes most new hires after August 8, 2009.

Bargained Cash Balance Program

Under the Bargained Cash Balance Program, employee pension benefits are generally calculated as a percentage of pay that is credited to a hypothetical account that accrues interest at a market rate based on the yield on 30-year U.S. Treasuries. Employees become eligible to participate in the Bargained Cash Balance Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Bargained Cash Balance Program #2

Under the Bargained Cash Balance Program #2, employee pension benefits are calculated as a percentage of pay based on age plus 2% supplemental credits of pay that exceeds the Social Security Wage Base, which is credited to a hypothetical account that accrues 4.5% interest. Employees become eligible to participate in the Bargained Cash Balance Program #2 if they have completed one year of service and are vested after three years of service. Once vested and following a termination of employment, employees may generally elect to receive their benefit in the form of an annuity or a joint and survivor annuity (and for certain bargained groups beginning August 9, 2009, a lump sum) in accordance with the terms of the AT&T Plan.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

Southwest Program

Under the Southwest Program, employee pension benefits for bargained employees are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification. Employees become eligible to participate in the Southwest Program if they have completed one year of service and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Nonbargained Program

At December 31, 2004, the non-bargained employees' pension calculation formula was a cash balance plan formula, with a minimum benefit based upon a stated percentage of employees' adjusted career income. A non-bargained employee's pension benefit was the greater of the amount calculated under (i) the cash balance or defined lump sum formula or (ii) the traditional benefit formula. The Nonbargained Program was amended, effective January 15, 2005, to freeze benefit accruals under the cash balance and defined lump sum benefit formulas and to require that all future benefit accruals be based upon the plan's traditional pension formula (i.e., a stated percentage of employee's adjusted career income). Each non-bargained employee's existing cash balance or defined lump sum will continue to earn interest at a variable annual market rate based on 30-year U.S. Treasuries. Employees become eligible to participate in the Nonbargained Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service).

Once vested and following a termination of employment, employees may elect to receive the portion of their previous pension benefit derived under the cash balance or defined lump sum as a lump sum or an annuity. The remaining pension benefit, if any, will be paid as a joint and survivor annuity, or life annuity if its value exceeds a stated monthly amount in accordance with the terms of the AT&T Plan.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

West Program

Under the West Program, employee pension benefits are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification. Employees become eligible to participate in the West Program if they have completed one year of service and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

East Program

Under the East Program, employee pension benefits are generally calculated using a cash balance formula applying basic benefit credits determined based on pay and service category, which are credited to a hypothetical account that accrues interest determined based on a negotiated interest crediting rate. Employees become eligible to participate in the East Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, joint and survivor annuity, life annuity with a lump sum to surviving spouse or estate, or a combination of lump sum and life annuity in accordance with the terms of the AT&T Plan.

Midwest Program

Under the Midwest Program, employee pension benefits are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification. Employees become eligible to participate in the Midwest Program if they have completed one year of service after attaining age 21 and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

Wireless Program

Under the Wireless Program, employee pension benefits are generally calculated using a cash balance formula applying basic benefit credits determined based on pay plus supplemental credits on pay in excess of the Social Security Wage Base, which are credited to a hypothetical account that accrues interest at a market rate based on the yield on 30-year Treasuries. Employees become eligible to participate in the Wireless Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

AT&T Legacy Management Program

Under the AT&T Legacy Management Program, employee pension benefits are calculated under a cash balance formula calculated as basic credits as a percentage of pay based on an age credit factor plus supplemental credits of pay (again based on an age credit factor) that exceeds the Social Security Wage Base, which is credited to a hypothetical account that accrues interest at an annual rate of 4%. Participants on an active roll of a participating company at January 1, 1997, also participate in a frozen pension formula that provides for a minimum pension benefit based on a formula that included pensionable compensation and net credit service through July 31, 1997, or a formula based on an average annual pensionable compensation for a three-year pay base averaging period through December 1996. Participants with a greater annuity benefit from prior plan formulas will receive the greater amount. Employees become eligible to participate in the AT&T Legacy Management Program immediately upon the attainment of age 21, and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan. However, the participant can instead elect to receive a lump sum amount up to a certain threshold, with the remainder paid as an annuity.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

Wireless Bargained Program

Under the Wireless Bargained Program, employee pension benefits are generally calculated using a pension benefit formula based on a flat dollar amount per year of service according to job classification. Employees become eligible to participate in the Wireless Bargained Program if they have completed one year of service and are vested after five years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity, and in some limited cases a lump sum, in accordance with the terms of the AT&T Plan.

The Wireless Bargained Program also maintains benefits accrued under the Southern New England Telephone (SNET) bargaining units in the Communications Workers of America (CWA) District 1 and members of the Pacific Bell Wireless Facilities bargaining unit in the CWA District 9. Benefits accrued under District 1 ceased December 31, 2005, and benefits accrued under District 9 ceased December 31, 2002. Accrued benefits will be administered pursuant to the provisions of the AT&T Plan.

Midwest Publishing Ventures Program

Under the Midwest Publishing Ventures Program, employee pension benefits were frozen as of December 31, 1993, with no new participants added after that date. Participants in the Midwest Publishing Ventures Program are also participants in either the Nonbargained Program or the Midwest Program. Following a termination of employment, employees may elect to receive their Midwest Publishing Ventures Program benefit in the form of a lump sum, life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Management Cash Balance Program

Under the Management Cash Balance Program, employee pension benefits are calculated as basic credits as a percentage of pay based on age plus 2% supplemental credits of pay that exceeds the Social Security Wage Base, which is credited to a hypothetical account that accrues 4.5% interest. Employees become eligible to participate in the Management Cash Balance Program if they have completed one year of service and are vested after three years of service.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Southeast Management Program

Under the Southeast Management Program, employee pension benefits are calculated under a cash balance formula calculated as basic credits as a percentage of pay based on service plus 3% supplemental credits of pay that exceeds the Social Security Wage Base, which is credited to a hypothetical account that accrues interest at a market rate based on the yield on 30-year Treasuries. Certain specified participants as of June 30, 1993, also participate in a frozen pension formula that provides a minimum pension benefit based on a formula that included pensionable compensation through June 30, 1993, and net credit service through December 31, 2005. Participants with an accrued benefit from the prior plan formula will receive the greater amount. Employees become eligible to participate in the Southeast Management Program immediately and are vested after three years of service. Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity or joint and survivor annuity in accordance with the terms of the AT&T Plan.

Southeast Program

Under the Southeast Program, employee pension benefits are calculated under a cash balance formula based on credits, determined by reference to pension bands that are credited to a hypothetical account that accrues interest at a market rate based on the yield on 30-year U.S. Treasuries. Benefits prior to January 1, 1999, remain under the traditional dollar per year of service annuity pension formula. Employees become eligible to participate in the Southeast Program immediately and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, joint and survivor annuity, or a combination of lump sum and annuity in accordance with the terms of the AT&T Plan.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

AT&T Legacy Bargained Program

Under the AT&T Legacy Bargained Program, employee pension benefits are calculated under a cash balance formula based on credits, determined by reference to pension bands that are credited to a hypothetical account that accrues interest at an annual rate of 4%. Certain participants who met certain eligibility requirements as of September 30, 1998, are generally eligible for a traditional dollar per year of service annuity pension formula (and receive the greater of this traditional formula and the cash balance benefit).

Employees become eligible to participate in the AT&T Legacy Bargained Program immediately and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

AT&T Pension Plan

The Legacy T Plan was a noncontributory defined benefit plan originally established by AT&T Corp. (ATTC) that covered most domestic nonmanagement employees of participating companies as defined in the Summary Plan Description. Participants included bargained-for employees who had reached the age of 21. Employee pension benefits were calculated using a formula based on a dollar amount corresponding to an assigned pension band (which was frozen as of September 30, 1998) or a cash balance formula. Generally, the participant received the larger of the benefit based on the cash balance formula and the benefit from the pension band formula (if applicable). Participants were vested once they had completed five years of service after the age of 18 (for active employees on January 1, 2010, participants vest after three years of service) and would receive distributions, unless otherwise selected by a married employee, as a reduced annuity (92%), with 50% of such reduced amount payable to a surviving spouse. If the spouse predeceased the employee, the pension would be increased by the amount of the original reduction made to provide the survivor annuity. For an unmarried employee, the normal form of distribution was a single life annuity.

