Form 5500	Annual Return/Report of Employee Benefit Plan	OMB Nos. 1210-0110 1210-0089
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ **Complete all entries in accordance with the instructions to the Form 5500.**	**2014** **This Form is Open to Public Inspection**

Part I Annual Report Identification Information

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [X] 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. . . . . ▶ [X]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
AT&T PENSION BENEFIT PLAN

1b Three-digit plan number (PN) ▶ 006

1c Effective date of plan 01/01/1984

2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan)
AT & T INC.

P.O. BOX 132160
DALLAS, TX 75313-2160

2b Employer Identification Number (EIN) 43-1301883

2c Plan Sponsor's telephone number 210-351-3333

2d Business code (see instructions) 517000

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.	11/19/2015	LARRY RUZICKA
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	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

Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)

Preparer's telephone number (optional)

3a Plan administrator's name and address ☐ Same as Plan Sponsor AT&T SERVICES, INC. P.O. BOX 132160 DALLAS, TX 75313-2160	**3b** Administrator's EIN 74-2782655 **3c** Administrator's telephone number	
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**	536855
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	205986
a(2) Total number of active participants at the end of the plan year	**6a(2)**	207721
b Retired or separated participants receiving benefits	**6b**	177929
c Other retired or separated participants entitled to future benefits	**6c**	123974
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	509624
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	29274
f Total. Add lines **6d** and **6e**.	**6f**	538898
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	6085
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 Characteristics Codes in the instructions:
1A 1B 1C 3F 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
4L

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)

Part III	**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) .....…… ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2014** **This Form is Open to Public Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **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
AT&T PENSION BENEFIT PLAN

B Three-digit plan number (PN) ▶ 006

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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014

2 Assets:

a Market value	**2a**	56746307000
b Actuarial value	**2b**	53885037000

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	212603	22513441000	22513441000
b For terminated vested participants	127941	7070183000	7070183000
c For active participants	230036	15094610000	16289130000
d Total	570580	44678234000	45872754000

4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	**4b**	
5 Effective interest rate	**5**	6.46%
6 Target normal cost	**6**	894591000

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

Signature of actuary — Date: 09/21/2015

THOMAS MIANO, FSA, EA
Type or print name of actuary

14-04601
Most recent enrollment number

AON CONSULTING, INC.
Firm name

214-989-0000
Telephone number (including area code)

2711 NORTH HASKELL AVENUE,8TH FLOOR
DALLAS, TX 75204
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 [ ]

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 (line 13 from prior year)	652159000	8724690000
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	652159000	270172000
9	Amount remaining (line 7 minus line 8)	0	8454518000
10	Interest on line 9 using prior year's actual return of 14.13%		1194623000
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.65 %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		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		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	9649141000

Part III Funding Percentages

14	Funding target attainment percentage	14	96.43 %
15	Adjusted funding target attainment percentage	15	117.46 %
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	99.81 %
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
06/29/2015	175000000				
			Totals ► 18(b)	175000000	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 contributions from prior years.	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	699000
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	159411000

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? [X] Yes [ ] No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? [X] Yes [ ] No

c If line 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	(4) 4th
0	0	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
4.99 %	6.32 %	6.99 %	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	61

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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	31a	894591000
b Excess assets, if applicable, but not greater than line 31a	31b	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	1636858000	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 (lines 31a - 31b + 32a + 32b - 33)	34	894591000

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	894591000	894591000

36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	159411000

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	159411000
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	159411000
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☒ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☒ 2011

42 Amount of acceleration adjustment	42	69811000
43 Excess installment acceleration amount to be carried over to future plan years	43	0

SCHEDULE D (Form 5500)	DFE/Participating Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2014** **This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
AT&T PENSION BENEFIT PLAN

B Three-digit plan number (PN) ▶ 006

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	**d** Entity code	**e** Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
43-1301883-020	M	54298501000

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

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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)	Financial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2014** **This Form is Open to Public Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
AT&T PENSION BENEFIT PLAN

B Three-digit plan number (PN) ▶ 006

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)	0	175000000
(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)	56746307000	54298501000
(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)		

		(a) Beginning of Year	(b) End of Year
1d Employer-related investments:			
(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	56746307000	54473501000
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 through1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	56746307000	54473501000

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) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	175000000	
(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)		175000000
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
(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

		(a) Amount	(b) Total
(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)		4436059000
(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		4611059000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	6541702000	
(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)		6541702000
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		6541702000

Net Income and Reconciliation

k Net income (loss). Subtract line **2j** from line **2d**	2k		-1930643000
l Transfers of assets:			
(1) To this plan	2l(1)		3000000
(2) From this plan	2l(2)		345163000

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) [X] 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 [X] 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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 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.)	4a		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.)	4b		X	

			Yes	No	Amount
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.)	4c		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.)	4d		X	
e	Was this plan covered by a fidelity bond?	4e	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?	4f		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?	4g		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?	4h		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.)	4i		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.)	4j		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?	4k		X	
l	Has the plan failed to provide any benefit when due under the plan?	4l		X	
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
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.	4n			

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:**

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)
FRONTIER COMMUNICATIONS PENSION PLAN	06-0619596	001
YP HOLDINGS LLC PENSION PLAN	80-0803728	001

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	**6b** Trust's EIN

SCHEDULE R (Form 5500)	Retirement Plan Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2014** **This Form is Open to Public Inspection.**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan
AT&T PENSION BENEFIT PLAN

B Three-digit plan number (PN) ▶ 006

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 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** 0

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): 04-6568107 _____

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** 13935

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 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 (include any prior year accumulated funding deficiency not waived) **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 or other authority 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. 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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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 lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: 41% Investment-Grade Debt: 31% High-Yield Debt: 2% Real Estate: 11% Other: 15%

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 line 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Financial Statements

Years Ended December 31, 2014 and 2013 with Report of Independent Auditors

AT&T Pension Benefit Plan and AT&T Puerto Rico Pension Benefit Plan

Financial Statements

Years Ended December 31, 2014 and 2013

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Report of Independent Auditors

AT&T Inc.
Plan Administrator

We have audited the accompanying financial statements of both the AT&T Pension Benefit Plan and the AT&T Puerto Rico Pension Benefit Plan, which comprise the statements of net assets available for benefits as of December 31, 2014 and 2013, and the related statement of changes in net assets available for benefits for the year ended December 31, 2014 and 2013, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the AT&T Pension Benefit Plan and the AT&T Puerto Rico Pension Benefit Plan at December 31, 2014 and 2013, and the changes in its financial status for the year ended December 31, 2014 and 2013, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 22, 2015

Statements of Net Assets Available for Benefits
At December 31
(Dollars in Thousands)

	2014		2013	
	AT&T Pension Benefit Plan	**AT&T Puerto Rico Pension Benefit Plan**	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan
Assets				
Investments, at fair value				
Plan interest in SBC Master Pension Trust	**$ 54,298,501**	**$ 25,807**	$ 56,746,307	$ 23,324
Contributions receivable	**175,000**	**62**	–	1,340
Net assets available for benefits	**$ 54,473,501**	**$ 25,869**	$ 56,746,307	$ 24,664

See accompanying notes.

Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31
(Dollars in Thousands)

	2014		2013	
	AT&T Pension Benefit Plan	**AT&T Puerto Rico Pension Benefit Plan**	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan
Additions				
Net investment gain from Plan's interest in:				
SBC Master Pension Trust	$ **4,436,059**	$ **1,974**	$ 6,273,183	$ 2,732
Contributions	**175,000**	**624**	9,279,000	1,340
Total additions	**4,611,059**	**2,598**	15,552,183	4,072
Deductions				
Pension and death benefits	**6,541,702**	**1,393**	3,965,200	1,163
Total deductions	**6,541,702**	**1,393**	3,965,200	1,163
Net increase (decrease) before transfers	**(1,930,643)**	**1,205**	11,586,983	2,909
Transfers due to Mandatory Portability Agreement (*Note 1*)	**3,000**	–	(940)	–
Transfers of spinoff plans (*Note 1*)	**(345,163)**	–	–	–
Net assets available for benefits, beginning of year	**56,746,307**	**24,664**	45,160,264	21,755
Net assets available for benefits, end of year	$ **54,473,501**	$ **25,869**	$ 56,746,307	$ 24,664

See accompanying notes

1. Plan Descriptions

This report includes the 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). The following descriptions of the AT&T Pension Benefit Plan (AT&T Plan) and the AT&T Puerto Rico Pension Benefit Plan (PR Plan) provide general information. The Pension Plans are summarized in the 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 Plan Administrator at the following address: AT&T Services, Inc., ATTN: Plan Documents, P.O. Box 132160, Dallas, TX 75313-2160. There may be a charge for copying the document. The Pension Plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 as amended (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.

In October 2014, as a result of the sale of AT&T's Connecticut operations, approximately $227,622 of retirement obligations and $308,400 of assets related to active participants were transferred from the AT&T Plan to a successor plan sponsored by the acquirer. Additionally, $35,463 of retirement obligations were payable to the successor plan as of December 31, 2014.

In 2014, as a result of the sale of AT&T's Advertising Solutions and Interactive businesses, approximately $1,300 of assets were transferred from the AT&T Plan to a successor plan sponsored by the acquirer.

AT&T Pension Benefit Plan
The AT&T Plan is a noncontributory qualified defined benefit pension plan covering substantially all U.S. bargained and nonbargained 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.

At December 31, 2014 and 2013, 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, but excludes new hires from certain collective bargaining units beginning August 8, 2009.
- 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 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 various negotiated dates beginning August 8, 2009.
- The Nonbargained Program maintains benefits of certain nonbargained participants (with the exception of those programs mentioned below, which cover nonbargained participants) of the AT&T Plan who are employed by a Nonbargained Participating Company, as defined by the AT&T Plan, and who were hired prior to January 1, 2007. The Nonbargained Program also contains benefits of certain individuals who were formerly employees of Ameritech Publishing Ventures, Inc. (APVI) and whose benefit was frozen in 1993.

- 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 various negotiated dates beginning 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 but excludes most new hires after various negotiated dates beginning August 8, 2009.
- 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 various negotiated dates beginning August 8, 2009. The Midwest Program also contains benefits of certain individuals who were formerly employees of Ameritech Publishing Ventures, Inc. (APVI) and whose benefit was frozen in 1993.
- The Mobility Program maintains benefits of (i) all U.S. nonbargained employees hired prior to January 1, 2006, employed by a Mobility 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 Mobility Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning January 1, 2010.
- The AT&T Legacy Management Program maintains benefits of certain nonbargained employees hired prior to January 1, 2007, employed by an AT&T Legacy Management Participating Company, as defined by the AT&T Plan.
- The Mobility 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 Mobility Bargained Participating Company, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning January 1, 2009.
- The Management Cash Balance Program maintains benefits of specified nonbargained 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 Services, LLC employees hired on or after January 1, 2006).
- The Southeast Management Program maintains benefits for certain nonbargained employees hired prior to January 1, 2007, employed by a Southeast Management Participating Company, as defined by the AT&T Plan.
- The Southeast 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 Southeast 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 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, as defined by the AT&T Plan, but excludes most new hires after various negotiated dates beginning August 8, 2009.

Bargained Cash Balance Program
Under the Bargained Cash Balance Program, employee pension benefits are calculated using a cash balance formula applying 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. Treasury securities.

Employees of certain collectively bargained units 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 using a cash balance formula applying 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 a lump sum) in accordance with the terms of the AT&T Plan.

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 of certain collectively bargained units become eligible to participate in the Southwest Program if they have completed one year of service and are vested after five years of service (effective January 1, 2010, for active employees represented by certain, but not all, collective bargaining agreements, 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.

Nonbargained Program
At December 31, 2004, the nonbargained 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 nonbargained 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 an employee's adjusted career income). Each nonbargained 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. Treasury securities.

The program is limited to eligible employees hired prior to January 1, 2007. Employees 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.

Effective January 1, 2013, this program document was restructured to include benefits previously provided under the Midwest Publishing Ventures Program and the Midwest Publishing Ventures Program document was eliminated.

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 of certain collectively bargained units 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 if elected within the applicable time period specified under the AT&T Plan, 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 and promotion credits where applicable, which

are credited to a hypothetical account that accrues interest determined based on a negotiated interest crediting rate 4% and for employees employed on or after August 8, 2009, the annual market rate based on 30-year U.S. Treasury securities.

Employees of certain collectively bargained units 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 of certain collectively bargained units 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.

Effective January 1, 2013, this program document was restructured to include benefits previously provided under the Midwest Publishing Ventures Program and the Midwest Publishing Ventures Program document was eliminated.

Mobility Program
Under the Mobility Program, employee pension benefits are generally calculated using a cash balance formula applying basic benefit credits determined based on pay, which are credited to a hypothetical account that accrues interest at a market rate based on the yield on 30-year Treasury securities.

Employees of certain collectively bargained units become eligible to participate in the Mobility 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.

The Mobility 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.

AT&T Legacy Management Program
Under the AT&T Legacy Management Program, employee pension benefits are generally 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.

The program is limited to eligible employees hired prior to January 1, 2007. Employees 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.

Mobility Bargained Program
Under the Mobility 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 of certain collectively bargained units become eligible to participate in the Mobility 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.

Management Cash Balance Program
Under the Management Cash Balance Program, employee pension benefits are calculated using a cash balance formula applying basic credits as a percentage of pay based on an age credit factor, 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. 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 generally calculated using 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 Treasury securities. 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 credited service through December 31, 2005. Participants with an accrued benefit from the prior plan formula will receive the greater amount.

The program is limited to eligible employees hired prior to January 1, 2007. Employees 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 generally calculated using 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. Treasury securities. Benefits prior to January 1, 1999, remain under the traditional dollar per year of service annuity pension formula.

Employees of certain collectively bargained units 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 Legacy Bargained Program
Under the AT&T Legacy Bargained Program, employee pension benefits are generally calculated using 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% or the annual market rate based on the yield of 30-year U.S

Treasury securities, depending upon the provisions of the applicable bargaining agreement. 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 of certain collectively bargained units become eligible to participate in the AT&T Legacy Bargained Program immediately upon 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 lump sum, life annuity, or joint and survivor annuity in accordance with the terms of the AT&T Plan.

AT&T Puerto Rico Pension Benefit Plan
The PR Plan is a noncontributory qualified defined benefit pension plan covering substantially all bargained and nonbargained employees (hired prior to certain dates, as discussed below) of the participating subsidiaries of AT&T who reside in the Commonwealth of Puerto Rico. Effective January 1, 2012, no new employees can enter the Plan. Employees of participating subsidiaries are eligible to participate in the PR Plan if they meet the eligibility requirements for the underlying applicable program, which are discussed below.

At December 31, 2014 and 2013 the PR Plan's assets are invested in the MPT (see Note 9).

The PR Plan maintains the following programs, under which participants' benefits are calculated based on the plan from which they merged:

- The AT&T Legacy Management Program maintains benefits for management employees hired prior to January 1, 2007 who are residents of the Commonwealth of Puerto Rico. AT&T Corporation (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 (PR Plan).
- The AT&T Legacy Bargained Program (formerly the AT&T Pension Plan) maintains benefits of specified bargained employees hired prior to August 9, 2009 who are residents of the Commonwealth of Puerto Rico of participating companies as defined by the PR Plan.
- The Mobility Program maintains benefits of all employees hired prior to January 1, 2006 for nonbargained employees and January 1, 2012 for bargained employees on the Puerto Rico payroll of a subsidiary of AT&T Mobility Services, LLC, formerly Cingular Wireless Services, LLC (Mobility).

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. The program is limited to eligible employees hired prior to January 1, 2007. Employees 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 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).

The program is limited to employees hired prior to August 9, 2009. Employees 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 PR Plan.

Mobility Program
Under the Mobility Program employee pension benefits are generally calculated as a percentage of pay, which is credited to a hypothetical account that accrued interest at a market rate based on the yield on 30-year U.S. Treasury securities. The program is limited to eligible employees hired prior to January 1, 2006 for management employees and prior to January 1, 2012 for bargained employees. Employees are vested after five years of service; however, effective January 1, 2010, for active employees, three years of service. 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.

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. Management believes that the portfolio is well-diversified with no significant concentrations of risk. 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. Shares of registered investment companies are valued based on quoted market prices, which represent the net asset value of shares held at year-end. 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 valuation techniques, such as the Black-Scholes option pricing model, simulation models or a combination of various models.

Common/collective trust funds, pooled separate accounts, fixed income funds, hedge funds, private equity funds, real estate funds and other commingled (103-12) investment entities are valued at the net asset values of units held at year-end.

Alternative investments not having an established market are valued at fair value as determined by the investment managers. Real estate and natural resource direct 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 have been reviewed by an external valuation consultant. Fixed income securities 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.

In substantiating the reasonableness of the pricing data provided by third parties, the general partner or fund manager evaluates a variety of factors including review of methods and assumptions used by external sources, recently executed transactions, existing contracts, economic conditions, industry and market developments and overall credit ratings. The Company meets with and monitors the performance of the fund managers on a periodic basis throughout the year. 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.

The Preferred Interests (as defined and discussed later in this Note under *Contributions and Acturial Method*) is appraised by an independent investment manager using generally accepted methods of analysis. A discounted cash flow (DCF) model of the Preferred Interests' expected distribution and option settlement proceeds is developed. It considers the credit quality of Mobility and the Preferred Interests, the potential timing of put or call option exercises, the liquidity of the Preferred Interests, the potential settlement of the Preferred Interests with AT&T unregistered common shares, and the cap on the number of AT&T shares that AT&T has committed to use in an option settlement (Capped Number of AT&T Shares). The investment manager further analyzes the DCF model with methods it deems appropriate. For example, in recognition of the uncertainty of the date on which an option may be exercised for the Preferred Interests, the investment manager uses the Black-Dermon-Toy (BDT) binomial lattice to see how sensitive the DCF result is to the assumed exercise date. The investment manager also uses Monte Carlo simulation to model future movements of AT&T's stock price and short term interest rates on a stochastic basis to determine the potential of the Capped Number of AT&T Shares to impact the valuation of the Preferred Interests.

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.

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

Recent Accounting Standards

In June 2014, the FASB issued ASU 2014-11, Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financing, and Disclosure, (ASU 2014-11). ASU 2014-11 requires repurchase-to-maturity transactions to be accounted for as secured borrowings rather than as sales with a forward repurchase commitment and eliminates current guidance on repurchase financing. ASU 2014-11 requires separate accounting for a transfer of a financial asset executed contemporaneously with a repurchase agreement with the same counterparty that will result in secured borrowing accounting for the repurchase agreement. The ASU requires new disclosures for repurchase agreements, securities lending transactions and repurchase-to-maturity transactions that are accounted for

as secured borrowings. These disclosures include information about the types of assets pledged and the relationship between those assets and the related obligation to return the proceeds. The ASU also requires new disclosures for transfers of financial assets that are accounted for as sales that involve an agreement with the transferee entered into in contemplation of the initial transfer that result in the transferor retaining substantially all of the exposure to the economic return on the transferred financial assets throughout the term of the transaction. The accounting and disclosure changes are effective for annual periods beginning after December 15, 2014. Management is currently evaluating this updated guidance.

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-07, "Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)" (ASU 2015-07). ASU 2015-07 removes the requirement to categorize investments for which fair value is measured using the net asset value per share practical expedient within the fair value hierarchy. These disclosures are limited to investments for which the entity has elected to measure the fair value using that practical expedient. The accounting and disclosure changes are effective for annual periods beginning after December 15, 2015. Management is currently evaluating this updated guidance.

In July 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-12, "Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): (Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient" (ASU 2015-12). ASU 2015-12 eliminates the requirement to group and disclose investments within the fair value hierarchy on the basis of nature, characteristics, and risk. Investments will only be required to be disclosed by general type. Additionally, investment strategies for assets valued on the basis of Net Asset Value per share which are held in funds that file a Department of Labor Form 5500 as a Direct Filing Entity will no longer be required to be disclosed. The disclosure changes are effective for annual periods beginning after December 15, 2015 although early adoption is allowed. Management is currently evaluating this updated guidance.

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:

	2014	2013
Effective interest rate:		
AT&T Pension Benefit Plan	**6.25%**	5.77%
AT&T Puerto Rico Pension Benefit Plan	**6.29%**	5.80%

On September 9, 2013 (Contribution Date), AT&T made a voluntary contribution of 320 million Series A Cumulative Perpetual Preferred Membership Interests (Preferred Interests) in AT&T Mobility II LLC (Mobility), the holding company for its wireless business, to the MPT, which was allocated in its entirety to the AT&T Plan and is accounted for an equity investment. The MPT is entitled to receive cumulative cash distributions of $560,000 per annum, which will be distributed quarterly in equal amounts and will be accounted for as investment income. In addition, AT&T contributed $175,000 in cash at the Contribution Date and has committed to the Department of Labor (DOL) to contribute an additional $525,000 in cash over a three year period beginning in 2015.

The Preferred Interests are transferable only through their call and put features. The call option gives AT&T and Mobility the right to purchase from the MPT all or any portion of the Preferred Interests, at a price per Preferred Interests equal to the greater of the fair market value the Preferred Interests or $25.00 plus any accrued and unpaid cumulative dividends (Option Price), at any time and from time to time: (1) during the 12 month period following the date AT&T issues an annual report reflecting that the AT&T Plan is fully funded as determined under U.S. GAAP and calculated including the fair market value of the Preferred Interests; (2) on or after a Change of Control of Mobility (AT&T's ownership of Mobility is less than 50% or there is a transaction that results in the transfer of 50% or more of AT&T Plan's liabilities or the MPT's assets to an entity not under common control with AT&T); or (3) on or after the fifth anniversary of the Contribution Date. The put option gives the MPT the right to require Mobility to purchase the Preferred Interests, at a price per Preferred Interests equal to the Option Price, at any time and from time to time on or after the earlier of: (1) the first date that the ratio of debt to total capitalization of Mobility exceeds that of AT&T; (2) the date on which AT&T is rated below investment grade for two consecutive calendar quarters by at least two of the following rating agencies: Standard & Poor's Rating Services, Moody's Investor Services, Inc. or FitchRatings, Inc.; (3) upon a Change of Control of Mobility; or (4) the seventh anniversary of the Contribution Date; provided, however, that except in the event of a Change of Control of Mobility AT&T will not be required to purchase more than 106,666,667 Preferred Interests in any 12 month period. In the event AT&T elects or is required to purchase the preferred equity interest, AT&T may elect to settle the purchase price in cash or shares of AT&T unregistered common stock or a combination thereof.

On September 9, 2013, the DOL published a proposed exemption that authorizes retroactive approval of this voluntary contribution. The proposal was open for public comment and was approved retroactively by the DOL on July 24, 2014. The Preferred Interests had a value of $9,104,000 on the Contribution Date and were valued at $9,020,800 and $9,208,543 as of December 31, 2014 and 2013.

The Pension Plans have met the ERISA minimum funding requirements for 2014 and 2013.

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 end 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, 2014 and December 31, 2013 include (a) rates of retirement, withdrawal, and disability based on experience studies of participating subsidiary employees; (b) rates of mortality based on RP-2014 Combined Healthy Mortality Table (fully generational) with projection Scale MP-2014; (c) the following interest rates:

	2014	2013
Expected Return on Assets:		
AT&T Pension Benefit Plan	**7.00%**	7.75%
AT&T Puerto Rico Pension Benefit Plan	**7.00%**	7.75%

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

Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement* 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.

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. 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, 2014 and 2013.

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

4. Accumulated Plan Benefits

The Pension Plans' actuarial present value of accumulated plan benefits as of December 31, 2014 and 2013 presented below were determined using 7.00% as of December 31, 2014 and 7.75% as of December 31, 2013. The Pension Plans use the expected rate of return on plan assets as a basis for determining the interest rate assumption.

However, for reporting in the plan sponsor's financial statements, AT&T uses an interest rate that reflects the hypothetical rate at which the obligations could be effectively settled or paid to participants, which is based on a range of factors, including a yield curve composed of the rates of return on several hundred high-quality, fixed income corporate bonds and the related expected duration for the obligations. At December 31, 2014 the projected benefit obligation for the plan sponsor was determined using an interest rate of 4.30%, resulting in an obligation of $59,511,866 for the AT&T Plan and $31,011 for the PR Plan. At December 31, 2013 the projected benefit obligation for the plan sponsor was determined using an interest rate of 5.00%, resulting in an obligation of $56,530,911 for the AT&T Plan and $29,376 for the PR Plan.

The actuarial present values of the Pension Plans' accumulated plan benefits at December 31, 2014 and 2013 are presented below:

December 31, 2014	**AT&T Pension Benefit Plan**	**AT&T Puerto Rico Pension Benefit Plan**
Vested benefits:		
Participants currently receiving payments	$22,314,652	$5,759
Other participants	19,915,355	14,273
Nonvested benefits	1,764,434	807
Total	$43,994,441	$20,839

December 31, 2013	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan
Vested benefits:		
Participants currently receiving payments	$21,189,547	$2,638
Other participants	20,960,844	16,471
Nonvested benefits	1,619,916	589
Total	$43,770,307	$19,698

The significant changes in the Pension Plans accumulated plan benefits between the December 31, 2013 and December 31, 2014 actuarial valuations are as follows:

	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan
Actuarial present value of accumulated plan benefits as of December 31, 2013	$43,770,307	$19,698
Increase (decrease) during the year attributable to:		

Increase due to decrease in discount period	3,143,425	1,474
Plan amendments	61,487	-
Change in lump sum conversion rate	(160,243)	(75)
Change in mortality scale	708,483	107
Additional benefits earned and experience gains/losses	556,523	(14)
Transfer from SNET to Frontier Communications	(227,622)	-
Change in retirement table for EPO	114,998	-
Change in assumed payment form and timing for terminated vested	(22,600)	(462)
Benefits paid	(6,542,043)	(1,393)
Change in interest rate from 7.75% to 7.00%	2,591,726	1,504
Net increase	224,134	1,141
Actuarial present value of accumulated plan benefits as of December 31, 2014	$43,994,441	$20,839

The change due to plan amendments for 2014 includes updates to reflect participants' ability to take lump sum form of payments beginning January 1, 2015. The annual cash balance credit rate was decreased for several bargained covered employee groups in the Bargained Cash Balance #2 program.

The significant changes in the Pension Plans accumulated plan benefits between the December 31, 2012 and December 31, 2013 actuarial valuations are as follows:

	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan
Actuarial present value of accumulated plan benefits as of December 31, 2012	$41,577,176	$18,287
Increase (decrease) during the year attributable to:		
Increase due to increase in discount period	3,071,447	1,373
Plan amendments	645,883	-
Change in lump sum conversion rate	(393,760)	1,025
Change in mortality scale	1,266,483	244
Additional benefits earned and experience gains/losses	1,445,715	407
Benefits paid	(3,965,200)	(1,163)
Change in decrement tables	122,563	(475)
Net increase	2,193,131	1,411
Actuarial present value of accumulated plan benefits as of December 31, 2013	$43,770,307	$19,698

The change due to plan amendments for 2013 includes pension band increases for the bargained covered employees in the Southwest and West programs and some bargained covered employees in the Midwest and AT&T Legacy Bargained programs. The annual cash balance credit was increased for several bargained covered employee groups

in the Bargained Cash Balance #2 program. Also, Lump Sum Offers were extended to managers that agreed to retire before December 31, 2013 in the Management Cash Balance, Nonbargained and AT&T Legacy Management programs.

5. Voluntary Enhanced Pension and Retirement Benefit Programs

In October 2013, certain retirement-eligible employees were offered to elect a full lump sum payment of their accrued pension if they retired as of December 30, 2013. The lump sum value was calculated using the August 2012 discount rates for some pension programs and was equal to the cash balance amount for the management new hire pension program. The payments were distributed in 2014 and totaled approximately $2,673,023.

During 2013 and 2012, 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 $547 during the year ended December 31, 2014, and $15,708 during the year ended December 31, 2013 in pension benefit lump sum payments under this program.

6. Tax Status

The AT&T Plan has received a determination letter from the Internal Revenue Service (IRS), pursuant to its 2009 Cycle C determination letter filing, dated June 10, 2014 stating that the AT&T Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, that the related trust is exempt from taxation. Subsequent to this determination by the IRS, this plan was amended and restated. The AT&T Plan filed for a new determination letter on January 21, 2014, again pursuant to the IRS Cycle C determination letter filing process, and that request is still pending. The PR Plan received a determination letter from the IRS, pursuant to its 2009 Cycle C determination letter filing, dated June 9, 2014, stating that the PR Plan is qualified under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, that the related trust is exempt from taxation. Subsequent to this determination by the IRS, the PR Plan was amended and restated. The PR Plan filed for a new determination letter on April 30, 2013, again pursuant to the IRS Cycle C determination letter filing process, and the request is still pending. Once qualified, the Pension Plans are required to operate in conformity with the IRC to maintain their qualification. The plan administrator has indicated that it will take the necessary steps, if any, to bring the Plans' operations into compliance with the IRC.

The PR Plan has also received a determination letter from the Commonwealth of Puerto Rico's Department of Treasury (Treasury) dated November 18, 2010 stating that the PR Plan is qualified under Section 1165(a) and 1165(e) of the Puerto Rico Internal Revenue Code of 1994 (PRIRC-94), and, therefore, that the related trust is exempt from taxation. The PRIRC-94 was replaced on January 31, 2011, by the Internal Revenue Code for a New Puerto Rico (the Puerto Rico Code), and the retirement plan rules are now enacted as Puerto Rico Code Section 1081.01. Subsequent to this determination by the Treasury, this plan was amended and restated. Once qualified, the PR Plan is required to operate in conformity with Puerto Rico Code to maintain its qualified status. The PR Plan filed for a new Treasury determination letter on April 9, 2014 and that request is still pending. The plan administrator has indicated that it will take the necessary steps, if any, to bring the PR Plan's operations into compliance with the Puerto Rico Code.

Accounting principles generally accepted in the United States require plan management to evaluate uncertain tax positions taken by the Pension Plans. The financial statement effects of a tax position are recognized when the position is more likely than not, based on the technical merits, to be sustained upon examination by the IRS or Treasury. The plan administrator has analyzed the tax positions taken by the Pension Plans, and has concluded that as of December 31, 2014, there are no uncertain positions taken or expected to be taken. The Pension Plans have recognized no interest or penalties related to uncertain tax positions. The Pension Plans are subject to routine audits

by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes the Pension Plans are no longer subject to income tax examinations for years prior to 2011.

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.
The Pension Plans' 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.

9. SBC Master Pension Trust

All 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. Except for the Preferred Interests discussed in Note 2, 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, 2014 and 2013, JPMorgan Chase Bank N.A. was the trustee for the MPT, and the following plans were participants:

	2014	2013
Allocation of Master Trust Investments		
AT&T Pension Benefit Plan	**99.95%**	99.96%
AT&T Puerto Rico Pension Benefit Plan	**.05%**	.04%

The Preferred Interests, as defined in Note 2, has a fair value of $9,020,800 at December 31, 2014, which represents 5% or more of the MPT's net assets available for benefits.

Net Assets of the SBC Master Pension Trust

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

	2014	2013
Assets		
Non-interest bearing cash	**$ 513,057**	$ 465,108
Interest bearing investments	**2,960,035**	3,679,755
Pooled separate accounts	**616,656**	576,739
Common/collective trust funds	**1,198,341**	1,186,377
103-12 investments	**1,544,589**	1,060,126
U.S. Government and governmental agencies bonds and notes	**5,952,642**	5,985,095
U.S. Government and governmental agencies bonds and notes-loaned	**1,101,706**	1,320,801
Corporate and other bonds and notes	**8,026,232**	6,321,241
Corporate and other bonds and notes-loaned	**591,525**	445,508
Equities	**20,770,755**	23,587,297
Equities-loaned	**1,669,917**	1,617,793
Partnership/joint venture interests	**7,452,720**	8,233,050
Real estate	**3,089,086**	3,533,808
Registered investment companies	**23,801**	109,990
Purchased options	**868**	342
Collateral – securities lending*	**3,450,376**	3,464,293
Total investments	**58,449,249**	61,122,215
Receivable for securities sold	**302,816**	1,300,059
Contribution receivable	**175,062**	1,340
Receivable for investments sold short	**261,305**	69,409
Unrealized appreciation on foreign currency contracts	**25,291**	2,603
Variation margin receivable	**-**	5,757
Accrued income	**265,993**	252,993
Written options receivable	**-**	17
Other receivables	**7,579**	8,980
Total assets	**60,000,352**	63,228,481
Liabilities		
Overdrafts	**128,361**	61,969
Payable securities lending	**3,450,413**	3,464,399
Payable for securities purchased	**1,074,222**	2,308,548
Investments sold short (proceeds of $712,658 and $462,521)	**740,644**	550,855
Written options payable (premiums of ($1,240) and ($684)	**988**	308
Unrealized depreciation on foreign currency contracts	**11,561**	4,744
Short sales payable	**5,948**	11,871
Variation margin payable	**22,743**	-
Transfer payable	**35,463**	-
Accrued liabilities	**30,639**	54,816
Total liabilities	**5,500,982**	6,457,510
Net assets of the SBC Master Pension Trust	**$ 54,499,370**	$ 56,770,971

*includes noncash of $938,531 and $1,019,736 at December 31, 2014 and 2013.

The following is the net increase (decrease) in the fair value of net assets for the MPT:

	Year Ended December 31, 2014	2013
Additions		
Net appreciation (depreciation) in fair value of investments:		
Interest-bearing cash	**$ (6,453)**	$ 370
Pooled separate accounts	**9,890**	(18,112)
Common/collective trust funds	**48,133**	37,842
103-12 investments	**30,902**	163,661
U.S. Government and governmental agencies bonds and notes	**768,264**	(714,543)
Corporate and other bonds and notes	**202,220**	(320,718)
Equities	**725,644**	3,577,839
Partnership/joint venture interests	**559,222**	1,725,070
Real estate	**122,626**	405,076
Registered investment companies	**398**	(1,466)
Foreign currency contracts	**24,514**	4,013
Option contracts	**2,127**	2,291
Future contracts	**394,041**	363,233
Securities lending collateral	**69**	3,782
Total net appreciation in fair value of investments	**2,881,597**	5,228,338
Investment income	**1,755,298**	1,256,898
Employer contributions	**175,624**	9,280,340
Transfer of assets resulting from Mandatory Portability Agreement	**3,000**	(940)
Total additions	**4,815,519**	15,764,636
Deductions		
Pension and death benefits	**6,543,095**	3,966,363
Transfer to spinoff plans	**345,163**	-
Trustee and investment management fees and administrative expenses	**198,862**	209,321
Total deductions	**7,087,120**	4,175,684
Net increase (decrease)	**(2,271,601)**	11,588,952
Net assets of the SBC Master Pension Trust:		
Beginning of year	**56,770,971**	45,182,019
End of year	**$ 54,499,370**	$ 56,770,971

The following table sets forth by level, within the fair value hierarchy, the MPT's assets at fair value as of December 31, 2014:

SBC Master Pension Trust Assets and Liabilities at Fair Value

	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	$ 513,057	$ –	$ –	$ 513,057
Interest bearing cash	–	108,691	–	108,691
Foreign currency contracts	–	25,291	–	25,291
Equity securities:				
Domestic equities:				
Large cap	5,691,580	4,289	9,020,800	14,716,669
Small cap	2,921,694	70,018	75	2,991,787
International equities:				
Developed markets	4,197,000	4,164	4	4,201,168
Emerging markets	608,174	167,225	49	775,448
Fixed income securities:				
Asset-backed securities	–	609,442	588	610,030
Mortgage-backed securities	–	1,741,454	–	1,741,454
Collateralized mortgage-backed securities	–	417,975	–	417,975
Collateralized mortgage obligations/REMICS	–	530,695	–	530,695
Other corporate and other bonds and notes:				
Core	–	2,820,690	39,107	2,859,797
Long duration	–	4,158,694	11,561	4,170,255
U.S. Government and governmental agencies	145,305	4,499,064	–	4,644,369
Municipal bonds	–	376,732	–	376,732
Convertible and preferred securities	97,465	230,412	1,116	328,993
Fixed income funds	–	–	396,870	396,870
Private equity funds	–	–	5,526,440	5,526,440
Real assets:				
Real assets	–	–	2,209,119	2,209,119
Real estate funds	–	–	2,566,953	2,566,953
Commingled funds:				
Interest bearing investments	–	2,876,145	–	2,876,145
Hedge funds	–	555,520	1,902	557,422
Equities	–	1,030,457	–	1,030,457
Fixed income	–	1,360,535	–	1,360,535
Securities lending collateral	310,462	3,139,914	–	3,450,376
Purchased options	868		–	868
Receivable for investments sold short	261,305	–	–	261,305
Assets at fair value	14,746,910	24,727,407	19,774,584	59,248,901
Overdrafts	128,361	–	–	128,361
Unrealized depreciation on foreign currency contracts	–	11,561	–	11,561
Investments sold short	492,539	248,105	–	740,644
Written options payable	982	6	–	988
Payable for variation margin	22,743	–	–	22,743
Liabilities at fair value	644,625	259,672	–	904,297
Net assets and liabilities at fair value	$ 14,102,285	$ 24,467,735	$ 19,774,584	$ 58,344,604
Other assets (liabilities)				(3,845,234)
Net assets of the SBC Master Pension Trust				$ 54,499,370

Certain investments within the MPT have been disaggregated based on their nature of risk and are included in various classes of investments in the table above.