Effective November 1, 2008, the U.S. employees in the Legacy T Plan were transferred to the AT&T Plan, leaving only Puerto Rico employees residing in the Legacy T Plan. In addition and also effective November 1, 2008, the plan sponsor changed to AT&T.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

Effective December 31, 2009, the Legacy T Plan was merged into, and became a component program under, the PR Plan. As a component program, the Legacy T Plan was renamed the AT&T Legacy Bargained Program under the PR Plan. The substantive provisions of the Legacy T Plan were not changed as a result of this merger.

At December 31, 2008, the Legacy T Plan's assets were invested in the MPT (see Note 9).

AT&T Puerto Rico Pension Benefit Plan

ATTC originally established the AT&T Management Pension Plan effective October 1, 1980, covering management employees of ATTC and its subsidiaries. Effective December 31, 2006, the participants in that plan, and their respective beneficiaries and alternate payees, who were residents of the Commonwealth of Puerto Rico were transferred to a new plan, which at the time was known as the AT&T Puerto Rican Pension Benefit Plan – AT&T Legacy Management Program, and AT&T became the Plan Sponsor. Effective January 1, 2009, this plan was renamed the AT&T Puerto Rico Pension Benefit Plan. Under the PR Plan, employee pension benefits are calculated under a cash balance formula calculated as basic credits as a percentage of pay based on an age credit factor plus supplemental credits of pay (again based on an age credit factor) that exceeds the Social Security Wage Base, which is credited to a hypothetical account that accrues interest at an annual rate of 4%. Participants on an active roll of a participating company at January 1, 1997, also participate in a frozen pension formula that provides for a minimum pension benefit based on a formula that included pensionable compensation and net credit service through July 31, 1997, or a formula based on an average annual pensionable compensation for a three-year pay base averaging period through December 1996. Participants with a greater annuity benefit from prior plan formulas will receive the greater amount. Employees become eligible to participate in the PR Plan immediately and are vested after five years of service (effective January 1, 2010, for active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a life annuity or joint and survivor annuity in accordance with the terms of the PR Plan. However, the participant can instead elect to receive a lump sum amount up to a certain threshold, with the remainder paid as an annuity.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

1. Plan Descriptions (continued)

Effective December 31, 2009, the CWPP and the Legacy T Plan were merged into, and became component programs under, the PR Plan. The PR Plan as in effect prior to the merger of the CWPP and the Legacy T Plan became a component program under the PR Plan and was renamed the AT&T Legacy Management Program under the PR Plan.

At December 31, 2009 and 2008, the PR Plan's assets are invested in the MPT (see Note 9).

Cingular Wireless Pension Plan

The CWPP was a noncontributory qualified defined benefit pension arrangement sponsored by AT&T that covered all employees on the Puerto Rico payroll of a subsidiary of AT&T Mobility LLC, formerly Cingular Wireless LLC (Mobility). Employees who performed services for Mobility in Puerto Rico, who were Puerto Rico residents and who were hired on or before December 31, 2005, for non-bargained employees and December 31, 2006, for bargained employees, were eligible to participate. An employee remained a participant as long as he or she remained a resident of Puerto Rico, remained employed by Mobility or was otherwise eligible for coverage under the CWPP.

Under the CWPP, participant benefits were generally calculated as a percentage of pay, which was credited to a hypothetical account that accrued interest at a market rate based on the yield on 30-year Treasuries. Employees were eligible to participate in the CWPP if they had completed one year of service and were vested after five years of service; however, effective January 1, 2010, for active employees, three years of service for active employees. If a participant reaches normal retirement age, dies or becomes disabled while still employed by Mobility and prior to attaining vested status, the participant would become fully vested at that time.

Effective December 31, 2009, the CWPP was merged into, and became a component program under, the PR Plan. As a component program, the CWPP was renamed the Wireless Program under the PR Plan. The substantive provisions of the CWPP were not changed as a result of this merger.

At December 31, 2008, the CWPP's assets were invested in the MPT (see Note 9).

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting and Use of Estimates

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Benefits are recorded when paid.

Investment Valuation

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for further discussion.

Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year. If no sale was reported on that date, they are valued at the last reported bid price. Investments in securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Over-the-counter (OTC) securities and government obligations are valued at the bid price or the average of the bid and asked price on the last business day of the year from published sources where available and, if not available, from other sources considered reliable. Depending on the types and contractual terms of OTC derivatives, fair value is measured using a series of techniques, such as the Black-Scholes option pricing model, simulation models or a combination of various models.

Common/collective trust funds are valued at redemption values that represent the net asset values of units held at year-end in accordance with Accounting Standards Update (ASU) 2009-12, *Investments in Certain Entities that Calculate Net Asset Value Per Share (or Its Equivalent)*, as discussed below.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Alternative investments, including investments in private equity funds, private bonds, limited partnerships, hedge funds, real estate properties and natural resources, do not have readily available market values. These estimated fair values may differ significantly from the values that would have been used had a ready market for these investments existed, and such differences could be material. Private equity funds, limited partnership interests, hedge funds and other investment funds not having an established market are valued at fair value as determined by the investment managers in accordance with ASU 2009-12. Private equity investments are valued initially based upon cost. Valuations are reviewed using available market data to determine adjustments to carrying value based upon observations of the trading multiples of public companies considered comparable to the private companies being valued. Such market data used to determine adjustments to accounts for cash flows and company-specified issues include current operating performance and future expectations of the investments, changes in market outlook, and the third-party financing environment. Private equity investments also include publicly held equity investments in liquid markets that are marked-to-market at quoted public values. Real estate and natural resource investments are valued either at amounts based upon appraisal reports prepared by independent third party appraisers or at amounts as determined by internal appraisals performed by the investment manager, which management has determined approximates fair value. Private bond valuation is based upon pricing provided by an external pricing service when such pricing is available. In the event a security is too thinly traded or narrowly held to be priced by such a pricing service, or the price furnished by such external pricing services is deemed inaccurate, the managers will then solicit broker/dealer quotes (spreads or prices). In cases where such quotes are available, fair value will be determined based solely upon such quotes provided. Managers will typically use a pricing matrix for determining fair value in cases where an approved pricing service or a broker/dealer is unable to provide a fair valuation for specific fixed rate securities such as many private placements. New fixed-rate securities will be initially valued at cost at the time of purchase. Thereafter, each bond will be assigned a spread from a pricing matrix that will be added to current Treasury rates. The pricing matrix derives spreads for each bond based on external market data, including the current credit rating for the bonds, credit spreads to Treasuries for each credit rating, sector add-ons or credits, issue specific add-ons or credits as well as call or other options. Fair values shall be determined using a discounted cash flow method.

Purchases and sales of securities are recorded as of the trade date. Realized gains and losses on sales of securities are determined on the basis of average cost. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Non-interest bearing cash, temporary assets and overdrafts are valued at cost, which approximates fair value.

Recent Accounting Standards

Accounting Standards Codification In June 2009, the Financial Accounting Standards Board (FASB) issued standards that established the FASB Accounting Standards Codification (ASC or Codification) as the source of authoritative GAAP by the FASB for nongovernmental entities. The ASC supersedes all non-SEC (Securities and Exchange Commission) accounting and reporting standards that existed at the ASC's effective date. The FASB uses ASUs to amend the ASC. The Pension Plans' financial statements refer to ASUs throughout the footnotes where deemed relevant and make general references to pre-Codification standards. The Codification was effective for periods ending after September 15, 2009 (i.e., year ended December 31, 2009, for the Pension Plans). There was no impact to the Pension Plans' financial statements in the adoption of these standards, except for updating the appropriate references to the guidance that was codified in these standards.

Fair Value Measurements and Disclosures In April 2009, ASC Topic 820, *Fair Value Measurements and Disclosures* (ASC 820), was amended to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability. This amendment (ASC 820-10-65) also provides additional guidance on circumstances that may indicate that a transaction is not orderly and on defining major categories of debt and equity securities in meeting the disclosure requirements of ASC 820. This amendment is effective for reporting periods ending after June 15, 2009 (i.e., the year ended December 31, 2009, for the Pension Plans), and the Pension Plans have adopted this amendment. Adoption of ASC 820-10-65 did not have a material effect on the Pension Plans' net assets available for benefits or on its changes in net assets available for benefits.

In September 2009, the FASB issued *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12), which provides guidance for an investor on using the net asset value (NAV) per share provided by an investee to estimate the fair value of an alternative investment when the fair value for the primary investment is not readily determinable. It affects certain investments that are required or permitted by GAAP to be measured or

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

disclosed at fair value on a recurring or nonrecurring basis. It requires disclosures by major category of investment about certain attributes (e.g., applicable redemption restrictions, unfunded commitments to the issuer of the investments, and the investment strategies of that issuer). ASU 2009-12 was effective for interim and annual periods ending on or after December 15, 2009 (i.e. the year ended December 31, 2009, for the Pension Plans); however, early application was permitted. Plan management elected to early adopt the amended guidance and therefore, as a practical expedient, began measuring the fair value of the Pension Plans' investments within the scope of ASU 2009-12, based on the unadjusted net asset value per share of the investments (or its equivalent) as of December 31, 2008. The Pension Plans implemented the disclosure requirements of this guidance in the financial statements for the year ended December, 31, 2009. See Note 9 for the impact of the Pension Plans' adoption of the disclosure requirements of ASU 2009-12. Adoption of ASU 2009-12 did not have a material effect on the Pension Plans' net assets available for benefits or on its changes in net assets available for benefits.

In January 2010, the FASB issued *Fair Value Measurements and Disclosures — Improving Disclosures about Fair Value Measurements* (ASU 2010-06), which requires new disclosures and reasons for transfers of financial assets and liabilities between Levels 1, 2 and 3. ASU 2010-06 also clarifies that fair value measurement disclosures are required for each class of financial asset and liability, and that those disclosures should include a discussion of inputs and valuation techniques. It further clarifies that the reconciliation of Level 3 measurements should separately present purchases, sales, issuances, and settlements instead of netting these changes. With respect to matters other than Level 3 measurements, ASU 2010-06 is effective for fiscal years and interim periods beginning on or after December 15, 2009 (i.e., the year ending December 31, 2010, for the Pension Plans). New guidance related to Level 3 measurements is effective for fiscal years and interim periods beginning on or after December 15, 2010 (i.e., the year ending December 31, 2011, for the Pension Plans). Plan management is currently evaluating the impact of ASU 2010-06 on the Pension Plans' financial statements.

Derivative Instruments and Hedging Activities Disclosures

In March 2008, the FASB amended the disclosure requirements for derivative instruments and hedging activities. This guidance was later codified in ASC 815-10-50. The new guidance requires enhanced disclosures about an entity's derivative and hedging activities to improve the transparency of financial reporting. The Pension Plans adopted the new guidance as of January 1,

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

2009, which increased the Pension Plans' disclosures, but did not have an impact on the Pension Plans' net assets available for benefits or on its changes in net assets available for benefits (see Note 9).

Subsequent Events

In May 2009, the FASB issued FASB Statement No. 165, *Subsequent Events*, which was codified into ASC 855, *Subsequent Events*, to provide general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or are available to be issued. ASC 855 was amended in February 2010. The Plan has adopted ASC 855 as amended.

Management evaluated subsequent events for the Pension Plans through September 10, 2010, the date the financial statements were available to be issued.

Contributions and Actuarial Method

Contributions to the Pension Plans are determined on a going-concern basis by an actuarial cost method known as the unit credit method. Under this method, benefits are estimated at each decrement age using service and earnings as of the valuation date, such that accumulated net assets of the Pension Plans (including future investment earnings and contributions as estimated by the enrolled actuary) should be sufficient to pay all future benefits for current and former employees and their beneficiaries at the time those benefits become payable. The actual return on investments (when positive) of the Pension Plans serves to reduce future contributions that would otherwise be required to provide the defined level of benefits. The assumed valuation interest rate utilized for the calculation of contribution levels are presented below:

	2009	2008
Effective interest rate:		
AT&T Pension Benefit Plan	8.18%	5.96%
AT&T Pension Plan	8.23%	5.97%
AT&T Puerto Rico Pension Benefit Plan	8.19%	5.98%
Cingular Wireless Pension Plan	8.07%	6.01%

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The Pension Plans have met the ERISA minimum funding requirements for 2009 and 2008.

Actuarial Present Values of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments, including lump sum distributions that are attributable under the Pension Plans' provisions to the service that employees have rendered to AT&T's participating subsidiaries as of the valuation date. Accumulated plan benefits include benefits expected to be paid to: (a) retired or terminated employees or their beneficiaries; (b) beneficiaries of deceased employees; and (c) present employees or their beneficiaries. The accumulated plan benefits for active employees are based on census data and the plan provisions in effect at the beginning of the plan year. Benefits payable upon retirement, death, disability, or withdrawal are included to the extent that they are deemed attributable to employee service rendered as of the valuation date.

The actuarial present value of accumulated plan benefits is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment. The significant assumptions used to determine the actuarial present values of accumulated plan benefits as of December 31, 2009, December 31, 2008 and December 31, 2007 include (a) rates of retirement, withdrawal, and disability based on experience studies of participating subsidiary employees; (b) rates of mortality based RP-00 Generational Projection Scale AA for 2009, RP-00 projected 16 years mortality table for 2008 and RP-00 projected 15 years for 2007; and (c) the following interest rates:

	2009	2008	2007
Effective interest rate:			
AT&T Pension Benefit Plan	6.50%	7.0%	5.96%
AT&T Pension Plan	—	7.0%	5.97%
AT&T Puerto Rico Pension Benefit Plan	6.50%	7.0%	5.98%
Cingular Wireless Pension Plan	—	7.0%	6.01%

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

The foregoing actuarial assumptions are based on the presumption that the Pension Plans will continue. Were the Pension Plans to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

3. Fair Value Measurements

ASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Pension Plans have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted market prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

- Fair value is often based on internally developed models in which there are few, if any, external observations.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described in Note 2 may produce a fair value calculation that may not be indicative of net future realizable value or reflective of future fair values. Furthermore, while the Pension Plans' management believes that its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used at December 31, 2009 and 2008.

See Note 9 for fair value hierarchy for the MPT investments.

4. Accumulated Plan Benefits

As of January 1, 2009, the measurement date of accumulated plan benefits has been changed to year-end. The actuarial present values of the Pension Plans' accumulated plan benefits at December 31, 2009 and 2008 are presented below:

	AT&T Puerto Rico	
December 31, 2009	AT&T Pension Benefit Plan	Pension Benefit Plan
Vested benefits:		
Participants currently receiving payments	\$ 23,164,099	\$ 5,463
Other participants	23,026,057	11,552
Nonvested benefits	2,914,625	605
Total	<u>\$ 49,104,781</u>	<u>\$ 17,620</u>

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

4. Accumulated Plan Benefits (continued)

December 31, 2008	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan
Vested benefits:				
Participants currently receiving payments	\$ 22,766,108	\$ 1,311	\$ 4,236	\$ —
Other participants	22,641,363	1,306	1,784	6,703
Nonvested benefits	3,194,384	60	26	514
Total	<u>\$ 48,601,855</u>	<u>\$ 2,677</u>	<u>\$ 6,046</u>	<u>\$ 7,217</u>

The major changes in the Pension Plans accumulated plan benefits between the December 31, 2008 and December 31, 2009 actuarial valuations are as follows:

	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan
Actuarial present value of accumulated plan benefits as of December 31, 2008	\$ 48,601,855	\$ 2,677	\$ 6,046	\$ 7,217
Increase (decrease) during the year attributable to:				
Increase for interest due to decrease in discount period	3,182,756	182	413	488
Additional benefits earned and experience gains/losses	1,503,360	65	(560)	1,138
Benefits paid	(6,267,843)	(147)	(304)	(498)
Plan amendments	(249,171)	—	(31)	—
Assumption changes (<i>see Note 2</i>)	2,333,824	—	934	—
Plan mergers	—	(2,777)	11,122	(8,345)
Net increase (decrease)	<u>502,926</u>	<u>(2,677)</u>	<u>11,574</u>	<u>(7,217)</u>
Actuarial present value of accumulated plan benefits as of December 31, 2009	<u>\$ 49,104,781</u>	<u>\$ —</u>	<u>\$ 17,620</u>	<u>\$ —</u>

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

4. Accumulated Plan Benefits (continued)

The major changes in the Pension Plans' accumulated plan benefits between the December 31, 2007 and December 31, 2008 actuarial valuations are as follows:

	AT&T Pension Benefit Plan	AT&T Pension Plan	AT&T Puerto Rico Pension Benefit Plan	Cingular Wireless Pension Plan
Actuarial present value of accumulated plan benefits as of December 31, 2007	\$ 37,114,116	\$ 5,591,686	\$ 6,180	\$ 6,811
Increase (decrease) during the year attributable to:				
Increase for interest due to decrease in discount period	2,271,504	269,393	363	408
Additional benefits earned and experience gains/losses	1,670,811	17,447	51	1,321
Benefits paid	(4,093,084)	(354,774)	(319)	(414)
Plan amendments	64,420	—	—	—
Assumption changes (<i>see</i> <i>Note 2</i>)	(3,882,172)	(264)	(229)	(909)
Plan mergers	15,456,260	(5,520,811)	—	—
Net increase (decrease)	11,487,739	(5,589,009)	(134)	406
Actuarial present value of accumulated plan benefits as of December 31, 2008	\$ 48,601,855	\$ 2,677	\$ 6,046	\$ 7,217

The change due to plan amendments includes the transition to Pension Protection Act lump sum conversion basis effective January 1, 2008.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

4. Accumulated Plan Benefits (continued)

Plan mergers reflect the November 1, 2008, mergers of the BellSouth Personal Retirement Account Pension Plan, the BellSouth Pension Plan and the U.S. domestic employees' assets and liabilities of the Legacy T Plan into the AT&T Plan. The participants' benefits are calculated based on the plan from which they were merged. At November 1, 2008, the actuarial present values of accumulated plan benefits was \$3,500,081 for the BellSouth Personal Retirement Plan Account Pension Plan, \$6,435,368 for the BellSouth Pension Plan, and \$5,520,811 for the U.S. domestic employees of the Legacy T Plan.

Effective December 31, 2009, the Legacy T Plan and the CWPP were merged into the PR Plan. The participants' benefits are calculated based on the plan from which they were merged. At December 31, 2009, the actuarial present value of accumulated plan benefits was \$2,777 for the Legacy T Plan and \$8,345 for the CWPP.

5. Voluntary Enhanced Pension and Retirement Benefit Programs

During 2009 and 2008, as part of AT&T's workforce-reduction program, an enhanced retirement program (ERB) was offered to eligible Pacific Telesis Group (PTG) nonmanagement employees. The ERB program offered eligible employees who voluntarily decided to terminate employment an enhanced pension benefit and increased eligibility for postretirement medical, dental and life insurance benefits. The AT&T Plan recognized \$111,797 during the year ended December 31, 2009, and \$111,223 during the year ended December 31, 2008 in pension benefit lump sum payments under this program.

6. Tax Status

The AT&T Plan, Legacy T Plan, and the CWPP have received favorable determination letters from the Internal Revenue Service (IRS), dated November 4, 1996, April 19, 1996, and August 26, 2003, respectively, stating that these plans are qualified under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, that the related trusts are exempt from taxation. Subsequent to this determination by the IRS, these plans were amended and restated. Once qualified, these plans are required to operate in conformity with the IRC to maintain their qualification. The plan administrators believe that the Legacy T Plan is being operated in compliance with the applicable requirements of the Code, and therefore believe that this plan, as amended and restated, is qualified and that the related trusts are tax-exempt. For

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

6. Tax Status (continued)

the AT&T Plan and the CWPP, the plan administrator has indicated that it will take the necessary steps, if any, to bring these plans' operations into compliance with the Code. All of these plans and the PR Plan filed for a new determination letter on February 2, 2009, pursuant to the Internal Revenue Service Cycle C determination letter filing process, and those requests are pending.

The Legacy T Plan and the CWPP have also received favorable determination letters from the Commonwealth of Puerto Rico's Department of Treasury (Treasury) dated July 7, 1999, and August 11, 2009, respectively, stating that the Legacy T Plan and the CWPP are qualified under Section 1165(a) of the Puerto Rico Internal Revenue Code of 1994 (the Puerto Rico Code), and, therefore, that the related trusts are exempt from taxation. Subsequent to this determination by the Treasury, these two plans were amended and restated. Once qualified, these plans are required to operate in conformity with Puerto Rico Code to maintain their qualified status. The plan administrators believe that these plans are being operated in compliance with the applicable requirements of the Puerto Rico Code and, therefore, believes that these plans, as amended and restated, are qualified and the related trusts are tax-exempt. On December 4, 2009, requests for new determination letters were filed with the Treasury with respect to these two plans and the PR Plan, and the requests are pending.

The PR Plan has applied for, but has not received, a determination letter from the IRS and the Treasury stating that the PR Plan is qualified under Sections 401(a) of the IRC and 1165(a) of the Puerto Rico Code. However, the plan administrator believes that the PR Plan has been designed to comply with and is operating in accordance with the applicable requirements of the IRC and the Puerto Rico Code and therefore believes that the PR Plan is qualified and that the related trust is tax-exempt.

7. Risks and Uncertainties

The Pension Plans invests in various securities. Investment securities are exposed to various risks such as interest rate, liquidity, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

7. Risks and Uncertainties (continued)

Pension Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

8. Termination Priorities

Although it has not expressed any intention to do so, AT&T has the right under the Pension Plans to discontinue its contributions at any time and to terminate the Pension Plans subject to the provisions set forth by ERISA.

In the event that the Pension Plans are terminated, subject to conditions set forth by ERISA:

- a. the Pension Plans provide that the net assets available for plan benefits shall be allocated among the participants and beneficiaries of the Pension Plans in the order provided for by ERISA;
- b. to the extent unfunded vested benefits then exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation to participants, up to specified limitations, as described in ERISA; and
- c. to the extent that the net assets available for benefits exceed the amounts to be allocated as provided for by ERISA, the Pension Plans provide that such amounts will be used for any benefit purpose that does not contravene applicable law.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust

Certain assets of the Pension Plans are maintained in the MPT. The purpose of the MPT is the collective investment of the assets of participating plans sponsored by AT&T. The assets are allocated among the participating plans by assigning to each plan those transactions that can be specifically identified, and allocating among all plans the net investment income, gains and losses, and expenses of the MPT, in proportion to the market value of the assets assigned to each plan. The assets of the MPT are managed at the direction of AT&T in its capacity as fiduciary for the participating plans and at the discretion of investment managers appointed pursuant to ERISA.