Additional Disclosures Related to MPT Assets Measured at NAV as of December 31, 2014:

Investment Class-Sub Class		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed income:	Closed-end funds[6]	$ 396,870	$ 107,393	No redemption rights	NA
Real assets:	Open-end funds[2]	292,285	–	Quarterly	45-90 days
	Closed-end funds[3]	2,274,669	895,558	No redemption rights	NA
Private equity	Closed-end funds[4]	5,526,440	1,194,080	No redemption rights	NA
Commingled funds:	Interest bearing investments[9]	2,876,145	–	Daily	NA
	Hedge funds[1]	557,422	–	Monthly, Annually	3-90 days
	Fixed income[7]	282,901	–	Daily, Monthly	3-5 days
	Equities[8]	1,030,457	–	Quarterly, Annually	1-30 days
	Open-end funds5	$ 1,077,635	$ –	Monthly, Quarterly	5-30 days
Total		$ 14,314,824	$ 2,197,031		

(1) This class includes both directional and nondirectional hedge fund strategies. The fair values of these investments have 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 3 years given favorable market conditions.

(2) This class includes four real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class 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 5 years.

(3) This class includes real estate and natural resource investment funds that invest in U.S. and international real assets. The fair values of the investments in this class have 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 10 years given favorable market conditions. There are no current plans to sell any of these funds.

(4) This class includes private equity funds that invest in U.S. and international companies. The fair values of the investments in this class have 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 10 years given favorable conditions. There are no current plans to sell any of these funds.

(5) This class includes several fixed income funds that invest primarily in U.S. fixed income securities. The fair values of the investments in this class 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 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 class 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 values of the investments in this class have 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 10 years given favorable market conditions. There are no current plans to sell any of these funds.

(7) This class includes fixed income commingled funds that invest primarily in publicly traded fixed income securities. The fair values of the investments in this class have been estimated using the net asset values reported by the fund managers 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 class includes equity commingled funds that invests primarily in publicly traded U.S. and non-U.S. equity securities. The fair values of the investments in this class have 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 class includes funds that invest primarily in publicly traded short-term fixed income securities. The fair values of the investments in this class have 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.

Real assets held by the MPT includes approximately 65 separate real estate properties totaling $2,195,887 at December 31, 2014. These Level 3 investments are valued by an independent real estate appraiser in accordance with the Uniform Standards of Professional Appraisal Practice and in compliance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The reports are reviewed and approved by a member of the Appraisal Institute with the professional designation MAI as well as an independent valuation consultant retained by the MPT.

Properties are appraised using common methods of analysis: the cost, sales comparison and income capitalization approach, with the final estimated fair value giving most consideration to the method(s) deemed most applicable to the specific characteristics of the property.

The cost approach includes analyzing comparable land sales to determine the underlying land value of the property, which is valued based upon its highest and best use. Replacement cost is estimated using actual cost comparison and/or the current version of a nationally recognized cost estimating service.

The sales comparison approach utilizes market comparable properties, and includes analysis of the properties, the nature of the buyers and sellers, and a description of the transaction including terms of the sale and the source of the data.

The income capitalization approach includes analysis of market rent, existing contract rent, competitive occupancy rates, existing property vacancy and forecast absorption, historical, current and market expenses, projected capital expenditures and the derived net operating income and cash flow. In this valuation, net operating income is converted to value under the direct capitalization and discounted cash flow methods. The following significant inputs were made available in the third-party appraisals of the MPT's real assets, the significant inputs by property type at December 31, 2014:

	Weighted-Average Discount Rate	Year-One Capitalization rate
Retail – Regional Mall	6.00%	5.23%
Retail – Non-Regional Mall	7.25%	5.95%
Office	6.52%	4.76%
Industrial	6.95%	5.08%
Residential	6.86%	4.63%

The estimated fair values may vary significantly from the prices at which the properties would actually sell, since market prices of the investments can only be determined by negotiation between a willing buyer and seller. Management believes these estimates to be reasonable approximations of market prices.

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, 2014.

	Equities	Fixed Income	Preferred Interest	Hedge Funds	Private Equity Funds	Real Assets	Total
Balance, beginning of year	$ 530	$ 576,857	$ 9,208,543	$ 3,992	$ 5,875,439	$ 5,255,695	$20,921,056
Realized gains (losses)	(89)	40,551	-	-	695,591	805,581	1,541,634
Unrealized gains (losses)	21	(27,423)	(187,743)	1	(99,171)	(376,025)	(690,340)
Transfers in	9	52	-	-	-	22,387	22,448
Transfers out	(117)	(2,616)	-	-	(22,387)	-	(25,120)
Purchases	747	55,097	-	77	531,252	677,737	1,264,910
Sales	(973)	(193,276)	-	(2, 168)	(1,454,284)	(1,609,303)	(3,260,004)
Balance, end of year	$ 128	$ 449,242	$ 9,020,800	$ 1,902	$ 5,526,440	$ 4,776,072	$19,774,584

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, 2013.

SBC Master Pension Trust Assets and Liabilities at Fair Value

	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	$ 465,108	$ –	$ –	$ 465,108
Interest bearing cash	–	324,342	–	324,342
Foreign currency contracts	–	2,603	–	2,603
Equity securities:				
Domestic equities:				
Large cap	6,522,042	–	9,208,543	15,730,585
Small cap	3,319,989	2,846	97	3,322,932
International equities:				
Developed markets	5,407,891	5,264	–	5,413,155
Emerging markets	1,022,830	1,577	433	1,024,840
Fixed income securities:				
Asset-backed securities	–	544,695	10,731	555,426
Mortgage-backed securities	–	2,469,791	–	2,469,791
Collateralized mortgage-backed securities	–	363,907	–	363,907
Collateralized mortgage obligations/REMICS	–	514,731	–	514,731
Other Corporate and other bonds and notes:				
Core	–	2,650,749	104,605	2,755,354
Long duration	–	2,288,181	11,204	2,299,385
U.S. Government and governmental agencies	14,861	4,316,189	–	4,331,050
Municipal bonds	–	250,290	–	250,290
Convertible and preferred securities	151,946	206,196	908	359,050
Fixed income funds	–	–	449,409	449,409
Private equity funds	–	–	5,875,439	5,875,439
Real assets:				
Real assets	–	–	2,452,778	2,452,778
Real estate funds	–	–	2,802,917	2,802,917
Commingled funds:				
Interest bearing investments	–	3,392,438	–	3,392,438
Hedge funds	–	539,629	3,992	543,621
Equities	–	1,077,057	–	1,077,057
Fixed income	–	1,349,100	–	1,349,100
Securities lending collateral	389,916	3,074,377	–	3,464,293
Purchased options	264	78	–	342
Receivable for investments sold short	69,409	–	–	69,409
Receivable for variation margin	5,757	–	–	5,757
Assets at fair value	17,370,310	23,374,152	20,921,056	61,665,109
Overdrafts	61,969	–	–	61,969
Unrealized depreciation on foreign currency contracts	–	4,744	–	4,744
Investments sold short	116,847	434,008	–	550,855
Written options payable	233	75	–	308
Liabilities at fair value	179,049	438,827	–	617,876
Net assets and liabilities at fair value	$ 17,191,261	$ 22,935,325	$ 20,921,056	$ 61,047,233
Other assets (liabilities)				(4,276,262)
Net assets of the SBC Master Plan Trust				$ 56,770,971

Additional Disclosures Related to MPT Assets Measured at NAV as of December 31, 2013:

Investment Class-Sub Class		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Fixed income:	Closed-end funds[6]	$ 449,409	$ 183,809	No redemption rights	NA
Real assets:	Open-end funds[2]	276,586	–	Quarterly	45-90 days
	Closed-end funds[3]	2,526,331	744,572	No redemption rights	NA
Private equity	Closed-end funds[4]	5,875,439	1,500,759	No redemption rights	NA
Commingled funds:	Interest bearing investments[9]	3,392,438	–	Daily	NA
	Hedge funds[1]	543,621	–	Monthly, Annually	3-90 days
	Fixed income[7]	344,367	–	Daily, Monthly	3-5 days
	Equities[8]	1,077,057	–	Daily, Monthly, Quarterly, Annually	1-30 days
	Open-end funds[5]	$ 1,004,733	$ –	Monthly, Quarterly	5-30 days
Total		$ 15,489,981	$ 2,429,140		

(1) This class includes both directional and nondirectional hedge fund strategies. The fair values of these investments have 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 3 years given favorable market condtions.

(2) This class includes four real estate funds that invest primarily in U.S. commercial real estate. The fair values of the investments in this class 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 5 years.

(3) This class includes real estate and natural resource investment funds that invest in U.S. and international real assets. The fair values of the investments in this class have 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 10 years given favorable market conditions. There are no current plans to sell any of these funds.

(4) This class includes private equity funds that invest in U.S. and international companies. The fair values of the investments in this class have 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 10 years given favorable market conditions. There are no current plans to sell any of these funds.

(5) This class includes several fixed income funds that invest primarily in U.S. fixed income securities. The fair values of the investments in this class 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 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 class 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 values of the investments in this class have 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 10 years given favorable market conditions. There are no current plans to sell any of these funds.

(7) This class includes fixed income commingled funds that invest primarily in publicly traded fixed income securities. The fair values of the investments in this class have been estimated using the net asset values reported by the fund managers 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 class includes equity commingled funds that invests primarily in publicly traded U.S. and non-U.S. equity securities. The fair values of the investments in this class have 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 class includes funds that invest primarily in publicly traded short-term fixed income securities. The fair values of the investments in this class have 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.

Real assets held by the MPT consist of approximately 80 separate real estate properties totaling $2,452,778 at December 31, 2013. These Level 3 investments are valued by an independent real estate appraiser in accordance with the Uniform Standards of Professional Appraisal Practice and in compliance with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute. The reports are reviewed and approved by a member of the Appraisal Institute with the professional designation MAI as well as an independent valuation consultant retained by the MPT.

Properties are appraised using common methods of analysis: the cost, sales comparison and income capitalization approach, with the final estimated fair value giving most consideration to the method(s) deemed most applicable to the specific characteristics of the property.

The cost approach includes analyzing comparable land sales to determine the underlying land value of the property, which is valued based upon its highest and best use. Replacement cost is estimated using actual cost comparison and/or the current version of a nationally recognized cost estimating service.

The sales comparison approach utilizes market comparable properties, and includes analysis of the properties, the nature of the buyers and sellers, and a description of the transaction including terms of the sale and the source of the data.

The income capitalization approach includes analysis of market rent, existing contract rent, competitive occupancy rates, existing property vacancy and forecast absorption, historical, current and market expenses, projected capital expenditures and the derived net operating income and cash flow. In this valuation, net operating income is converted to value under the direct capitalization and discounted cash flow methods. The following significant inputs were made available in the third-party appraisals of the MPT's real assets, the significant inputs by property type at December 31, 2013:

	Weighted-Average Discount Rate	One-Year Capitalization rate
Retail – Regional Mall	6.25%	5.54%
Retail – Non-Regional Mall	7.12%	6.54%
Office	6.83%	5.01%
Industrial	7.43%	4.64%
Residential	6.96%	4.74%

The estimated fair values may vary significantly from the prices at which the properties would actually sell, since market prices of the investments can only be determined by negotiation between a willing buyer and seller. Management believes these estimates to be reasonable approximations of market prices.

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, 2013.

	Equities	Fixed Income	Preferred Interest	Hedge Funds	Private Equity Funds	Real Assets	Total
Balance, beginning of year	$ 133	$ 1,064,490	$	$ 6,579	$ 5,815,123	$ 4,876,73	$11,763,058
Realized gains (losses)	(2,604)	52,482	-	-	389,705	122,222	561,805
Unrealized gains (losses)	2,737	(1,577)	104,543	1	680,111	475,875	1,261,690
Transfers in	258	4,425	-	-	-	-	9,108,683
Transfers out	-	(442,055)	-	-	-	-	(442,055)
Purchases	24	74,183	9,104,000	124	1,213,881	354,004	1,642,216
Sales	(18)	(175,091)	-	(2,712)	(2,223,381)	(573,139)	(2,974,341)
Balance, end of year	$ 530	$ 576,857	$ 9,208,54	$ 3,992	$ 5,875,439	$ 5,255,69	$20,921,056

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.

Derivatives

In the normal course of operations, MPT assets and liabilities may include derivative financial instruments (futures, options, and foreign currency contracts). These derivatives may involve, in varying degrees, elements of credit and market risks in excess of more traditional investment holdings, such as equity and debt instruments. The contract or notional amounts disclosed in this footnote and the amounts of realized and unrealized gain and loss on derivative instruments during the period presented below provide a measure of the MPT's involvement in such instruments but are not indicative of potential loss. The intent is to use derivative financial instruments as investments to gain exposure to certain markets and as economic hedges to manage equity price and foreign currency exchange rate risk associated with the MPT's investments. The MPT's fiduciaries do not anticipate any material adverse effect on the MPT's financial position resulting from its involvement in these instruments.

The following tables show the gross amounts of recognized financial assets and liabilities (i.e. before offsetting) and the amounts offset in the MPT statement of net assets. Financial assets and liabilities are only offset when the MPT currently has a legally enforceable right to set off the recognized amounts and the MPT intends to either settle on a net basis or realize the asset and settle the liability simultaneously. A right of set off is the MPT's legal right to settle an amount payable to a creditor by applying against it an amount receivable from the same counterparty. The relevant legal jurisdiction and laws applicable to the relationships between the parties need to be considered when assessing whether a current legally enforceable right to set off exists. The MPT has collateral held at the futures clearing house related to futures contracts in the tables below.

As of December 31, 2014 gross and offset amounts reflected in the MPT statement was:

	Gross Amount Recognized	Gross Amount Offset	Net Amount Recognized	Cash Collateral received/ (pledged)	Net Amount
Forward foreign currency exchange rate contracts:					
Assets	$ 25,291	$ -	$ 25,291	$ 1,360	$ 26,651
Liabilities	(11,561)	-	(11,561)	(17,380)	(28,941)
Net	13,730	-	13,730 [1]	(16,020)	(2,290)
Futures contracts:					
Assets					
Bond index	2,663,800	(2,659,088)	4,712	13,498	18,210
Currency futures	304	-	304	-	304
Equity index	2,526,017	(2,551,758)	(25,741)	4,201	(21,540)
Interest rate	345,645	(345,603)	42	306	348
Liabilities					
Bond index	(2,421,224)	2,419,572	(1,652)	-	(1,652)
Currency futures	(302)	-	(302)	-	(302)
Equity index	-	-	-	-	-
Interest rate	(425,685)	425,579	(106)	-	(106)
Net	2,688,555	(2,711,298)	(22,743) [2]	18,005	(4,738)
Options contracts:					
Purchased options	868	-	868 [3]		868
Written options	(988)	-	(988) [3]	-	(988)
Net	(120)	-	(120)	-	(120)
Total derivatives	$ 2,702,165	$ (2,711,298)	$ (9,133)	$ 1,985	$ (7,148)

(1) These amounts are included within the balance of interest bearing investments and unrealized depreciation on foreign currency contracts of the Net Assets of the MPT.

(2) Recognized as variation margin receivable in the Net Assets of the MPT.

(3) Recognized as purchased options and written option payable in the Net Assets of the MPT.

As of December 31, 2013 gross and offset amounts reflected in the MPT statement was:

	Gross Amount Recognized	Gross Amount Offset	Net Amount Recognized	Cash Collateral received/ (pledged)	Net Amount
Forward foreign currency exchange rate contracts:					
Assets	$ 2,603	$ -	$ 2,603	$ -	$ 2,603
Liabilities	(4,744)	-	(4,744)	-	(4,744)
Net	(2,141)	-	(2,141) [1]	-	(2,141)
Futures contracts:					
Assets					
Bond index	1,452,580	(1,456,816)	(4,236)	14,772	10,536
Equity index	2,436,470	(2,428,012)	8,458	122,447	130,905
Interest rate	1,623,255	(1,623,596)	(341)	2,999	2,658
Liabilities					
Bond index	(1,897,322)	1,899,228	1,906	-	1,906
Equity index	(57,132)	57,132	-	(2,749)	(2,749)
Interest Rate	(35,298)	35,268	(30)	-	(30)
Net	3,522,553	(3,516,796)	5,757 [2]	137,469	143,226
Options contracts:					
Purchased options	342	-	342 [3]		342
Written options	(308)	-	(308) [3]	-	(308)
Net	34	-	34	-	34
Total derivatives	$ 3,520,446	$ (3,516,796)	$ 3,650	$ 137,469	$ 141,119

(1) These amounts are included within the balance of interest bearing investments and unrealized depreciation on foreign currency contracts of the Net Assets of the MPT.

(2) Recognized as variation margin receivable in the Net Assets of the MPT.

(3) Recognized as purchased options and written option payable in the Net Assets of the MPT.

The following table presents the effect of realized and changes in unrealized gains (losses) with respect to these derivative instruments, by type of derivative. The gains (losses) are located on the Statement of Changes in Net Assets Available for Benefits as Net investment gain (loss) from Plan's interest in SBC Master Pension Trust.

	Year Ended December 31, 2014	Year Ended December 31, 2013
Futures contracts	$ 394,041	$ 363,233
Option contracts	$ 2,127	$ 2,291
Forward foreign currency exchange rate	24,514	

contracts	$	$	4,013

Futures Contracts

On behalf of the Pension Plans, investment managers for the MPT enter into various futures contracts to economically hedge investments in domestic equity, international equity 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.
Futures contracts, which are considered derivatives under ASC Topic 815, *Derivative and Hedging,* 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 receivable or payable is reported separately in the net assets of the MPT and are included in the statements of net assets available for benefits to the extent of each plan's ownership in the MPT. Similarly, the gains and losses on open futures 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 December 31, 2014, open futures contracts held in the MPT were as follows:

Risk Type	Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value	Fair Value
Bond Index	US Long Bonds CBT Future	4,946	Mar-15	705,379	9,627
Bond Index	Euro Bond Future	(105)	Mar-15	(19,979)	(340)
Bond Index	US Long Bong	(361)	Mar-15	(51,634)	(553)
Bond Index	US Ultra Bond CBT Future	6,048	Mar-15	959,552	39,502
Bond Index	US 10-Year Note Future	(4,279)	Mar-15	(539,635)	(2,929)
Bond Index	Euro-BTP Bond Future	20	Mar-15	3,326	36
Bond Index	FVH5 Commodity	4,666	Mar-15	554,406	519
Bond Index	5-Year Notes CBT Future	(1,727)	Mar-15	(205,335)	(57)
Bond Index	10-Year Notes CBT Future	2,308	Mar-15	291,778	869
Bond Index	2-Year Notes CBT Future	452	Mar-15	98,929	(124)
Bond Index	2-Year Notes CBT Future	(7,323)	Mar-15	(1,602,540)	1,778
Equity Index	Russell 1000 Mini Future	777	Mar-15	87,146	1,580
Equity Index	Russell 2000 Mini Future	1,231	Mar-15	141,909	5,898
Equity Index	Mini MSCI EAFE Future	237	Mar-15	20,758	73
Equity Index	Mini MSCI Emerging Market	3	Mar-15	141	3
Equity Index	Taiwan Index Future	5	Jan-15	168	4
Equity Index	S&P 400 EMINI Future	952	Mar-15	134,507	3,400
Equity Index	S&P 500 Future	1,915	Mar-15	967,201	15,386
Equity Index	S&P 500 EMINI Future	7,392	Mar-15	745,486	13,081
Equity Index	SGX CNX Nifty Future	2	Jan-15	33	-
Equity Index	SPI 200 Futures	250	Mar-15	26,370	1,214
Equity Index	FTSE 100 Index	683	Mar-15	66,940	2,812
Equity Index	S&P 60 IX Futures	305	Mar-15	42,498	2,293
Equity Index	CAC 40 Index	741	Jan-15	37,825	1,552
Equity Index	DAX Index Future	122	Mar-15	36,289	1,043
Equity Index	Euro Stoxx 50	963	Mar-15	36,743	746
Equity Index	FTSE/MIB Future	80	Mar-15	9,140	353
Equity Index	Future AEX Index	108	Jan-15	10,741	691
Equity Index	IBEX 35 Index	107	Jan-15	13,073	575
Equity Index	Hang Seng Index	88	Jan-15	13,247	167
Equity Index	Topix Index	630	Mar-15	75,818	(1,759)
Equity Index	OMXS30 Ind Future	567	Jan-15	10,587	288
Interest Rate	EDH7 Commodity	40	Mar-17	9,793	4
Interest Rate	EDZ6 Commodity	692	Dec-16	169,825	(60)
Interest Rate	90 Day Eurodollar Future	487	Jun-16	119,780	229
Interest Rate	90 Day Eurodollar Future	186	Dec-15	46,186	(111)
Interest Rate	90 Day Sterling Future	(254)	Jun-16	(49,013)	(129)
Interest Rate	EDZ7 Commodity	(964)	Dec-17	(235,003)	(213)
Interest Rate	90 Day Eurodollar Future	(305)	Mar-15	(76,051)	18
Interest Rate	90 Day Eurodollar Future	(268)	Jun-18	(64,735)	(560)
Currency	Euro FX Currency Future	(2)	Mar-15	(311)	9
	Total			$2,591,338	$96,915

At December 31, 2013, open futures contracts held in the MPT were as follows:

Risk Type	Type of Contract	Number of Contracts Buy/(Sell)	Expiration	Notional Value	Fair Value
Bond Index	US Long Bonds CBT Future	2,664	Mar-14	347,095	(5,270)
Bond Index	U.S. 10-Year Note Future	2,341	Mar-14	292,984	(4,932)
Bond Index	U.S. 2-Year Note Future	855	Mar-14	188,294	(354)
Bond Index	US Ultra Bond CBT Future	3,002	Mar-14	416,641	(7,618)
Bond Index	U.S. 5-Year Note Future	1,626	Mar-14	196,543	(2,541)
Bond Index	Euro Bond Future	167	Mar-14	31,895	(157)
Bond Index	US Long Bonds CBT Future	(909)	Mar-14	(118,816)	2,180
Bond Index	US Ultra Bond CBT Future	(682)	Mar-14	(95,159)	2,237
Bond Index	10-Year Notes CBT Future	(2,438)	Mar-14	(304,259)	4,271
Bond Index	2-Year Notes CBT Future	(3,403)	Mar-14	(749,032)	1,010
Bond Index	5-Year Notes CBT Future	(5,362)	Mar-14	(646,988)	7,234
Equity Index	Russell 1000 Mini Future	995	Mar-14	98,105	4,032
Equity Index	Russell 2000 Mini Future	1,526	Mar-14	169,119	8,111
Equity Index	Mini MSCI EAFE Future	25	Mar-14	2,271	127
Equity Index	Mini MSCI EAFE Future	13	Mar-14	640	21
Equity Index	Taiwan Index Future	85	Jan-14	2,523	54
Equity Index	S&P 400 EMINI Future	1,224	Mar-14	158,092	5,850
Equity Index	S&P 500 Future	1,928	Mar-14	855,571	31,839
Equity Index	S&P 500 EMINI Future	11,920	Mar-14	1,060,526	36,769
Equity Index	SGX CNX Nifty Future	222	Jan-14	2,818	2
Equity Index	SPI 200 Futures	(29)	Mar-14	(3,450)	1
Equity Index	FTSE 100 (New Style)	(90)	Mar-14	(9,952)	(10)
Equity Index	S&P 60 IX Futures	(31)	Mar-14	(4,528)	(14)
Equity Index	CAC 40 Index	(82)	Jan-14	(4,847)	(22)
Equity Index	DAX Index Future	(15)	Mar-14	(4,977)	0
Equity Index	Euro Stoxx 50	(119)	Mar-14	(5,112)	3
Equity Index	FTSE/MIB Future	(9)	Mar-14	(1,182)	(1)
Equity Index	Future AEX Index	(14)	Jan-14	(1,548)	(9)
Equity Index	IBEX 35 Index	(12)	Jan-14	(1,637)	0
Equity Index	Hang Seng Index	(11)	Jan-14	(1,654)	(1)
Equity Index	Topix Index	(135)	Mar-14	(16,746)	5
Equity Index	OMXS30 Ind Future	(70)	Jan-14	(1,454)	0
Interest Rate	90 Day Eurodollar Future	43	Jun-15	14,411	(18)
Interest Rate	90 Day Eurodollar Future	43	Mar-15	14,421	(13)
Interest Rate	90 Day Eurodollar Future	43	Sep-15	14,399	(22)
Interest Rate	90 Day Eurodollar Future	43	Dec-15	14,428	(9)
Interest Rate	90 Day Eurodollar Future	215	Dec-14	53,529	(10)
Interest Rate	90 Day Eurodollar Future	2,157	Dec-15	533,866	(682)
Interest Rate	90 Day Eurodollar Future	156	Dec-16	37,959	123
Interest Rate	90 Day Eurodollar Future	587	Jun-15	145,879	(120)
Interest Rate	90 Day Eurodollar Future	193	Jun-16	47,515	(107)
Interest Rate	90 Day Eurodollar Future	33	Mar-15	8,204	2
Interest Rate	90 Day Eurodollar Future	707	Mar-16	174,601	(378)
Interest Rate	90 Day Eurodollar Future	80	Mar-17	19,389	83
Interest Rate	90 Day Eurodollar Future	1,499	Sep-15	371,308	182
Interest Rate	90 Day Eurodollar Future	126	Jun-17	30,470	112
Interest Rate	90 Day Eurodollar Future	587	Sep-16	143,236	498
Interest Rate	90 Day Eurodollar Future	(16)	Jun-15	(3,973)	0
Interest Rate	90 Day Eurodollar Future	(24)	Jun-16	(5,896)	1
Interest Rate	90 Day Eurodollar Future	(102)	Mar-14	(25,412)	(18)
	Total			$3,440,110	$82,441

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.

The fair value of the written and purchased option contracts is disclosed below, and is separately listed in the net assets of the MPT and is included in the statements of net assets 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, 2014 the total number of written options held by the MPT was:

Risk Type	**Type of Contract**	**Number of Contracts**	**Cost (Premium paid)**	**Notional Value**	**Fair Value**
Interest Rate	US Dollar Options	(1,531)	$ (1,010)	$ (5,825)	$ (813)
Foreign Exchange	Foreign Exchange Option	(401,044)	(230)	289,085	(175)
	Total	(402,575)	$ (1,240)	$ 283,260	$ (988)

As of December 31, 2013, the total number of written options held by the MPT was:

Risk Type	Type of Contract	Number of Contracts	Cost (Premium paid)	Notional Value	Fair Value
Interest Rate	US Dollar Options	(631)	$ (317)	$ (10,752)	$ (230)
Foreign Exchange	Foreign Exchange Option	(33,350,000)	(367)	798	(78)
	Total	(33,350,631)	$ (684)	$ (9,954)	$ (308)

As of December 31, 2014, the total number of purchased options held by the MPT was:

Risk Type	**Type of Contract**	**Number of Contracts**	**Cost (Premium received)**	**Notional Value**	**Fair Value**
Interest Rate	US Dollar Options	1,689	$ 929	$ (208,255)	$ 868
	Total	1,689	$ 929	$ (208,255)	$ 868

As of December 31, 2013, the total number of purchased options held by the MPT was:

Risk Type	Type of Contract	Number of Contracts	Cost (Premium received)	Notional Value	Fair Value
Currency	Foreign Exchange Option	33,350,000	$ 136	$ (797,833)	$ 78
Interest Rate	US Dollar Options	294	246	21,943,000	264
	Total	33,350,294	$ 382	$ 21,145,167	$ 342

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 of the MPT's contracts address the currency risk of the U.S. dollar versus foreign currencies. 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 unrealized appreciation on foreign currency contracts (asset) for 2013, foreign currency contracts (asset) for 2012 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 December 31, 2014 and 2013, the foreign currency contracts held by the MPT were:

	Notional Value		**Fair Value**	
	2014	2013	**2014**	2013
Derivative assets	**$ 1,345,797**	$ 662,930	**$ 25,291**	$ 2,603
Derivative liabilities	**$ (1,345,797)**	$ (662,930)	**$ (11,561)**	$ (4,744)

Securities Lending

During 2014 and 2013, 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. In the event the counterparty is unable to meet its contractual obligation under the securities lending arrangement, the MPT may incur losses equal to the amount by which the market value of the securities differ from the amount of collateral held. The MPT mitigates credit risk associated with securities lending arrangements by monitoring the fair value of the securities loaned on a daily basis, with additional collateral obtained or refunded as necessary. None of the securities lending arrangements provide for offsetting.

The MPT classifies the loaned securities as investments because it maintains effective control over the transferred financial assets. Since the securities received as collateral may be repledged or sold, the MPT recognizes the amount of collateral received and a corresponding obligation to return such collateral on the statement of net assets available for benefits. Securities on loan and collateral held under this program at December 31, 2014 and 2013 are reported on the accompanying MPT statements of net assets available for benefits at December 31, 2014 and 2013. The fair value of securities on loan was $3,363,148 and $3,384,102 as of December 31, 2014 and 2013 and the value of collateral held was $3,450,376 and $3,464,293 at December 31, 2014 and 2013. The reported collateral includes noncash holdings of $938,531 and $1,019,736 at December 31, 2014 and 2013. The amount of income earned for the years ended December 31, 2014 and 2013 was $6,818 and $6,302.

Related-Party Transactions

At December 31, 2014 and 2013, the MPT held $53,069 and $77,141 in AT&T common stock and $35,259 and $17,887 of bonds guaranteed by AT&T. These investments qualify as party-in-interest transactions, which are exempt from the prohibited transactions rules of ERISA.

10. Subsequent and Other Events

In December 2014, AT&T offered an opportunity for certain management employees who were retirement eligible as of March 31, 2015 to elect an enhanced, full lump sum payment option of their accrued pension if they retired on or before March 31, 2015. The lump sum value totaled approximately $1,200,000 which will be distributed in 2015.

In 2012, AT&T was notified by the U.S. Securities and Exchange Commission (the “SEC”) of transactions occurring within a timber investment manager account, managed by a third party timber investment manager, in which the MPT and the AT&T Umbrella Benefit Plan No. 1 are the sole investors. The size of the account was approximately $285,000 at the time. The nature of the transactions involved a possible impermissible payment of fees in the amount of approximately $1,500 to individuals related to the investment manager during 2006 and 2007, which were subsequently returned to the account, with interest. The SEC later identified possible other irregularities within the account related to the investment manager and properties held within the account. AT&T terminated the relationship with the manager upon learning of these allegations. During 2013, the SEC initiated a cease and desist proceeding against the investment manager, alleging various violations of the U.S. securities laws with respect to the account. In 2014, the administrative law judge in the case ruled against the investment manager. The investment manager has appealed that determination and the appeal is proceeding. In May 2015, AT&T filed a complaint against the investment manager in U.S. federal court alleging various violations of ERISA. These potential breaches do not materially impair the Plans’ ability to provide benefits or impact the accounts of participants.

Management evaluated subsequent events for the Pension Plans through September 22, 2015, the date the financial statements were available to be issued.

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AT&T Pension Benefit Plan
2014 Schedule SB, Line 26 — Schedule of Active Participant Data

The following pages show the schedule of active participant data used in the 2014 plan year valuation, by bargained and nonbargained participants, and in total. In any age/service bin that contains 20 or more participants, the average compensation and average cash balance account are shown.