At December 31, 2009 and 2008, JPMorgan Chase Bank N.A. was the trustee for the MPT, and the following plans were participants:

	2009	2008
Allocation of Master Trust Investments		
AT&T Pension Benefit Plan	99.96%	99.97%
AT&T Pension Plan	—	.01%
AT&T Puerto Rico Pension Benefit Plan	.04%	.01%
Cingular Wireless Pension Plan	—	.01%

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

Net Assets of the SBC Master Pension Trust

The net assets held under the MPT agreement as of December 31 are summarized below:

	2009	2008
Assets		
Non-interest bearing cash	\$ 464,261	\$ 1,029,096
Interest bearing investments	2,251,521	3,151,953
Interest bearing investments – loaned	(299,675)	–
Common/collective trust funds	3,671,657	3,244,465
U.S. Government and governmental agencies bonds and notes	6,473,089	7,722,151
U.S. Government and governmental agencies bonds and notes – loaned	(2,961,653)	(2,534,094)
Corporate and other bonds and notes	7,836,500	7,574,879
Corporate and other bonds and notes – loaned	(690,161)	(555,469)
Equities	16,784,333	15,508,614
Equities – loaned	(2,521,072)	(3,147,659)
Partnership/joint venture interests	5,601,510	4,950,165
Real estate	3,643,563	4,937,549
Registered investment companies	1,622,689	1,415,363
Other investments	–	72,318
Purchased options	–	5,722
Market value of securities on loan	6,472,561	6,237,222
Collateral – securities lending*	6,606,144	6,017,348
Total investments	54,491,006	54,600,527
Receivable for securities sold	243,488	550,401
Receivable for investments sold short	190,778	300,392
Variation margin receivable	–	79,963
Accrued income	150,792	179,835
Written option receivable	444	–
Total assets	55,540,769	56,740,214
Liabilities		
Overdrafts	1,014	275,590
Payable securities lending	6,662,912	6,422,470
Payable for securities purchased	968,296	2,278,182
Investments sold short (proceeds of \$440,824 and \$684,116)	725,011	924,673
Written options payable (premiums of \$2,684 and \$4,167)	3,657	10,388
Unrealized depreciation on foreign currency contracts	19,932	175,588
Variation margin payable	30,071	11,400
Short sales payable	77,398	178,028
Accrued liabilities	45,129	41,997
Total liabilities	8,533,420	10,318,316
Net assets of the SBC Master Pension Trust	\$ 47,007,349	\$ 46,421,898

* includes noncash of \$567,007 and \$332,064 at December 31, 2009 and 2008

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

The following is the net change in the fair value of net assets for the MPT:

	Year Ended December 31,	
	2009	2008
Additions		
Net appreciation (depreciation) in fair value of investments:		
Interest-bearing cash	\$ 913,219	\$ (1,048,152)
Common/collective trust funds	904,870	(1,466,244)
U.S. Government and governmental agencies bonds and notes	(568,656)	899,472
Corporate and other bonds and notes	1,031,370	(1,779,373)
Equities	5,667,555	(12,922,214)
Partnership/joint venture interests	(358,038)	(1,052,798)
Real estate	(1,776,876)	336,566
Registered investment companies	339,780	(641,821)
Other investments	—	(1,172,224)
Foreign currency contracts	33,214	(66,339)
Option contracts	3,968	—
Future contracts	(569,487)	(987,117)
Securities lending collateral*	348,354	(405,122)
Total net appreciation (depreciation) in fair value of investments	<u>5,969,273</u>	<u>(20,305,366)</u>
Investment income	1,171,865	1,717,805
Employer contributions	1,561	3,957
Assets received from MPTII	4,295	—
Transfer of assets resulting from Mandatory Portability Agreement	150	(765)
Total additions, net of investment loss	<u>7,147,144</u>	<u>(18,584,369)</u>
Deductions		
Pension and death benefits	6,297,388	5,759,862
Trustee and investment management fees and administrative expenses	264,305	309,482
Total deductions	<u>6,561,693</u>	<u>6,069,344</u>
Net increase (decrease)	<u>585,451</u>	<u>(24,653,713)</u>
Net assets of the SBC Master Pension Trust:		
Beginning of year	<u>46,421,898</u>	<u>71,075,611</u>
End of year	<u>\$ 47,007,349</u>	<u>\$ 46,421,898</u>

*Certain prior year balances have been reclassified to conform to current year presentation. Specifically, securities lending collateral has been included as a separate line item within Net appreciation/(depreciation) in fair value of investments.

In accordance with ASC 820-10-65, the MPT expanded its disclosures to include the major categorization for debt and equity securities on the basis of the nature and risks of the investments. The following table sets forth by level, within the fair value hierarchy, the MPT's assets at fair value as of December 31, 2009:

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

SBC Master Pension Trust Assets and Liabilities at Fair Value				
	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	\$ 464,261	\$ —	\$ —	\$ 464,261
Interest bearing cash	—	247,556	—	247,556
Foreign exchange contract	—	22,319	—	22,319
Equity securities:				
Domestic equities	8,703,958	21,978	812	8,726,748
International equities	5,367,372	12,785	—	5,380,157
Fixed income securities:				
Asset-backed securities	—	998,572	—	998,572
Mortgage-backed securities	—	1,727,058	—	1,727,058
Collateralized mortgage-backed securities	—	499,095	—	499,095
Collateralized mortgage obligations/REMICS	—	925,357	—	925,357
Other Corporate and other bonds and notes	—	4,617,523	—	4,617,523
U.S. Government and governmental agencies	—	953,135	—	953,135
Municipal bonds	—	118,587	—	118,587
Convertible and preferred securities	90,555	200,884	—	291,439
Fixed income funds	—	—	355,293	355,293
Registered investment companies	508,826	—	—	508,826
Private equity funds	36,200	—	5,097,842	5,134,042
Real assets:				
Real assets	—	—	1,986,969	1,986,969
Real estate funds	—	349,312	1,307,282	1,656,594
Commingled funds:				
Interest bearing investments	—	2,212,202	—	2,212,202
Hedge funds	—	750,495	102,411	852,906
Equities	—	3,212,632	—	3,212,632
Fixed income	—	985,291	—	985,291
Market value of securities on loan:				
Interest bearing investments	—	299,675	—	299,675
Equity securities:				
Domestic	1,943,161	1,119	249	1,944,529
International	561,821	14,721	—	576,542
Fixed income securities:				
Asset-backed securities	—	6,537	—	6,537
Mortgage-backed securities	—	588,375	—	588,375
Collateralized mortgage-backed securities	—	3,195	—	3,195
Collateralized mortgage obligations/REMICS	—	31,993	—	31,993
Other corporate and other bonds and notes	—	686,483	—	686,483
U.S. Government and governmental agencies	—	2,304,476	—	2,304,476
Convertible and preferred securities	22,561	8,195	—	30,756
Securities lending collateral	—	6,606,144	—	6,606,144
Written options receivable	444	—	—	444
Receivable for investments sold short	190,778	—	—	190,778
Assets at fair value	17,889,937	28,405,694	8,850,858	55,146,489
Overdrafts	1,014	—	—	1,014
Unrealized depreciation on foreign currency contracts	—	19,932	—	19,932
Investments sold short	435,632	289,379	—	725,011
Written options payable	3,657	—	—	3,657
Variation margin payable	30,071	—	—	30,071
Liabilities at fair value	470,374	309,311	—	779,685
Net assets and liabilities at fair value	\$ 17,419,563	\$ 28,096,383	\$ 8,850,858	\$ 54,366,804

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

Additional Disclosures Related to MPT Assets Measured at NAV as of December 31, 2009:

Investment Category-Sub Category		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed income:	Open-end funds ⁵	\$ 687,770	\$ 45,875	Monthly, Quarterly	5–30 days
	Closed-end funds ⁶	355,293	181,174	No redemption rights	NA
Real assets:	Open-end funds ²	349,312	NA	Quarterly	45–90 days
	Closed-end funds ³	1,307,282	908,305	No redemption rights	NA
Private equity	Closed-end funds ⁴	5,097,842	3,496,162	No redemption rights	NA
	Commingled funds:				
	Interest bearing investments ⁸	2,212,202	NA	Daily	NA
	Hedge funds ¹	852,906	NA	Monthly, Annually	3–90 days
	Fixed income ⁷	297,521	NA	Daily, Monthly	3–5 days
	Equities ⁸	3,212,632	NA	Daily, Monthly, Quarterly, Annually	1–30 days
		<u>\$ 14,372,760</u>	<u>\$ 4,631,516</u>		

(1) This category includes both directional and nondirectional hedge fund strategies. The fair value of these investments has been estimated using the net asset value per share reported by the fund managers. These investments can be redeemed provided the funds have sufficient liquidity; otherwise, unredeemed amounts are rolled forward to the next period. It is estimated that the redemption from one fund, which the MPT has elected to exit, will occur over the next 1 to 3 years.

(2) This category includes four real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this category have been estimated using the net asset values reported by the fund managers. These are open-ended funds with no final termination dates. These investments can be redeemed quarterly provided the funds have sufficient liquidity; otherwise, unredeemed amounts are rolled forward to the next quarter. It is estimated that the redemption from the one fund from which the MPT has elected to exit will occur over the next 3 to 5 years.

(3) This category includes real estate and natural resource investment funds that invest in U.S. and international real assets. The fair value of the investments in this category has been estimated using the net asset value of the MPT's ownership in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 7 to 10 years. There are no current plans to sell any of these funds.

(4) This category includes private equity funds that invest in U.S. and international companies. The fair value of the investments in this category has been estimated using the net asset value of the MPT's ownership in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 7 to 10 years. There are no current plans to sell any of these funds.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

- ⁽⁵⁾ This category includes several fixed income funds that invest primarily in U.S. fixed income securities. The fair value of the investments in this category has been estimated using the net asset values reported by the fund managers. These are open-ended funds with no final termination dates. These investments can be redeemed on a monthly or quarterly basis. Redemptions are subject to available cash in the funds. These funds do not make regular distributions. Unless redeemed, assets are reinvested as the investments of the funds are liquidated or mature. There are no current plans to sell any of these funds.
- ⁽⁶⁾ This category includes several fixed income funds or funds of funds that invest primarily in mezzanine debt securities or distressed debt securities or funds. These funds invest primarily in U.S. fixed income securities but may also invest in non-U.S. securities. The fair value of the investments in this category has been estimated using the net asset value of the MPT's ownership in partners' capital. These investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is estimated that the underlying assets of the funds will be liquidated over the next 1 to 10 years. There are no current plans to sell any of these funds.
- ⁽⁷⁾ This category includes fixed income commingled funds that invest primarily in publicly traded fixed income securities. These funds are either selected by AT&T, with AT&T determining the timing and amount of contributions/redemptions, or are approved by AT&T for a manager to utilize on a discretionary tactical basis as part of a broad fixed income mandate. These are open-ended funds with no final terminations dates.
- ⁽⁸⁾ This category includes equity commingled funds that invests primarily in publicly traded U.S. and non-U.S. equity securities. The fair value of the investments in this category has been estimated using the net asset value per share reported by the funds' managers. These funds are selected by AT&T, and AT&T determines the timing and amount of contributions/redemptions. These are open ended funds with no final termination dates.
- ⁽⁹⁾ This category includes funds that invest primarily in publicly traded short-term fixed income securities. The fair value of the investments in this category has been estimated using the net asset value per share reported by the fund managers. These funds are selected by AT&T, and AT&T determines the timing and amount of contributions/redemptions. These are open ended funds with no final termination dates.

The table below sets forth a summary of changes in the fair value of the MPT's Level 3 investment assets for the year ended December 31, 2009.

	Equities- Domestic	Fixed Income Funds	Hedge Funds	Private Equity Funds	Real Assets	Total
Balance, beginning of year	\$ 738	\$ 248,045	\$ 113,817	\$ 4,612,712	\$ 4,291,029	\$ 9,266,341
Realized gains (losses)	65	19,030	—	96,593	(47,086)	68,602
Unrealized gains (losses)	(439)	11,964	—	180,087	(1,166,241)	(974,629)
Purchases, sales, issuances and settlements (net)	697	76,254	(11,406)	208,450	216,549	490,544
Balance, end of year	\$ 1,061	\$ 355,293	\$ 102,411	\$ 5,097,842	\$ 3,294,251	\$ 8,850,858

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

The realized gains (losses) and unrealized gains (losses) on Level 3 investments are reflected in the net appreciation/depreciation in fair value of the MPT's investments and are included in each plan's Net Investment gain (loss) from Plan's Interest in SBC Master Pension Trust.

The following table sets forth by level, within the fair value hierarchy, the MPT's assets at fair value as of December 31, 2008.

	SBC Master Pension Trust Assets and Liabilities at Fair Value			
	Level 1	Level 2	Level 3	Total
Interest bearing cash	\$ 233,033	\$ 2,918,920	\$ —	\$ 3,151,953
Common/collective trust funds	—	3,244,465	—	3,244,465
U.S. Government and governmental agencies bonds and notes	—	5,188,057	—	5,188,057
Corporate and other bonds and notes	68,014	6,951,396	—	7,019,410
Equities	12,323,167	18,065	19,723	12,360,955
Partnership/joint venture interests	22,866	—	4,927,299	4,950,165
Real estate	93,332	525,007	4,319,210	4,937,549
Registered investment companies	378,112	1,037,251	—	1,415,363
Other investments	122	72,196	—	72,318
Purchased options	—	5,722	—	5,722
Market value of securities on loan:				
U.S. Government and governmental agencies bonds and notes	—	2,534,094	—	2,534,094
Corporate and other bonds and notes	—	555,469	—	555,469
Equities	3,145,537	2,013	109	3,147,659
Collateral value of securities lending	—	6,017,348	—	6,017,348
Investments	16,264,183	29,070,003	9,266,341	54,600,527
Unrealized appreciation on foreign currency contracts	—	300,392	—	300,392
Variation margin receivable	79,963	—	—	79,963
Receivables	79,963	300,392	—	380,355
Assets	16,344,146	29,370,395	9,266,341	54,980,882
Unrealized depreciation on foreign currency contracts	—	(175,588)	—	(175,588)
Variation margin payable	(11,400)	—	—	(11,400)
Investments sold short	(425,751)	(498,922)	—	(924,673)
Written options	(10,388)	—	—	(10,388)
Liabilities	(447,539)	(674,510)	—	(1,122,049)
Total assets and liabilities at fair value	\$ 15,896,607	\$ 28,695,885	\$ 9,266,341	\$ 53,858,833

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

The table below sets forth a summary of changes in the fair value of the MPT's Level 3 investment assets for the year ended December 31, 2008.

	Equities	Partnership/ JV	Real Estate	Total
Balance, beginning of year	\$ 26,268	\$ 6,000,144	\$ 4,896,564	\$ 10,922,976
Realized gains (losses)	107	368,979	164,028	533,114
Unrealized gains (losses)	(2,290)	(1,465,406)	(1,335,497)	(2,803,193)
Purchases, sales, issuances and settlements (net)	(4,253)	23,582	594,115	613,444
Balance, end of year	<u>\$ 19,832</u>	<u>\$ 4,927,299</u>	<u>\$ 4,319,210</u>	<u>\$ 9,266,341</u>

Derivatives

In the normal course of operations, MPT invests in financial instruments (futures, options, and foreign currency contracts). These instruments involve, in varying degrees, elements of credit and market volatility risks in excess of more traditional investment holdings, such as equity and debt instruments. The contract or notional amounts disclosed on the following pages provide a measure of the MPT involvement in such instruments, but are not indicative of potential loss. The intent is to use these financial instruments to reduce, rather than increase, market volatility risk when considered together with the MPT's investments as a whole. The MPT's fiduciaries do not anticipate any material adverse effect on the MPT's financial position resulting from its involvement in these instruments.