Total

Age on valuation		Years of completed service									
		0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
0-24	Count	7,264	4,763	272	--	--	--	--	--	--	--
	Average Pay	$33,037	$43,484	$49,187	--	--	--	--	--	--	--
	Average Cash Balance	$10	$987	$8,288	--	--	--	--	--	--	--
25-29	Count	7,004	10,999	5,455	67	--	--	--	--	--	--
	Average Pay	$37,275	$50,719	$54,667	$55,191	--	--	--	--	--	--
	Average Cash Balance	$46	$2,006	$9,680	$12,882	--	--	--	--	--	--
30-34	Count	4,146	7,601	8,000	4,459	237	--	--	--	--	--
	Average Pay	$42,177	$55,527	$60,871	$69,739	$71,230	--	--	--	--	--
	Average Cash Balance	$150	$2,661	$11,135	$17,199	$23,678	--	--	--	--	--
35-39	Count	2,703	4,948	6,083	12,691	4,890	78	--	--	--	--
	Average Pay	$47,779	$64,826	$70,810	$77,532	$79,825	$78,673	--	--	--	--
	Average Cash Balance	$373	$3,382	$13,626	$22,683	$26,183	$29,330	--	--	--	--
40-44	Count	2,001	3,879	4,680	12,425	9,531	2,346	195	--	--	--
	Average Pay	$53,497	$72,247	$79,507	$84,045	$87,865	$87,265	$84,926	--	--	--
	Average Cash Balance	$670	$4,800	$16,452	$27,651	$35,397	$43,401	$57,561	--	--	--
45-49	Count	1,287	2,621	3,178	8,676	7,308	3,992	2,885	112	--	--
	Average Pay	$56,232	$78,773	$83,823	$88,367	$94,806	$102,724	$102,026	$95,618	--	--
	Average Cash Balance	$697	$5,971	$19,066	$32,000	$46,336	$71,336	$104,324	$112,940	--	--
50-54	Count	883	1,816	2,342	6,836	5,761	2,795	4,386	4,890	955	--
	Average Pay	$60,077	$83,412	$86,527	$89,568	$95,190	$102,339	$112,237	$95,822	$87,311	--
	Average Cash Balance	$2,875	$7,847	$22,001	$36,147	$51,151	$78,452	$144,014	$121,480	$116,612	--
55-59	Count	544	1,173	1,488	4,442	3,667	1,448	2,380	5,561	4,465	737
	Average Pay	$60,877	$78,323	$78,836	$89,239	$92,925	$100,127	$108,843	$99,978	$92,217	$87,262
	Average Cash Balance	$1,470	$7,913	$22,728	$43,596	$56,095	$89,509	$158,697	$158,755	$154,595	$174,253
60-64	Count	203	497	825	2,067	1,760	600	842	1,609	2,085	2,886
	Average Pay	$68,959	$81,947	$75,916	$87,599	$90,947	$97,248	$109,089	$98,499	$96,429	$89,093
	Average Cash Balance	$3,494	$8,381	$21,468	$47,605	$61,104	$96,912	$186,829	$178,491	$188,666	$204,190
65-69	Count	64	99	233	483	354	122	158	223	256	951
	Average Pay	$70,904	$100,080	$84,071	$86,784	$91,975	$91,166	$104,320	$100,750	$94,691	$96,657
	Average Cash Balance	$1,026	$13,198	$32,928	$55,481	$69,503	$95,579	$210,778	$205,242	$189,552	$286,395
70+	Count	16	10	35	65	59	16	15	16	20	122
	Average Pay	--	--	$78,270	$89,110	$81,551	--	--	--	$86,789	$89,561
	Average Cash Balance	--	--	$21,861	$47,939	$67,893	--	--	--	$141,949	$213,187

Bargained

Age on valuation		Years of completed service									
		0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
0-24	Count	6,622	3,971	223	--	--	--	--	--	--	--
	Average Pay	$31,464	$40,525	$46,704	--	--	--	--	--	--	--
	Average Cash Balance	$9	$942	$8,307	--	--	--	--	--	--	--
25-29	Count	6,362	8,387	3,614	45	--	--	--	--	--	--
	Average Pay	$34,656	$45,188	$47,554	$49,651	--	--	--	--	--	--
	Average Cash Balance	$43	$1,795	$9,756	$9,988	--	--	--	--	--	--
30-34	Count	3,572	5,556	4,718	2,809	160	--	--	--	--	--
	Average Pay	$36,585	$46,354	$50,344	$62,132	$65,333	--	--	--	--	--
	Average Cash Balance	$161	$2,215	$10,604	$15,114	$21,590	--	--	--	--	--
35-39	Count	2,150	3,280	3,312	7,196	2,972	50	--	--	--	--
	Average Pay	$38,193	$47,240	$52,489	$65,499	$68,423	$68,364	--	--	--	--
	Average Cash Balance	$196	$2,336	$11,042	$17,519	$18,495	$18,312	--	--	--	--
40-44	Count	1,460	2,272	2,202	6,693	4,955	1,273	109	--	--	--
	Average Pay	$39,537	$46,144	$52,079	$66,614	$69,181	$68,414	$69,961	--	--	--
	Average Cash Balance	$272	$2,450	$10,807	$17,607	$19,099	$19,336	$37,165	--	--	--
45-49	Count	909	1,369	1,424	4,651	3,419	1,674	1,199	39	--	--
	Average Pay	$40,494	$46,587	$50,525	$66,880	$69,391	$68,512	$70,204	$68,035	--	--
	Average Cash Balance	$549	$2,977	$11,463	$15,955	$20,208	$21,314	$47,698	$47,318	--	--
50-54	Count	587	910	1,019	3,589	2,753	1,163	1,520	2,274	498	--
	Average Pay	$40,225	$45,914	$49,005	$66,331	$68,959	$68,402	$69,345	$68,076	$68,511	--
	Average Cash Balance	$518	$3,620	$11,596	$14,789	$19,286	$21,576	$53,077	$40,248	$46,054	--
55-59	Count	357	640	712	2,284	1,802	603	892	2,551	2,352	409
	Average Pay	$43,610	$44,458	$47,371	$64,421	$67,611	$67,003	$68,312	$68,504	$68,487	$69,162
	Average Cash Balance	$180	$3,864	$11,488	$14,665	$19,309	$27,479	$58,135	$52,428	$53,891	$71,804
60-64	Count	133	238	402	1,013	882	252	303	777	1,045	1,676
	Average Pay	$54,369	$46,716	$44,573	$61,936	$66,066	$64,921	$67,151	$69,045	$68,157	$69,458
	Average Cash Balance	$1,498	$4,181	$10,944	$13,609	$19,362	$35,240	$67,598	$67,123	$62,551	$86,601
65-69	Count	43	29	88	208	155	57	59	88	116	490
	Average Pay	$59,663	$45,002	$43,257	$56,886	$64,084	$62,291	$62,188	$66,543	$66,843	$71,653
	Average Cash Balance	$294	$4,734	$11,315	$14,923	$27,033	$42,878	$81,187	$75,569	$65,440	$129,751
70+	Count	13	4	14	22	29	7	7	7	13	82
	Average Pay	--	--	--	$57,346	$62,669	--	--	--	--	$70,775
	Average Cash Balance	--	--	--	$12,940	$25,196	--	--	--	--	$98,923

Nonbargained

Age on valuation		Years of completed service									
		0-1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
0-24	Count	642	792	49	--	--	--	--	--	--	--
	Average Pay	$49,269	$58,319	$60,489	--	--	--	--	--	--	--
	Average Cash Balance	$26	$1,210	$8,200	--	--	--	--	--	--	--
25-29	Count	642	2,612	1,841	22	--	--	--	--	--	--
	Average Pay	$63,230	$68,478	$68,630	$66,522	--	--	--	--	--	--
	Average Cash Balance	$82	$2,681	$9,532	$18,803	--	--	--	--	--	--
30-34	Count	574	2,045	3,282	1,650	77	--	--	--	--	--
	Average Pay	$76,976	$80,448	$76,003	$82,689	$83,483	--	--	--	--	--
	Average Cash Balance	$82	$3,871	$11,899	$20,749	$28,017	--	--	--	--	--
35-39	Count	553	1,668	2,771	5,495	1,918	28	--	--	--	--
	Average Pay	$85,051	$99,406	$92,707	$93,290	$97,493	$97,081	--	--	--	--
	Average Cash Balance	$1,063	$5,437	$16,715	$29,446	$38,096	$49,004	--	--	--	--
40-44	Count	541	1,607	2,478	5,732	4,576	1,073	86	--	--	--
	Average Pay	$91,170	$109,151	$103,880	$104,399	$108,097	$109,630	$103,893	--	--	--
	Average Cash Balance	$1,743	$8,122	$21,468	$39,378	$53,044	$71,951	$83,413	--	--	--
45-49	Count	378	1,252	1,754	4,025	3,889	2,318	1,686	73	--	--
	Average Pay	$94,077	$113,967	$110,856	$113,197	$117,150	$127,431	$124,656	$110,354	--	--
	Average Cash Balance	$1,054	$9,245	$25,238	$50,542	$69,306	$107,461	$144,594	$147,999	--	--
50-54	Count	296	906	1,323	3,247	3,008	1,632	2,866	2,616	457	--
	Average Pay	$99,446	$121,076	$115,428	$115,254	$119,198	$126,523	$134,985	$119,941	$107,797	--
	Average Cash Balance	$7,548	$12,094	$30,015	$59,755	$80,315	$118,983	$192,243	$192,093	$193,499	--
55-59	Count	187	533	776	2,158	1,865	845	1,488	3,010	2,113	328
	Average Pay	$93,842	$118,987	$107,707	$115,506	$117,383	$123,765	$133,139	$126,654	$118,631	$109,832
	Average Cash Balance	$3,932	$12,774	$33,041	$74,216	$91,639	$133,774	$218,981	$248,867	$266,690	$302,002
60-64	Count	70	259	423	1,054	878	348	539	832	1,040	1,210
	Average Pay	$96,680	$114,321	$105,703	$112,264	$115,942	$120,658	$132,664	$126,007	$124,837	$116,289
	Average Cash Balance	$7,287	$12,240	$31,469	$80,278	$103,035	$141,571	$253,855	$282,497	$315,387	$367,065
65-69	Count	21	70	145	275	199	65	99	135	140	461
	Average Pay	$93,921	$122,898	$108,840	$109,398	$113,699	$116,488	$129,428	$123,047	$117,765	$123,233
	Average Cash Balance	$2,527	$16,705	$46,045	$86,158	$102,582	$141,795	$288,009	$289,770	$292,388	$452,893
70+	Count	3	6	21	43	30	9	8	9	7	40
	Average Pay	--	--	$104,484	$105,360	$99,804	--	--	--	--	$128,072
	Average Cash Balance	--	--	$31,544	$65,845	$109,167	--	--	--	--	$447,426

EIN 43-1301883/PN 006

AT&T Pension Benefit Plan
Summary of Attachments to 2014 Form 5500 Schedule SB

Attachments	Description
Line 3	Description of Funding Target/Participant Count breakdown
Line 19	Discounted Employer Contributions
Line 22	Description of Weighted Average Retirement Age
Part V	Statement of Actuarial Assumptions/Methods
	Summary of Plan Provisions
Line 24	Change in Non-Prescribed Actuarial Assumptions
Line 26	Schedule of Active Participant Data
Line 32	Schedule of Amortization Bases

SCHEDULE SB (Form 5500)	Single-Employer Defined Benefit Plan Actuarial Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	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.**	**2014** **This Form is Open to Public Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **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: AT&T Pension Benefit Plan

B Three-digit plan number (PN) ▶ 006

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: [X] Single [ ] Multiple-A [ ] Multiple-B

F Prior year plan size: [ ] 100 or fewer [ ] 101-500 [X] More than 500

Part I Basic Information

1 Enter the valuation date: Month 1 Day 1 Year 2014

2 Assets:

a Market value	2a	56,746,307,000
b Actuarial value	2b	53,885,037,000

3 Funding target/participant count breakdown

	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	212,603	22,513,441,000	22,513,441,000
b For terminated vested participants	127,941	7,070,183,000	7,070,183,000
c For active participants	230,036	15,094,610,000	16,289,130,000
d Total	570,580	44,678,234,000	45,872,754,000

4 If the plan is in at-risk status, check the box and complete lines (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 in at-risk status for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5	6.46 %
6 Target normal cost	6	894,591,000

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 Thomas Miano TM — Signature of actuary — Date: 09/21/2015

THOMAS MIANO, FSA, EA — Type or print name of actuary — Most recent enrollment number: 14-04601

AON CONSULTING, INC. — Firm name — Telephone number (including area code): (214) 989-0000

2711 North Haskell Avenue, 8th Floor
Dallas TX 75204
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 [ ]

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 (line 13 from prior year)	652,159,000	8,724,690,000
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	652,159,000	270,172,000
9	Amount remaining (line 7 minus line 8)	0	8,454,518,000
10	Interest on line 9 using prior year's actual return of 14.13%	0	1,194,623,000
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of 6.65%		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		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		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	9,649,141,000

Part III Funding Percentages

14	Funding target attainment percentage	14	96.43 %
15	Adjusted funding target attainment percentage	15	117.46 %
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	99.81 %
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
06/29/2015	175,000,000				
			Totals ► 18(b)	175,000,000	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 contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	699,000
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	159,411,000

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

c If line 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	(4) 4th
0	0	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
4.99 %	6.32 %	6.99 %	

b Applicable month (enter code)	21b	4
22 Weighted average retirement age	22	61

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 subject to 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 contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6)	31a	894,591,000
b Excess assets, if applicable, but not greater than line 31a	31b	0

32 Amortization installments:

	Outstanding Balance	Installment
a Net shortfall amortization installment	1,636,858,000	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 (lines 31a - 31b + 32a + 32b - 33)	34	894,591,000

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0	894,591,000	894,591,000

36 Additional cash requirement (line 34 minus line 35)	36	0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	159,411,000
38 Present value of excess contributions for current year (see instructions)		
a Total (excess, if any, of line 37 over line 36)	38a	159,411,000
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	159,411,000
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0
40 Unpaid minimum required contributions for all years	40	0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:

a Schedule elected ☐ 2 plus 7 years ☒ 15 years

b Eligible plan year(s) for which the election in line 41a was made ☐ 2008 ☐ 2009 ☐ 2010 ☒ 2011

42 Amount of acceleration adjustment	42	69,811,000
43 Excess installment acceleration amount to be carried over to future plan years	43	0

EIN 43-1301883/PN 006

AT&T Pension Benefit Plan
2014 Schedule SB, Part V — Statement of Plan Provisions

Description of Plan Provisions

The following pages fully describe the plan provisions used to calculate the amounts shown in the Schedule SB.

Summary of plan provisions
AT&T Pension Benefit Plan

Effective date

The original effective date of the Plan was January 1, 1984 as a successor to the Bell System Management Pension Plan. The Plan was last restated effective January 1, 2013. The provisions reflected in this report were used to value the Plan and may, in some instances, differ from the Plan.

Definitions

Merger

All assets and liabilities for participants of the SBC Pension Plan (SBCPP) were merged into the SBC Pension Benefit Plan (SBCPBP) as of July 1, 1994. As of January 1, 1999, all assets and liabilities for participants of the PTG Cash Balance Pension Plan for Salaried Employees were merged into the SBC Pension Benefit Plan (SBCPBP). As of January 1, 2000, all assets and liabilities for participants of the SNET Management Pension Plan (SNET MPP) were merged into the SBC PBP. As of December 31, 2004, all assets and liabilities for participants of the PTG Pension Plan (PTG PP), SNET Pension Plan (SNET PP), Ameritech Pension Plan (APP), and Ameritech Management Pension Plan (AMPP) were merged into the SBC PBP. The plan was renamed the AT&T Pension Benefit Plan (ATT PBP) after the merger with AT&T Corp. As of December 31, 2006, assets and liabilities for the US domestic participants in the Cingular Wireless Pension Plan and the AT&T Management Pension Plan were merged into the ATT PBP. As of December 31, 2007, all assets and liabilities for participants of the Cingular Wireless Bargained Pension Plan (CWBPP) and the Employee's Pension Plan of Ameritech Publishing Ventures, Inc. (APVI) were merged into the ATT PBP. As of November 1, 2008 all assets and liabilities for participants in the BellSouth Pension Plan and BellSouth Personal Retirement Account Pension plan and assets and liabilities for US domestic plan participants in the AT&T Pension Plan were merged into the ATT PBP.

Plan year

January 1 through December 31.

Contributions

The Company will 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 430. The Company may also provide, from time to time, 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 plan year

- The monthly pension band amounts will increase 1% on 1/1/2013, 1/1/2014, 1/1/2015 and 1/1/2016 for the following bargained groups:
    - West (CWA, IBEW 1269)
- The monthly pension band amounts will increase 1% on 1/1/2014, 1/1/2015, 1/1/2016 and 1/1/2017 for the following bargained groups:
    - Southwest
    - IBEW T-3 Council (Midwest, ALB)
- The basic cash balance credit for the BCB2 program will increase by 1% according to the schedule below:
    - West (CWA, IBEW 1269) as of 1/1/2013
    - Southwest as of 1/1/2014
    - IBEW T-3 Council as of 1/1/2014
    - East CWA as of 1/1/2014
    - CWA National Internet as of 1/1/2015
- As of 10/1/2013 a minimum 4.00% cash balance interest crediting rate for employees in the East Program was added. Additional cash balance credits were also provided during 2013.
- Lump Sum Offers were extended to certain managers that agreed to retire before December 31, 2013 in the MCB, NB and ALM Programs.

Changes as of December 31, 2014

- Effective 1/1/2015, the Management Cash Balance (MCB) program was amended to include a lump sum option and also was closed to new hires.

Summary of plan provisions
Nonbargained Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any nonbargained employee who was regularly employed by a former SBC Communications Inc. Participating Company before January 1, 2007 will become a participant the day after completing one year of Participation Service. Benefits in excess of the IRC Section 415 limits and IRC Section 401(a)(17) limits are provided under the unfunded Pension Benefit Makeup Plan. This program was closed to new hires and rehires hired on or after January 1, 2007.

Definitions

Vesting service

Vesting service is computed on an elapsed time basis. For actives on January 1, 2010, accrued benefits will now be vested after three years.

Pension calculation service

For purposes of determining the participant's Accrued Benefit, Pension Calculation Service shall include employment with a Participating Company and effective January 1, 1994 includes employment with Bell Communications Research, Inc. during a rotational assignment. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Pension eligibility service

For determining eligibility for benefits, Pension Eligibility Service is Pension Calculation Service including employment with any non-participating member of the AT&T controlled group and employment with companies which are subsequently acquired by or merged with any company that is a member of the AT&T controlled group, provided the employee was employed by the acquired or merged company at any time within the 90 days immediately prior to the acquisition and the employee is hired by a member of the AT&T controlled group within 90 days after the date of acquisition or merger. Prior service with PTG, SNET or AIT is included in Pension Eligibility Service.

Pension compensation

The sum of a participant's base wages, group incentive award (i.e. Team Award aka Annual Bonus), Key Contributor Award (fka individual discretionary award), and nondiscretionary incentive compensation (i.e. commissions and "SPA" pay). Pension Compensation also includes any nonqualified deferred compensation or Stock Savings plan deferrals. (Prior to cash balance implementation, nonqualified deferred compensation and Stock Savings plan deferrals were excluded from pension compensation.) Also includes Lump Sum Special Payment effective January 1, 2004. Pension Compensation is limited to the IRC Section 401(a)(17) compensation limits. Payments under the Short Term Incentive Plan paid on or after January 1, 2010 are eligible pay for participants promoted to officer level on or after January 1, 2009.

Adjusted career income (SBC Participants)
Adjusted Career Income is the sum of the following for the averaging period that produces the highest benefit: (1) the product of average annual compensation earned in the averaging period and Pension Calculation Service as of the end of the averaging period and (2) the sum of all Pension

Compensation earned after the end of the averaging period. The most recent averaging period is the five year period beginning on January 1, 1995 and ending on December 31, 1999.

Grandfathered accrued benefit (SBC Participants)
Equal to the greater of the following:

- A monthly benefit of one-twelfth of 1.6% of the Adjusted Career Income, or
- For SBC company employees eligible for the Enhanced Management Pension (EMP), a monthly benefit determined as of December 30, 1991 based on five additional years of age and service and a 5-year averaging period from January 1, 1986 to December 31, 1990.

Grandfathered benefit accruals ceased on May 31, 2002, at which point the Grandfathered Accrued Benefit was frozen. Employees hired after June 1, 1997, are not eligible for the Grandfathered Accrued Benefit.

Updated career average minimum (CAM)
The monthly CAM is equal to one-twelfth of 1.6% of the Adjusted Career Income. The excess of the CAM benefit over the lump sum benefit expressed as an annuity will be paid as an annuity if greater than $400 per month.

For a Participant eligible for a Service Pension, the CAM is reduced for commencement prior to age 55. With less than 30 years of service, the reduction is ½% for each month that the distribution precedes age 55; with 30 or more years of service, the reduction is ¼% for each month prior to age 55. For a Participant not eligible for a Service Pension, the CAM is actuarially reduced for commencement prior to age 65, based on factors contained in the plan document.

Pension Band Minimum (PBM)
Employees eligible for the Pension Benefit Minimum Benefit must be promoted into the Nonbargained Program on or after June 13, 2001 and be a former participant in the Southwest Program, West Program, or Midwest Program participating companies.

The benefit is equal to the greater of the following:

- Benefit calculated as if the participant remained in the Bargained Program using the same Pension Band in effect on the transfer date plus the supplement benefit accrued to the date of transfer, or
- Accrued benefit from Bargained Program as of the transfer date plus 1.2% of Pension Compensation in the Nonbargained Program.

Adjusted monthly compensation (PTG Participants)
The sum of a Participant's monthly base salary before IRC Section 401(k) deferrals and bonuses paid under the Short Term Incentive Plan (STIP). The Adjusted Monthly Compensation for each year is limited by law to the IRC Section 401(a)(17) compensation limit.

Adjusted average annual compensation (PTG Participants)
The average of Adjusted Monthly Compensation for the sixty-month period ending June 30, 1996. Adjusted Average Annual Compensation is limited by law to the IRC Section 401(a)(17) compensation.

Cash balance account
As of June 1, 1997 for SBC participants, July 1, 1996 for PTG participants and January 1, 1996 for SNET participants the Cash Balance Account is set equal to the account opening balance of the respective predecessor plans. As of January 14, 2005, all future accruals for nonbargained participants are eliminated. The Cash Balance Account earns interest credits, pay credits and transition credits (if applicable) as follows:

- **Interest credits**
  Interest is credited to the Cash Balance Account monthly, and the effective annual rate is based on the average 30-year Treasury bond yield for the middle month of the prior quarter.
- **Pay credits**
  Pay credits equal to 5% of a participant's Pension Compensation are credited monthly to the Cash Balance Account. As of January, 14, 2005, pay credits are eliminated.
- **Transition credits (SBC participants)**
  The transition account (if any) is credited to the Cash Balance Account on a monthly basis. The amount of the monthly credit is equal to the remaining value of the Transition Benefit Account divided by the number of months remaining in the transition period. The transition period ended on June 1, 2002.

Special ATB account balance (PTG Participants)
The Special ATB Account Balance is equal to the Special ATB Opening Balance with interest until December 31, 2001 at which time it was frozen. Interest is credited to the Special ATB Opening Balance monthly, based on the average 30-year Treasury bond yield for the middle month of the prior quarter. The Special ATB Opening Balance is equal to the lump sum value of the Accelerated Transition Benefit with reductions as of January 1, 1999. The Accelerated Transition Benefit is converted to a lump sum based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30-year Treasury bond yield for November 1998.

Additional cash balance credits for promotions
For all participants hired prior to January 1, 1997 and promoted on or after April 1, 1997, Additional Cash Balance Credits equal to a percentage of a participant's Pension Compensation based on pension eligibility service are credited to the Cash Balance Account. The contribution is credited to the participant's account 50% on the latter of January 1, 1999 or date of promotion and the remaining 50% on the one-year anniversary of the date of promotion. As of January 14, 2005, Additional Cash Balance Credits are eliminated.

Basic account opening balance (SBC participants)
Equal to the product of the following (1) 1.6% times Pension Calculation Service as of May 31, 1997 times 1996 Cash Balance Conversion Pay and (2) an age 65 deferred lump sum factor computed using 6.69% interest and the GAM83 (50/50) mortality table (the GATT mortality table as of June 1, 1997).

Transition benefit account (SBC Participants)
The initial value of the Transition Benefit Account is equal to the excess (if any) of the Cash Balance Conversion Pay times an enhanced opening balance factor (described below) over the Basic Account Opening Balance. Cash Balance Conversion Pay is 1996 Pension Compensation modified to include.

Basic Rate of Pay amounts deferred as a result of participation in nonqualified deferred compensation plans and to credit full-time Basic Rate of Pay for part-time service. The enhanced opening balance factor is equal to the sum of the following:

- A factor representing the hypothetical account balance the employee would have accumulated since date of hire based on the following assumptions: 5% of pay credits, 8% interest credits and a 4% salary increase assumption.
- A transition factor based on points (i.e., age + service) at June 1, 1997. The factor is .01 for each point in excess of 25, plus an additional .02 for each point in excess of 40, plus an additional .02 for each point in excess of 50. The maximum transition factor is 1.25.

Each month, the Transition Benefit Account is credited with interest and is decreased by the amount of transition credit transferred to the Cash Balance Account.

Opening account balance (PTG participants)
The percentage factor from the Accumulation Table in Appendix A of the Plan based on service as of June 30, 1996 multiplied by a Participant's Adjusted Monthly Compensation for the 12 month period ending June 30, 1996.

Accelerated transition benefit (PTG participants)

- **Eligibility**
  A Participant who was employed on March 22, 1996.
- **Benefit**
  A monthly pension equal to 2% of the sum of the Participant's Adjusted Average Annual Compensation determined as of June 30, 1996 multiplied by Years of Credited Service as of June 30, 1996.
- **Reductions**
  The Accelerated Transition Benefit (ATB) is reduced for a Participant who is neither age 55 with 20 years of Pension Eligibility Service nor age 65 with 5 years of Pension Eligibility Service at Termination of Employment. The reduction for early commencement is 2% per year from Termination of Employment to age 50, 4% per year from age 50 to age 45 and 8% per year prior to age 45.

- **Special pension account (SPA)**
  Effective December 31, 1999, a special pension account (SPA) was created for all SBC participants eligible to retire. The SPA was set equal to the lump sum value of the participant's December 31, 1999 retirement benefit assuming they retire on that date. Most participants accrued the SPA with interest to December 31, 2000.
- **Enhanced pension benefit (former SNET participants)**
  A minimum lump sum benefit provided to employees who were participants in the SNET Pension Plan on July 1, 1995 equal to the sum of the following: (1) annualized core pension benefit as of July 1, 1995 increased by 10%, reduced for commencement prior to age 55, times an immediate lump sum factor, and (2) the cash balance account with interest credits under plan provisions as of July 1, 1995, increased by 10%.

Pension compensation (former AIT participants)
The sum of a Participant's base wages, shift differentials, lump sum merit wage payments, Management Team Incentive Compensation incentive awards, and sales commissions determined without regard to any deferrals made. Pension Compensation is limited to the IRC Section 401(a)(17) compensation limit ($230,000 in 2008), subject to annual increases and in accordance with EGTRRA provisions.

Final average compensation (former AIT participants)
Highest consecutive 36 months of Pension Compensation earned during the most recent 60 months, divided by three. For purposes of calculating the Transition Benefit, the Final Average Compensation is equal to the highest consecutive 60 months of Pension Compensation earned during the most recent 120 months, divided by five.

Excess final average compensation (former AIT participants)
Portion of the Final Average Compensation that exceeds the average of the Social Security wage bases during the last five completed calendar years of Service.

Special pension account (former AIT participants)
Effective December 31, 1999, a special pension account (SPA) was created for all participants eligible to retire. The SPA was set equal to the lump sum value of the participant's December 31, 1999 retirement benefit assuming they retire on that date. Most participants accrued the SPA with interest to December 31, 2000 as of January 1, 2001. Interest was credited during 2000 based on the plan's lump sum conversion rate. Effective January 1, 2001, AMPP participants accrued the SPA with interest to December 31, 2001 based on the plan's lump sum conversion rate. As of December 31, 2001, the SPA lump sum was frozen.

Aggregate lump sum percentage (former AIT participants)
Equal to the sum, for each month, of the product of the following:

- the monthly Benefit Service Fraction,
- 1/12, and
- the Applicable Service Percentage.

Benefit service fraction (former AIT participants)
Equal to the total monthly hours of service, divided by 170.

Applicable service percentage (former AIT participants)
The following table presents the Applicable Service Percentage used in the calculation of the Defined Lump Sum.

Ages at which benefit service is earned	Applicable percentage
Under 30	6%
30 to 34	7%
35 to 39	8%
40 to 44	10%
45 to 49	12%
50 to 54	15%
55 and Over	20%

Defined lump sum account (former AIT participants)
Final Average Compensation multiplied by the Aggregate Lump Sum Percentage. As of January 14, 2005, all future accruals are eliminated. The Defined Lump Sum Account will receive interest credits monthly, based on the average 30-year Treasury bond yield for the middle month of the prior quarter.

Transition benefit (former AIT participants)
Available to Participants who were within 5 years of Service Pension Eligibility on May 1, 1995. Single life annuity calculated as the sum of the following, multiplied by years of Service:

- 1.4% of the Final Average Compensation, and
- 0.1% of the Excess Final Average Compensation.

Service pension eligibility (for transition benefit and SPA only): Termination of employment after attaining age 65 with 10 years of Service, age 55 with 20 years of Service, age 50 with 25 years of Service or 30 years of Service.

Service pension

Eligibility
Termination of employment after attaining age 65 with 10 years of Pension Eligibility Service, age 55 with 20 years of Pension Eligibility Service, age 50 with 25 years of Pension Eligibility Service or 30 years of Pension Eligibility Service.

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

- the Cash Balance Account.
- the Defined Lump Sum Account.
- the Grandfathered Accrued Benefit or the AIT Transition Benefit, reduced for distribution prior to age 55, times an immediate lump sum factor. For a participant with less than 30 years of service, the reduction for distribution prior to age 55 is ½% for each month which distribution precedes age 55; with 30 or more years of service, the reduction is ¼% for each month prior to age 55.
- the SPA.
- the ATB, times an immediate lump sum factor.
- the Special ATB.
- the Enhanced Pension Benefit.

Annuity benefit
The excess of the greater of the CAM benefit or PBM benefit, over the lump sum benefit expressed as an annuity will be paid as an annuity if it is greater than $400 per month. If the excess is less than $400 per month, then the greater of the CAM benefit or PBM benefit, is available as a lump sum.

A participant may receive an immediate monthly pension, payable for life, equal to the greater of the Grandfathered Accrued Benefit or the AIT Transition Benefit, reduced for commencement prior to age 55, the SPA, the ATB, the Special ATB, the Cash Balance Account, and the Defined Lump Sum Account converted to an annuity.

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.

Disability pension

Eligibility

A Disability Pension is no longer offered effective June 1, 1997. An employee who terminates due to disability will be paid either a Service Pension or a Deferred Vested Pension, depending on which benefit the employee is eligible for upon disability**.**

Deferred vested pension

Eligibility

Effective January 1, 2010, a Deferred Vested Pension is payable upon termination of employment after completing at least 3 years of Vesting Service and before reaching Service Pension Eligibility. All SBC non-bargained employees hired prior to April 1, 1997 are considered fully vested. All PTG nonbargained employees hired prior to January 1, 1999 are considered fully vested. All SNET participants hired prior to January 1, 2000 are considered fully vested. All Ameritech non-bargained employees hired prior to January 15, 2005 and those rehired after January 15, 2005 without five one year breaks in service are considered fully vested. Not withstanding the preceding, all participants are fully vested as of the date of a qualified IRC Section 420 transfer.

Lump sum benefit

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

- the Cash Balance Account.
- the Defined Lump Sum Account.
- the Grandfathered Accrued Benefit or the AIT Transition Benefit times a deferred to age 65 lump sum factor.
- the ATB, times an immediate lump sum factor.
- the Special ATB.
- the Enhanced Pension Benefit.

Annuity benefit

The excess of the greater of the CAM benefit or PBM benefit, over the lump sum benefit expressed as an annuity will be paid as an annuity if it is greater than $400 per month. If the excess is less than $400 per month, then the greater of the CAM benefit or PBM benefit, is available as a lump sum.

A participant may receive an immediate monthly pension, payable for life, equal to the greater of the Grandfathered Accrued Benefit or the AIT Transition Benefit, actuarially reduced for commencement prior to age 65, the ATB, the Special ATB, the Cash Balance Account, and the Defined Lump Sum Account converted to an annuity.

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. However, for PTG participants, if the ATB is the greater benefit, a lump sum election must be made within 90 days of termination.

Surviving spouse's benefit

Eligibility

Surviving spouse of an active vested or deferred vested participant in the event of the participant's death.

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 one of the following benefits:

A vested participant with less than 15 years of pension eligibility service and not eligible for a service person

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

- the Cash Balance Account or the Defined Lump Sum Account.
- the lump sum value of 45% of the Grandfathered Accrued Benefit or the AIT Transition Benefit, assuming commencement would have occurred on the date the participant would have reached eligibility for a Service Pension.
- 45% of the Special ATB.
- the lump sum value of 45% of the ATB, assuming commencement would have occurred on the date of the participant's death.

With 15 years of pension eligibility service and eligible for a service person

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

- the Cash Balance Account or the Defined Lump Sum Account.
- 45% of the Special ATB.
- the lump sum value of 45% of the Grandfathered Accrued Benefit, the AIT Transition Benefit or ATB, assuming commencement would have occurred on the first date of the month following the participant's date of death (without reductions for early commencement).
- 45% of the SPA.

Annuity benefit
An eligible spouse may receive a monthly pension equal to the greater of 1) the Cash Balance Account, the Defined Lump Sum Account, 45% of the Special ATB, or 45% of the SPA, converted to a monthly annuity, or 2) 45% of the Grandfathered Accrued Benefit, the AIT Transition Benefit, or ATB commencing as described above.

CAM or PBM benefit
As an additional annuity benefit, 45% of the excess of the greater of the CAM benefit or PBM benefit, over the lump sum benefit expressed as an annuity will be paid as an annuity.

Death benefit if no surviving spouse

Eligibility
Death of an active vested or deferred vested participant that does not have a surviving spouse.

Lump sum benefit
A lump sum actuarially equivalent to the Surviving Spouse Benefit, based on the employee's date of birth

Lump sum death benefit

A frozen lump sum death benefit is payable to an "Eligible Beneficiary" (spouse, dependent child, dependent parent, or registered domestic partner) upon the death of certain eligible active employees who die due to sickness or non-job-related injury, or upon the death of certain Disability or Service Pensioners. In some cases, this lump sum death benefit will be eliminated. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust. The eligible groups and benefits are as follows.

For participants of the ATTPBP on January 1, 1990
Lump sum benefit equal to the wages earned in the 12 month period ending on December 31, 1989, or date of termination if earlier. This benefit expired on June 1, 2002 if the participant was active as of June 1, 1997.

For participants of the PTG Cash balance pension plan on January 1, 1998
Lump sum benefit equal to the wages earned in the 12 month period ending on December 31, 1997, or date of termination if earlier. This benefit expired on June 1, 2002 if the participant was active as of December 31, 1997.

For participants of the SNET MPP on September 17, 1989 that do not elect to receive any portion of their benefit as a lump sum
Lump sum benefit equal to the Basic Rate of Pay as of the earlier of January 1, 1992 or the date of termination. This benefit expires on December 31, 2004 if the participant was active as of December 31, 1999.

For participants of the Ameritech Management pension plan who retired or became disabled prior to May 1, 1995
Lump Sum Death Benefit equal to the wages earned in the 12 month period ending on the date of termination.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the participant that retired from the plan, the 10% reduction factor is removed for future payments. The normal form with respect to all other participants is a single life annuity. Cash Balance Accounts, Defined Lump Sum Accounts, the Special ATB, or the SPA will be converted to an annuity based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and the average 30-year Treasury bond yield for the middle month of the quarter preceding commencement. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the middle month of the quarter preceding distribution.

In lieu of the normal form of retirement benefit, a married 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 single life annuity, a 75% joint and survivor annuity, or a 100% joint and survivor annuity. J&S options are with pop-up if service pension eligible.

A Participant may also elect to receive a lump sum. Grandfathered Accrued Benefits, the AIT Transition Benefit, or the ATB will be converted to lump sums based on GATT mortality and an interest rate equal to the average 30-year Treasury bond yield for the middle month of the quarter preceding distribution. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the middle month of the quarter preceding distribution.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

A Lump Sum Offer (LSO) was provided to participants meeting the Modified Rule of 75 as of December 30, 2013, provided they terminate employment by December 30, 2013 unless they are metered. The amount of the LSO lump sum was based on the full accrued benefit and calculated using an August 2012 lookback month for the lump sum conversion basis, if greater than the plan actuarial equivalence.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Summary of plan provisions
Southwest Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any bargained employee who is regularly employed by a Southwestern Bell region Participating Company will become a participant on the day after completing one year of Participation Service. Effective April 1, 2010 this program was closed to new hires and rehires in the CWA District 6 (Southwest Core) contracts hired on or after August 9, 2009. Effective June 1, 2011 this program was closed to new hires and rehires in the CWA Southwestern Bell Yellow Pages contract hired on or after June 1, 2011.

Definitions

Vesting service

Vesting Service is calculated on an elapsed time basis. For actives on January 1, 2010 of Southwest Core, and AT&T Operations – CWA District 6, accrued benefits will now be vested after three years. For actives on June 1, 2011 of Southwestern Bell Yellow Pages – CWA, accrued benefits will now be vested after three years. For all other participants, effective January 1, 2010, if any part of the accrued benefit is determined as a Cash Balance Account or DLS Account then the participant is vested after 3 years.

Pension calculation service

For purposes of determining the participant's Accrued Benefit, Pension Calculation Service shall include employment with a Participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Pension eligibility service

For determining eligibility for benefits, Pension Eligibility Service is Pension Calculation Service including employment with any non-participating member of the AT&T controlled group. Prior service with PTG, SNET or AIT is included in Pension Eligibility Service.

Supplemental pay

The sum of a Participant's in charge allowances, extra payments for temporary promotions, shift differentials and job differentials, including bonus payments of $250 in 2006, $375 in 2007, and $375 in 2008. Effective June 1, 2010 and November 1, 2010 respectively, target incentive compensation and success sharing plan payments that are not contributed to an HRA are also eligible compensation.

Special pension account (SPA)
Effective December 31, 1999, a special pension account (SPA) was created for all participants eligible to retire. The SPA was set equal to the lump sum value of the participant's December 31, 1999 retirement benefit assuming they retire on that date. Most participants accrued the SPA with interest to December 31, 2000 as of January 1, 2001. Interest was credited during 2000 based on the plan's lump sum conversion rate. Effective December 31, 2000, the SPA was set equal to the greater of the participant's SPA balance at December 31, 2000 and the lump sum value of the participant's December 31, 2000 retirement benefit assuming they retire on that date. During 2001, bargained participants accrued the SPA with interest to December 31, 2001 based on the plan's lump sum conversion rate. As of December 31, 2001, the SPA lump sum balance is frozen.

Service pension

Eligibility
Termination of employment after attaining age 65 with 10 years of Pension Eligibility Service, age 55 with 20 years of Pension Eligibility Service, age 50 with 25 years of Pension Eligibility Service or 30 years of Pension Eligibility Service.

Accrued benefit
A monthly benefit equal to the greater of the SPA, converted to an annuity, and the sum of the following:

- the Pension Band Amount shown in the tables for the pension band which applies to the participant's job title times Pension Calculation Service.
- the Supplemental Monthly Pension.

Supplemental monthly pension
The product of .001 times Supplemental Pay during the last 36 months of employment divided by 36, times Pension Calculation Service.

Reduction
After meeting eligibility for a Service Pension, a participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit, reduced for commencement prior to age 55. The reduction is ½% for each month prior to age 55 with less than 30 years of service and is unreduced with 30 or more years of service.

Lump sum benefit
A lump sum benefit is available equal to the Accrued Benefit, converted to a lump sum.

Date payments begin
The monthly pension commences on the first day of the month coinciding with or next following the date of retirement, subject to the provisions of IRC Section 411(a)(11) and notice and election requirements under IRC Section 417.

Disability pension

Eligibility

An employee who has at least 15 years of Pension Eligibility Service and who becomes totally disabled prior to age 65.

Benefit

The participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit based on service and compensation as of the date of termination, without reduction for commencement prior to age 65.

Date payments begin

Benefits begin immediately following termination of employment due to total disability. If disability occurs after attaining service pension eligibility, the benefit is paid from the qualified trust. If disability occurs prior to attaining service pension eligibility, the benefit is paid from company operating funds until the participant turns age 65, at which time the benefit is converted to a service pension and paid from the qualified trust.

Deferred vested pension

Eligibility

Termination of employment after completing at least 3 years of Vesting Service, and before reaching eligibility for Service Pension. Not withstanding the preceding, all participants are fully vested as of the date of a qualified IRC Section 420 transfer.

Benefit

The monthly benefit, payable as a straight life annuity starting on the participant's Normal Retirement Age (the later of age 65 or the third anniversary of plan participation), equals the participant's Accrued Benefit on the date of termination. The benefit is actuarially reduced if commenced prior to Normal Retirement Age.

Date payments begin

A participant who terminates employment with three or more years of Vesting Service receives a Deferred Vested Pension commencing at Normal Retirement Age or at termination of service, if later. If the participant has sufficient service for early retirement eligibility, the Deferred Vested Pension may commence early when the participant later meets the age requirements. The amount payable upon early retirement is equal to the Accrued Benefit, actuarially reduced based on commencement prior to age 65. A table of actuarial reduction factors is in the plan document.

Surviving spouse's benefit

Eligibility

Surviving spouse of an active vested or deferred vested participant in the event of the participant's death.

Benefit

The eligible spouse of an active participant who dies prior to Normal Retirement Age and before benefit payments commence is entitled to one of the following benefits:

- If a vested participant dies with less than 15 years of Pension Eligibility Service, and is not eligible for a Service Pension, the eligible spouse receives a deferred monthly survivor benefit for life beginning on the date the participant would have reached earliest eligibility to commence a Deferred Vested Pension. The benefit is computed as though the participant had left service on the date of death, survived until the earliest eligibility to commence a Deferred Vested Pension, retired at that time with the qualified survivor annuity option, and died the next day. In lieu of the monthly survivor benefit, a surviving spouse of a Participant employed by Southwest Core, or Southwestern Bell Yellow Pages may elect to receive a lump sum equivalent to the deferred monthly survivor benefit.
- If the participant dies eligible for a Service Pension or with 15 years of Pension Eligibility Service, a surviving spouse receives a monthly survivor pension payable for life equal to 45% of the Accrued Benefit. The spouse's benefit will commence on the first day of the month following the participant's date of death. In lieu of the monthly survivor benefit, a surviving spouse of a Participant employed by Southwest Core or Southwestern Bell Yellow Pages may elect to receive a lump sum equivalent to the monthly survivor benefit.

The surviving spouse of a participant who was receiving a nonqualified disability benefit and who dies before age 65 will receive a survivor annuity beginning at the time the participant would have attained earliest retirement age, unless the spouse elects to delay payments until the time the participant would have attained age 65. For vested participants not satisfying the Modified Rule of 75 who die on or after April 1, 2011, a Pre-Retirement Survivor Annuity may be paid immediately.

Death benefit if no surviving spouse

Eligibility

Death of an active vested or deferred vested participant employed by SWBT, SYP, SMSG, SOPS, SASI, STCOM, or SS that does not have a surviving spouse.

Lump sum benefit

A lump sum actuarially equivalent to the surviving spouse benefit based on the employee's date of birth.

Lump sum death benefit

For participants hired prior to January 1, 1990, the Plan provides a Lump Sum Death Benefit equal to the wages earned in the 12 month period ending on December 31, 1989, or date of termination if earlier. This benefit is paid if an eligible active employee dies due to sickness or non-job-related injury and is survived by an “Eligible Beneficiary” (spouse, dependent child, dependent parent, or registered domestic partner). The benefit is also paid if an eligible Disability or Service Pensioner dies and is survived by an Eligible Beneficiary. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust for participants terminated prior to January 1, 2009.

Forms of payment

The normal form of payment for a participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the accrued benefit continuing to the surviving spouse upon the earlier death of the participant. If the spouse predeceases the participant that retired from the plan, the 10% reduction factor is removed for the future payments. The normal form with respect to all other participants is a single life annuity.

In lieu of the normal form of retirement benefit, a married 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, a 75% joint and survivor annuity or a 100% joint and survivor annuity. J&S options are with pop-up if service pension eligible.

For the Southwest Core bargaining group and former Southwestern Bell Yellow Pages, a lump sum benefit option is available for those service pension eligible effective January 1, 2010. Accrued benefits will be converted to lump sums based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30-year Treasury bond yield for the November of the prior year. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the November of the prior year. For certain contracts, including the core contract, conversion based on the prior lump basis will be available for retirement eligible employees with payment commencing prior to March 31, 2012.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities

Pension band amounts

The tables on the following pages present Pension Band Amounts for various band numbers, dates of termination and ages of termination.

Monthly pension band amounts
Southwest Program
(bands 94 to 135)

Pension Band	Terminations: On or after 1/1/2010 and before 1/1/2011	Terminations: On or after 1/1/2011 and before 1/1/2012	Terminations: On or after 1/1/2012 and before 1/1/2013	Terminations: On or after 1/1/2013 and before 1/1/2014
94	$24.45	$24.94	$25.44	$25.95
95	25.91	26.43	26.96	27.50
96	27.37	27.92	28.48	29.05
97	28.80	29.38	29.97	30.57
98	30.27	30.88	31.50	32.13
99	31.72	32.35	33.00	33.66
100	33.19	33.85	34.53	35.22
101	34.64	35.33	36.04	36.76
102	36.10	36.82	37.56	38.31
103	37.60	38.35	39.12	39.90
104	39.06	39.84	40.64	41.45
105	40.49	41.30	42.13	42.97
106	41.93	42.77	43.63	44.50
107	43.44	44.31	45.20	46.10
108	44.92	45.82	46.74	47.67
109	46.37	47.30	48.25	49.22
110	47.81	48.77	49.75	50.75
111	49.29	50.28	51.29	52.32
112	50.71	51.72	52.75	53.81
113	52.24	53.28	54.35	55.44
114	53.67	54.74	55.83	56.95

Pension Band	Terminations: On or after 1/1/2010 and before 1/1/2011	Terminations: On or after 1/1/2011 and before 1/1/2012	Terminations: On or after 1/1/2012 and before 1/1/2013	Terminations: On or after 1/1/2013 and before 1/1/2014
115	$55.10	$56.20	$57.32	$58.47
116	56.59	57.72	58.87	60.05
117	58.02	59.18	60.36	61.57
118	59.52	60.71	61.92	63.16
119	60.96	62.18	63.42	64.69
120	62.44	63.69	64.96	66.26
121	63.89	65.17	66.47	67.80
122	65.38	66.69	68.02	69.38
123	66.81	68.15	69.51	70.90
124	68.29	69.66	71.05	72.47
125	69.75	71.15	72.57	74.02
126	71.19	72.61	74.06	75.54
127	72.69	74.14	75.62	77.13
128	74.13	75.61	77.12	78.66
129	75.61	77.12	78.66	80.23
130	77.03	78.57	80.14	81.74
131	78.55	80.12	81.72	83.35
132	79.97	81.57	83.20	84.86
133	81.42	83.05	84.71	86.40
134	82.90	84.56	86.25	87.98
135	84.34	86.03	87.75	89.51

Monthly pension band amounts
Southwest Program
(bands 94 to 135)

Pension Band	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015 and before 1/1/2016	Terminations: On or after 1/1/2016 and before 1/1/2017	Terminations: On or after 1/1/2017
94	$26.21	$26.47	$26.73	$27.00
95	27.78	28.06	28.34	28.62
96	29.34	29.63	29.93	30.23
97	30.88	31.19	31.50	31.82
98	32.45	32.77	33.10	33.43
99	34.00	34.34	34.68	35.03
100	35.57	35.93	36.29	36.65
101	37.13	37.50	37.88	38.26
102	38.69	39.08	39.47	39.86
103	40.30	40.70	41.11	41.52
104	41.86	42.28	42.70	43.13
105	43.40	43.83	44.27	44.71
106	44.95	45.40	45.85	46.31
107	46.56	47.03	47.50	47.98
108	48.15	48.63	49.12	49.61
109	49.71	50.21	50.71	51.22
110	51.26	51.77	52.29	52.81
111	52.84	53.37	53.90	54.44
112	54.35	54.89	55.44	55.99
113	55.99	56.55	57.12	57.69
114	57.52	58.10	58.68	59.27
115	$59.05	$59.64	$60.24	$60.84
116	60.65	61.26	61.87	62.49
117	62.19	62.81	63.44	64.07
118	63.79	64.43	65.07	65.72
119	65.34	65.99	66.65	67.32
120	66.92	67.59	68.27	68.95
121	68.48	69.16	69.85	70.55
122	70.07	70.77	71.48	72.19
123	71.61	72.33	73.05	73.78
124	73.19	73.92	74.66	75.41
125	74.76	75.51	76.27	77.03
126	76.30	77.06	77.83	78.61
127	77.90	78.68	79.47	80.26
128	79.45	80.24	81.04	81.85
129	81.03	81.84	82.66	83.49
130	82.56	83.39	84.22	85.06
131	84.18	85.02	85.87	86.73
132	85.71	86.57	87.44	88.31
133	87.26	88.13	89.01	89.90
134	88.86	89.75	90.65	91.56
135	90.41	91.31	92.22	93.14

Summary of plan provisions
West Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any bargained employee who is regularly employed by a Pacific Telesis region Participating Company will become a Participant on the day after completing one year of Participation Service. Effective January 1, 2009 this program was closed to new hires and rehires in the IBEW Local 2139 (Pacific Bell Directory South) contract. Effective January 1, 2010 this program was closed to new hires and rehires in the West Core CWA, and IBEW Local 1269 (Pacific Bell Telephone Company) contracts hired on or after August 9, 2009. Effective June 1, 2011 this program was closed to new hires and rehires in the IBEW Local 1269 (Pacific Bell Directory North) contract hired after January 1, 2011.

Definitions

Vesting service

Vesting Service is calculated on an elapsed time basis. Effective January 1, 2010, for active employees if any part of the accrued benefit is determined as a Cash Balance Account or DLS Account then the participant is vested after 3 years.

Pension calculation service

For purposes of determining the Participant's Accrued Benefit, Pension Calculation Service shall include employment with a Participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited. However, Pension Calculation Service shall not include any period of employment for which benefits accrue under the PTG Cash Balance Pension Plan for Salaried Employees or a similar plan.

Pension eligibility service

For determining eligibility for benefits, Pension Eligibility Service is Pension Calculation Service including employment with any non-participating member of the AT&T controlled group. Prior service with SBC, SNET or AIT is included in Pension Eligibility Service.

Average annual differentials

The sum of a Participant's in charge allowances, extra payments for temporary promotions, shift differentials and job differentials averaged over the most recent 36-month period, including bonus payments of $250 in 2006, $375 in 2007, $375 in 2008, and 2.5% of pay in 2008, 3.0% of pay in 2009, and 3.0% of pay plus $250 in 2010 for PacBell Directory South employees effective September 1, 2008. Effective June 1, 2010 and November 1, 2010 respectively, target incentive compensation and success sharing plan payments that are not contributed to an HRA are also eligible compensation.

Special pension account (SPA)
Effective December 31, 1999, a special pension account (SPA) was created for all participants eligible to retire. The SPA was set equal to the lump sum value of the participant's December 31, 1999 retirement benefit assuming they retire on that date. Most participants accrued the SPA with interest to December 31, 2000 as of January 1, 2001. Interest was credited during 2000 based on the plan's lump sum conversion rate. Effective December 31, 2000, the SPA was set equal to the greater of the participant's SPA balance at December 31, 2000 and the lump sum value of the participant's December 31, 2000 retirement benefit assuming they retire on that date. During 2001, bargained participants accrued the SPA with interest to December 31, 2001. Interest was credited during 2001 based on the plan's lump sum conversion rate. As of December 31, 2001, the SPA lump sum was frozen.

Early retirement benefit (ERB)
Additional early retirement supplements offered from time to time to eligible Participants who voluntarily retire during a specified window of time. The benefits typically include an additional four years of age and four years of service used in determination of the Service Pension, plus an additional temporary annuity equal to 10% to 30% of pay until age 62. This benefit is not valued until elected for ASC 715-30 (FAS 87), ASC 960 (FAS 35) and contribution purposes.

Service pension

Eligibility
Termination of employment after attaining age 65 with 10 years of Pension Eligibility Service, age 55 with 20 years of Pension Eligibility Service, age 50 with 25 years of Pension Eligibility Service or 30 years of Pension Eligibility Service.

Accrued benefit
A monthly benefit equal to the greater of the SPA (if eligible), converted to an annuity, and the sum of the following:

- the Pension Band Amount shown in the tables for the pension band which applies to the Participant's job title times Pension Calculation Service.
- the Supplemental Monthly Pension.

Supplemental monthly pension
The product of .001 times Average Annual Differentials during the last 36 months of employment divided by 36, times Pension Calculation Service.

Reduction
After meeting eligibility for a Service Pension, a Participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit, reduced for commencement prior to age 55. The reduction is ½% for each month prior to age 55 with less than 30 years of service and is unreduced with 30 or more years of service.

Lump sum benefit
A lump sum benefit is available equal to the Accrued Benefit, converted to a lump sum.

Date payments begin
The monthly pension shall commence on the day following a Participant's retirement.

Disability pension

Eligibility
An employee who has at least 15 years of Pension Eligibility Service who becomes totally disabled prior to age 65.

Benefit
The Participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit based on service and compensation as of the date of termination, without reduction for commencement prior to age 65.

Date payments begin
Benefits begin immediately following termination of employment due to total disability. If disability occurs after attaining service pension eligibility, the benefit is paid from the qualified trust. If disability occurs prior to attaining service pension eligibility, the benefit is paid from company operating funds until the Participant turns age 65, at which time the benefit is converted to a service pension and paid from the qualified trust.

Deferred vested pension

Eligibility
Termination of employment after completing at least 5 years of Vesting Service, and before reaching eligibility for Service Pension. However, effective January 1, 2010, if any part of the accrued benefit is determined as a Cash Balance Account or DLS Account then the Participant is eligible after 3 years of Vesting Service.

Benefit
The monthly benefit, payable as a straight life annuity starting on the Participant's Normal Retirement Age (the later of age 65 or the fifth anniversary of plan participation), equals the Participant's Accrued Benefit on the date of termination. The benefit is actuarially reduced if commenced prior to Normal Retirement Age.

Date payments begin
A Participant who terminates employment eligible for a Deferred Vested Pension receives a benefit commencing at Normal Retirement Age or at termination of service, if later. If the Participant has sufficient service for early retirement eligibility, the Deferred Vested Pension may commence early when the Participant later meets the age requirements.

Surviving spouse's benefit

Eligibility

Surviving spouse of an active vested or deferred vested Participant in the event of the Participant's death.

Benefit

The eligible spouse of an active Participant who dies prior to Normal Retirement Age and before benefit payments commence is entitled to one of the following benefits:

- If the Participant dies with 3 or more years of Vesting Service, has less than 15 years of Pension Eligibility Service, and is not eligible for a Service Pension, the eligible spouse receives a deferred monthly survivor benefit for life beginning on the date the Participant would have reached earliest eligibility to commence a Deferred Vested Pension. The benefit is computed as though the Participant had left service on the date of death, survived until the earliest eligibility to commence a Deferred Vested Pension, retired at that time with the qualified survivor annuity option, and died the next day.
- If the Participant dies eligible for a Service Pension or with 15 years of Pension Eligibility Service, a surviving spouse receives a monthly survivor pension payable for life equal to 45% of the Accrued Benefit. The spouse's benefit will commence on the first day following the Participant's date of death.

Death benefit if no surviving spouse

Eligibility

Death of an active vested or deferred vested participant employed by PB, NB, SASI, STCOM, SS, PBIS, or PDIR that does not have a surviving spouse.

Lump sum benefit

A lump sum actuarially equivalent to the Surviving Spouse Benefit, based on the employee's date of birth.

Lump sum death benefit

The Plan provides a Lump Sum Death Benefit equal to the wages earned in the 12-month period ending on the date of death. This benefit is paid if an eligible active employee dies due to sickness or job-related injury and is survived by an "Eligible Beneficiary" (spouse, dependent child, dependent parent, or registered domestic partner). The benefit is also paid if a Disability or Service Pensioner who was eligible or had already retired as of January 1, 1987, dies and is survived by an Eligible Beneficiary. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust for participants terminated prior to January 1, 2009.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the Participant that retired from the plan, the 10% reduction factor is removed for the future payments. The normal form with respect to all other Participants is a single life annuity.

In lieu of the normal form of retirement benefit, a married 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, a 75% joint and survivor annuity, or a 100% joint and survivor annuity. J&S options are with pop-up if service pension eligible.

A Participant may also elect to receive a lump sum. Benefits will be converted to lump sums based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30-year Treasury bond yield for the November of the prior year. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the November of the prior year. For Pacific Bell Directory South, effective January 1, 2012, the applicable interest rate will be 100% of the 417(e)(3) PPA Interest Rate. For certain contracts, including the core contract, conversion based on the prior lump basis will be available for retirement eligible employees with payment commencing prior to March 31, 2012.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Pension band amounts

The tables on the following pages present Pension Band Amounts for various band numbers.

Monthly pension band amounts
West Program*
(bands 104 to 125)

	Terminations				
Pension Band	On or After 1/1/2012 and Before 1/1/2013	On or After 1/1/2013 and Before 1/1/2014	On or After 1/1/2014 and Before 1/1/2015	On or After 1/1/2015 and Before 1/1/2016	On or After 1/1/2016
104	$43.36	$43.79	$44.23	$44.67	$45.12
105	44.96	45.41	45.86	46.32	46.78
106	46.62	47.09	47.56	48.04	48.52
107	48.29	48.77	49.26	49.75	50.25
108	49.85	50.35	50.85	51.36	51.87
109	51.5	52.02	52.54	53.07	53.60
110	53.12	53.65	54.19	54.73	55.28
111	54.76	55.31	55.86	56.42	56.98
112	56.32	56.88	57.45	58.02	58.60
113	57.99	58.57	59.16	59.75	60.35
114	59.59	60.19	60.79	61.40	62.01
115	61.23	61.84	62.46	63.08	63.71
116	62.86	63.49	64.12	64.76	65.41
117	64.45	65.09	65.74	66.40	67.06
118	66.12	66.78	67.45	68.12	68.80
119	67.74	68.42	69.10	69.79	70.49
120	69.32	70.01	70.71	71.42	72.13
121	70.95	71.66	72.38	73.10	73.83
122	72.58	73.31	74.04	74.78	75.53
123	74.23	74.97	75.72	76.48	77.24
124	75.84	76.60	77.37	78.14	78.92
125	77.5	78.28	79.06	79.85	80.65

* Table applies to West Program core bargaining group, and IBEW 1269 – Pacific Bell Telephone Company.

Summary of plan provisions
East Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any bargaining unit employee who is regularly employed by SNET will become a participant on the day after completing one year of Participation Service. Effective January 1, 2011 this program was closed to new hires and rehires hired on or after August 9, 2009.

Definitions

Participation service

Participation Service is calculated on an elapsed time basis

Vesting service

Vesting Service is calculated on an elapsed time basis. For actives on January 1, 2010, accrued benefits will now be vested after three years.

Credited service

For purposes of determining the participant's accrued benefit, Credited Service is computed based on elapsed time since date of hire and includes employment with a Participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Pay

The sum of a participant's annualized base wage rate, differential pay, and commissions as of October of the previous Plan Year (or date of hire/rehire if later) during the current contract. The Eligible Pay for each year is limited by law to the IRC Section 401(a)(17) compensation limit. Lump sum awards added in 2004, 2006, 2007, 2008, and 2009 are Eligible Pay. Target incentive compensation and success sharing plan payments that are not contributed to an HRA are eligible pay effective November 1, 2010.

Accrued benefit

A monthly benefit, commencing at Normal Retirement Age, which is the actuarial equivalent of the Participant's Cash Balance Plan Account (CBPA).

Cash balance plan account (CBPA)

As of July 1, 1995, the Cash Balance Plan Account is set equal to the Opening Cash Balance Plan Account. Thereafter, the Cash Balance Plan Account earns interest credits, service credits and pay credits as follows:

- **Interest credits**
  Interest is credited to the Cash Balance Plan Account monthly. Prior to April 30, 2009, interest credits were based on the greater of i) an effective annual rate of 7% and ii) the GATT rate plus 150 basis points. For periods after April 30, 2009 and before December 1, 2010, the effective annual interest crediting rate was 4%. For periods after December 1, 2010 and before October 1, 2013, the effective annual interest crediting rate was the average 30-year Treasury bond yield for the month of November preceding the plan year. For periods after October 1, 2013, the effective annual interest crediting rate will be the greater of i) the average 30-year Treasury bond yield for the month of November preceding the plan year and ii) 4.00%.

- **Service credits**
  Service credits based on applicable Pay and Service Category are credited at the end of each month to the Cash Balance Plan Account. The Service Category is determined as of the beginning of each month. The Credited Service is only adjusted at year-end to reflect any additional service credited under the service bridging provisions of the Plan. For purposes of determining service credits, the determination is made by calculating actual years, months and days and raising any fractional days to a month.

- **Additional credits**
  An additional credit is credited during 2012 and 2013 to the Cash Balance Plan Account of certain participants based on Pay and Service Category.

Opening cash balance plan account
Equal to the sum of the cash balance account under prior plan provisions and the product of the following: (1) annualized core pension benefit as of July 1, 1995 and (2) an early retirement factor, if less than 30 years of service and (3) the applicable Cash Balance Plan Account conversion factor based on the participant's age as of July 1, 1995.

Enhanced pension benefit
Equal to the sum of the following: (1) annualized core pension benefit as of July 1, 1995 increased by 10% and (2) the cash balance account with interest credits under plan provisions as of July 1, 1995, increased by 10% and converted to an annuity. For a non-disabled participant with less than 30 years of service, the core pension benefit is reduced for commencement prior to age 55.

Service pension

Eligibility
Termination of employment after attaining age 65 with 10 years of Pension Eligibility Service, age 55 with 20 years of Pension Eligibility Service, age 50 with 25 years of Pension Eligibility Service or 30 years of Pension Eligibility Service, if terminated after September 17, 1998, otherwise termination of employment after attaining 90 age and service points. For purposes of determining benefit eligibility, the determination is made by summing actual years, months and days and raising any fractional days of the sum to a month.

Benefit
A lump sum benefit equal to the greatest of the Enhanced Pension Benefit times an immediate lump sum factor, the Cash Balance Plan Account, and the actuarial present value of the Accrued 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 Enhanced Pension Benefit and the Accrued Benefit, reduced for commencement prior to Normal Retirement Age.

The Enhanced Pension Benefit is converted to a lump sum based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30 year Treasury bond yield for the month of November of the preceding calendar year, not to exceed 7.5%. The minimum lump sum benefit is the Enhanced Pension Benefit calculated as of July 1, 2001 based on an interest rate of 5.78%, GATT mortality, and the employee's age as of July 1, 2001.

For an employee who has completed either 30 years of service or is age 55 or older with 20 or more years of service, the immediate single life annuity monthly pension benefit is to be equal to the greater of the Enhanced Pension Benefit and the Cash Balance Plan Account converted to a lifetime annuity commencing at the participants Normal Retirement Age using the applicable plan factor at age 65. This provision was made permanent with the collectively bargained contract that was agreed to in 2004.

Date payments begin
The benefit commences no later than the 60th day following the end of the plan year of retirement, unless the participant elects otherwise.

Deferred vested pension

Eligibility
A Deferred Vested Pension is payable upon termination of employment after completing at least 3 years of Vesting Service, and before reaching eligibility for Service Pension.

Benefit
A lump sum benefit equal to the greatest of the Enhanced Pension Benefit times a deferred to age 65 lump sum factor, the Cash Balance Plan Account, and the actuarial present value of the Accrued 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 Enhanced Pension Benefit, reduced for commencement prior to age 65 and the Accrued Benefit, reduced for commencement prior to Normal Retirement Age.

Date payments begin
Unless the participant elects otherwise, the benefit commences no later than the 60th day following the end of the plan year in which the participant reaches Normal Retirement Age or termination of service, if later.

Survivor spouse's benefit

Eligibility

Surviving spouse of an active vested participant in the event of the participant's death.

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 equal to the Cash Balance Account or the Enhanced Pension Benefit. Effective July 1, 2001, the Enhanced Pension Benefit will be converted to a lump sum based on GATT mortality and an interest rate equal to the average 30 year Treasury bond yield for the month of November of the preceding calendar year, not to exceed 7.5%. The minimum lump sum benefit will be the Enhanced Pension Benefit calculated as of July 1, 2001 based on an interest rate of 5.78%, GATT mortality, and the employee's age as of July 1, 2001.

In lieu of a lump sum, the eligible spouse may elect a life annuity equal to the greater of the following:

- a monthly pension equal to 45% of the Accrued Benefit or the Enhanced Pension Benefit as of March 31, 1995, reduced for commencement prior to the participant's Normal Retirement Age, or
- the actuarial equivalent of the Cash Balance Plan Account paid as a monthly annuity, based on the surviving spouse's age as of the date of death.

Death benefit if no surviving spouse

Eligibility

Death of an active vested participant that does not have a surviving spouse.

Benefit

The participant's estate is paid a lump sum death benefit equal to the Cash Balance Plan Account.

Lump sum death benefit

For participants hired prior to September 17, 1989, the Plan provides a Lump Sum Death Benefit equal to the annual basic rate of pay earned in the 12 month period ending on December 31, 1991, or date of retirement if earlier. This benefit is paid if an eligible active employee dies due to sickness or injury and is survived by an "Eligible Beneficiary" (spouse, dependent child, dependent parent, or registered domestic partner). The benefit is also paid if an eligible Disability or Service Pensioner dies and is survived by an Eligible Beneficiary. The benefit is not paid, however, if the eligible Disability or Service Pensioner has elected any portion of the pension benefit payable in the form of a lump sum. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust for participants terminated prior to January 1, 2009.

Forms of payment

The normal form of payment for a participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the participant that retired from the plan, the 10% reduction factor is removed for the future payments. The normal form with respect to all other participants is a single life annuity. Cash Balance Plan Accounts are converted to an annuity using the applicable plan factors.

In lieu of the normal form of retirement benefit, a married Participant may elect, with the proper spousal consent, to waive the qualified joint and survivor annuity and to receive a single life annuity or a 75% joint and survivor annuity. J&S options are with pop-up if service pension eligible.

In addition, in lieu of the normal form of retirement benefit, a participant may elect to receive a lump sum, partial lump sum or lump sum certain benefit.

Benefits not valued

No benefits are excluded that would materially affect the liabilities

Service credit

The table on the following page present annual Service Credit for various wage brackets.

Cash balance plan service credit
East Program

	Years of Service							
Pay Bracket	0-4	5-9	10-13	14-18	19-23	24-28	29-33	34+
Less Than $20,000	$500	$600	$700	$850	$1,050	$1,400	$1,500	$1,600
$20,000 to $22,500	525	625	725	875	1,100	1,475	1,575	1,675
$22,500 to $25,000	600	700	825	1,000	1,225	1,650	1,775	1,875
$25,000 to $27,500	650	775	900	1,100	1,375	1,825	1,950	2,075
$27,500 to $30,000	725	850	975	1,200	1,500	2,000	2,150	2,300
$30,000 to $32,500	775	925	1,075	1,300	1,625	2,175	2,325	2,475
$32,500 to $35,000	850	1,000	1,150	1,400	1,750	2,350	2,525	2,700
$35,000 to $37,500	925	1,100	1,300	1,575	1,925	2,625	2,800	2,975
$37,500 to $40,000	1,050	1,250	1,450	1,775	2,200	2,975	3,175	3,375
$40,000 to $42,500	1,175	1,400	1,625	1,975	2,450	3,325	3,550	3,775
$42,500 to $45,000	1,300	1,550	1,800	2,200	2,725	3,675	3,925	4,200
$45,000 to $47,500	1,425	1,700	1,975	2,400	2,975	4,025	4,300	4,600
$47,500 to $50,000	1,550	1,825	2,150	2,600	3,250	4,375	4,675	5,000
$50,000 to $52,500	1,675	1,975	2,325	2,825	3,500	4,725	5,050	5,400
$52,500 to $55,000	1,800	2,125	2,475	3,025	3,775	5,075	5,425	5,800
$55,000 to $57,500	1,925	2,225	2,600	3,175	3,950	5,325	5,675	6,050
$57,500 to $60,000	1,975	2,325	2,725	3,325	4,125	5,575	5,950	6,350
$60,000 to $62,500	2,075	2,450	2,875	3,475	4,325	5,850	6,225	6,650
$62,500 to $65,000	2,175	2,550	2,975	3,625	4,500	6,075	6,500	6,950
$65,000 to $67,500	2,275	2,625	3,075	3,750	4,675	6,300	6,750	7,200
$67,500 to $70,000	2,375	2,750	3,200	3,900	4,875	6,550	7,025	7,500
$70,000 to $72,500	2,475	2,850	3,325	4,050	5,075	6,800	7,300	7,800
$72,500 to $75,000	2,575	2,950	3,450	4,200	5,250	7,050	7,550	8,075
$75,000 to $77,500	2,650	3,050	3,575	4,350	5,425	7,300	7,825	8,350

Cash balance plan service credit
East Program

	Years of Service							
Pay Bracket	0-4	5-9	10-13	14-18	19-23	24-28	29-33	34+
$77,500 to $80,000	$2,750	$3,150	$3,675	$4,475	$5,600	$7,525	$8,075	$8,625
$80,000 to $82,500	2,825	3,250	3,800	4,625	5,800	7,775	8,350	8,925
$82,500 to $85,000	2,925	3,350	3,925	4,775	5,975	8,025	8,600	9,200
$85,000 to $87,500	3,000	3,450	4,025	4,900	6,150	8,250	8,850	9,450
$87,500 to $90,000	3,100	3,550	4,150	5,050	6,325	8,500	9,125	9,750
$90,000 to $92,500	3,175	3,650	4,275	5,200	6,500	8,750	9,375	10,025
$92,500 to $95,000	3,275	3,750	4,400	5,350	6,700	9,000	9,650	10,325
$95,000 to $97,500	3,350	3,850	4,500	5,475	6,875	9,225	9,900	10,575
$97,500 to $100,000	3,450	3,950	4,625	5,625	7,050	9,475	10,150	10,850
$100,000 to $102,500	3,525	4,050	4,750	5,775	7,225	9,725	10,425	11,150
$102,500 to $105,000	3,625	4,150	4,850	5,900	7,425	9,950	10,675	11,400
$105,000 to $107,500	3,700	4,250	4,975	6,050	7,600	10,200	10,950	11,700
$107,500 to $110,000	3,800	4,375	5,100	6,200	7,775	10,450	11,200	11,975
$110,000 to $112,500	3,875	4,450	5,225	6,350	7,950	10,675	11,450	12,250
$112,500 to $115,000	3,975	4,550	5,325	6,500	8,125	10,925	11,725	12,525
$115,000 to $117,500	4,050	4,675	5,450	6,625	8,325	11,175	11,975	12,800
$117,500 to $120,000	4,150	4,775	5,575	6,775	8,500	11,425	12,250	13,100
$120,000 to $122,500	4,225	4,875	5,700	6,925	8,675	11,650	12,500	13,375
$122,500 to $125,000	4,325	4,975	5,800	7,075	8,850	11,900	12,750	13,625
$125,000 to $127,500	4,400	5,075	5,925	7,225	9,050	12,150	13,025	13,925
$127,500 to $130,000	4,500	5,175	6,050	7,350	9,225	12,375	13,275	14,200
$130,000 to $132,500	4,575	5,275	6,175	7,500	9,400	12,625	13,550	14,475
$132,500 to $135,000	4,675	5,375	6,275	7,650	9,575	12,875	13,800	14,750
$135,000 to $137,500	4,750	5,475	6,400	7,775	9,750	13,100	14,050	15,025
$137,500 & Over	4,850	5,575	6,525	7,925	9,950	13,350	14,325	15,325

2013 Additional cash balance plan credit
East Program

	Years of Service								
Pay Bracket	0	1	2	3	4	5	6	7	8
Less Than $20,000	$5	$21	$37	$54	$71	$0	$7	$26	$45
$20,000 to $22,500	7	24	41	58	76	0	14	34	54
$22,500 to $25,000	0	14	33	52	73	0	15	37	60
$25,000 to $27,500	9	29	50	72	94	0	16	40	65
$27,500 to $30,000	0	19	42	66	90	0	17	43	71
$30,000 to $32,500	10	34	59	85	112	0	17	46	77
$32,500 to $35,000	0	24	51	79	108	0	18	50	82
$35,000 to $37,500	22	51	82	113	145	3	37	72	109
$37,500 to $40,000	23	56	91	126	162	0	39	79	120
$40,000 to $42,500	24	62	100	139	180	0	40	85	131
$42,500 to $45,000	26	67	109	153	198	0	42	91	142
$45,000 to $47,500	27	72	118	166	215	0	43	97	153
$47,500 to $50,000	28	77	127	179	233	13	70	129	189
$50,000 to $52,500	29	82	136	193	250	10	72	135	200
$52,500 to $55,000	30	87	146	206	268	7	73	141	211
$55,000 to $57,500	0	55	116	180	245	12	81	153	226
$57,500 to $60,000	36	98	162	228	297	17	90	164	241
$60,000 to $62,500	35	100	168	237	309	8	84	162	243
$62,500 to $65,000	16	84	154	226	300	2	81	163	247
$65,000 to $67,500	0	67	140	215	292	22	104	188	275
$67,500 to $70,000	0	60	136	214	294	2	87	175	265
$70,000 to $72,500	0	53	132	212	296	7	95	186	280
$72,500 to $75,000	0	46	127	211	298	12	103	198	295
$75,000 to $77,500	0	64	148	235	324	17	112	209	310

Table applies to additional credits made during 2013

2013 Additional cash balance plan credit
East Program

	Years of Service								
Pay Bracket	9	10	11	12	13	14-16	17	18	19+
Less Than $20,000	$65	$0	$7	$29	$51	$0	$0	$25	$0
$20,000 to $22,500	75	0	19	43	66	0	19	47	0
$22,500 to $25,000	83	0	8	34	60	0	0	31	0
$25,000 to $27,500	92	0	21	50	79	0	6	40	0
$27,500 to $30,000	100	4	34	66	98	0	12	50	0
$30,000 to $32,500	108	0	23	57	92	0	18	59	0
$32,500 to $35,000	116	0	36	73	110	0	24	68	0
$35,000 to $37,500	146	0	25	66	108	0	16	65	0
$37,500 to $40,000	162	6	51	98	146	0	28	83	0
$40,000 to $42,500	178	2	53	105	158	0	40	102	0
$42,500 to $45,000	194	0	54	112	171	0	27	96	0
$45,000 to $47,500	210	0	56	119	183	0	39	114	0
$47,500 to $50,000	252	0	57	126	196	0	51	133	0
$50,000 to $52,500	268	0	59	133	209	0	38	126	0
$52,500 to $55,000	284	8	85	165	246	0	50	145	0
$55,000 to $57,500	302	6	86	170	255	0	51	151	0
$57,500 to $60,000	321	3	87	175	264	0	53	157	0
$60,000 to $62,500	327	0	76	168	262	0	69	179	0
$62,500 to $65,000	333	0	90	185	283	0	55	169	0
$65,000 to $67,500	365	8	103	202	303	0	67	185	0
$67,500 to $70,000	359	5	104	207	312	0	68	191	0
$70,000 to $72,500	377	2	105	212	321	0	70	197	0
$72,500 to $75,000	396	0	106	217	330	0	71	203	0
$75,000 to $77,500	415	0	108	222	339	0	72	209	0

Table applies to additional credits made during 2013

2013 Additional cash balance plan credit
East Program

	Years of Service								
Pay Bracket	0	1	2	3	4	5	6	7	8
$77,500 to $80,000	$0	$48	$135	$224	$316	$11	$109	$210	$314
$80,000 to $82,500	0	66	155	248	343	16	117	222	329
$82,500 to $85,000	0	59	151	246	345	21	125	233	344
$85,000 to $87,500	0	67	162	260	361	16	123	234	348
$87,500 to $90,000	0	60	158	259	363	21	131	245	363
$90,000 to $92,500	0	78	179	283	390	26	139	257	378
$92,500 to $95,000	0	71	175	282	392	31	148	268	393
$95,000 to $97,500	0	80	186	296	409	25	145	269	396
$97,500 to $100,000	0	73	182	294	410	30	153	280	412
$100,000 to $102,500	0	91	203	318	437	35	162	292	427
$102,500 to $105,000	0	74	189	307	429	30	159	293	430
$105,000 to $107,500	0	92	210	331	456	35	167	304	445
$107,500 to $110,000	0	85	206	330	458	15	151	291	435
$110,000 to $112,500	0	94	217	344	474	34	173	316	464
$112,500 to $115,000	0	87	213	342	476	39	181	328	479
$115,000 to $117,500	0	105	233	366	503	19	164	314	469
$117,500 to $120,000	0	98	229	365	505	24	173	326	484
$120,000 to $122,500	0	106	240	379	521	19	170	326	488
$122,500 to $125,000	0	99	236	378	523	24	178	338	503
$125,000 to $127,500	0	117	257	401	550	29	187	350	518
$127,500 to $130,000	0	101	243	390	542	23	184	350	521
$130,000 to $132,500	0	119	264	414	569	28	192	362	536
$132,500 to $135,000	0	112	260	413	570	33	201	373	551
$135,000 to $137,500	0	120	271	427	587	28	198	374	555
$137,500 & Over	0	113	267	426	589	33	206	385	570

Table applies to additional credits made during 2013

2013 Additional cash balance plan credit
East Program

	Years of Service								
Pay Bracket	9	10	11	12	13	14-16	17	18	19+
$77,500 to $80,000	$421	$7	$121	$239	$360	$0	$84	$225	$0
$80,000 to $82,500	440	4	122	244	369	0	85	231	0
$82,500 to $85,000	459	2	123	249	378	0	87	237	0
$85,000 to $87,500	465	12	137	266	399	0	98	253	0
$87,500 to $90,000	484	9	138	271	408	0	99	259	0
$90,000 to $92,500	503	6	139	276	417	0	101	265	0
$92,500 to $95,000	521	4	140	281	426	0	102	271	0
$95,000 to $97,500	528	14	154	298	446	0	113	287	0
$97,500 to $100,000	547	11	155	303	455	0	115	293	0
$100,000 to $102,500	565	8	156	308	464	0	116	299	0
$102,500 to $105,000	572	18	169	325	485	0	128	314	0
$105,000 to $107,500	591	16	170	330	494	0	129	321	0
$107,500 to $110,000	584	13	171	335	503	0	131	327	0
$110,000 to $112,500	616	0	160	327	499	0	117	317	0
$112,500 to $115,000	635	20	186	357	533	0	118	323	0
$115,000 to $117,500	628	18	187	362	542	0	145	354	0
$117,500 to $120,000	647	15	188	367	551	0	146	361	0
$120,000 to $122,500	654	0	177	359	547	0	132	351	0
$122,500 to $125,000	672	22	203	389	581	0	134	357	0
$125,000 to $127,500	691	20	204	394	590	0	135	363	0
$127,500 to $130,000	698	5	192	386	585	0	147	379	0
$130,000 to $132,500	716	2	193	391	594	0	148	385	0
$132,500 to $135,000	735	24	220	421	628	0	149	391	0
$135,000 to $137,500	742	9	208	413	624	0	161	407	0
$137,500 & Over	760	7	209	418	633	0	162	413	0

Table applies to additional credits made during 2013

Summary of plan provisions
Midwest Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any bargained employee who is regularly employed by Ameritech will become a Participant on the latter of attaining age 21 or the day after completing one year of Service. Effective January 1, 2010 this program was closed to new hires and rehires in the Midwest Core CWA, Midwest Core IBEW, and CWA Global Services contracts hired on or after August 9, 2009. Effective April 1, 2010 this program was closed to new hires and rehires in the IBEW Global Services (Local 21, 58, 134) contracts hired on or after August 9, 2009. Effective June 1, 2011 this program was closed to new hires and rehires in the CWA Ameritech Publishing contract hired after January 1, 2011.