Futures Contracts

On behalf of the Pension Plans, investment managers for the MPT enter into various futures contracts to economically hedge investments in domestic, international and fixed income securities. The futures contracts held in the MPT are used primarily for two reasons: 1) a cost-effective way to manage the overall asset allocation of the MPT, and 2) a cost-effective way to implement and manage duration and yield curve strategy in the fixed income portfolio. The investments in the MPT are subject to equity price risk and interest rate risk, in the normal course of pursuing investment objectives.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

Futures contracts, which are considered derivatives under ASC 815, are agreements between two parties to buy or sell a security at a set price on a future date and are standardized and exchange-traded. Upon entering into such a contract on behalf of the Pension Plans, the investment managers are required to pledge to the broker an amount of cash or securities equal to the minimum “initial margin” requirements of the exchange on which the contract is traded. Pursuant to the contract, the investment managers agree to receive from or pay to the broker an amount of cash or securities equal to the daily fluctuation in the value of the contract. Such receipts or payments are known as variation margin and are recorded on a daily basis by the trustee as a realized gain or loss equal to the difference in the value of the contract between daily closing prices. Upon entering into such contracts, the MPT bears the risk of interest or exchange rates or securities prices moving unexpectedly, in which case the MPT may not achieve the anticipated benefits of the futures contracts and may realize a loss. With futures, there is minimal counterparty credit risk to the MPT because futures are exchange-traded and the exchange’s clearinghouse, as counterparty to all exchange-traded futures, guarantees the futures against default.

The fair value of the open futures contracts disclosed below, includes cumulative appreciation/ (depreciation) of futures contracts, but only the current day’s variation margin payable is reported separately in the net assets of the MPT and are included in the statements of net asset available for benefits to the extent of each plan’s ownership in the MPT. Similarly, the gains and losses on open future contracts are reflected in the net change in fair value of net assets for the MPT and are included within each plan’s net investment gain (loss) from Plan’s interest in SBC Master Pension Trust.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

At December 31, 2009, open futures contracts held in the MPT were as follows:

Risk Type	Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Cost/Notional Value	Fair Value
Bond Index	EURO-BOBL Future	637	03/2010	\$ 109,074	\$ (865)
Bond Index	EUX Euro-Bund Future	182	03/2010	33,366	(478)
Bond Index	US Long Bonds CBT Future	2,066	03/2010	248,458	(10,093)
Bond Index	U.S. 10-Year Note Future	860	03/2010	100,684	(1,395)
Bond Index	U.S. 2-Year Note Future	278	03/2010	60,425	(303)
Bond Index	U.S. 2-Year Note Future	43	03/2010	9,342	(42)
Bond Index	U.S. 2-Year Note Future	2,535	03/2010	550,733	(2,500)
Bond Index	U.S. 2-Year Note Future	342	03/2010	74,315	(353)
Bond Index	U.S. 2-Year Note Future	293	03/2010	63,684	(318)
Bond Index	U.S. 5-Year Note Future	1,275	03/2010	148,021	(2,183)
Bond Index	U.S. 10 T Notes CBT Future	2,657	03/2010	315,296	(8,537)
Bond Index	U.S. 5-T Notes CBT Future	2,694	03/2010	313,305	(5,157)
Bond Index	U.S. Long Bond CBT	(1,195)	03/2010	(143,873)	6,000
Bond Index	U.S. 10-Year Note Future	(1,680)	03/2010	(198,967)	5,004
Bond Index	2-Year Notes CBT Future	(1,249)	03/2010	(271,484)	1,368
Bond Index	5-Year Notes CBT Future	(1,054)	03/2010	(122,424)	1,865
Commodity	Treasury Bonds CBT Future	785	03/2010	94,431	(3,862)
Equity Index	SPI 200	46	03/2010	4,808	235
Equity Index	FTSE 100 Index Futures	143	03/2010	12,209	256
Equity Index	S&P/TSE 60 Index Future	46	03/2010	5,913	84
Equity Index	Canadian 10-Year Bond Future	90	01/2010	5,029	134
Equity Index	EUX DAX Index Future	18	03/2010	3,810	93
Equity Index	DJ Euro STOXX 50 Future	320	03/2010	13,451	389
Equity Index	FTSE/MIB Index Future	11	03/2010	1,815	49
Equity Index	IBEX 35 Index Future	13	01/2010	2,211	46
Equity Index	Hang Seng Index Future	13	01/2010	1,814	24
Equity Index	Topix Index Future	123	03/2010	12,461	(42)
Equity Index	Russell Mini Future	2,731	03/2010	162,286	8,101
Equity Index	S&P 500 RMINI Future	6,453	03/2010	354,722	3,645
Equity Index	S&P 400 EMINI Future	1,423	03/2010	98,702	4,451
Equity Index	S&P 500 Future	7,565	03/2010	2,069,641	30,972
Equity Index	S&P 500 EMINI Future	3,952	03/2010	215,308	4,166
Equity Index	Russell 2000 Mini Future	(749)	03/2010	(46,361)	(369)
Equity Index	S & P MID 400 EMINI Future	(372)	03/2010	(26,975)	9
Equity Index	S & P MID 400 EMINI Future	(5,470)	03/2010	(305,114)	1,337
Interest Rate	90 Day Sterling Future	12	12/2010	2,213	14
Interest Rate	90 Day Sterling Future	31	09/2010	5,664	58
Interest Rate	90 Day Sterling Future	15	03/2010	2,719	39
Interest Rate	90 Day Sterling Future	31	06/2010	5,681	68
Interest Rate	3MO EURO-Euribor Future	55	03/2010	18,724	182
Interest Rate	Eurodollar CME Future	1,189	03/2010	294,812	1,383

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

Risk Type	Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Cost/Notional Value	Fair Value
Interest Rate	Eurodollar CME Future	125	03/2010	\$ 30,141	\$ 998
Interest Rate	Eurodollar CME Future	1,255	09/2010	308,530	1,768
Interest Rate	90 Day Eurodollar Future	241	12/2010	59,134	194
Interest Rate	90 Day Eurodollar Future	17	12/2010	4,164	21
Interest Rate	90 Day Eurodollar Future	183	12/2010	45,084	(34)
Interest Rate	90 Day Eurodollar Future	133	12/2010	32,595	146
Interest Rate	90 Day Eurodollar Future	692	06/2010	170,705	1,119
Interest Rate	90 Day Eurodollar Future	534	06/2010	131,260	1,332
Interest Rate	90 Day Eurodollar Future	438	06/2010	108,107	648
Interest Rate	90 Day Eurodollar Future	163	06/2010	40,096	377
Interest Rate	90 Day Eurodollar Future	489	03/2010	121,642	174
Interest Rate	90 Day Eurodollar Future	157	03/2011	38,409	84
Interest Rate	90 Day Eurodollar Future	428	03/2012	103,907	(390)
Interest Rate	90 Day Eurodollar Future	79	09/2010	19,432	101
Interest Rate	90 Day Eurodollar Future	142	09/2010	34,825	284
Interest Rate	Eurodollar CME Future	(98)	12/2010	(23,581)	(753)
	Total			<u>\$ 5,524,379</u>	<u>\$ 39,544</u>

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

At December 31, 2008, open futures contracts held in the MPT were as follows:

Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value
SPI 200	730	03/2009	\$ 44,892
FTSE 100 Index Futures	2680	03/2009	174,811
90 Day Sterling Future	10	12/2009	2,365
90 Day Sterling Future	237	06/2009	55,397
90 Day Sterling Future	403	03/2009	94,259
Long GILT Future	200	03/2009	35,066
S&P/TSE 60 Index Future	837	03/2009	69,823
Canadian 10-Year Bond Future	13	03/2009	1,193
Eurodollar Future	1408	01/2009	63,627
EUX DAX Index Future	300	03/2009	48,992
DJ Euro STOXX 50 Future	5,211	03/2009	173,537
IBEX 35 Index Future	208	01/2009	26,379
S&P/MIB Index Future	178	03/2009	23,595
90 Day Eurodollar Euribor Future	45	06/2009	16,601
90 Day Eurodollar Euribor Future	76	03/2009	28,155
EURO-BOBL Future	9	03/2009	1,320
EUX Euro-Bund Future	251	03/2009	39,211
Hang Seng Index Future	213	01/2009	19,642
Topix Index Future	2099	03/2009	185,925
Russell Mini Future	5,695	03/2009	268,764
S&P 500 Future	4,806	03/2009	1,068,840
S&P 400 EMINI Future	3,004	03/2009	152,561
S&P 500 Future	4,468	03/2009	970,811
S&P 500 EMINI Future	35,119	03/2009	1,564,678
Eurodollar CME Future	428	12/2009	103,306
Day Eurodollar Future	11	03/2010	2,648
Eurodollar CME Future	257	03/2010	61,831
Eurodollar CME Future	503	09/2010	123,468
90 Day Eurodollar Future	2,127	06/2009	515,345
90 Day Eurodollar Future	20	06/2010	4,802
90 Day Eurodollar Future	33	03/2010	7,962
90 Day Eurodollar Future	20	09/2010	4,789
Eurodollar CME Future	3,526	03/2009	852,904
Eurodollar CME Future	1074	09/2009	260,446
Treasury Bonds CBT Future	1,463	03/2009	\$185,225
US Long Bonds CBT Future	67	03/2009	8,342
US Treasury 5-Year Note Future	289	03/2009	33,067
10-Year T Notes CBT Future	1,866	03/2009	224,102
2-Year T Notes CBT Future	2,755	03/2009	594,675
5-Year T Notes CBT Future	4,179	03/2009	485,070