Definitions

Year of service

A Participant who completes 1,000 or more hours of service during a plan year, or during the first twelve months of employment, will be credited with a year of Service. Years of Service are used for determining participation and eligibility for benefits. Effective January 1, 2010, for active employees if any part of the accrued benefit is determined as a Cash Balance Account or DLS Account then the participant is vested after 3 years.

Years and months of service

For purposes of determining the Participant's Accrued Benefit, Years and Months of Service shall include employment with a Participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Basic monthly pension benefit

Dollar amount corresponding to the Pension Band number shown in the Monthly Benefit Table for the pension band which applies to the Participant's job title, multiplied by the Participant's Years and Months of Service.

Target income replacement amount

Average income replacement of a 40-year service retiree for all jobs in Pension Bands 101-134, based on monthly benefit amounts, multiplied by the fraction of July Consumer Price Index (CPI) for year of retirement to 3-year average July CPI.

Supplemental pay

Bonus payments of $250 in 2006, $375 in 2007, and $375 in 2008 will be included effective January 1, 2005.

Supplemental monthly pension benefit
Equal to the product of the following:

- average annual differentials, Supplemental Pay, Target incentive compensation (effective June 1, 2010), Success sharing plan payments that are not contributed to an HRA (for Ameritech Publishing effective June 1, 2011, for Midwest Core CWA effective January 1, 2013, and for Midwest Core IBEW effective January 1, 2014), and special payment for the last 36 months (include in charge allowances, extra payments for temporary assignments or temporary promotions, evening and night differentials, job differentials, and commissions for final account collection specialists),
- 0.001, and
- the employee's Years and Months of Service.

Special pension account (SPA)
Effective December 31, 1999, a special pension account (SPA) was created for all participants eligible to retire. The SPA was set equal to the lump sum value of the participant's December 31, 1999 retirement benefit assuming they retire on that date. Most participants accrued the SPA with interest to December 31, 2000 as of January 1, 2001. Interest was credited during 2000 based on the plan's lump sum conversion rate. Effective December 31, 2000, the SPA was set equal to the greater of the participant's SPA balance at December 31, 2000 and the lump sum value of the participant's December 31, 2000 retirement benefit assuming they retire on that date. During 2001, bargained participants accrued the SPA with interest to December 31, 2001 based on the plan's lump sum conversion rate. As of December 31, 2001, the SPA lump sum was frozen.

Service pension

Eligibility
Termination of employment after attaining age 65 with 10 years of Service, age 55 with 20 years of Service, age 50 with 25 years of Service or 30 years of Service.

Accrued benefit
A monthly benefit equal to the greater of the SPA, converted to an annuity, and the sum of the following:

- the Basic Monthly Pension Benefit, and
- the Supplemental Monthly Pension Benefit.

If the Participant was eligible for a Service Pension on December 31, 2000, the value of the Special Pension Account (SPA) is a minimum benefit.

Reduction
After meeting eligibility for a Service Pension, a Participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit, reduced for commencement prior to age 55. The reduction is ½% for each month prior to age 55 with less than 30 years of Service and is unreduced with 30 or more years of Service.

Lump sum benefit
A lump sum benefit is available equal to the Accrued Benefit, converted to a lump sum.

Date payments begin
The monthly pension commences on the first day of the month coinciding with or next following the date of retirement, unless the Participant elects otherwise, but no later than the month he turns 65.

Disability pension

Eligibility
An employee who has at least 15 years of Service and who becomes totally disabled prior to age 65.

Benefit
The Participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit based on Service and compensation as of the date of termination, without reduction for commencement prior to age 65

Date payments begin
Benefits begin immediately following termination of employment due to total disability. If disability occurs, after attaining Service Pension eligibility, the benefit is paid from the qualified trust. If disability occurs prior to attaining Service Pension eligibility, the benefit is paid from company operating funds until the Participant turns age 65, at which time the benefit is converted to a Service Pension and paid from the qualified Trust.

Deferred vested pension

Eligibility
Termination of employment after completing at least 5 years of Service, and before reaching eligibility for Service Pension. However, effective January 1, 2010, if any part of the accrued benefit is determined as a Cash Balance Account or DLS Account then the Participant is eligible after 3 years of Vesting Service.

Benefit
The monthly benefit, payable as a straight life annuity starting on the Participant's Normal Retirement Age (the later of age 65 or the fourth anniversary of plan participation), equals the Participant's Accrued Benefit on the date of termination. The benefit is actuarially reduced if commenced prior to Normal Retirement Age.

Date payments begin
A Participant who terminates employment eligible for a Deferred Vested Pension receives a benefit commencing at Normal retirement Age or at termination of service, if later. If the Participant has sufficient Service for early retirement eligibility, the Deferred Vested Pension may commence early when the Participant later meets the age requirements.

Surviving spouse's benefit

Eligibility

Surviving spouse of an active vested or deferred vested Participant in the event of the Participant's death.

Benefit

The eligible spouse of an active participant who dies prior to Normal Retirement Age and before benefit payments commence is entitled to one of the following benefits:

- If the participant dies with 3 or more years of Vesting Service, has less than 15 years of Pension Eligibility Service, and is not eligible for a Service Pension, the eligible spouse receives a deferred monthly survivor benefit for life beginning on the date the participant would have reached earliest eligibility to commence a Deferred Vested Pension. The benefit is computed as though the participant had left service on the date of death, survived until the earliest eligibility to commence a Deferred Vested Pension, retired at that time with the qualified survivor annuity option, and died the next day. In lieu of the monthly survivor benefit, a surviving spouse will have the option of electing to receive a lump sum actuarially equivalent to the deferred monthly survivor benefit.
- If the participant dies eligible for a Service Pension or with 15 years of Pension Eligibility Service, a surviving spouse receives a monthly survivor pension payable for life equal to 45% of the Accrued Benefit. The spouse's benefit will commence on the first day of the month following the participant's date of death. In lieu of the monthly survivor benefit, a surviving spouse will have the option of electing to receive a lump sum actuarially equivalent to the monthly survivor benefit.

Death benefit if no surviving spouse

Eligibility

For CWA or IBEW members under the core contracts and API and APIL bargaining units, death of an active vested or deferred vested Participant that does not have a surviving spouse.

Lump sum benefit

A lump sum actuarially equivalent to the surviving spouse benefit based on the employee's date of birth.

Lump sum death benefit

The Plan provides a Lump Sum Death Benefit equal to the wages earned in the 12-month period ending on the month of death. This benefit is paid if an eligible active employee dies due to sickness or non-job-related injury and is survived by an "Eligible Beneficiary" (spouse, dependent child, dependent parent, or registered domestic partner). The benefit is also paid if an eligible Disability or Service Pensioner dies and is survived by an Eligible Beneficiary. API employees hired on or after January 1, 1991 will not be entitled to any death benefits while active or upon retirement. All other company employees hired on or after January 1, 1993 will not be entitled to any death benefits upon retirement. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust for participants terminated prior to January 1, 2009.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the Participant that retired from the plan, the 10% reduction factor is removed for the future payments. The normal form with respect to all other Participants is a single life annuity.

In lieu of the normal form of retirement benefit, a married 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, a 75% joint and survivor annuity, or a 100% joint and survivor annuity. J&S options are with pop-up if service pension eligible.

A Participant may also elect to receive a lump sum. Benefits will be converted to lump sums based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30-year Treasury bond yield for the month of November of the preceding year. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the November of the prior year. For certain contracts, including the core contract, conversion based on the prior lump basis will be available for retirement eligible employees with payment commencing prior to March 31, 2012.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Pension band amounts

The table on the following page presents Pension Band Amounts for various band numbers.

Monthly pension band amounts
Midwest Program*
(bands 200 to 233)

Pension Band	Terminations: On or after 1/1/2010 and before 1/1/2011	Terminations: On or after 1/1/2011 and before 1/1/2012	Terminations: On or after 1/1/2012 and before 1/1/2013	Pension Bands	Terminations: On or after 1/1/2010 and before 1/1/2011	Terminations: On or after 1/1/2011 and before 1/1/2012	Terminations: On or after 1/1/2012 and before 1/1/2013
200A	$27.47	$28.02	$28.58	216	$61.43	$62.66	$63.91
200B	29.37	29.96	30.56	217	63.20	64.46	65.75
200C	31.25	31.88	32.52	218	64.96	66.26	67.59
201	33.17	33.83	34.51	219	66.73	68.06	69.42
202	35.04	35.74	36.45	220	68.45	69.82	71.22
203	36.92	37.66	38.41	221	70.20	71.60	73.03
204	38.83	39.61	40.40	222	71.90	73.34	74.81
205	40.72	41.53	42.36	223	73.63	75.10	76.60
206	42.64	43.49	44.36	224	75.35	76.86	78.40
207	44.53	45.42	46.33	225	77.02	78.56	80.13
208	46.42	47.35	48.30	226	78.90	80.48	82.09
209	48.31	49.28	50.27	227	80.74	82.35	84.00
210	50.16	51.16	52.18	228	82.63	84.28	85.97
211	52.08	53.12	54.18	229	84.46	86.15	87.87
212	54.00	55.08	56.18	230	86.33	88.06	89.82
213	55.90	57.02	58.16	231	88.19	89.95	91.75
214	57.78	58.94	60.12	232	90.04	91.84	93.68
215	59.67	60.86	62.08	233	91.89	93.73	95.60

* Table only applies to members of the CWA or IBEW under the Midwest core contracts, excluding SBC Global Services.

Monthly pension band amounts
Midwest Program: CWA District 4*
(bands 200 to 233)

Pension Band	Terminations: On or after 1/1/2013 and before 1/1/2014	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015	Pension Bands	Terminations: On or after 1/1/2013 and before 1/1/2014	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015
200A	$28.87	$29.16	$29.45	216	$64.55	$65.20	$65.85
200B	30.87	31.18	31.49	217	66.41	67.07	67.74
200C	32.85	33.18	33.51	218	68.27	68.95	69.64
201	34.86	35.21	35.56	219	70.11	70.81	71.52
202	36.81	37.18	37.55	220	71.93	72.65	73.38
203	38.79	39.18	39.57	221	73.76	74.50	75.25
204	40.80	41.21	41.62	222	75.56	76.32	77.08
205	42.78	43.21	43.64	223	77.37	78.14	78.92
206	44.80	45.25	45.70	224	79.18	79.97	80.77
207	46.79	47.26	47.73	225	80.93	81.74	82.56
208	48.78	49.27	49.76	226	82.91	83.74	84.58
209	50.77	51.28	51.79	227	84.84	85.69	86.55
210	52.70	53.23	53.76	228	86.83	87.70	88.58
211	54.72	55.27	55.82	229	88.75	89.64	90.54
212	56.74	57.31	57.88	230	90.72	91.63	92.55
213	58.74	59.33	59.92	231	92.67	93.60	94.54
214	60.72	61.33	61.94	232	94.62	95.57	96.53
215	62.70	63.33	63.96	233	96.56	97.53	98.51

* Excluding SBC Global Services.

Monthly pension band amounts
Midwest Program: IBEW *
(bands 200 to 233)

Pension Band	Terminations On or After 1/1/2013 and Before 1/1/2014	Terminations On or After 1/1/2014 and Before 1/1/2015	Terminations On or After 1/1/2015 and Before 1/1/2016	Pension Bands	Terminations On or After 1/1/2013 and Before 1/1/2014	Terminations On or After 1/1/2014 and Before 1/1/2015	Terminations On or After 1/1/2015 and Before 1/1/2016
200A	$28.58	$28.87	$29.16	216	$63.91	$64.55	$65.20
200B	30.56	30.87	31.18	217	65.75	66.41	67.07
200C	32.52	32.85	33.18	218	67.59	68.27	68.95
201	34.51	34.86	35.21	219	69.42	70.11	70.81
202	36.45	36.81	37.18	220	71.22	71.93	72.65
203	38.41	38.79	39.18	221	73.03	73.76	74.50
204	40.40	40.80	41.21	222	74.81	75.56	76.32
205	42.36	42.78	43.21	223	76.60	77.37	78.14
206	44.36	44.80	45.25	224	78.40	79.18	79.97
207	46.33	46.79	47.26	225	80.13	80.93	81.74
208	48.30	48.78	49.27	226	82.09	82.91	83.74
209	50.27	50.77	51.28	227	84.00	84.84	85.69
210	52.18	52.70	53.23	228	85.97	86.83	87.70
211	54.18	54.72	55.27	229	87.87	88.75	89.64
212	56.18	56.74	57.31	230	89.82	90.72	91.63
213	58.16	58.74	59.33	231	91.75	92.67	93.60
214	60.12	60.72	61.33	232	93.68	94.62	95.57
215	62.08	62.70	63.33	233	95.60	96.56	97.53

* Excluding SBC Global Services.

Monthly pension band amounts
Midwest Program: IBEW*
(bands 200 to 233)

Pension Band	Terminations: On or After 1/1/2016 and Before 1/1/2017	Terminations: On or After 1/1/2017	Pension Bands	Terminations: On or After 1/1/2016 and Before 1/1/2017	Terminations: On or After 1/1/2017
200A	$29.45	$29.74	216	$65.85	$66.51
200B	31.49	31.80	217	67.74	68.42
200C	33.51	33.85	218	69.64	70.34
201	35.56	35.92	219	71.52	72.24
202	37.55	37.93	220	73.38	74.11
203	39.57	39.97	221	75.25	76.00
204	41.62	42.04	222	77.08	77.85
205	43.64	44.08	223	78.92	79.71
206	45.70	46.16	224	80.77	81.58
207	47.73	48.21	225	82.56	83.39
208	49.76	50.26	226	84.58	85.43
209	51.79	52.31	227	86.55	87.42
210	53.76	54.30	228	88.58	89.47
211	55.82	56.38	229	90.54	91.45
212	57.88	58.46	230	92.55	93.48
213	59.92	60.52	231	94.54	95.49
214	61.94	62.56	232	96.53	97.50
215	63.96	64.60	233	98.51	99.50

* Excluding SBC Global Services.

Monthly pension band amounts
SBC Global Services, Inc.*
(bands 306 to 322)

	Terminations				
Pension Band	On or After 4/1/2012 and Before 1/1/2014	On or After 1/1/2014 and Before 1/1/2015	On or After 1/1/2015 and Before 1/1/2016	On or After 1/1/2016 and	On or After 1/1/2017
306	$39.31	$39.70	$40.10	$40.50	$40.91
316	56.66	57.23	57.80	58.38	58.96
318	59.90	60.50	61.11	61.72	62.34
319	61.52	62.14	62.76	63.39	64.02
322	66.29	66.95	67.62	68.30	68.98

*Table applies to IBEW Local 58

Monthly pension band amounts
SBC Global Services, Inc.*
(band 528)

	Terminations				
Pension Band	On or After 4/1/2012 and Before 1/1/2014	On or After 1/1/2014 and Before 1/1/2015	On or After 1/1/2015 and Before 1/1/2016	On or After 1/1/2016 and	On or After 1/1/2017
528	$70.44	$71.14	$71.85	$72.57	$73.30

*Table applies to IBEW Local 134

Monthly pension band amounts
SBC Global Services, Inc.*
(bands 601 to 633)

Pension Band	Terminations On or After 4/1/2012 and Before 1/1/2014	Terminations On or After 1/1/2014 and Before 1/1/2015	Terminations On or After 1/1/2015 and Before 1/1/2016	Pension Bands	Terminations On or After 4/1/2012 and Before 1/1/2014	Terminations On or After 1/1/2014 and Before 1/1/2015	Terminations On or After 1/1/2015 and Before 1/1/2016
601	$29.48	$29.77	$30.07	618	$57.74	$58.32	$58.90
602	31.15	31.46	31.77	619	59.29	59.88	60.48
603	32.82	33.15	33.48	620	60.84	61.45	62.06
604	34.51	34.86	35.21	621	62.39	63.01	63.64
605	36.20	36.56	36.93	622	63.89	64.53	65.18
606	37.88	38.26	38.64	623	65.43	66.08	66.74
607	39.58	39.98	40.38	624	66.95	67.62	68.30
608	41.26	41.67	42.09	625	68.47	69.15	69.84
609	42.93	43.36	43.79	626	70.13	70.83	71.54
610	44.61	45.06	45.51	627	71.76	72.48	73.20
611	46.30	46.76	47.23	628	73.43	74.16	74.90
612	47.97	48.45	48.93	629	75.05	75.80	76.56
613	49.66	50.16	50.66	630	76.71	77.48	78.25
614	51.36	51.87	52.39	631	78.38	79.16	79.95
615	53.04	53.57	54.11	632	80.01	80.81	81.62
616	54.61	55.16	55.71	633	81.67	82.49	83.31
617	56.17	56.73	57.30				

*Table applies to IBEW Local 21

Monthly pension band amounts
SBC Global Services, Inc.*
(bands 601 to 633)

Pension Band	Terminations On or After 1/1/2016 and Before 1/1/2017	Terminations On or After 1/1/2017	Pension Bands	Terminations On or After 1/1/2016 and Before 1/1/2017	Terminations On or After 1/1/2017
601	$30.37	$30.67	618	$59.49	$60.08
602	32.09	32.41	619	61.08	61.69
603	33.81	34.15	620	62.68	63.31
604	35.56	35.92	621	64.28	64.92
605	37.30	37.67	622	65.83	66.49
606	39.03	39.42	623	67.41	68.08
607	40.78	41.19	624	68.98	69.67
608	42.51	42.94	625	70.54	71.25
609	44.23	44.67	626	72.26	72.98
610	45.97	46.43	627	73.93	74.67
611	47.70	48.18	628	75.65	76.41
612	49.42	49.91	629	77.33	78.10
613	51.17	51.68	630	79.03	79.82
614	52.91	53.44	631	80.75	81.56
615	54.65	55.20	632	82.44	83.26
616	56.27	56.83	633	84.14	84.98
617	57.87	58.45			

*Table applies to IBEW Local 21

Monthly pension band amounts
CWA District 4 (SBC Global Services, Inc.)
(bands 701 to 733)

Pension Band	Terminations: On or after 1/1/2013 and before 1/1/2014	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015
701	$37.97	$38.35	$38.73
702	40.12	40.52	40.93
703	42.27	42.69	43.12
704	44.46	44.90	45.35
705	46.64	47.11	47.58
706	48.79	49.28	49.77
707	50.97	51.48	51.99
708	53.13	53.66	54.20
709	55.29	55.84	56.40
710	57.42	57.99	58.57
711	59.65	60.25	60.85
712	61.81	62.43	63.05
713	63.97	64.61	65.26
714	66.16	66.82	67.49
715	68.31	68.99	69.68
716	70.33	71.03	71.74
717	72.36	73.08	73.81
718	$74.39	$75.13	$75.88
719	76.39	77.15	77.92
720	78.38	79.16	79.95
721	80.38	81.18	81.99
722	82.32	83.14	83.97
723	84.28	85.12	85.97
724	86.22	87.08	87.95
725	88.19	89.07	89.96
726	90.32	91.22	92.13
727	92.47	93.39	94.32
728	94.58	95.53	96.49
729	96.67	97.64	98.62
730	98.82	99.81	100.81
731	100.94	101.95	102.97
732	103.05	104.08	105.12
733	105.19	106.24	107.30

Summary of plan provisions
AT&T Legacy Bargained Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any (i) U.S. employee represented by a union which agrees to the pension plan, (ii) U.S. nonsalaried employee whose position is subject to wage progression or who is paid weekly or biweekly, (iii) U.S. nonsalaried employee temporarily promoted to a salaried management position, (iv) salaried-graded employee, or (v) occupational employee in a sales commission plan, who is employed by an AT&T Corp. Participating Company becomes a participant immediately upon attaining at least age 21. Effective January 1, 2010 this program was closed to new hires and rehires in the IBEW AT&T Core Contract hired on or after August 9, 2009. Effective April 1, 2010 this program was closed to new hires and rehires in the CWA AT&T Core Contract hired on or after August 9, 2009.

Definitions

Vesting service

A year of Vesting Service is earned for every calendar year in which an employee is credited with 1,000 hours of service. Vesting Service does not begin until the year of the employee's 18th birthday. An employee is credited with 50 hours of service for any week in which the employee completes at least one hour. For actives on January 1, 2010, accrued benefits will be vested after three years.

Net credited service

Net Credited Service (NCS) includes years, months and days of employment with a Participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Service pension eligible

Attainment of age 65 with 10 years of Net Credited Service, attainment of age 55 with 20 years of Net Credited Service, attainment of age 50 with 25 years of Net Credited Service, or attainment of any age with 30 years of Net Credited Service.

Pension band formula

Under the pension band formula, the benefit is frozen as of September 30, 1998 unless a participant has 15 or more years of Net Credited Service on June 30, 1998 and was on the active roll of a Participating Company on May 10, 1998. The pension band formula benefit is the sum of a basic monthly pension benefit and a supplemental monthly pension benefit, if applicable. The basic monthly pension benefit is the monthly benefit factor from the Pension Band Amount shown in the tables for the pension band which applies to the participant's job title multiplied by Net Credited Service. Special rules apply for certain promotions and demotions. The supplemental monthly pension benefit is (i) x (ii) x (iii), where (i) is average annual supplemental pay for the final three years prior to termination or freeze, (ii) is 0.001, and (iii) Net Credited Service at termination or freeze. Success Sharing Plan Payments that are not contributed to an HRA are included in supplemental pay for CWA employees as of January 1, 2013 and for IBEW employees as of January 1, 2014..

Crediting period

Under the Cash Balance formula, the crediting period is the calendar year commencing January 1, 2000. The initial crediting period was July 1, 1998 through June 30, 1999. The six-month period July 1, 1999 through December 31, 1999 was used as a crediting period. When a pension begins, the last crediting period ends the last day of the month prior to benefit commencement.

Cash balance account

For active participants on both May 10, 1998 and July 1, 1999, the conversion credit is equal to {[(i) x (ii)] + (iii)} x (iv), where (i) is the pension band amount as of July 1, 1998, (ii) is Net Credited Service as of June 30, 1998, (iii) is any supplemental pension benefit as of June 30, 1998, and (iv) is the conversion factor. The Cash Balance Account as of July 1, 1999 is the conversion credit plus an interest credit of 7% for July 1, 1998 through June 30, 1999 and the pension band credit and differential pay credit, if any, for July 1, 1998 through June 30, 1999. The Cash Balance Account earns interest credits, pension band credits, differential pay credits (if applicable), special promotion credits (if applicable), and additional credits (if applicable) as follows:

- **Interest credits**
  Effective January 1, 2010 for CWA employees (and CWA NMNUs) active on August 8, 2009, interest is to be credited to the Cash Balance Account at the 30-year Treasury annual rate as of the November preceding the plan year. For July 1, 1998 through December 31, 2002, the interest crediting rate was 7%, for 2003 the interest crediting rate was 5.5%, for 2004 through 2005 the interest crediting rate was 4.5%, and for 2005 through 2009 the interest crediting rate was 4%. IBEW employees continue to earn 4% interest. Effective January 1, 2013, the Interest Crediting Rate for participants represented by the CWA and nonmanagement nonunion participants shall not be less than 3.75%.
- **Pension band credits**
  The Pension Band Credit is based on the pension band credit amounts shown in the tables and Net Credited Service (in whole years) as of the end of the crediting period. The pension band credit will be adjusted for part-time work, less than 12 months of work or changes in pension band during a crediting period.

- **Differential pay credits**
  The Differential Pay Credit equals a credit for each $100 of differential pay, if any, received during a crediting period. Effective June 1, 2010 target incentive compensation is included. Effective December 31, 2012, Success Sharing Plan Payments that are not contributed to an HRA are included. The credit is shown in the following table:

NCS (in whole years)	Differential pay credit
0-4	$3.00
5-9	$3.50
10-14	$4.00
15-19	$5.00
20-24	$6.00
25-29	$7.00
30-34	$8.50
35 & over	$10.00

- **Special promotion credits**
  The Special Promotion Credit is added to an account on June 30 or December 31 (special promotion crediting date) for promotions if the participant works in the higher pension band until the next special promotion crediting date that is at least six months after the promotion. The credit is the difference between the higher pension band credit and the lower pension band credit multiplied by Net Credited Service on the special promotion crediting date.
- **Additional credits**
  On December 31, 2012, an additional credit was added to the account of certain participants represented by the Communications Workers of America. The additional credit is shown in the tables based on pension band amounts and Net Credited Service.

  On January 1, 2013, an additional credit was added to the account of certain participants represented by the Communications Workers of America. The additional credit is $9,900 for those at least age 60 with at least 15 years of service as of April 8, 2012; $8,400 for those at least age 55 and less than 60 with at least 15 years of service as of April 8, 2012; and $2,400 for all others eligible for the credit.

Pension benefit

The pension benefit is, in general, determined under the Cash Balance formula. For participants with a Pension Band formula benefit, the pension benefit is the greater of this benefit or the Cash Balance formula benefit, based on age at commencement and the form of benefit elected.

Cash balance formula benefit

The Cash Balance formula monthly accrued benefit is calculated by projecting the current Cash Balance Account to the Normal Retirement Date using the current schedule of Interest Crediting Rates and then dividing by the applicable Simplified Monthly Payment Factor at the Normal Retirement Age. For benefit commencement prior to Normal Retirement Age, early retirement factors based on benefit commencement age and calendar year of commencement from the plan document are applied.

- **Eligibility**
  Upon termination if vested.
- **Date payments begin**
  At or after termination but not later than Normal Retirement Date. Any annuity form must commence at he same time the Cash Payment option if elected.

Pension band formula benefit

The Pension Band Formula monthly benefit is unreduced if it commences at or after age 55. Prior to age 55, it is reduced 0.5% each month commencement is prior to age 55 if Net Credited Service is less than 30 years. There is no reduction if commencement is prior to age 55 if Net Credited Service is at least 30 years.

- **Eligibility**
  Upon termination if vested.
- **Date payments begin**
  At or after termination but not later than Normal Retirement Age.

Surviving spouse's benefit

Eligibility

Surviving spouse of an active vested or deferred vested participant in the event of the participant's death.

Annuity benefit if participant active at death

Greatest of (i) Single life annuity derived from the Cash Balance Account, (ii) 50% of the greater of the Pension Band Formula Benefit reduced as though the participant had terminated on the date of death and elected the 50% J&S or (iii) the same as (ii) without reduction if active participant as of May 10, 1998 and as of June 30, 1999 had at least 15 years of Net Credited Service or was Service Pension Eligible.

Annuity benefit if participant not active at death
Greater of (i) Single life annuity derived from the Cash Balance Account or (ii) 50% of the greater of the Pension Band Benefit reduced as though the participant had terminated on the date of death and elected the 50% J&S. Benefits paid to a surviving spouse on behalf of participants who terminated employment before September 30, 1998 will be reduced for each year of pre-retirement death coverage, unless coverage has been waived.

Death benefit if no surviving spouse

Eligibility
Death of an active vested or deferred vested participant that does not have a surviving spouse.

Lump sum benefit
The full balance of the Cash Balance Account is paid to the estate.

Pensioner death benefit

Eligibility
Death of a former employee who retired before July 1, 1999 or was active as of May 10, 1998, who retires prior to January 1, 2008 and is Service Pension Eligible, who has at least 15 years of Net Credited Service, who has an Eligible Beneficiary, and who is receiving monthly benefits at death. Special rules apply to transfers and rehires. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust for participants terminated prior to January 1, 2009.

Lump sum benefit
One times base pay plus pension-includable differentials in effect as of the earlier of termination and June 30, 1999.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 92% of the Accrued Benefit, with 46% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the Participant that retired from the plan, the 8% reduction factor is removed for the future payments. The normal form with respect to all other Participants is a single life annuity.

In lieu of the normal form of retirement benefit, a married 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, a 75% or 100% joint and survivor annuity or single life annuity with 10-years certain J&S options are with pop-up.

The cash balance account can also be received as a lump sum, subject to IRC Section 417(e).

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Monthly pension band amounts
AT&T Legacy Bargained Program: CWA
(bands 101 to 135)

Pension Band	Terminations: On or after 1/1/2013 and before 1/1/2014	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015
101	$38.00	$38.38	$38.76
102	39.59	39.99	40.39
103	41.21	41.62	42.04
104	42.78	43.21	43.64
105	44.41	44.85	45.30
106	46.02	46.48	46.94
107	47.67	48.15	48.63
108	49.25	49.74	50.24
109	50.87	51.38	51.89
110	52.45	52.97	53.50
111	54.07	54.61	55.16
112	55.64	56.20	56.76
113	57.27	57.84	58.42
114	58.84	59.43	60.02
115	60.46	61.06	61.67
116	62.08	62.70	63.33
117	63.66	64.30	64.94
118	65.28	65.93	66.59
119	$66.88	$67.55	$68.23
120	68.46	69.14	69.83
121	70.05	70.75	71.46
122	71.69	72.41	73.13
123	73.25	73.98	74.72
124	74.88	75.63	76.39
125	76.51	77.28	78.05
126	78.08	78.86	79.65
127	79.69	80.49	81.29
128	81.28	82.09	82.91
129	82.89	83.72	84.56
130	84.49	85.33	86.18
131	86.11	86.97	87.84
132	87.70	88.58	89.47
133	89.29	90.18	91.08
134	90.95	91.86	92.78
135	92.50	93.43	94.36

Monthly pension band amounts
AT&T Legacy Bargained Program: IBEW
(bands 101 to 135)

Pension Band	Terminations On or After 1/1/2012 and Before 1/1/2014	Terminations On or After 1/1/2014 and Before 1/1/2015	Terminations On or After 1/1/2015 and Before 1/1/2016	Pension Band	Terminations On or After 1/1/2012 and Before 1/1/2014	Terminations On or After 1/1/2014 and Before 1/1/2015	Terminations On or After 1/1/2015 and Before 1/1/2016
101	$37.62	$38.00	$38.38	119	$66.22	$66.88	$67.55
102	39.20	39.59	39.99	120	67.78	68.46	69.14
103	40.80	41.21	41.62	121	69.36	70.05	70.75
104	42.36	42.78	43.21	122	70.98	71.69	72.41
105	43.97	44.41	44.85	123	72.52	73.25	73.98
106	45.56	46.02	46.48	124	74.14	74.88	75.63
107	47.20	47.67	48.15	125	75.75	76.51	77.28
108	48.76	49.25	49.74	126	77.31	78.08	78.86
109	50.37	50.87	51.38	127	78.90	79.69	80.49
110	51.93	52.45	52.97	128	80.48	81.28	82.09
111	53.53	54.07	54.61	129	82.07	82.89	83.72
112	55.09	55.64	56.20	130	83.65	84.49	85.33
113	56.70	57.27	57.84	131	85.26	86.11	86.97
114	58.26	58.84	59.43	132	86.83	87.70	88.58
115	59.86	60.46	61.06	133	88.41	89.29	90.18
116	61.47	62.08	62.70	134	90.05	90.95	91.86
117	63.03	63.66	64.30	135	91.58	92.50	93.43
118	64.63	65.28	65.93				

Monthly pension band amounts
AT&T Legacy Bargained Program: IBEW
(bands 101 to 135)

Pension Band	Terminations On or After 1/1/2016 and Before 1/1/2017	Terminations On or After 1/1/2017	Pension Band	Terminations On or After 1/1/2016 and Before 1/1/2017	Terminations On or After 1/1/2017
101	$38.76	$39.15	119	$68.23	$68.91
102	40.39	40.79	120	69.83	70.53
103	42.04	42.46	121	71.46	72.17
104	43.64	44.08	122	73.13	73.86
105	45.30	45.75	123	74.72	75.47
106	46.94	47.41	124	76.39	77.15
107	48.63	49.12	125	78.05	78.83
108	50.24	50.74	126	79.65	80.45
109	51.89	52.41	127	81.29	82.10
110	53.50	54.04	128	82.91	83.74
111	55.16	55.71	129	84.56	85.41
112	56.76	57.33	130	86.18	87.04
113	58.42	59.00	131	87.84	88.72
114	60.02	60.62	132	89.47	90.36
115	61.67	62.29	133	91.08	91.99
116	63.33	63.96	134	92.78	93.71
117	64.94	65.59	135	94.36	95.30
118	66.59	67.26			

Pension band credits
AT&T Legacy Bargained Program: CWA
(bands 101 to 118)

	On or after 1/1/2012							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	$1,061	$1,240	$1,414	$1,767	$2,122	$2,481	$3,008	$3,536
102	1,098	1,284	1,470	1,835	2,202	2,576	3,119	3,671
103	1,146	1,339	1,527	1,910	2,288	2,672	3,249	3,819
104	1,189	1,389	1,588	1,984	2,377	2,771	3,367	3,963
105	1,234	1,439	1,650	2,059	2,460	2,876	3,498	4,113
106	1,271	1,489	1,699	2,122	2,543	2,976	3,609	4,248
107	1,320	1,538	1,755	2,196	2,643	3,075	3,739	4,390
108	1,359	1,588	1,817	2,271	2,727	3,181	3,858	4,540
109	1,409	1,643	1,873	2,344	2,815	3,280	3,988	4,687
110	1,444	1,687	1,929	2,411	2,897	3,373	4,098	4,826
111	1,494	1,743	1,990	2,487	2,982	3,479	4,224	4,966
112	1,532	1,786	2,047	2,560	3,070	3,585	4,347	5,115
113	1,581	1,842	2,102	2,631	3,164	3,683	4,471	5,263
114	1,619	1,891	2,159	2,698	3,244	3,776	4,588	5,396
115	1,662	1,941	2,213	2,771	3,329	3,882	4,712	5,546
116	1,706	1,997	2,277	2,848	3,417	3,988	4,842	5,692
117	1,755	2,040	2,338	2,920	3,503	4,087	4,961	5,842
118	1,791	2,089	2,394	2,989	3,585	4,180	5,080	5,972

Pension band credits
AT&T Legacy Bargained Program: CWA
(bands 119 to 135)

	On or after 1/1/2012							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	$1,835	$2,145	$2,449	$3,065	$3,671	$4,285	$5,202	$6,121
120	1,878	2,196	2,504	3,131	3,764	4,385	5,334	6,269
121	1,923	2,245	2,566	3,206	3,852	4,495	5,452	6,418
122	1,960	2,288	2,616	3,274	3,932	4,588	5,563	6,548
123	2,009	2,344	2,678	3,348	4,018	4,687	5,692	6,697
124	2,059	2,400	2,742	3,424	4,106	4,787	5,823	6,846
125	2,097	2,444	2,798	3,498	4,192	4,893	5,942	6,994
126	2,139	2,494	2,853	3,566	4,273	4,992	6,052	7,125
127	2,188	2,560	2,920	3,653	4,378	5,109	6,207	7,299
128	2,238	2,604	2,982	3,721	4,465	5,209	6,331	7,446
129	2,271	2,654	3,026	3,783	4,540	5,297	6,437	7,564
130	2,312	2,698	3,081	3,852	4,620	5,390	6,548	7,702
131	2,356	2,748	3,144	3,924	4,706	5,496	6,672	7,851
132	2,400	2,798	3,201	3,998	4,792	5,600	6,796	8,000
133	2,444	2,853	3,255	4,074	4,886	5,700	6,927	8,142
134	2,487	2,902	3,312	4,137	4,966	5,792	7,039	8,279
135	2,525	2,947	3,367	4,211	5,054	5,898	7,162	8,427

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 101 to 118)

	On or after 1/1/2012 and Before 1/1/2014							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	$1,061	$1,240	$1,414	$1,767	$2,122	$2,481	$3,008	$3,536
102	1,098	1,284	1,470	1,835	2,202	2,576	3,119	3,671
103	1,146	1,339	1,527	1,910	2,288	2,672	3,249	3,819
104	1,189	1,389	1,588	1,984	2,377	2,771	3,367	3,963
105	1,234	1,439	1,650	2,059	2,460	2,876	3,498	4,113
106	1,271	1,489	1,699	2,122	2,543	2,976	3,609	4,248
107	1,320	1,538	1,755	2,196	2,643	3,075	3,739	4,390
108	1,359	1,588	1,817	2,271	2,727	3,181	3,858	4,540
109	1,409	1,643	1,873	2,344	2,815	3,280	3,988	4,687
110	1,444	1,687	1,929	2,411	2,897	3,373	4,098	4,826
111	1,494	1,743	1,990	2,487	2,982	3,479	4,224	4,966
112	1,532	1,786	2,047	2,560	3,070	3,585	4,347	5,115
113	1,581	1,842	2,102	2,631	3,164	3,683	4,471	5,263
114	1,619	1,891	2,159	2,698	3,244	3,776	4,588	5,396
115	1,662	1,941	2,213	2,771	3,329	3,882	4,712	5,546
116	1,706	1,997	2,277	2,848	3,417	3,988	4,842	5,692
117	1,755	2,040	2,338	2,920	3,503	4,087	4,961	5,842
118	1,791	2,089	2,394	2,989	3,585	4,180	5,080	5,972

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 119 to 135)

	On or after 1/1/2012 and Before 1/1/2014							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	$1,835	$2,145	$2,449	$3,065	$3,671	$4,285	$5,202	$6,121
120	1,878	2,196	2,504	3,131	3,764	4,385	5,334	6,269
121	1,923	2,245	2,566	3,206	3,852	4,495	5,452	6,418
122	1,960	2,288	2,616	3,274	3,932	4,588	5,563	6,548
123	2,009	2,344	2,678	3,348	4,018	4,687	5,692	6,697
124	2,059	2,400	2,742	3,424	4,106	4,787	5,823	6,846
125	2,097	2,444	2,798	3,498	4,192	4,893	5,942	6,994
126	2,139	2,494	2,853	3,566	4,273	4,992	6,052	7,125
127	2,188	2,560	2,920	3,653	4,378	5,109	6,207	7,299
128	2,238	2,604	2,982	3,721	4,465	5,209	6,331	7,446
129	2,271	2,654	3,026	3,783	4,540	5,297	6,437	7,564
130	2,312	2,698	3,081	3,852	4,620	5,390	6,548	7,702
131	2,356	2,748	3,144	3,924	4,706	5,496	6,672	7,851
132	2,400	2,798	3,201	3,998	4,792	5,600	6,796	8,000
133	2,444	2,853	3,255	4,074	4,886	5,700	6,927	8,142
134	2,487	2,902	3,312	4,137	4,966	5,792	7,039	8,279
135	2,525	2,947	3,367	4,211	5,054	5,898	7,162	8,427

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 101 to 118)

	On or after 1/1/2014 and Before 1/1/2015							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	$1,072	$1,252	$1,428	$1,785	$2,143	$2,506	$3,038	$3,571
102	1,109	1,297	1,485	1,853	2,224	2,602	3,150	3,708
103	1,157	1,352	1,542	1,929	2,311	2,699	3,281	3,857
104	1,201	1,403	1,604	2,004	2,401	2,799	3,401	4,003
105	1,246	1,453	1,667	2,080	2,485	2,905	3,533	4,154
106	1,284	1,504	1,716	2,143	2,568	3,006	3,645	4,290
107	1,333	1,553	1,773	2,218	2,669	3,106	3,776	4,434
108	1,373	1,604	1,835	2,294	2,754	3,213	3,897	4,585
109	1,423	1,659	1,892	2,367	2,843	3,313	4,028	4,734
110	1,458	1,704	1,948	2,435	2,926	3,407	4,139	4,874
111	1,509	1,760	2,010	2,512	3,012	3,514	4,266	5,016
112	1,547	1,804	2,067	2,586	3,101	3,621	4,390	5,166
113	1,597	1,860	2,123	2,657	3,196	3,720	4,516	5,316
114	1,635	1,910	2,181	2,725	3,276	3,814	4,634	5,450
115	1,679	1,960	2,235	2,799	3,362	3,921	4,759	5,601
116	1,723	2,017	2,300	2,876	3,451	4,028	4,890	5,749
117	1,773	2,060	2,361	2,949	3,538	4,128	5,011	5,900
118	1,809	2,110	2,418	3,019	3,621	4,222	5,131	6,032

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 119 to 135)

	On or after 1/1/2014 and Before 1/1/2015							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	$1,853	$2,166	$2,473	$3,096	$3,708	$4,328	$5,254	$6,182
120	1,897	2,218	2,529	3,162	3,802	4,429	5,387	6,332
121	1,942	2,267	2,592	3,238	3,891	4,540	5,507	6,482
122	1,980	2,311	2,642	3,307	3,971	4,634	5,619	6,613
123	2,029	2,367	2,705	3,381	4,058	4,734	5,749	6,764
124	2,080	2,424	2,769	3,458	4,147	4,835	5,881	6,914
125	2,118	2,468	2,826	3,533	4,234	4,942	6,001	7,064
126	2,160	2,519	2,882	3,602	4,316	5,042	6,113	7,196
127	2,210	2,586	2,949	3,690	4,422	5,160	6,269	7,372
128	2,260	2,630	3,012	3,758	4,510	5,261	6,394	7,520
129	2,294	2,681	3,056	3,821	4,585	5,350	6,501	7,640
130	2,335	2,725	3,112	3,891	4,666	5,444	6,613	7,779
131	2,380	2,775	3,175	3,963	4,753	5,551	6,739	7,930
132	2,424	2,826	3,233	4,038	4,840	5,656	6,864	8,080
133	2,468	2,882	3,288	4,115	4,935	5,757	6,996	8,223
134	2,512	2,931	3,345	4,178	5,016	5,850	7,109	8,362
135	2,550	2,976	3,401	4,253	5,105	5,957	7,234	8,511

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 101 to 118)

	On or after 1/1/2015 and Before 1/1/2016							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	$1,083	$1,265	$1,442	$1,803	$2,164	$2,531	$3,068	$3,607
102	1,120	1,310	1,500	1,872	2,246	2,628	3,182	3,745
103	1,169	1,366	1,557	1,948	2,334	2,726	3,314	3,896
104	1,213	1,417	1,620	2,024	2,425	2,827	3,435	4,043
105	1,258	1,468	1,684	2,101	2,510	2,934	3,568	4,196
106	1,297	1,519	1,733	2,164	2,594	3,036	3,681	4,333
107	1,346	1,569	1,791	2,240	2,696	3,137	3,814	4,478
108	1,387	1,620	1,853	2,317	2,782	3,245	3,936	4,631
109	1,437	1,676	1,911	2,391	2,871	3,346	4,068	4,781
110	1,473	1,721	1,967	2,459	2,955	3,441	4,180	4,923
111	1,524	1,778	2,030	2,537	3,042	3,549	4,309	5,066
112	1,562	1,822	2,088	2,612	3,132	3,657	4,434	5,218
113	1,613	1,879	2,144	2,684	3,228	3,757	4,561	5,369
114	1,651	1,929	2,203	2,752	3,309	3,852	4,680	5,505
115	1,696	1,980	2,257	2,827	3,396	3,960	4,807	5,657
116	1,740	2,037	2,323	2,905	3,486	4,068	4,939	5,806
117	1,791	2,081	2,385	2,978	3,573	4,169	5,061	5,959
118	1,827	2,131	2,442	3,049	3,657	4,264	5,182	6,092

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 119 to 135)

	On or after 1/1/2015 and Before 1/1/2016							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	$1,872	$2,188	$2,498	$3,127	$3,745	$4,371	$5,307	$6,244
120	1,916	2,240	2,554	3,194	3,840	4,473	5,441	6,395
121	1,961	2,290	2,618	3,270	3,930	4,585	5,562	6,547
122	2,000	2,334	2,668	3,340	4,011	4,680	5,675	6,679
123	2,049	2,391	2,732	3,415	4,099	4,781	5,806	6,832
124	2,101	2,448	2,797	3,493	4,188	4,883	5,940	6,983
125	2,139	2,493	2,854	3,568	4,276	4,991	6,061	7,135
126	2,182	2,544	2,911	3,638	4,359	5,092	6,174	7,268
127	2,232	2,612	2,978	3,727	4,466	5,212	6,332	7,446
128	2,283	2,656	3,042	3,796	4,555	5,314	6,458	7,595
129	2,317	2,708	3,087	3,859	4,631	5,404	6,566	7,716
130	2,358	2,752	3,143	3,930	4,713	5,498	6,679	7,857
131	2,404	2,803	3,207	4,003	4,801	5,607	6,806	8,009
132	2,448	2,854	3,265	4,078	4,888	5,713	6,933	8,161
133	2,493	2,911	3,321	4,156	4,984	5,815	7,066	8,305
134	2,537	2,960	3,378	4,220	5,066	5,909	7,180	8,446
135	2,576	3,006	3,435	4,296	5,156	6,017	7,306	8,596

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 101 to 118)

	On or after 1/1/2016 and Before 1/1/2017							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	$1,094	$1,278	$1,456	$1,821	$2,186	$2,556	$3,099	$3,643
102	1,131	1,323	1,515	1,891	2,268	2,654	3,214	3,782
103	1,181	1,380	1,573	1,967	2,357	2,753	3,347	3,935
104	1,225	1,431	1,636	2,044	2,449	2,855	3,469	4,083
105	1,271	1,483	1,701	2,122	2,535	2,963	3,604	4,238
106	1,310	1,534	1,750	2,186	2,620	3,066	3,718	4,376
107	1,359	1,585	1,809	2,262	2,723	3,168	3,852	4,523
108	1,401	1,636	1,872	2,340	2,810	3,277	3,975	4,677
109	1,451	1,693	1,930	2,415	2,900	3,379	4,109	4,829
110	1,488	1,738	1,987	2,484	2,985	3,475	4,222	4,972
111	1,539	1,796	2,050	2,562	3,072	3,584	4,352	5,117
112	1,578	1,840	2,109	2,638	3,163	3,694	4,478	5,270
113	1,629	1,898	2,165	2,711	3,260	3,795	4,607	5,423
114	1,668	1,948	2,225	2,780	3,342	3,891	4,727	5,560
115	1,713	2,000	2,280	2,855	3,430	4,000	4,855	5,714
116	1,757	2,057	2,346	2,934	3,521	4,109	4,988	5,864
117	1,809	2,102	2,409	3,008	3,609	4,211	5,112	6,019
118	1,845	2,152	2,466	3,079	3,694	4,307	5,234	6,153

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 119 to 135)

	On or after 1/1/2016 and Before 1/1/2017							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	$1,891	$2,210	$2,523	$3,158	$3,782	$4,415	$5,360	$6,306
120	1,935	2,262	2,580	3,226	3,878	4,518	5,495	6,459
121	1,981	2,313	2,644	3,303	3,969	4,631	5,618	6,612
122	2,020	2,357	2,695	3,373	4,051	4,727	5,732	6,746
123	2,069	2,415	2,759	3,449	4,140	4,829	5,864	6,900
124	2,122	2,472	2,825	3,528	4,230	4,932	5,999	7,053
125	2,160	2,518	2,883	3,604	4,319	5,041	6,122	7,206
126	2,204	2,569	2,940	3,674	4,403	5,143	6,236	7,341
127	2,254	2,638	3,008	3,764	4,511	5,264	6,395	7,520
128	2,306	2,683	3,072	3,834	4,601	5,367	6,523	7,671
129	2,340	2,735	3,118	3,898	4,677	5,458	6,632	7,793
130	2,382	2,780	3,174	3,969	4,760	5,553	6,746	7,936
131	2,428	2,831	3,239	4,043	4,849	5,663	6,874	8,089
132	2,472	2,883	3,298	4,119	4,937	5,770	7,002	8,243
133	2,518	2,940	3,354	4,198	5,034	5,873	7,137	8,388
134	2,562	2,990	3,412	4,262	5,117	5,968	7,252	8,530
135	2,602	3,036	3,469	4,339	5,208	6,077	7,379	8,682

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 101 to 118)

	On or after 1/1/2017							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	$1,105	$1,291	$1,471	$1,839	$2,208	$2,582	$3,130	$3,679
102	1,142	1,336	1,530	1,910	2,291	2,681	3,246	3,820
103	1,193	1,394	1,589	1,987	2,381	2,781	3,380	3,974
104	1,237	1,445	1,652	2,064	2,473	2,884	3,504	4,124
105	1,284	1,498	1,718	2,143	2,560	2,993	3,640	4,280
106	1,323	1,549	1,768	2,208	2,646	3,097	3,755	4,420
107	1,373	1,601	1,827	2,285	2,750	3,200	3,891	4,568
108	1,415	1,652	1,891	2,363	2,838	3,310	4,015	4,724
109	1,466	1,710	1,949	2,439	2,929	3,413	4,150	4,877
110	1,503	1,755	2,007	2,509	3,015	3,510	4,264	5,022
111	1,554	1,814	2,071	2,588	3,103	3,620	4,396	5,168
112	1,594	1,858	2,130	2,664	3,195	3,731	4,523	5,323
113	1,645	1,917	2,187	2,738	3,293	3,833	4,653	5,477
114	1,685	1,967	2,247	2,808	3,375	3,930	4,774	5,616
115	1,730	2,020	2,303	2,884	3,464	4,040	4,904	5,771
116	1,775	2,078	2,369	2,963	3,556	4,150	5,038	5,923
117	1,827	2,123	2,433	3,038	3,645	4,253	5,163	6,079
118	1,863	2,174	2,491	3,110	3,731	4,350	5,286	6,215

Pension band credits
AT&T Legacy Bargained Program: IBEW
(bands 119 to 135)

	On or after 1/1/2017							
	Years of service in whole years at end of crediting period							
Pension Band	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	$1,910	$2,232	$2,548	$3,190	$3,820	$4,459	$5,414	$6,369
120	1,954	2,285	2,606	3,258	3,917	4,563	5,550	6,524
121	2,001	2,336	2,670	3,336	4,009	4,677	5,674	6,678
122	2,040	2,381	2,722	3,407	4,092	4,774	5,789	6,813
123	2,090	2,439	2,787	3,483	4,181	4,877	5,923	6,969
124	2,143	2,497	2,853	3,563	4,272	4,981	6,059	7,124
125	2,182	2,543	2,912	3,640	4,362	5,091	6,183	7,278
126	2,226	2,595	2,969	3,711	4,447	5,194	6,298	7,414
127	2,277	2,664	3,038	3,802	4,556	5,317	6,459	7,595
128	2,329	2,710	3,103	3,872	4,647	5,421	6,588	7,748
129	2,363	2,762	3,149	3,937	4,724	5,513	6,698	7,871
130	2,406	2,808	3,206	4,009	4,808	5,609	6,813	8,015
131	2,452	2,859	3,271	4,083	4,897	5,720	6,943	8,170
132	2,497	2,912	3,331	4,160	4,986	5,828	7,072	8,325
133	2,543	2,969	3,388	4,240	5,084	5,932	7,208	8,472
134	2,588	3,020	3,446	4,305	5,168	6,028	7,325	8,615
135	2,628	3,066	3,504	4,382	5,260	6,138	7,453	8,769

2012 Additional credits
AT&T Legacy Bargained Program
(bands 101 to 135)

Pension Band	Years of service in whole years On December 31, 2012			Pension Band	Years of service in whole years On December 31, 2012		
	0-13	14	15+		0-13	14	15+
101	$0	$6	$0	119	$0	$9	$0
102	0	4	0	120	0	14	0
103	0	7	0	121	0	11	0
104	0	4	0	122	0	14	0
105	0	2	0	123	0	12	0
106	0	7	0	124	0	7	0
107	0	8	0	125	0	11	0
108	0	6	0	126	0	8	0
109	0	9	0	127	0	11	0
110	0	9	0	128	0	8	0
111	0	4	0	129	0	12	0
112	0	7	0	130	0	12	0
113	0	12	0	131	0	9	0
114	0	8	0	132	0	12	0
115	0	14	0	133	0	15	0
116	0	9	0	134	0	13	0
117	0	8	0	135	0	17	0
118	0	4	0				

Table applies to additional credit made to cash balance accounts of CWA participants on December 31, 2012

Summary of plan provisions
Southeast Program of the AT&T Pension Benefit Plan

Eligibility

Any bargained employee who is regularly employed by a BellSouth Participating Company is eligible to participate in the Plan provided the employee is not younger than age 18. Effective January 1, 2011 this program is closed to new hires and rehires in any non-NDCA contract hired on or after August 9, 2009. Individuals employed as Wire Technician Employees are not eligible for the plan.

Definitions

Hour of service

An hour for which an employee is paid or entitled to payment.

Vesting service

A participant who completes 1,000 or more Hours of Service during a plan year will be credited with a year of Vesting Service. For actives (except NDCA and Utility Ops) on January 1, 2010, accrued benefits will now be vested after three years. For NDCA and Utility Ops employees, accrued benefits are vested after five years unless a part of their accrued benefit is a cash balance.

Net credited service

For purposes of determining the participant's Accrued Benefit, Net Credited Service shall include continuous employment with a participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Pre-99 pension band benefit

The Pre-99 Pension Band Benefit is equal to the sum of the following:

- **Basic monthly pension benefit**
  Dollar amount corresponding to the Pension Band number shown in the Pension Band table, for the Pension Band that such participant has been assigned as of the date of the calculation, multiplied by the participant's Net Credited Service as of December 31, 1998.

Supplemental monthly pension benefit

- Equal to the product of the following:
  - Average annual amount of differential pay for the last 36 months,
  - .001, and
  - Such participant's Net Credited Service as of December 31, 1998.

Cash balance account

As of January 1, 1999 the opening Cash Balance Account was equal to the greater of (i) such participant's Cash Balance Account under the Plan as of December 31, 1998, or (ii) $3,000. Thereafter, the Cash Balance Account earns Pension Band Credits and Interest Credits as follows:

- **Pension band credit**
  A Pension Band Credit is credited to the Cash Balance Account on an annual basis. The amount of the annual credit is equal to 60 times the pension band amount.
- **Interest credit**
  Interest is credited to the Cash Balance Account, based on the average 30-year Treasury bond yield for the month of November preceding the plan year. The historical interest credits are shown on the interest credits table.

Accrued benefit

A monthly benefit, payable at age 65, equal to the sum of the following:

- Pre-99 Pension Band Benefit multiplied by 1.06, and
- The Actuarial Equivalent of the Cash Balance Account, based on the average 30-year Treasury bond yield for the month of November preceding the plan year.

The cash balance account portion of the accrued benefit is the cash balance account, effective January 1, 2010.

Special provisions apply to employees classified as Utility Operations Employee, Cable Placing Operations Employee or National Directory and Customer Assistance Employee.

Service pension benefit

Eligibility

Termination of employment after 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 any age with 30 years of Net Credited Service.

Benefit

A participant may elect to have the Accrued Benefit payable in reduced amounts upon meeting eligibility for a Service Pension. The Pre-99 Service Pension Benefit is reduced for commencement prior to age 62 using the factor shown in the early retirement factors table. The Cash Balance portion is actuarially reduced if commenced prior to age 65.

Date payments begin
The monthly pension commences on the first day of the month coinciding with or next following the date of retirement, unless the participant elects otherwise, but no later than the month the participant turns age 65.

Deferred vested pension benefit

Eligibility
Termination of employment after completing at least 3 years of Vesting Service (5 years for NDCA and Utility Ops unless they have a cash balance account), and before reaching eligibility for Service Pension.

Benefit
A participant may elect to have the Accrued Benefit payable in reduced amounts upon attaining age 55 with more than 20 years of Net Credited Service, or upon attaining age 50 with 25 or more years of Net Credited Service. The Pre-99 Deferred Vested Pension Benefit is reduced using early retirement reduction factors shown in the deferred vested early retirement factors table, if commenced prior to age 65. The Cash Balance portion is actuarially reduced if commenced prior to age 65.

Date payments begin
A participant with 25 or more years of Net Credited Service may commence monthly pension payments upon attainment of age 50. A participant with 20, but less than 25, years of Net Credited Service may commence monthly pension payments upon attainment of age 55. A participant with less than 20 years of Net Credited Service will commence pension payments upon attainment of age 65.

Survivor benefit

Eligibility
Surviving beneficiary of a vested participant not yet receiving payments.

Benefit
The eligible beneficiary of a participant who dies before benefit payments commence is entitled to receive one of the following benefits:

- In the case of death of a deferred vested participant or an active participant eligible for a Deferred Vested Pension, the eligible beneficiary is entitled to receive a deferred or immediate benefit. The immediate benefit is the sum of the current Cash Balance Account converted to an immediate annuity based on the participant's age at death, plus the actuarially reduced Pre-99 Benefit calculated as if the participant had terminated and elected a life annuity payable at age 65 then adjusted to the actuarial equivalent life annuity payable immediately, based on the participant's age at death. The deferred benefit is the sum of the Cash Balance Account grown with interest to the date the participant would have obtained age 65 and converted to an immediate annuity based on the participant's age 65, plus the Pre-99 Benefit calculated as if the participant had terminated and elected a life annuity payable at age 65.

- In the case of death of a Service Pension eligible participant who has not commenced receipt of payments, the eligible beneficiary is entitled to receive an immediate benefit. The immediate benefit is the sum of the current Cash Balance Account converted to an immediate annuity based on the participant's age at death plus the reduced Pre-99 Benefit calculated as if the participant had retired and elected a life annuity. The pre-retirement survivor benefit was payable to eligible beneficiaries upon the participant's death prior to 2005. For deaths occurring on or after January 1, 2005, the pre-retirement survivor benefit will be payable to (1) an eligible spouse, or (2) if there is no eligible spouse, the participant's estate in the form of a lump sum.

Date payments begin

The beneficiary of a deceased participant may elect to commence pension payments on the first day of the month following the participant's death. Absent such an election, the payments shall commence on the date on which the participant would have attained age 65 had he or she survived.

Disability pension benefit

Eligibility

An employee who becomes totally disabled and who has at least 15 years of Net Credited Service prior to age 65.

Benefit

The Pre-99 Pension Band Benefit is not reduced for early commencement. The Cash Balance Account is projected to age 62 and divided by an age 62 immediate annuity factor.

Date payments begin

Benefits may commence at date of disability.

Death benefits

The Plan provides a single sum Death Benefit equal to the wages earned in the 12-month period ending on the month of death, not less than $500. This benefit is paid if an eligible active employee dies due to sickness or accidental injury and is survived by a beneficiary (spouse, dependent child, or dependent parent). The beneficiary may elect to receive this benefit in monthly installments in lieu of a lump sum.

The sickness or accidental death benefit became a frozen benefit for all active participants as of December 31, 2004. Any employee hired or rehired on or after January 1, 2005 will not have a sickness or accidental death benefit payable upon death. Pension death benefits are not paid from the pension trust.

A Death Benefit is also paid if a Service Pensioner, with at least 10 years of Net Credited Service as of December 31, 1989, dies and is survived by a beneficiary. The Death Benefit for a Service Pensioner with 10 to 19 years of Net Credited Service is a single sum equal to 50% of the wages earned in the 12-month period ending on December 31, 1989. The Death Benefit for a Service Pensioner with 20 or more years of Net Credited Service is equal to 100% of the wages earned in the 12-month period ending on December 31, 1989. This benefit is only payable if the participant elected to receive their Service Pension as a monthly annuity.

Non-decreasing lump sum guarantee

Beginning December 31, 1999, BellSouth implemented a non-decreasing lump sum feature that protects the lump sum value of a participant's Pre-99 Benefit in case of rising interest rates. The lump sum value is calculated on each December 31st for Service Pension Eligible participants. It is based on the current pension band amount, current interest rate, and service as of December 31, 1998, and will become a guaranteed minimum lump sum value of the Pre-99 Benefit at retirement.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the Participant that retired from the plan, the 10% reduction factor is removed for the future payments. The normal form with respect to all other Participants is a single life annuity.

A married Participant may elect to waive the qualified 50% joint and survivor annuity with the proper consent of the eligible spouse and to receive an actuarial equivalent benefit in the form of a single life annuity or a 75% joint and survivor annuity**.** J&S options are with pop-up.

A Participant, eligible for a Service Pension, may also elect to receive a lump sum. Pre-99 Benefits are converted to a lump sum based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30-year Treasury bond yield for the month of November preceding the Plan Year. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the November of the prior year. Cash Balance lump sum benefits shall equal the participant's account balance. A participant, eligible for a Deferred Vested Pension, who terminates employment with all Participating Companies and affiliates on or after January 1, 2004, may elect to receive the Cash Balance Account as a lump sum.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Monthly pension band amounts
Southeast Program*

Pension Band	Terminations: On or after 1/1/2013 and before 1/1/2014	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015	Pension Band	Terminations: On or after 1/1/2013 and before 1/1/2014	Terminations: On or after 1/1/2014 and before 1/1/2015	Terminations: On or after 1/1/2015
101	36.04	36.40	36.76	114	$55.80	$56.36	$56.92
102	37.59	37.97	38.35	115	57.34	57.91	58.49
103	39.13	39.52	39.92	116	58.90	59.49	60.08
104	40.58	40.99	41.40	117	60.36	60.96	61.57
105	42.14	42.56	42.99	118	61.91	62.53	63.16
106	43.68	44.12	44.56	119	63.44	64.07	64.71
107	45.21	45.66	46.12	120	64.99	65.64	66.30
108	46.70	47.17	47.64	121	66.47	67.13	67.80
109	48.26	48.74	49.23	122	67.99	68.67	69.36
110	49.76	50.26	50.76	123	69.54	70.24	70.94
111	51.30	51.81	52.33	124	71.02	71.73	72.45
112	52.75	53.28	53.81	129	78.66	79.45	80.24
113	54.29	54.83	55.38	Utility Ops	12.14	12.26	12.38

***** Effective January 1, 2013 for Southeast employees covered by CWA District 3 (AT&T Southeast Core Contract), CWA District 3 (BellSouth Communications, LLC (Utility Operations)), and CWA District 3 (AT&T Billing Southeast, LLC).

Monthly pension band amounts
Southeast Program*

Pension Band	Terminations: On or after 6/1/2010 and before 6/1/2011	Terminations: On or after 6/1/2011 and before 6/1/2012	Terminations: On or after 6/1/2012
12	$13.85	$14.13	$14.41
99	31.52	32.15	32.79
101	34.29	34.98	35.68
102	35.77	36.49	37.22
103	37.24	37.98	38.74
104	38.62	39.39	40.18
105	40.10	40.90	41.72
106	41.57	42.40	43.25
107	43.02	43.88	44.76
108	44.44	45.33	46.24
109	45.92	46.84	47.78
110	47.35	48.30	49.27
111	48.81	49.79	50.79
Supp DTSR	14.74	15.03	15.33
112	50.21	51.21	52.23
113	51.67	52.70	53.75

Pension Band	Terminations: On or after 6/1/2010 and before 6/1/2011	Terminations: On or after 6/1/2011 and before 6/1/2012	Terminations: On or after 6/1/2012
114	$53.11	$54.17	$55.25
115	54.57	55.66	56.77
116	56.06	57.18	58.32
117	57.44	58.59	59.76
118	58.92	60.10	61.30
119	60.37	61.58	62.81
120	61.85	63.09	64.35
121	63.25	64.52	65.81
122	64.71	66.00	67.32
123	66.18	67.50	68.85
124	67.59	68.94	70.32
Supp MAR	39.98	40.78	41.60
129	74.85	76.35	77.88
Utility Ops	11.55	11.78	12.02
ND/CA**	10.00	10.00	10.00
CPO**	5.00	5.00	5.00

***** For all Southeast employees except those covered by CWA District 3 (AT&T Southeast Core Contract), CWA District 3 (BellSouth Communications, LLC (Utility Operations)), and CWA District 3 (AT&T Billing Southeast, LLC) on or after January 1, 2013.

** Future increases not projected

Interest credits
Southeast Program

Year	Interest Credits
1993	2.70%
1994	4.70%
1995	4.80%
1996	4.60%
1997	5.20%
1998	6.11%
1999	5.25%
2000	6.15%
2001	5.78%
2002	5.12%
2003	4.96%
2004	5.12%
2005	4.89%
2006	4.73%
2007	4.69%
2008	4.52%
2009	4.00%
2010	4.31%
2011	4.19%
2012	3.02%
2013	2.80%
2014	3.80%

Credit shown for 1993 is for the period July 1, 1993 to December 31, 1993.

Early retirement factors at commencement of deferred vested pension
Southeast Program

Completed years of age	Completed months of age											
	0	1	2	3	4	5	6	7	8	9	10	11
50	.24	.24	.24	.25	.25	.25	.25	.25	.25	.26	.26	.26
51	.26	.26	.26	.27	.27	.27	.27	.27	.27	.28	.28	.28
52	.28	.28	.29	.29	.29	.29	.30	.30	.30	.30	.31	.31
53	.31	.31	.32	.32	.32	.32	.33	.33	.33	.33	.34	.34
54	.34	.34	.35	.35	.35	.35	.36	.36	.36	.39	.40	.40
55	.37	.37	.38	.38	.38	.38	.39	.39	.39	.39	.40	.40
56	.40	.40	.41	.41	.41	.42	.42	.42	.43	.43	.43	.44
57	.44	.44	.45	.45	.45	.46	.46	.46	.47	.47	.47	.48
58	.48	.48	.49	.49	.50	.50	.51	.51	.51	.52	.52	.53
59	.53	.53	.54	.54	.55	.55	.56	.56	.56	.57	.57	.58
60	.58	.59	.59	.60	.60	.61	.62	.62	.63	.63	.64	.64
61	.65	.66	.66	.67	.67	.68	.69	.69	.70	.70	.71	.71
62	.72	.73	.73	.74	.75	.75	.76	.77	.77	.78	.79	.79
63	.80	.81	.82	.82	.83	.84	.85	.85	.86	.87	.88	.88
64	.89	.90	.91	.92	.93	.94	.95	.95	.96	.97	.98	.99
65 and Over	1.00											

Early retirement factors at commencement of service pension
Southeast Program

Completed years of Age	Less than 30 Years of Service	30 or more Years of Service
50	.64	1.00
51	.70	1.00
52	.76	1.00
53	.82	1.00
54	.88	1.00
55	.94	1.00
56	1.00	1.00
57	1.01	1.01
58	1.02	1.02
59	1.03	1.03
60	1.04	1.04
61	1.05	1.05
62 & over	1.06	1.06

Summary of plan provisions
AT&T Legacy Management Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any salaried management employee who is employed by an AT&T Corp. Participating Company becomes a participant immediately upon attaining at least age 21. This program was closed to new hires and rehires hired on or after January 1, 2007.

Definitions

Vesting service

A year of Vesting Service is earned for every calendar year in which an employee is credited with 1,000 hours of service. Vesting Service does not begin until the year of the employee's 18th birthday. The first year of Vesting Service (after attaining age 18) is the earlier of:

- the first 12 months after hire, or subsequent 12 months, in which the employee is credited with 1,000 hours of service, or
- the first calendar year in which the employee is credited with 1,000 hours of service.

For actives on January 1, 2010, accrued benefits will now be vested after three years.

Net credited service

Net Credited Service includes years, months and days of employment with a Participating Company. Under Interchange Agreements, service with certain Interchange Companies is also credited.

Eligible pay

Eligible pay is used in computing Pay Credits and Supplemental Pay Credits, if any, to a participant's Cash Balance Account and in determining the Cash Payment Option. Eligible pay is the sum of a participant's basic pay, shift and temporary work differential pay, lump sum merit wage payments, Team Management incentive compensation plan awards (APA), incentive compensation for directory or marketing employees, and area differential pay. Payments under the Short Term Incentive Plan paid on or after January 1, 2010 are eligible pay for participants promoted to officer level on or after January 1, 2009.

Compensation

Compensation is used to determine pension benefits under the terms of the Plan prior to January 1, 1998. Compensation is the sum of a participant's basic pay, shift and temporary work differential pay, lump sum merit wage payments, Team Management incentive compensation plan awards (APA), incentive compensation for marketing management employees, special project allowances for assignments begun before December 1, 1983, and area differential pay. Compensation is limited to the IRC Section 401(a)(17) compensation limits.

Special update

Active participants as of January 1, 1997 were eligible for the Special Update. The monthly pension benefit under the Special Update is (i) x (ii) x .016 / 12 where (i) is the average annual compensation for the period January 1, 1994 through December 31, 1996 and (ii) is the years of Net Credited Service through December 31, 1996 plus the special enhancement. The special enhancement is 5% of Net Credited Service but not more than 1.

Frozen accrued benefit

The Frozen Accrued Benefit is calculated as of July 31, 1997 and equals one-twelfth of {[(i) x (ii) x (iii)] + [(iv) x .016]} where

- (i) is average annual compensation for the Pay Base Averaging Period,
- (ii) is Net Credited Service through the end of the Pay Base Averaging Period,
- (iii) is .015 for the January 1, 1984 through December 31, 1986 or January 1, 1987 through December 31,1989 Pay Base Averaging Periods and .016 for other Pay Base Averaging Periods, and
- (iv) is total compensation for all years of Net Credited Service after the Pay Base Averaging Period and through July 31, 1997.

The Pay Base Averaging Period is January 1, 1987 through December 31, 1992, January 1, 1987 through December 31, 1989, January 1, 1984 through December 31, 1986, January 1, 1978 through June 30, 1985, October 1, 1977 through September 30, 1982, October 1, 1976 through September 30, 1981, or January 1, 1975 through December 31, 1979, whichever produce the largest Frozen Accrued Benefit.

Cash balance account

For active participants as of January 1, 1998, the conversion credit is equal to (i) x (ii), where (i) is the greater of the monthly pension under the Special Update or the Frozen Accrued Benefit as of December 31, 1996 and (ii) is the conversion factor. The initial Cash Balance Account as of January 1, 1998 is the conversion credit plus an interest credit of 7% for 1997 and the pay credit and supplemental pay credit, if any, for 1997. The Cash Balance Account earns interest credits, pay credits, supplemental pay credits (if applicable), and other pay credits as follows:

- **Interest credits**
  Interest has been credited to the Cash Balance Account monthly at 4% since January 1, 2003. For January 1, 1998 through December 31, 2000, the interest credit was 7% and for the January 1, 2001 through December 31, 2002, the effective annual interest credit was 5.5%.

- **Pay credits**
  The Pay Credit equals Eligible Pay multiplied by the Pay Factor. The Pay Factor is based on age (in whole years) as of December 31 from the following Pay Factor table:

Attained age	Pay factor
under 30	3.00%
30-34	3.50%
35-39	4.25%
40-44	5.00%
45-49	6.50%
50-54	8.00%
55 & over	10.00%

- **Supplemental pay credits**
  The Supplemental Pay Credit equals Eligible Pay in excess of the Social Security Wage Base, if any, multiplied by the Pay Factor.
- **Other pay credits (change in control)**
  If a participant is involuntarily terminated or terminates for “Good Reason” within two years of a Change In Control, a Pay Credit equal to 5% of Eligible Pay per year of Net Credited Service (not in excess of 100% of Eligible Pay) is credited to the Cash Balance Account. Eligible Pay for this purpose is Eligible Pay for the calendar year preceding the calendar year in which the Change In Control occurs. Net Credited Service for this purpose is as of the last day of the month in which the Change In Control occurs.

Pension benefit

The pension benefit is, in general, determined under the Cash Balance formula. For participants with a Frozen Accrued benefit or Special Update benefit, the pension benefit if the greater of these benefits or the Cash Balance formula benefit, based on age at commencement and the form of benefit.