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value
EURO BUXL 30-Year Bond	(27)	03/2009	\$ (3,560)
EURO SCHATZ Future	(109)	03/2009	(14,845)
Eurodollar CME Future	(114)	12/2009	(27,587)
Eurodollar CME Future	(121)	09/2009	(29,348)
Eurodollar CME Future	(120)	06/2009	(29,130)
Eurodollar CME Future	(98)	06/2010	(23,581)
Eurodollar CME Future	(7)	03/2010	(1,686)
U.S. Long Bond CBT	(2761)	03/2009	(356,270)
U.S. 10-Year Note Future	(3687)	03/2009	(438,539)
2-Year T Notes CBT Future	(633)	03/2009	(137,116)
5-Year T Notes CBT Future	(1,398)	03/2009	(163,887)

Option Contracts

The primary risk managed by the Pension Plans using option contracts is the price risk associated with investments. On behalf of the Pension Plans, investment managers for the MPT have purchased and written various option contracts, which are agreements between two parties giving the owner, under a purchased option, the right, but not the obligation, to buy or sell a specified item at a fixed price (exercise or strike) during a specified period, and under a written option the obligation to sell or buy a specified item at a fixed price. These option contracts are intended to economically hedge the MPT's investments in foreign and domestic securities. When the investment manager buys or writes an option contract, a nonrefundable fee (the premium) is paid or received by the MPT and is recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options are recorded as realized gains or losses when the options expire. The difference between the premium and the amount paid or received on effecting a closing purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold or as an adjustment to the cost of the underlying security if acquired upon exercise.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

The fair value of the written and purchased option contracts are disclosed below, and are separately listed in the net assets of the MPT and are included in the statements of net asset available for benefits to the extent of each plan's ownership in the MPT. Similarly, the gains and losses on written and purchased option contracts are reflected in the net change in fair value of net assets for the MPT and are included within each plan's net investment gain (loss) from Plan's interest in SBC Master Pension Trust.

As of December 31, 2009, the total number of written options held by the MPT was:

Risk Type	Type of Contract	Number of Contracts	Expiration	Cost/Notional Value	Fair Value
Interest Rate	Eurodollar Options	3,324	2010	\$ (1,649)	\$ (2,209)
Interest Rate	U.S. Treasury Notes Options	2,408	2010	(1,035)	(1,448)
	Total	5,732		\$ (2,684)	\$ (3,657)

As of December 31, 2008, the total number of written options held by the MPT was:

Type of Contract	Cost	Number of Contracts	Fair Value
Eurodollar Futures	\$ (751)	1,101	\$ (1,578)
U.S. Treasury Notes Futures	(3,228)	2,660	(8,734)
U.S. Treasury Bond Futures	(188)	50	(76)
Total	\$ (4,167)	3,811	\$ (10,388)

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

As of December 31, 2008, the total number of purchased options held by the MPT was:

Type of Contract	Cost	Number of Contracts	Fair Value
OTC ECAL	\$ 2,074	89,000,000	\$ 5,722
Total	\$ 2,074	89,000,000	\$ 5,722

Foreign Currency Contracts

The primary risk managed by the Pension Plans using foreign currency forward contracts is the foreign currency exchange rate risk associated with the Pension Plans' investments denominated in foreign currencies. On behalf of the Pension Plans, investment managers for the MPT entered into forward foreign currency contracts, which are agreements to exchange foreign currencies at a specified future date at a specified rate, the terms of which are not standardized on an exchange. These contracts are intended to minimize the impact of currency fluctuations on the performance of investments denominated in foreign currencies. All MPT's contracts address the currency risk of the U.S. dollar versus the euro. Risk arises both from the possible inability of the counterparties to meet the terms of the contracts (credit risk) and from the movements in foreign currency exchange rates (market risk). Forward contracts are entered into only with major banks to minimize counterparty default risk. The contracts are recorded at fair value on the date the contract is entered into, which is typically zero.

The fair value presented in the table below is included in the net assets of the MPT as interest bearing cash (asset) and unrealized depreciation on foreign currency contracts (liability). The gains and losses on foreign currency contracts are reflected in the net change in fair value of net assets for the MPT and are included within each plan's net investment gain (loss) from Plan's interest in SBC Master Pension Trust.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

At December 31, 2009 and 2008, the foreign currency contracts held by the MPT were:

	Notional Value		Fair Value	
	2009	2008	2009	2008
Derivative assets	\$ 1,950,172	\$ 3,076,912	\$ (17,345)	\$ (65,185)
Derivative liabilities	\$(1,950,172)	\$(3,076,912)	\$ 19,733	\$ 123,616

Securities Lending

During 2009 and 2008, the MPT was authorized to engage in the lending of certain MPT assets. Securities lending is an investment management enhancement that utilizes the existing securities (domestic and international equities and fixed income investments) of the MPT to earn additional income. Securities lending involves the loaning of securities to a selected group of approved banks and broker-dealers. In return for the loaned securities, the trustee, prior to or simultaneous with delivery of the loaned securities to the borrower, receives collateral in the form of cash or U.S. Government securities as a safeguard against possible default of any borrower on the return of the loan. Each loan is initially collateralized, in the case of: (a) loaned securities denominated in U.S. dollars or whose primary trading market is located in the U.S. or sovereign debt issued by foreign governments to the extent of 102% of the market value of the loaned securities, or (b) loaned securities not denominated in U.S. dollars or whose primary trading market is not located in the U.S. to the extent of 105% of the market value of the loaned securities. The collateral is marked to market on a daily basis. Securities on loan and collateral held under this program at December 31, 2009 and 2008 are reported on the accompanying MPT statements of net assets available for benefits at December 31, 2009 and 2008. The fair value of securities on loan was \$6,472,561 and \$6,237,222 as of December 31, 2009 and 2008, and the value of collateral held was \$6,606,144 and \$6,017,348 at December 31, 2009 and 2008. The reported collateral includes noncash holdings of \$567,007 and \$332,064 at December 31, 2009 and 2008. The amount of income earned for the years ended December 31, 2009 and 2008 was \$43,893 and \$88,333.

AT&T Pension Benefit Plan, AT&T Pension Plan, AT&T Puerto Rico Pension
Benefit Plan and Cingular Wireless Pension Plan

Notes to Financial Statements (continued)

9. SBC Master Pension Trust (continued)

Related-Party Transactions

At December 31, 2009 and 2008, the MPT held \$68,546 and \$111,945 in AT&T common stock and \$47,963 and \$53,180 of bonds guaranteed by AT&T. These investments qualify as party-in-interest transactions, which are exempt from the prohibited transactions rules of ERISA.

Commitments

As of December 31, 2009 and 2008, the MPT had commitments to fund real estate and private equity investments in future periods totaling \$4,631,516 and \$4,591,593.

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 144,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm located in the United States.