Cash balance formula benefit

The Cash Balance formula monthly accrued benefit is calculated by projecting the current Cash Balance Account to the Normal Retirement Date using the current schedule of Interest Crediting Rates and then dividing by the applicable Simplified Monthly Payment Factor at the Normal Retirement Age. For benefit commencement prior to Normal Retirement Age, early retirement factors based on benefit commencement age and calendar year of commencement from the plan document are applied.

- **Eligibility**
  Upon termination if vested.
- **Date payments begin**
  First day of any month after termination but not later than Normal Retirement Date. Any annuity form must commence at the same time the Cash Payment option if elected.

Special update formula benefit

The Special Update Formula monthly benefit is unreduced if it commences at or after age 55. Prior to age 55, it is reduced 0.5% per month commencement is prior to age 55 if Net Credited Service is less than 30 years and 0.25% per month commencement is prior to age 55 if Net Credited Service is at least 30 years.

- **Eligibility**
  Upon termination if vested.
- **Date payments begin**
  First day of any month after termination but not later than Normal Retirement Age.

Frozen accrued formula benefit

The Frozen Accrued Formula monthly benefit is unreduced if it commences at or after age 55. Prior to age 55, it is reduced 0.5% per month commencement is prior to age 55 if Net Credited Service is less than 30 years and 0.25% per month commencement is prior to age 55 if Net Credited Service is at least 30 years.

- **Eligibility**
  Attainment of age 65 with 10 years of Net Credited Service, attainment of age 55 with 20 years of Net Credited Service, attainment of age 50 with 25 years of Net Credited Service, or attainment of any age with 30 years of Net Credited Service (Service Pension Eligible).
- **Date payment begins**
  At or after eligibility but not later than Normal Retirement Age.

Deferred vested pension (frozen accrued benefit only)

Eligibility

Completion of 3 years of Vesting Service. Not withstanding the preceding, all participants are fully vested as of the date of a qualified IRC Section 420 transfer.

Annuity benefit

The Frozen Accrued Benefit reduced for commencement prior to age 65 based on Early Commencement Factors.

Date payment begins
Age 65 but can commence earlier: age 55 or later with 20 years Net Credited Service or age 50 or later with 25 years of Net Credited Service.

Surviving spouse's benefit

Eligibility
Surviving spouse of an active vested or deferred vested participant in the event of the participant's death.

Annuity benefit if participant active at death
Greatest of (i) Single life annuity derived from the Cash Balance Account, (ii) 50% of the greater of the Special Update or Frozen Accrued Benefit reduced as though the participant had terminated on the date of death and elected the 50% J&S or (iii) the same as (ii) without reduction if active participant as of January 1, 1998 and had 15 years of Net Credited Service or was Service Pension Eligible as of December 31,1997.

Annuity benefit if participant not active at death
Greater of (i) Single life annuity derived from the Cash Balance Account or (ii) 50% of the greater of the Special Update or Frozen Accrued Benefit reduced as though the participant had terminated on the date of death and elected the 50% J&S. Benefits paid to a surviving spouse on behalf of participants who terminated employment before September 30, 1998 will be reduced for each year of pre-retirement death coverage, unless coverage has been waived.

Death benefit if no surviving spouse

Eligibility
Death of an active vested or deferred vested participant that does not have a surviving spouse.

Lump sum benefit
The full balance of the Cash Balance Account is paid to the estate.

Pensioners death benefit

Eligibility
Non-job-related death before January 1, 2008 of an active participant (other than employees of AT&T of Puerto Rico, Inc. or AT&T of the Virgin Islands, Inc.) who was active as of January 1, 1998 and who has an Eligible Beneficiary. Death of a former employee (not Puerto Rico or Virgin Islands) who was active as of January 1, 1998, who retires prior to January 1, 2008, who is eligible for postretirement welfare benefits, who has an Eligible Beneficiary, and who is receiving monthly benefits at death. Special rules apply to transfers and rehires. A potential eligible participant is also eligible for this death benefit if they satisfy the Rule-of-65 at termination under Change-in-Control provisions. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust.

Lump sum benefit
One times wages in effect as of December 31, 1997.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 92% of the Accrued Benefit, with 46% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the Participant that retired from the plan, the 8% reduction factor is removed for the future payments. The normal form with respect to all other Participants is a single life annuity.

In lieu of the normal form of retirement benefit, a married 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, a 75% or 100% joint and survivor annuity or single life annuity with 10-years certain. J&S options are with pop-up.

The cash balance account can also be received as a lump sum, subject to IRC Section 417(e) and but limited to the Highest Eligible Pay (for years prior to year of termination) with remainder paid in an annuity form. If cash balance account is less than or equal to the Highest Eligible Pay plus $30,000, the entire cash balance account can be paid as a single cash payment.

A Lump Sum Offer (LSO) was provided to participants meeting the Modified Rule of 75 as of December 30, 2013, provided they terminate employment by December 30, 2013 unless they are metered. The amount of the LSO lump sum was based on the full accrued benefit and calculated using an August 2012 lookback month for the lump sum conversion basis, if greater than the plan actuarial equivalence.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Summary of plan provisions
Southeast Management Program of the AT&T Pension Benefit Plan

Eligibility

Any employee who is classified as a salaried employee and who is a non-represented employee for a BellSouth Participating Company is eligible to become a participant on the date of hire by a Participating Company. This program was closed to new hires and rehires on or after January 1, 2007.

Compensation

The sum of basic pay, team awards, differentials, marketing incentive payments and commissions, and salary transition payments that are paid by a BellSouth Participating Company. Compensation is limited to the IRC Section 401(a)(17) compensation limits.

Definitions

Hour of service

An hour for which an employee is paid or entitled to payment.

Vesting service

A participant's Vesting Service is the number of years the participant has at least 1,000 hours in a Plan Year. For actives on January 1, 2008, accrued benefits will now be vested after three years.

Net credited service

A participant's Net Credited Service is the number of years and fractions thereof the participant has been continuously employed by Participating Companies.

Adjusted career income

Total career Compensation, adjusted for periodic updates.

BSMPP

BellSouth Management Pension Plan, the predecessor plan to the current plan.

BSMPP basic benefit

Equal to 1.6% of Adjusted Career Income.

BSMPP supplemental benefit

Equal to 0.3% of the following, times the lesser of Vesting Service or 35 years:

- The average annual Adjusted Career Income, in excess of,
- The lesser of the Social Security Wage Base and twice Social Security Covered Compensation projected to age 65.

BSMPP accrued benefit
The BSMPP Accrued Benefit is equal to the sum of the BSMPP Base Benefit and the BSMPP Supplemental Benefit

PRA balance
The PRA Balance was established for participants in the BSMPP on July 1, 1993. The opening balance equaled the present value of the participant's BSMPP Accrued Benefit as of June 30, 1993, based on the Plan's interest and annuity factors at that time.

Basic service credit
On the last day of each Plan Year, each participant's PRA Balance is credited with Basic Service Credits equal to the participant's Compensation for the Plan Year multiplied by the Basic Service Credits percentage. The Basic Service Credits are shown on the Basic Service Credits table.

Supplemental credit
On the last day of each Plan Year, the PRA Balance for each participant whose Compensation is in excess of the Social Security Wage Base is credited with a supplemental credit equal to the amount of such excess multiplied by 3%.

Interest credit
On the last day of each Plan Year, interest is credited on the beginning-of-year PRA Balance, based on the average 30-year Treasury bond yield for the month of November preceding the Plan Year. The historical interest credits are shown on the interest credits table.

Additional credit
On the last day of each Plan Year, an Additional Credit may be applied to each participant's PRA Balance. This Additional Credit is equal to the participant's Compensation multiplied by zero, one or two percent, as determined by BellSouth's Board of Directors. The historical additional credits are shown on the interest credits and additional credits table. As of December 31, 2007, the additional credits were removed on an ongoing basis.

PRA accrued benefit
A participant's PRA Balance is the accrued benefit effective January 1, 2010.

Service pension

Eligibility

Effective January 1, 2009 for participants who were not already Service Pension Eligible, termination of employment after 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 any age with 30 years of Net Credited Service. Prior to January 1, 2009, termination of employment after attainment of any combination of whole years and whole months of age and whole years and whole months of Net Credited Service, with a minimum of 10 years of Net Credited Service, which totals at least 75 years as of the date of retirement. For participants entitled to an LM Berry Prior Plan Benefit at December 31, 1995, termination of employment after attainment after age 62 with 5 years of Net Credited Service or age 55 with 10 years of Net Credited Service,

Benefit

If a participant retires with a Service Pension before 2006, the participant will receive the greater of the BSMPP Accrued Benefit and the PRA Accrued Benefit, converted to an actuarially equivalent annuity. If a participant is eligible to retire with a Service Pension before 2006 but does not, the participant will receive the greater of the BSMPP Accrued Benefit at December 31, 2005 and the current PRA Accrued Benefit, converted to an actuarially equivalent annuity. If a participant is not eligible to retire with a Service Pension before 2006, the participant will receive the greater of the BSMPP Accrued Benefit frozen as of December 31, 1993, and the current PRA Accrued Benefit, converted to an actuarially equivalent annuity.

The benefit is reduced for commencement prior to age 65. For a participant with less than 30 years of Net Credited Service, the BSMPP Accrued Benefit is reduced ½% for each calendar month which distribution precedes age 60. For a participant with more than 30 years of Net Credited Service, the reduction is ¼% for each calendar month prior to age 60. The unreduced age from which reductions commence will increase from 60 to 61 on January 1, 2003, then to 62 on January 1, 2006.

Date payments begin

The monthly pension commences on the first day of the month following the date of retirement, unless the participant elects otherwise, but no later than the month the participant turns age 65.

Deferred vested pension

Eligibility

Termination of employment after completing at least 3 years of Vesting Service after age 18, and before reaching eligibility for Service Pension.

Benefit

The benefit is equal to the current PRA Accrued Benefit, converted to an actuarially equivalent annuity.

Date payments begin

A participant may elect to commence pension payments on the first day of the month following such termination of employment. Absent such an election, the pension is payable upon attainment of age 65.

Survivor benefit

Eligibility

Surviving beneficiary or estate of a vested participant not yet receiving payments.

Benefit

The benefit is equal to the greater of (i) 100% of the participant's current PRA Accrued Benefit, converted to an actuarially equivalent annuity and (ii) 45% of the BSMPP Accrued Benefit, unreduced for early retirement.

Date payments begin

The beneficiary of the deceased participant may elect to commence pension payments on the first day of the month following the participant's death. Absent such an election, the payments shall commence on the date on which the participant would have attained age 65 had he or she survived. In the absence of a beneficiary, the deceased participant's estate will receive the payment in a lump sum.

Disability pension

Eligibility

An employee who becomes totally disabled and who has at least 15 years of Credited Service prior to age 65. Participants who terminate employment on or after January 1, 2013 will not be eligible for a disability pension.

Benefit

A participant, who has not attained age 62 upon expiration of short-term disability benefits, receives an annuity payable immediately equal to the participant's PRA Balance projected to age 62 and divided by an age 62 immediate annuity factor. A participant, who has attained age 62 upon expiration of short-term disability benefits, receives an immediate payable annuity equal to the greater of the BSMPP Accrued Benefit and the PRA Accrued Benefit, converted to an actuarially equivalent annuity.

Date payments begin

Benefits may begin the first of the month following expiration of short-term disability.

Death benefits

If an eligible active employee dies due to sickness or a non-job-related injury, the Plan provides a single sum Death Benefit equal to the wages earned in the 12-month period ending on the month of death. This benefit is paid if the employee is survived by an eligible beneficiary (spouse, dependent child, or dependent parent). The beneficiary may elect to receive this benefit in monthly installments in lieu of a lump sum.

A Death Benefit is also paid if a Service Pensioner, with at least 10 years of Credited Service as December 31, 1987, dies and is survived by a beneficiary. The Death Benefit for a Service Pensioner with 10 to 19 years of Credited Service is a single sum equal to 50% of the wages earned in the 12-month period ending on December 31, 1987. The Death Benefit for a Service Pensioner with 20 or more years of Credited Service is a single sum equal to 100% of the wages earned in the 12-month period ending on December 31, 1987. This benefit is only payable from the pension plan if the participant elected to receive their Service Pension as a monthly annuity. Effective December 31, 2012, retiree death benefits will not be paid from the pension trust.

Non-decreasing lump sum guarantee

Beginning December 31, 1999, BellSouth implemented a non-decreasing lump sum feature that protects the lump sum value of a participant's BSMPP Benefit in case of rising interest rates. The lump sum value is calculated on each December 31st. It is based on the current salary, interest rate, and service, and will become a guaranteed minimum lump sum benefit at retirement. Service will be frozen at December 31, 2005 for the calculation of the guaranteed minimum lump sum.

Forms of payment

The normal form of payment for a Participant who is married at the benefit commencement date is a reduced qualified joint and survivor annuity equal to 90% of the Accrued Benefit, with 45% of the Accrued Benefit continuing to the surviving spouse upon the earlier death of the Participant. If the spouse predeceases the Participant that retired from the plan, the 10% reduction factor is removed for the future payments. The normal form with respect to all other Participants is a single life annuity.

A married Participant may elect to waive the qualified 50% joint and survivor annuity, with the proper consent of the eligible spouse, and receive an actuarial equivalent benefit in the form of a single life annuity or 75% joint and survivor annuity. J&S options are with pop-up.

A Participant, eligible for a Service Pension or a Deferred Vested Pension, may also elect to receive a lump sum. The benefit is equal to the greater of the BSMPP Accrued Benefit, converted to a lump sum, and the participant's PRA Balance. Lump sums conversions are based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and an interest rate equal to the average 30-year Treasury bond yield for the month of November preceding the Plan Year. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the November of the prior year.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Basic service credits
Southeast Management Program

Vesting service	Basic service credit
4 and Under	3%
5-9	4%
10-14	5%
15-19	6%
20-24	7%
25-29	8%
30-34	6%
35 and Over	4%

Interest credits and additional credits
Southeast Management Program

Year	Interest Credits	Additional Credits
1993	2.70%	1.00%
1994	4.70%	1.00%
1995	4.80%	2.00%
1996	4.60%	1.00%
1997	5.20%	2.00%
1998	6.11%	1.00%
1999	5.25%	1.00%
2000	6.15%	1.00%
2001	5.78%	1.00%
2002	5.12%	0.00%
2003	4.96%	0.00%
2004	5.12%	1.00%
2005	4.89%	2.00%
2006	4.73%	1.00%
2007	4.69%	2.00%
2008	4.52%	N/A
2009	4.00%	N/A
2010	4.31%	N/A
2011	4.19%	N/A
2012	3.79%	N/A
2013	3.79%	N/A
2014	3.80%	N/A

Credits shown for 1993 are for the period July 1, 1993 to December 31, 1993.

Summary of plan provisions
Mobility Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any nonbargained U.S. domestic employee, or bargained employee that bargained to participate in the Plan, who is regularly employed by AT&T Mobility 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 AT&T Mobility that transferred from SBC Communications Inc. 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. This program was closed to new nonbargained hires and rehires on or after January 1, 2006. This program was closed to bargained District 3 hires and rehires on or after January 1, 2011 and for all other bargained hires and rehires on or after January 1, 2010.

Transferred employee

A former employee of SBC Communications Inc., 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.

Definitions

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. For actives on January 1, 2010, accrued benefits will now be vested after three years.

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. Effective September 30, 2015, Success Sharing Plan Payments that are not contributed to an HRA are included in benefit compensation.

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.

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.

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, and the effective annual rate is 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 AT&T Mobility 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:

- the Cash Balance Account.
- the SBC Career-Average Benefit, reduced for distribution prior to age 55, times an immediate lump sum factor. Reduction is ½% 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 ¼% 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 ½% 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 ¼% 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 ½% 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 3 years of Net Credited Service. A participant who terminates employment due to disability will be considered fully vested.

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 multiplied by a deferred to age 65 lump sum factor.
- the Accelerated Transition Benefit reduced for distribution prior to age 55, multiplied by an immediate lump sum factor.
- the Special ATB.
- the BellSouth Management Pension Plan Benefit multiplied by a deferred to age 65 lump sum factor.
- the BellSouth Management Pension Plan Benefit reduced for early commencement multiplied by 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.

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 50% joint and survivor annuity. If a participant retires from the plan this option includes a pop-up provision that returns the benefit to the single life annuity amount if the beneficiary predeceases the participant.

In lieu of the automatic form of payment, a married Participant may elect, with the 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 75% joint and survivor annuity. J&S options are with pop-up if service pension eligible.

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 mortality rates in Revenue Ruling 2001-62. Effective January 1, 2012, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality. The applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate phased-in at 25% per year over four years beginning January 1, 2012. The applicable interest rate lookback month will be the middle month of the calendar quarter preceding distribution.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Summary of plan provisions
Mobility Bargained Program of the AT&T Pension Benefit Plan (CWA District 6)

Employees eligible for participation

Any bargained employee who is regularly employed by a Participating Company and represented by CWA – District 6 will become a participant on the day after completing one Year of Service. This program was closed on January 1, 2009 to new hires and rehires.

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.

Definitions

Transferred employee
A former participant in the SBC Plan whose accrued benefit under the SBC Plan was transferred to the Plan.

Years of service
The Years of Service will be calculated on an elapsed time basis. For a Transferred Employee, vesting service credited under the SBC Plan shall be taken into account in determining Years of Service for vesting and participation.

Pension calculation service
For purposes of determining the participant's Accrued Benefit, Pension Calculation Service shall include employment with a Participating Company. A Transferred Employee's Pension Calculation Service credited under the SBC Plan shall be taken into account as Pension Calculation Service.

Net credited service
The number of whole and fractional 12-month periods of employment in the service of a Participating Company. A Transferred Employee's pension eligibility service credited under the SBC Plan shall be taken into account as Net Credited Service.

Average supplemental earnings
The sum of a participant's commissions, in charge allowances, extra payments for temporary promotions, shift differentials and job differentials over the 36-month period divided by 3 that produces the highest annual average. Effective September 30, 2015, Success Sharing Plan Payments that are not contributed to an HRA are included in average supplemental earnings.

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.

Service pension

Eligibility
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.

Accrued benefit
A monthly benefit equal to the sum of the following:

- the Pension Band Amount shown in the tables for the pension band which applies to the participant's job title times Pension Calculation Service.
- the Supplemental Monthly Pension.

Supplemental monthly pension
.08% of Average Supplemental Earnings multiplied by Pension Calculation Service.

Reduction
After meeting eligibility for a Service Pension, a participant receives an immediate monthly pension, payable for life, equal to the Accrued Benefit, reduced for commencement prior to age 55. The reduction is ½% for each month prior to age 55 with less than 30 years of Net Credited Service and is unreduced with 30 or more years of Net Credited Service.

Date payments begin
The monthly pension commences on the first day of the month coinciding with or next following the date of retirement, subject to the provisions of IRC section 411(a)(11) and notice and election requirements under IRC section 417.

Termination benefit

Eligibility
Termination of employment after completing at least 5 Years of Service or five years of Net Credited Service, and before reaching eligibility for a Service Pension. However, effective January 1, 2010, if any part of the accrued benefit is determined as a Cash Balance Account or DLS Account then the Participant is eligible after 3 years of Vesting Service. Not withstanding the preceding, all participants were fully vested as of the date of a qualified IRC section 420 transfer at SBC.

Benefit
The monthly benefit, payable as a straight life annuity starting on the participant's Normal Retirement Age (the later of age 65 or the fifth anniversary of plan participation), equals the participant's Accrued Benefit on the date of termination. The benefit is reduced if commenced prior to Normal Retirement Age.

Date payments begin
A participant who terminates employment and is eligible for the Termination Benefit receives a benefit commencing at Normal Retirement Age or at termination of service, if later. If the participant has sufficient service for early retirement eligibility, the Termination Benefit may commence early when the participant later meets the age requirements. The amount payable upon early retirement is equal to the Accrued Benefit, reduced based on commencement prior to age 65. A table of reduction factors is in the plan document.

Participants who transfer to the nonbargained plan
A participant who is transferred to the nonbargained plan continues to earn Years of Service under the plan for vesting and eligibility purposes. The pension band amount used in the determination of the participant's accrued benefit is frozen as of the date of transfer.

Surviving spouse benefit

Eligibility
Surviving spouse of an active vested participant or deferred vested participant in the event of the participant's death.

Benefit
The eligible spouse of an active participant who dies prior to Normal Retirement Age and before payments commence is entitled to one of the following benefits:

- If the participant dies with 3 or more Years of Service, has less than 15 years of Net Credited Service, and is not eligible for a Service Pension, the eligible spouse receives a deferred monthly survivor benefit for life beginning on the date the participant would have reached earliest eligibility to commence a Termination Benefit. The benefit is computed as though the participant had left service on the date of death, survived until the earliest eligibility to commence a Termination Benefit, retired at that time with the qualified survivor annuity option, and died the next day.
- If the participant dies eligible for a Service Pension or with 15 years of Net Credited Service, a surviving spouse receives a monthly survivor pension payable for life equal to 45% of the Accrued Benefit. The spouse's benefit will commence on the first day following the participant's date of death.

Effective March 28, 2008, these benefits are available as an actuarially equivalent lump sum.

Lump sum death benefit

For participants hired prior to January 1, 1990, the Plan provides a Lump Sum Death Benefit equal to the wages earned in the 12 month period ending on December 31, 1989. This benefit is paid if an eligible active employee dies due to sickness or non-job-related injury and is survived by an "Eligible Beneficiary" (spouse, dependent child, or dependent parent). The benefit is also paid if an eligible Service Pensioner dies and is survived by an Eligible

Beneficiary. Effective December 31, 2012, Grandfathered Special Death Benefits will not be paid from the pension trust for participants terminated prior to January 1, 2009.

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 50% joint and survivor annuity. If a participant retires from the plan this option includes a pop-up provision that returns the benefit to the single life annuity amount if the beneficiary predeceases the participant. The normal form with respect to all other participants is a single life annuity.

In lieu of the automatic form of retirement benefit, a married Participant may elect, with the 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, a 75% joint and survivor annuity, or a 100% joint and survivor annuity. J&S options are with pop-up if service pension eligible. Effective January 1, 2009, retirement eligible participants have the option to receive a lump sum payment. For purposes of converting benefits to an annuity on an actuarial equivalent basis, the interest rate equals to the average 30-year Treasury bond yield for the middle month of the quarter preceding distribution.

Certain employees who transferred from a non-mobility bargained pension plan may be eligible for a lump sum form of payment in lieu of the normal form of retirement benefit with the appropriate spousal consent. Effective March 31, 2008, retirement eligible employees also have a lump sum option. 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 mortality rates in Revenue Ruling 2001-62. Some of these employees have a SPA which will be paid in the event that it is greater than the present value of their accrued benefit at termination. Effective January 1, 2013, the applicable mortality table used for conversion will be the 417(e)(3) PPA mortality and the applicable interest rate used for conversion will be the 417(e)(3) PPA Interest Rate at phased-in at the minimum required rate. The applicable interest rate lookback month will be the middle month of the calendar quarter preceding distribution.

For determining the minimum lump sum under 417(e)(3), the interest rate lookback month will be November of the year preceding distribution.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Pension band amounts

The tables on the following pages present Pension Band Amounts for various band numbers, and age at commencement. The column that applies for age 65 always applies for Termination Benefits.

Monthly pension band amounts
Mobility Bargained Program

For participants who terminate employment on or after January 1, 2012

Pension band	Under age 55	Age 55 through 59	Age 60 and over	Pension band	Under age 55	Age 55 through 59	Age 60 and over
1589 & 1789	$10.09	$11.02	$11.67	1515 & 1715	$33.77	$36.86	$39.05
1590 & 1790	10.94	11.94	12.65	1516 & 1716	34.65	37.84	40.08
1591 & 1791	11.90	12.98	13.73	1517 & 1717	35.57	38.84	41.14
1592 & 1792	12.74	13.91	14.74	1518 & 1718	36.43	39.76	42.11
1593 & 1793	13.65	14.91	15.80	1519 & 1719	37.42	40.88	43.28
1594 & 1794	14.55	15.90	16.84	1520 & 1720	38.40	41.89	44.38
1595 & 1795	15.45	16.88	17.87	1521 & 1721	39.26	42.86	45.39
1596 & 1796	16.32	17.83	18.89	1522 & 1722	40.20	43.88	46.49
1597 & 1797	17.22	18.79	19.91	1523 & 1723	41.17	44.93	47.62
1598 & 1798	18.08	19.73	20.92	1524 & 1724	42.03	45.87	48.60
1599 & 1799	19.08	20.85	22.06	1525 & 1725	42.99	46.93	49.71
1500 & 1700	19.95	21.78	23.07	1526 & 1726	43.93	47.95	50.80
1501 & 1701	20.89	22.78	24.16	1527 & 1727	44.84	48.94	51.84
1502 & 1702	21.77	23.76	25.20	1528 & 1728	45.67	49.86	52.83
1503 & 1703	22.66	24.75	26.23	1529 & 1729	46.62	50.90	53.93
1504 & 1704	23.57	25.75	27.26	1530 & 1730	47.62	51.99	55.07
1505 & 1705	24.51	26.78	28.34	1531 & 1731	48.48	52.92	56.08
1506 & 1706	25.48	27.82	29.44	1532 & 1732	49.42	53.96	57.18

Monthly pension band amounts
Mobility Bargained Program

For participants who terminate employment on or after January 1, 2012

Pension band	Under age 55	Age 55 through 59	Age 60 and over	Pension band	Under age 55	Age 55 through 59	Age 60 and over
1507 & 1707	26.37	28.78	30.49	1533 & 1733	50.34	54.96	58.21
1508 & 1708	27.28	29.78	31.54	1534 & 1734	51.21	55.89	59.20
1509 & 1709	28.25	30.89	32.70	1535 & 1735	52.19	56.95	60.33
1510 & 1710	29.17	31.81	33.70	1536 & 1736	53.13	58.00	61.46
1511 & 1711	29.98	32.76	34.69	1537 & 1737	54.11	59.08	62.59
1512 & 1712	30.94	33.74	35.77	1538 & 1738	55.07	60.14	63.69
1513 & 1713	31.87	34.80	36.86	1539 & 1739	56.07	61.17	64.81
1514 & 1714	32.81	35.82	37.93	1540 & 1740	57.00	62.24	65.92

Summary of plan provisions
Bargained Cash Balance Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any bargaining unit employee who is a member of a collective bargaining unit that has agreed to the terms of the BCB. If not a member at the time of agreement, the employee will become a participant on the day after completing one year of Period of Service.

Current bargaining units that have employees in the BCB program: SBC Global Services Inc. (CA/NV and Customer Operations Specialists), AT&T Services, Inc. (National Internet Contract) - Tier 2.

Definitions

Period of service

The period from date of hire to severance from employment.

Vesting service

Vesting service is calculated on an elapsed time basis. For actives on January 1, 2010, accrued benefits will now be vested after three years.

Pension compensation

The sum of a participant's:

- Actual base pay
- Group incentive compensation (e.g., Team Award, STIP, etc.)
- Individual nondiscretionary incentive compensation (e.g., commissions)
- Individual Discretionary Awards (IDA)
- Success Sharing Plan payments that are not contributed to an HRA

Additional compensation (e.g., shift differentials, lump wages, etc.) is included for certain bargaining units.

Cash Balance benefit

The Cash Balance benefit earns benefit credits and interest credits as follows:

- **Benefit credits**
  5% of monthly pension compensation credited monthly.
- **Interest credits**
  Interest is credited to the Cash Balance Account monthly, and the effective annual rate is based on the average 30-year Treasury bond yield for the middle month of the prior quarter.

Forms of payment

If a participant terminates for any reason with at least 3 years of vesting service, they are eligible to receive their cash balance account in one of the available payment forms.

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.

In lieu of the automatic form of payment, a Participant may elect, with the proper spousal consent, to receive an actuarial equivalent retirement benefit in the form of a single life annuity, a 75% joint and survivor annuity or, alternatively, a single lump sum payment of their cash balance account.

Cash balance accounts are converted to an annuity using the GATT mortality table (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and the interest crediting rate at the time of conversion.

In case of death, the beneficiary can receive the cash balance amount at time of death in form of a lump sum payment.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Summary of plan provisions
Bargained Cash Balance 2 Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any bargained employee from a participating bargaining unit (and associated NMNUs) hired/rehired after the date below will become a participant on the day after completing one year of Participation Service.

- CWA (AT&T Services, Inc. (National Internet Contract), Tier 1) (since Jan. 1, 2007), no lump sum
- CWA District 6 (AT&T Mobility Services LLC) (effective Jan.1, 2009), no lump sum

- CWA (except Districts 3 and 6) (AT&T Mobility Services LLC) (effective Jan. 1, 2010), no lump sum
- CWA District 4 (AT&T Midwest Core Contract) (including Appendix G) (effective Jan. 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 4 (SBC Global Services, Inc., COS) (effective Jan. 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 9 (AT&T West Core Contract) (effective Jan. 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- IBEW System Council T-3 (AT&T Core Contract) (effective Jan. 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- IBEW System Council T-3 (AT&T Midwest Core Contract) (effective Jan. 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- IBEW Local 1269 (Pacific Bell Telephone Company) (effective Jan. 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA (AT&T Core Contract) (effective April 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 6 (AT&T Southwest Core Contract) (effective April 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- IBEW Local 21 (SBC Global Services, Inc.) (effective April 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- IBEW Local 58 (SBC Global Services, Inc.) (effective April 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- IBEW Local 134 (SBC Global Services, Inc.) (effective April 1, 2010 for hires/rehires on or after Aug. 9, 2009), lump sum eligible

- CWA District 3 (AT&T Southeast Core Contract) (effective Jan. 1, 2011 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 3 (AT&T Billing Southeast) (effective Jan. 1, 2011 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 3 (BellSouth Telecommunications, LLC – Internet Services & Utility Ops) (effective Jan. 1, 2011 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 1 (AT&T East Core Contract) (effective Jan. 1, 2011 for hires/rehires on or after Aug. 9, 2009), lump sum eligible
- CWA District 3 (AT&T Mobility Services LLC) (effective Jan. 1, 2011), no lump sum

- CWA (AT&T Services, Inc. (National Internet Contract), Tier 2) (effective June 1, 2011 for hires/rehires on or after January 1, 2011), no lump sum
- IBEW Local 1547 (AT&T Mobility Services LLC) (effective June 1, 2011 for hires/rehires on or after June 1, 2011), no lump sum

- IBEW Local 1547 (Alascom, Inc.) (effective Jan. 1, 2012 for hires/rehires on or after January 1, 2012), no lump sum
- CWA District 3 (AT&T Southeast Core Contract) (effective April 1, 2013 for individuals employed as Wire Technicians), lump sum eligible
- CWA District 9 (SBC Global Services, Inc. – CA/NV) (effective Jan. 1, 2014 for hires/rehires on or after Jan. 1, 2014), lump sum eligible

Definitions

Vesting service

Vesting service is calculated on an elapsed time basis. Accrued benefits will now be vested after three years.

Eligible compensation

The sum of a participant's:

- Actual base pay
- Group incentive compensation (e.g., Team Award, STIP, etc.)
- Individual nondiscretionary incentive compensation (e.g., commissions)
- Individual Discretionary Awards (IDA)
- Lump sum special payments
- Success Sharing Plan payments that are not contributed to an HRA
- Target Incentive Compensation

Cash balance benefit

After completing one year of Participation Service, the Cash Balance benefit earns basic credits, interest credits and supplemental credits as follows:

- **Basic credits**
  The basic credit equals eligible compensation multiplied by the age credit factor. The age credit factor is based on attained age at the end of the month in which credits are applied from the following age credit factor table (except as specified below):

Attained age	Age credit factor
under 30	1.75%
30-36	2.25%
37-43	2.75%
44-49	3.25%
50 & over	4.00%

For the corresponding programs and effective dates detailed below, the following age credit factor table applies:

Attained age	Age credit factor
under 30	1.77%
30-36	2.27%
37-43	2.78%
44-49	3.28%
50 & over	4.04%

- Effective January 1, 2013, for the participants represented by the following: CWA (AT&T Core Contract), CWA District 4 (AT&T Midwest Core Contract), CWA District 4 (SBC Global Services, Inc. (COS)), CWA District 3 (AT&T Southeast Core Contract), CWA District 3 (BellSouth Telecommunications, LLC (Utility Operations)), CWA District 3 (AT&T Billing Southeast, LLC), CWA District 9 (AT&T West Core Contract), and IBEW Local 1269 (Pacific Bell Telephone Company).

- Effective January 1, 2014, for the participants represented by the following: CWA District 6 (AT&T Southwest Core Contract), CWA District 1 (AT&T East Core Contract), IBEW System Council T-3 (AT&T Core Contract), IBEW System Council T-3 (AT&T Midwest Core Contract), IBEW Local 21 (SBC Global Services, Inc.), IBEW Local 58 (SBC Global Services, Inc.), IBEW Local 134 (SBC Global Services, Inc.), and CWA District 9 (SBC Global Services, Inc. – CA/NV).

- Effective January 1, 2015, for the participants represented by the following: CWA (AT&T Services, Inc. (National Internet Contract), Tier 1), and CWA (AT&T Services, Inc. (National Internet Contract), Tier 2)

- **Interest credits**
  Interest is credited to the cash balance account monthly at an effective annual rate of 4.5%.

- **Supplemental credits**
  The Supplemental credits equals eligible compensation in excess of the Social Security Wage Base, if any, multiplied by 2%.

Forms of payment

If a participant terminates for any reason with at least 3 years of vesting service, they are eligible to receive their cash balance account in one of the available payment forms.

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 based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and a 5% interest crediting rate.

In lieu of the automatic form of payment, a Participant may elect, with the proper spousal consent, to receive an actuarial equivalent retirement benefit in the form of a single life annuity or a 75% joint and survivor annuity. Effective January 1, 2010, if allowed under their current contract, participants may elect to receive a lump sum benefit.

In case of death, the beneficiary receives 50% of the benefit, as if the participant had elected a 50% qualified joint and survivor at the time of death.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Summary of plan provisions
Management Cash Balance Program of the AT&T Pension Benefit Plan

Employees eligible for participation

Any US domestic management employee hired/rehired on or after January 1, 2006 for AT&T Mobility and January 1, 2007 for all other participating companies will become a participant the day after completing one year of Participation Service.

Definitions

Vesting service

Vesting service is calculated on an elapsed time basis. Accrued benefits are vested after three years.

Eligible compensation

The sum of a participant's:

- Actual base pay
- Group incentive compensation (e.g., Team Award, STIP, etc.)
- Individual nondiscretionary incentive compensation (e.g., commissions)
- Individual Discretionary Awards (IDA)
- Lump sum special payments
- Short Term Incentive Plan payments, paid on or after January 1, 2010, for participants promoted to officer level on or after January 1, 2009

Cash balance benefit

After completing one year of Participation Service, the Cash Balance benefit earns basic credits, interest credits and supplemental credits as follows:

- **Basic credits**
  The basic credit equals eligible compensation multiplied by the age credit factor. The age credit factor is based on attained age at the end of the month in which credits are applied from the following age credit factor table:

Attained age	Age credit factor
under 30	1.75%
30-36	2.25%
37-43	2.75%
44-49	3.25%
50 & over	4.00%

- **Interest credits**
  Interest is credited to the cash balance account monthly at an effective annual rate of 4.5%.
- **Supplemental credits**
  The Supplemental credits equals eligible compensation in excess of the Social Security Wage Base, if any, multiplied by 2%.

Forms of payment

If a participant terminates for any reason with at least 3 years of vesting service, they are eligible to receive their cash balance account in one of the available payment forms.

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.

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

Cash balance accounts are converted to an annuity based on GATT mortality (IRS Applicable Mortality Table pursuant to IRS RR2001-62) and a 5% interest crediting rate.

In case of death, the beneficiary receives 50% of the benefit, as if the participant had elected a 50% qualified joint and survivor at the time of death.

A Lump Sum Offer (LSO) was provided to participants meeting the Modified Rule of 75 as of December 30, 2013, provided they terminate employment by December 30, 2013 unless they are metered. The amount of the LSO lump sum was based on the full accrued benefit and calculated using an August 2012 lookback month for the lump sum conversion basis, if greater than the plan actuarial equivalence.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

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AT&T Pension Benefit Plan
2014 Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Description of Actuarial Assumptions

The following pages fully describe the actuarial assumptions used to calculate the amounts shown in the Schedule SB.

Summary of actuarial assumptions

	2014	2013
Effective interest rates for minimum funding		
AT&T PBP	6.46%	6.65%
Segment rates for minimum funding*		
1st segment rate (years 0 to 4)	4.99%	5.23%
2nd segment rate (years 5 to 19)	6.32%	6.51%
3rd segment rate (years 20 and after)	6.99%	7.16%
Effective interest rates for purposes other than minimum funding*		
AT&T PBP	4.33%	4.90%
Segment rates for purposes other than minimum funding*		
1st segment rate (years 0 to 4)	1.37%	1.75%
2nd segment rate (years 5 to 19)	4.05%	4.62%
3rd segment rate (years 20 and after)	5.06%	5.72%
PBGC segment rates**		
PBGC 1st segment rate (years 0 to 4)	1.37%	1.75%
PBGC 2nd segment rate (years 5 to 19)	4.05%	4.62%
PBGC 3rd segment rate (years 20 and after)	5.06%	5.72%

* Each of the segment rates for minimum funding were adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21 and HATFA.

** The alternate method interest rates (i.e., Funding Target Liability interest rates) were used for both 2013 and 2014.

Summary of actuarial assumptions (continued)

	2014	2013
30-year Treasury lump sum conversion rate*	3.80%	2.80%
Cash balance crediting rate subject to 30-year Treasury rate*		
Legacy AT&T CWA Contract	3.80%	3.75%
East	4.00%	4.00%
Southeast Management	3.80%	3.79%
All others	3.80%	2.80%

The annuity substitution method was used to determine Target Funding Liability and Target Funding Normal Cost.

* The long term 30-year rate is based on the 30-year Treasury rate for the month of November prior to the valuation date

Summary of actuarial assumptions (continued)

Other assumptions

Form of payment

- **Southwest bargained employees**
  The form of payment for future retirees is assumed to be a life annuity with the exception that 90% of future married annuitants will elect the survivor option and that the designated beneficiary will be the spouse. For SWBT and SBC Messaging, the form of payment for 90% of future retirement eligible retirees is assumed to be a lump sum.
- **Southwest, West, Midwest, and East nonbargained employees**
  The form of payment for future retirees is assumed to be a lump sum, if available.
- **West and Midwest bargained employees**
  The form of payment for 90% of future retirees and terminated vested is assumed to be a lump sum. The form of payment for the other 10% of future retirees is assumed to be a life annuity with the exception that 90% of future married annuitants will elect the survivor option and that the designated beneficiary will be the spouse.
- **East bargained employees**
  The form of payment for future retirees and terminated vested is assumed to be a lump sum except for 50% of future retirees with at least 30 years of service or at least age 55 with 20 years of service. These annuitants are assumed to elect a life annuity with the exception that 90% of future married annuitants will elect the survivor option and that the designated beneficiary will be the spouse.
- **Management Cash Balance employees**
  The form of payment for all terminated vested and future retirees is assumed to be a life annuity.
- **Bargained Cash Balance and Bargained Cash Balance 2 employees**
  The form of payment for all terminated vested and future retirees is assumed to be a lump sum.

Summary of actuarial assumptions (continued)

Form of payment (continued)

- **Mobility Bargained (District 6) employees**
  The form of payment is assumed to be a lump sum for 90% of future retirees and a life annuity for 10% of future retirees. For all other CWA District 6 employees, including all terminated vested participants, the form of payment is assumed to be a life annuity.
- **AT&T PBP Mobility**
  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.
- **Southeast nonbargained and bargained employees**
  The form of payment for all terminated vested and 90% of future retirees is assumed to be a lump sum. The form of payment for the other 10% of future retirees is assumed to be a life annuity with the exception that future married annuitants will elect the survivor option and that the designated beneficiary will be the spouse.
- **Legacy AT&T nonbargained employees**

Employees eligible for retirement	
Age	**Lump sum rate**
All	**50%**

Employees ineligible for retirement	
Age	**Lump sum rate**
under 45	**99%**
45 to 49	**90%**
50 & over	**80%**

- **Legacy AT&T bargained employees**

Employees eligible for retirement	
Age	**Lump sum rate**
under 55	**15%**
55 & over	**30%**

Employees ineligible for retirement	
Age	**Lump sum rate**
under 45	**99%**
45 to 49	**90%**
50 & over	**80%**

Valuation earnings

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

Summary of actuarial assumptions (continued)

Maximum earnings
For 2014: $260,000.

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
The mortality table, in accordance with Treasury regulations 1.430(h)(3), is the prescribed 2014 static mortality table, with separate rates for annuitants and non-annuitants. Additionally, the disability mortality tables set forth in IRS Revenue Ruling 96-7 are used for pre-65 disabled participants currently receiving a Social Security Disability benefit in the Southeast and Southeast Management programs. 70% of future disableds from the Southeast Program are assumed to receive Social Security Disability benefits.

Decrements
Decrements are assumed to be mid-year.

Expenses included in target normal cost
The expenses included in the target normal cost are based on expected administration expenses and PBGC premiums for 2014.

Modified Rule of 75
The Modified Rule of 75 is defined as the earliest of age 50 and 25 years of service, age 55 and 20 years of service, age 65 and 10 years of service, or 30 years of service at any age.

Demographic assumptions – AT&T PBP

	Southwest		West		East		Midwest	
	Bargained	**Nonbargained**	**Bargained**	**Nonbargained**	**Bargained**	**Nonbargained**	**Bargained**	**Nonbargained**
Expected rate of salary increase	Exhibit A-1	Exhibit A-2	Exhibit A-1	Exhibit A-2	Exhibit A-1	Exhibit A-2	Exhibit A-1	Exhibit A-2
Retirement rates	Exhibit B-1/B-5	Exhibit B-2/B-6	Exhibit B-1/B-5	Exhibit B-2/B-6	Exhibit B-1/B-5	Exhibit B-2/B-6	Exhibit B-1/B-5	Exhibit B-2/B-6
Withdrawal rates	Exhibit C-1/C-5	Exhibit C-2/C-6	Exhibit C-1/C-5	Exhibit C-2/C-6	Exhibit C-1/C-5	Exhibit C-2/C-6	Exhibit C-1/C-5	Exhibit C-2/C-6
Disability rates	Exhibit D-1	Exhibit D-2	Exhibit D-1	Exhibit D-2	Exhibit D-1	Exhibit D-2	Exhibit D-1	Exhibit D-2
Mortality rates[1]								
- Healthy	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed
- Disabled	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed
Mortality for lump sum option	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality[2]	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality
Percent married								
-Active employees	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female
-Retired employees	71% for male; 22% for female	N/A	Exhibit F-1	N/A	N/A	N/A	Exhibit F-1	N/A

[1]The mortality table, in accordance with Treasury regulations 1.430(h)(3), is the prescribed 2014 static mortality table, with separate rates for annuitants and non-annuitants.
[2]East Program (bargained only) uses better of 417(e)(3) PPA mortality and interest, and GATT mortality and interest. See plan provisions.

Demographic assumptions – AT&T PBP (continued)

	Legacy AT&T		AT&T Southeast		AT&T Mobility			
	Bargained	**Nonbargained**	**Bargained**	**Nonbargained**	**Bargained**	**Nonbargained**	**MCB**	**BCB2**
Expected rate of salary increase	Exhibit A-1	Exhibit A-2	Exhibit A-1	Exhibit A-2	Exhibit A-1	Exhibit A-2	Exhibit A-2	Exhibit A-1
Retirement rates	Exhibit B-1/B-5	Exhibit B-2/B-6	Exhibit B-1/B-5	Exhibit B-2/B-6	Exhibit B-3/B-5	Exhibit B-4/B-6	Exhibit B-2/B-6	Exhibit B-1/B-5
Withdrawal rates	Exhibit C-1/C-5	Exhibit C-2/C-6	Exhibit C-1/C-5	Exhibit C-2/C-6	Exhibit C-3/C-5	Exhibit C-4/C-6	Exhibit C-2/C-6	Exhibit C-1/C-6
Disability rates	Exhibit D-1	Exhibit D-2	Exhibit D-1	Exhibit D-2	Exhibit D-3	Exhibit D-4	Exhibit D-2	Exhibit D-1
Mortality rates[1]								
- Healthy	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed	Prescribed
- Disabled	Prescribed	Prescribed	Prescribed[2]	Prescribed[2]	Prescribed	Prescribed	Prescribed	Prescribed
Mortality for lump sum option	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality	417(e)(3) PPA mortality
Percent married								
-Active employees	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female	80% for male; 55% for female
-Retired employees	Exhibit F-2	N/A	Exhibit F-1	N/A	N/A	N/A	N/A	N/A

[1]The mortality table, in accordance with Treasury regulations 1.430(h)(3), is the prescribed 2014 static mortality table, with separate rates for annuitants and non-annuitants.

[2]Exhibit E-1 is used for pre-65 participants who became disabled prior to 1/1/1995 and currently receive a Social Security disability benefit. Exhibit E-2 is used for pre-65 participants who became disabled after 12/31/1994 and currently receive a Social Security Disability benefit. 70% of future disableds from the Southeast Bargained Program are assumed to receive Social Security Disability Benefits. For future disableds, these tables are not used for the Southeast Management program due to the disability benefit being eliminated as of January 1, 2013. The prescribed 2014 static mortality is used for all other disabled participants for funding.

Exhibit A-1

Annual rates of salary increase
Bargained employees

Years of service	Annual increase
0 - 1	10.00%
1 - 2	10.00
2 - 3	10.00
3 - 4	10.00
4 - 5	10.00
5 & over	2.50

Exhibit A-2

Annual rates of salary increase
Nonbargained employees

Age	Annual increase	Age	Annual increase	Age	Annual increase
15	14.00%	35	4.40%	55	2.81%
16	14.00	36	4.20	56	2.78
17	14.00	37	4.00	57	2.75
18	13.40	38	3.90	58	2.72
19	12.80	39	3.80	59	2.69
20	12.20	40	3.70	60	2.66
21	11.60	41	3.60	61	2.63
22	11.00	42	3.50	62	2.60
23	10.40	43	3.40	63	2.60
24	9.80	44	3.30	64	2.60
25	9.20	45	3.20	65	2.60
26	8.60	46	3.10	66	2.60
27	8.00	47	3.00	67	2.60
28	7.40	48	2.98	68	2.60
29	6.80	49	2.96	69	2.60
30	6.20	50	2.94	70 & over	2.60
31	5.60	51	2.92		
32	5.00	52	2.90		
33	4.80	53	2.87		
34	4.60	54	2.84		

Exhibit B-1

Annual rates of retirement
Bargained employees (except AT&T Mobility)
(as of December 31, 2012)

	Male				Female			
	Years of service				Years of service			
Age	**< 20**	**20-29**	**30**	**> 30**	**< 20**	**20-29**	**30**	**> 30**
45	0.000	0.000	0.100	0.035	0.000	0.000	0.100	0.035
46	0.000	0.035	0.100	0.035	0.000	0.035	0.100	0.035
47	0.000	0.035	0.100	0.035	0.000	0.035	0.100	0.035
48	0.000	0.035	0.100	0.035	0.000	0.035	0.100	0.035
49	0.000	0.035	0.100	0.035	0.000	0.035	0.100	0.035
50	0.000	0.035	0.100	0.035	0.000	0.035	0.100	0.035
51	0.000	0.040	0.100	0.040	0.000	0.040	0.100	0.040
52	0.000	0.050	0.100	0.050	0.000	0.045	0.100	0.045
53	0.000	0.055	0.100	0.055	0.000	0.050	0.100	0.050
54	0.000	0.065	0.100	0.065	0.000	0.060	0.100	0.060
55	0.000	0.075	0.075	0.075	0.000	0.070	0.070	0.070
56	0.075	0.085	0.085	0.085	0.075	0.080	0.080	0.080
57	0.085	0.090	0.085	0.090	0.085	0.085	0.085	0.085
58	0.095	0.095	0.095	0.095	0.095	0.095	0.095	0.095
59	0.095	0.095	0.095	0.095	0.100	0.100	0.100	0.100
60	0.150	0.150	0.150	0.150	0.150	0.150	0.150	0.150
61	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
62	0.225	0.300	0.300	0.300	0.225	0.300	0.300	0.300
63	0.250	0.300	0.300	0.300	0.250	0.300	0.300	0.300
64	0.250	0.300	0.300	0.300	0.250	0.300	0.300	0.300
65	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350
66-69	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees must meet the Modified Rule of 75 to be eligible to retire

Exhibit B-2

Annual rates of retirement
Nonbargained employees (except AT&T Mobility)
(as of December 31, 2012)

	Male				Female			
	Years of service				Years of service			
Age	< 20	20-29	30	> 30	< 20	20-29	30	> 30
45	0.000	0.000	0.100	0.050	0.000	0.000	0.100	0.075
46	0.000	0.020	0.100	0.050	0.000	0.050	0.100	0.075
47	0.000	0.020	0.100	0.050	0.000	0.050	0.100	0.075
48	0.000	0.020	0.100	0.050	0.000	0.050	0.100	0.075
49	0.000	0.020	0.100	0.050	0.000	0.050	0.100	0.075
50	0.000	0.020	0.100	0.050	0.000	0.050	0.100	0.075
51	0.000	0.030	0.100	0.050	0.000	0.060	0.100	0.080
52	0.000	0.040	0.100	0.050	0.000	0.070	0.100	0.090
53	0.000	0.050	0.100	0.050	0.000	0.080	0.100	0.100
54	0.000	0.050	0.100	0.050	0.120	0.090	0.150	0.150
55	0.000	0.100	0.100	0.100	0.120	0.120	0.120	0.120
56	0.110	0.110	0.110	0.110	0.140	0.140	0.140	0.140
57	0.120	0.120	0.120	0.120	0.160	0.160	0.160	0.160
58	0.130	0.130	0.130	0.130	0.180	0.180	0.180	0.180
59	0.150	0.150	0.150	0.150	0.200	0.200	0.200	0.200
60	0.180	0.180	0.180	0.180	0.210	0.210	0.210	0.210
61	0.200	0.200	0.200	0.200	0.230	0.230	0.230	0.230
62	0.275	0.300	0.300	0.300	0.275	0.300	0.300	0.300
63	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
64	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
65	0.350	0.400	0.400	0.400	0.350	0.400	0.400	0.400
66-69	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees must meet the Modified Rule of 75 to be eligible to retire

Exhibit B-3

Annual rates of retirement
AT&T Mobility bargained employees
(as of December 31, 2012)

	Male		Female	
Age	**20 - 29 years of service**	**Over 30 years of service**	**20 - 29 years of service**	**Over 30 years of service**
49 & under	NA	0.050	NA	0.100
50	0.020	0.050	0.060	0.100
51	0.030	0.050	0.070	0.100
52	0.040	0.050	0.080	0.100
53	0.060	0.070	0.090	0.100
54	0.070	0.090	0.100	0.120
55	0.080	0.110	0.160	0.140
56	0.090	0.130	0.160	0.160
57	0.120	0.150	0.160	0.180
58	0.130	0.170	0.160	0.200
59	0.150	0.190	0.180	0.220
60	0.160	0.210	0.200	0.240
61	0.190	0.280	0.220	0.260
62 to 69	0.350	0.350	0.350	0.350
70 & over	1.000	1.000	1.000	1.000

Note: No retirement is assumed with less than 20 years of service

Exhibit B-4

Annual rates of retirement
AT&T Mobility nonbargained employees
(as of December 31, 2012)

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

Exhibit B-5

Annual rates of retirement
Bargained male employees
(as of December 31, 2013)

	Male							
	Years of service							
Age	**10**	**11-19**	**20**	**21-24**	**25**	**26-29**	**30**	**> 30**
45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.125	0.070
46	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.125	0.070
47	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.125	0.070
48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.125	0.070
49	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.125	0.070
50	n.a.	n.a.	n.a.	n.a.	0.060	0.060	0.125	0.095
51	n.a.	n.a.	n.a.	n.a.	0.065	0.060	0.125	0.100
52	n.a.	n.a.	n.a.	n.a.	0.075	0.070	0.125	0.110
53	n.a.	n.a.	n.a.	n.a.	0.080	0.075	0.125	0.115
54	n.a.	n.a.	n.a.	n.a.	0.090	0.085	0.125	0.125
55	n.a.	n.a.	0.100	0.100	0.100	0.095	0.140	0.135
56	n.a.	n.a.	0.100	0.100	0.110	0.105	0.150	0.145
57	n.a.	n.a.	0.150	0.100	0.115	0.110	0.165	0.150
58	n.a.	n.a.	0.200	0.100	0.120	0.115	0.175	0.175
59	n.a.	n.a.	0.200	0.100	0.120	0.145	0.190	0.205
60	n.a.	n.a.	0.200	0.150	0.150	0.175	0.220	0.230
61	n.a.	n.a.	0.250	0.200	0.250	0.225	0.250	0.300
62	n.a.	n.a.	0.300	0.300	0.350	0.275	0.350	0.350
63	n.a.	n.a.	0.350	0.300	0.350	0.275	0.350	0.350
64	n.a.	n.a.	0.350	0.300	0.350	0.325	0.350	0.350
65	0.350	0.350	0.350	0.350	0.350	0.375	0.350	0.350
66-69	0.350	0.300	0.300	0.300	0.300	0.325	0.300	0.300
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees must meet the Modified Rule of 75 to be eligible to retire

Based on AT&T experience 2009-2012

Exhibit B-5 (continued)

Annual rates of retirement
Bargained female employees
(as of December 31, 2013)

	Female							
	Years of service							
Age	**10**	**11-19**	**20**	**21-24**	**25**	**26-29**	**30**	**> 30**
45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.200	0.130
46	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.200	0.130
47	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.200	0.130
48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.200	0.130
49	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.200	0.130
50	n.a.	n.a.	n.a.	n.a.	0.110	0.110	0.200	0.130
51	n.a.	n.a.	n.a.	n.a.	0.115	0.105	0.200	0.135
52	n.a.	n.a.	n.a.	n.a.	0.120	0.110	0.200	0.140
53	n.a.	n.a.	n.a.	n.a.	0.125	0.115	0.200	0.145
54	n.a.	n.a.	n.a.	n.a.	0.135	0.125	0.200	0.155
55	n.a.	n.a.	0.190	0.150	0.135	0.135	0.200	0.165
56	n.a.	n.a.	0.200	0.150	0.145	0.145	0.200	0.175
57	n.a.	n.a.	0.205	0.150	0.150	0.150	0.200	0.180
58	n.a.	n.a.	0.215	0.150	0.160	0.160	0.215	0.190
59	n.a.	n.a.	0.220	0.190	0.165	0.165	0.225	0.210
60	n.a.	n.a.	0.300	0.190	0.180	0.180	0.250	0.230
61	n.a.	n.a.	0.350	0.240	0.200	0.240	0.280	0.280
62	n.a.	n.a.	0.350	0.240	0.325	0.325	0.400	0.325
63	n.a.	n.a.	0.350	0.300	0.300	0.300	0.375	0.300
64	n.a.	n.a.	0.350	0.300	0.300	0.300	0.375	0.300
65	0.350	0.350	0.350	0.350	0.350	0.350	0.425	0.350
66-69	0.350	0.300	0.300	0.350	0.300	0.300	0.375	0.300
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees must meet the Modified Rule of 75 to be eligible to retire

Based on AT&T experience 2009-2012

Exhibit B-6

Annual rates of retirement
Nonbargained male employees
(as of December 31, 2013)

	Male							
	Years of service							
Age	**10**	**11-19**	**20**	**21-24**	**25**	**26-29**	**30**	**> 30**
45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.080	0.050
46	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.080	0.050
47	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.080	0.050
48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.080	0.050
49	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.080	0.050
50	n.a.	n.a.	n.a.	n.a.	0.020	0.020	0.080	0.050
51	n.a.	n.a.	n.a.	n.a.	0.030	0.030	0.080	0.050
52	n.a.	n.a.	n.a.	n.a.	0.040	0.040	0.080	0.050
53	n.a.	n.a.	n.a.	n.a.	0.050	0.050	0.080	0.050
54	n.a.	n.a.	n.a.	n.a.	0.050	0.050	0.080	0.050
55	n.a.	n.a.	0.080	0.080	0.080	0.070	0.080	0.070
56	n.a.	n.a.	0.090	0.085	0.080	0.080	0.080	0.080
57	n.a.	n.a.	0.100	0.095	0.090	0.090	0.090	0.090
58	n.a.	n.a.	0.110	0.105	0.100	0.100	0.100	0.100
59	n.a.	n.a.	0.130	0.125	0.120	0.120	0.120	0.120
60	n.a.	n.a.	0.160	0.155	0.150	0.150	0.150	0.150
61	n.a.	n.a.	0.180	0.175	0.170	0.150	0.170	0.170
62	n.a.	n.a.	0.250	0.250	0.250	0.250	0.250	0.225
63	n.a.	n.a.	0.250	0.250	0.250	0.250	0.250	0.225
64	n.a.	n.a.	0.250	0.250	0.250	0.250	0.250	0.225
65	0.275	0.275	0.400	0.350	0.350	0.350	0.250	0.225
66-69	0.275	0.275	0.400	0.300	0.300	0.250	0.250	0.225
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees must meet the Modified Rule of 75 to be eligible to retire

Based on AT&T experience 2009-2012

Exhibit B-6 (continued)

Annual rates of retirement
Nonbargained female employees
(as of December 31, 2013)

	Female							
	Years of service							
Age	**10**	**11-19**	**20**	**21-24**	**25**	**26-29**	**30**	**> 30**
45	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.100	0.075
46	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.100	0.075
47	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.100	0.075
48	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.100	0.075
49	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.100	0.075
50	n.a.	n.a.	n.a.	n.a.	0.050	0.050	0.100	0.075
51	n.a.	n.a.	n.a.	n.a.	0.060	0.060	0.100	0.080
52	n.a.	n.a.	n.a.	n.a.	0.070	0.070	0.100	0.090
53	n.a.	n.a.	n.a.	n.a.	0.080	0.080	0.100	0.100
54	n.a.	n.a.	n.a.	n.a.	0.090	0.090	0.110	0.110
55	n.a.	n.a.	0.090	0.090	0.100	0.090	0.110	0.110
56	n.a.	n.a.	0.110	0.110	0.110	0.110	0.110	0.110
57	n.a.	n.a.	0.130	0.130	0.120	0.130	0.130	0.130
58	n.a.	n.a.	0.150	0.150	0.130	0.150	0.150	0.150
59	n.a.	n.a.	0.170	0.170	0.140	0.170	0.170	0.170
60	n.a.	n.a.	0.180	0.180	0.150	0.180	0.190	0.190
61	n.a.	n.a.	0.200	0.200	0.160	0.200	0.210	0.210
62	n.a.	n.a.	0.275	0.250	0.250	0.250	0.250	0.250
63	n.a.	n.a.	0.275	0.250	0.300	0.250	0.250	0.250
64	n.a.	n.a.	0.275	0.250	0.300	0.250	0.250	0.250
65	0.300	0.300	0.400	0.350	0.350	0.300	0.300	0.250
66-69	0.300	0.300	0.300	0.300	0.300	0.250	0.300	0.275
70	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees must meet the Modified Rule of 75 to be eligible to retire

Based on AT&T experience 2009-2012

Exhibit C-1

Annual rates of withdrawal
Bargained male employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
15	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	0.30	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	0.30	0.22	0.16	0.00	0.00	0.00	0.00	0.00	0.00
18	0.30	0.22	0.16	0.09	0.00	0.00	0.00	0.00	0.00
19	0.30	0.22	0.16	0.09	0.07	0.00	0.00	0.00	0.00
20	0.30	0.22	0.16	0.09	0.07	0.06	0.00	0.00	0.00
21	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.00	0.00
22	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.00
23	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
24	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
25	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
26	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
27	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
28	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
29	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.04
30	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.03
31	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.03
32	0.30	0.22	0.16	0.09	0.06	0.06	0.05	0.04	0.03
33	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
34	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03

Exhibit C-1 (continued)

Annual rates of withdrawal
Bargained male employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
35	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
36	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
37	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
38	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
39	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
40	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
41	0.30	0.22	0.15	0.09	0.06	0.06	0.05	0.04	0.03
42	0.30	0.22	0.15	0.09	0.06	0.05	0.05	0.04	0.03
43	0.30	0.22	0.15	0.09	0.06	0.05	0.05	0.04	0.03
44	0.30	0.22	0.15	0.08	0.06	0.05	0.05	0.04	0.03
45	0.30	0.22	0.15	0.08	0.06	0.05	0.05	0.04	0.03
46	0.30	0.22	0.15	0.08	0.06	0.05	0.05	0.03	0.03
47	0.30	0.22	0.15	0.08	0.05	0.05	0.04	0.03	0.03
48	0.30	0.22	0.15	0.08	0.05	0.05	0.04	0.03	0.03
49	0.30	0.22	0.14	0.08	0.05	0.05	0.04	0.03	0.02
50+	0.30	0.22	0.14	0.08	0.05	0.05	0.04	0.03	0.02

Exhibit C-1 (continued)

Annual rates of withdrawal
Bargained female employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
15	0.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	0.30	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	0.30	0.22	0.16	0.00	0.00	0.00	0.00	0.00	0.00
18	0.30	0.22	0.16	0.12	0.00	0.00	0.00	0.00	0.00
19	0.30	0.22	0.16	0.12	0.09	0.00	0.00	0.00	0.00
20	0.30	0.22	0.16	0.12	0.09	0.09	0.00	0.00	0.00
21	0.30	0.22	0.16	0.12	0.09	0.09	0.08	0.00	0.00
22	0.30	0.22	0.16	0.12	0.09	0.09	0.08	0.07	0.00
23	0.30	0.22	0.16	0.12	0.09	0.09	0.08	0.07	0.07
24	0.30	0.22	0.16	0.12	0.09	0.09	0.08	0.07	0.07
25	0.30	0.22	0.16	0.12	0.09	0.09	0.08	0.07	0.06
26	0.30	0.22	0.16	0.12	0.09	0.09	0.08	0.07	0.06
27	0.30	0.22	0.16	0.11	0.09	0.09	0.08	0.07	0.06
28	0.30	0.22	0.16	0.11	0.09	0.08	0.08	0.06	0.06
29	0.30	0.22	0.16	0.11	0.09	0.08	0.07	0.06	0.06
30	0.29	0.22	0.16	0.11	0.09	0.08	0.07	0.06	0.06
31	0.29	0.22	0.15	0.11	0.08	0.08	0.07	0.06	0.06
32	0.29	0.22	0.15	0.11	0.08	0.08	0.07	0.06	0.06
33	0.29	0.22	0.15	0.11	0.08	0.08	0.07	0.06	0.06
34	0.29	0.22	0.15	0.11	0.08	0.08	0.07	0.06	0.05

Exhibit C-1 (continued)

Annual rates of withdrawal
Bargained female employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
35	0.29	0.21	0.15	0.10	0.08	0.07	0.07	0.05	0.05
36	0.29	0.21	0.15	0.10	0.08	0.07	0.06	0.05	0.05
37	0.28	0.21	0.15	0.10	0.08	0.07	0.06	0.05	0.05
38	0.28	0.21	0.14	0.10	0.07	0.07	0.06	0.05	0.05
39	0.28	0.21	0.14	0.10	0.07	0.07	0.06	0.05	0.05
40	0.28	0.21	0.14	0.10	0.07	0.07	0.06	0.05	0.05
41	0.28	0.21	0.14	0.10	0.07	0.07	0.06	0.05	0.05
42	0.28	0.21	0.14	0.10	0.07	0.07	0.06	0.05	0.04
43	0.28	0.21	0.14	0.10	0.07	0.07	0.06	0.05	0.04
44	0.28	0.21	0.14	0.09	0.07	0.07	0.06	0.05	0.04
45	0.28	0.20	0.14	0.09	0.07	0.06	0.06	0.04	0.04
46	0.28	0.20	0.14	0.09	0.07	0.06	0.06	0.04	0.04
47	0.28	0.20	0.14	0.09	0.07	0.06	0.06	0.04	0.04
48	0.28	0.20	0.14	0.09	0.07	0.06	0.05	0.04	0.04
49	0.28	0.20	0.14	0.09	0.07	0.06	0.05	0.04	0.04
50+	0.28	0.20	0.14	0.09	0.07	0.06	0.05	0.04	0.04

Exhibit C-1 (continued)

Annual rates of withdrawal
Bargained employees (except AT&T Mobility)
(as of December 31, 2012)

9+ Years of service		
Age	**Male**	**Female**
15	0.000	0.000
16	0.000	0.000
17	0.000	0.000
18	0.000	0.000
19	0.000	0.000
20	0.000	0.000
21	0.000	0.000
22	0.000	0.000
23	0.000	0.000
24	0.000	0.000
25	0.029	0.062
26	0.029	0.061
27	0.028	0.060
28	0.027	0.058
29	0.027	0.055
30	0.026	0.053
31	0.025	0.050
32	0.024	0.047
33	0.023	0.044
34	0.022	0.041

9+ Years of service		
Age	**Male**	**Female**
35	0.022	0.038
36	0.021	0.036
37	0.020	0.034
38	0.019	0.032
39	0.018	0.030
40	0.017	0.028
41	0.016	0.026
42	0.015	0.024
43	0.013	0.022
44	0.012	0.021
45	0.011	0.019
46	0.010	0.018
47	0.009	0.017
48	0.007	0.016
49	0.005	0.016
50+	0.004	0.015

Exhibit C-2

Annual rates of withdrawal
Nonbargained male employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
15	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	0.24	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	0.24	0.19	0.13	0.00	0.00	0.00	0.00	0.00	0.00
18	0.24	0.19	0.13	0.11	0.00	0.00	0.00	0.00	0.00
19	0.24	0.19	0.13	0.11	0.09	0.00	0.00	0.00	0.00
20	0.24	0.19	0.13	0.11	0.09	0.09	0.00	0.00	0.00
21	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.00	0.00
22	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.00
23	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.08
24	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.08
25	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.08
26	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
27	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
28	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
29	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
30	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
31	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
32	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
33	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
34	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07

Exhibit C-2 (continued)

Annual rates of withdrawal
Nonbargained male employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
35	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
36	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
37	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
38	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
39	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
40	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
41	0.23	0.19	0.12	0.10	0.09	0.08	0.07	0.07	0.07
42	0.23	0.18	0.12	0.10	0.08	0.08	0.07	0.07	0.07
43	0.22	0.18	0.11	0.09	0.08	0.07	0.06	0.06	0.06
44	0.22	0.18	0.11	0.09	0.08	0.07	0.06	0.06	0.06
45	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
46	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
47	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
48	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
49	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
50+	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06

Exhibit C-2 (continued)

Annual rates of withdrawal
Nonbargained female employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
15	0.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	0.24	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	0.24	0.19	0.13	0.00	0.00	0.00	0.00	0.00	0.00
18	0.24	0.19	0.13	0.11	0.00	0.00	0.00	0.00	0.00
19	0.24	0.19	0.13	0.11	0.09	0.00	0.00	0.00	0.00
20	0.24	0.19	0.13	0.11	0.09	0.09	0.00	0.00	0.00
21	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.00	0.00
22	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.00
23	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.08
24	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.08
25	0.24	0.19	0.13	0.11	0.09	0.09	0.08	0.08	0.08
26	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
27	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
28	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
29	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
30	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
31	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
32	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
33	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
34	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08

Exhibit C-2 (continued)

Annual rates of withdrawal
Nonbargained female employees (except AT&T Mobility)
(as of December 31, 2012)

	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
35	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
36	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
37	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
38	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
39	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
40	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
41	0.23	0.19	0.12	0.10	0.09	0.08	0.08	0.08	0.08
42	0.23	0.18	0.12	0.10	0.08	0.08	0.07	0.07	0.07
43	0.22	0.18	0.11	0.09	0.08	0.07	0.07	0.07	0.07
44	0.22	0.18	0.11	0.09	0.08	0.07	0.07	0.07	0.07
45	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
46	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
47	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
48	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
49	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06
50+	0.22	0.17	0.11	0.09	0.07	0.07	0.06	0.06	0.06

Exhibit C-2 (continued)

Annual rates of withdrawal
Nonbargained employees (except AT&T Mobility)
(as of December 31, 2012)

9+ Years of service		
Age	**Male**	**Female**
15	0.000	0.000
16	0.000	0.000
17	0.000	0.000
18	0.000	0.000
19	0.000	0.000
20	0.000	0.000
21	0.000	0.000
22	0.000	0.000
23	0.000	0.000
24	0.000	0.000
25	0.064	0.070
26	0.063	0.070
27	0.063	0.070
28	0.062	0.070
29	0.061	0.070
30	0.060	0.070
31	0.060	0.070
32	0.059	0.070
33	0.058	0.060
34	0.057	0.060

9+ Years of service		
Age	**Male**	**Female**
35	0.057	0.060
36	0.056	0.060
37	0.055	0.060
38	0.054	0.060
39	0.054	0.060
40	0.053	0.060
41	0.051	0.050
42	0.047	0.050
43	0.043	0.040
44	0.040	0.040
45	0.037	0.040
46	0.034	0.030
47	0.032	0.030
48	0.031	0.030
49	0.031	0.030
50+	0.030	0.030

Exhibit C-3

Annual rates of withdrawal
AT&T Mobility bargained employees
(as of December 31, 2012)

Select rates of withdrawal (based on near years of service)			Ultimate rates of withdrawal (applied after completion of 8 years of service)					
Service	**Male**	**Female**	**Age**	**Male**	**Female**	**Age**	**Male**	**Female**
0	0.350	0.390	25	0.1140	0.1740	45	0.0480	0.0540
1	0.300	0.310	26	0.1110	0.1680	46	0.0435	0.0480
2	0.250	0.230	27	0.1080	0.1620	47	0.0390	0.0420
3	0.200	0.170	28	0.1050	0.1560	48	0.0345	0.0360
4	0.150	0.150	29	0.1020	0.1500	49	0.0300	0.0300
5	0.150	0.150	30	0.0990	0.1440	50	0.0255	0.0300
6	0.150	0.150	31	0.0960	0.1380	51	0.0210	0.0300
7	0.150	0.150	32	0.0930	0.1320	52	0.0165	0.0300
8	0.150	0.150	33	0.0900	0.1260	53	0.0120	0.0300
			34	0.0870	0.1200	54	0.0120	0.0300
			35	0.0840	0.1140	55	0.0120	0.0300
			36	0.0810	0.1080	56	0.0120	0.0330
			37	0.0780	0.1020	57	0.0120	0.0360
			38	0.0750	0.0960	58	0.0120	0.0390
			39	0.0720	0.0900	59	0.0120	0.0420
			40	0.0690	0.0840	60 & over	0.0120	0.0450
			41	0.0660	0.0780			
			42	0.0615	0.0720			
			43	0.0570	0.0660			
			44	0.0525	0.0600			

Exhibit C-4

Annual rates of withdrawal
AT&T Mobility nonbargained employees
(as of December 31, 2012)

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

Exhibit C-5

Annual rates of withdrawal
Bargained employees
(as of December 31, 2013)

	Male								
	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
<25	0.35	0.31	0.25	0.22	0.20	0.15	0.11	0.09	0.05
25-49	0.33	0.28	0.22	0.18	0.15	0.14	0.11	0.09	0.05
50+	0.33	0.28	0.22	0.18	0.15	0.14	0.11	0.09	0.05

	Female								
	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
<25	0.42	0.35	0.29	0.25	0.21	0.20	0.15	0.12	0.11
25-49	0.40	0.32	0.26	0.22	0.17	0.16	0.15	0.12	0.11
50+	0.40	0.28	0.23	0.16	0.14	0.15	0.14	0.11	0.09

Note: Based on AT&T experience 2009-2012

Exhibit C-5 (continued)

Annual rates of withdrawal
Bargained employees
(as of December 31, 2013)

9+ Years of service			9+ Years of service		
Age	**Male**	**Female**	**Age**	**Male**	**Female**
15	0.050	0.110	35	0.035	0.080
16	0.050	0.110	36	0.035	0.080
17	0.050	0.110	37	0.035	0.080
18	0.050	0.110	38	0.035	0.080
19	0.050	0.110	39	0.035	0.080
20	0.050	0.110	40	0.030	0.060
21	0.050	0.110	41	0.030	0.060
22	0.050	0.110	42	0.030	0.060
23	0.050	0.110	43	0.030	0.060
24	0.050	0.110	44	0.030	0.060
25	0.050	0.110	45	0.030	0.060
26	0.050	0.110	46	0.030	0.060
27	0.050	0.110	47	0.030	0.060
28	0.050	0.110	48	0.030	0.060
29	0.050	0.110	49	0.030	0.060
30	0.040	0.095	50+	0.025	0.040
31	0.040	0.095			
32	0.040	0.095			
33	0.040	0.095			
34	0.040	0.095			

Note: Based on AT&T experience 2009-2012

Exhibit C-6

Annual rates of withdrawal
Nonbargained employees
(as of December 31, 2013)

	Male								
	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
<25	0.25	0.25	0.19	0.15	0.14	0.13	0.12	0.07	0.06
25-39	0.20	0.16	0.12	0.12	0.10	0.10	0.09	0.07	0.06
40+	0.16	0.14	0.11	0.08	0.07	0.07	0.075	0.06	0.06

	Female								
	Years of service								
Age	**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**
<25	0.27	0.29	0.23	0.22	0.14	0.14	0.095	0.09	0.07
25-39	0.20	0.18	0.16	0.13	0.11	0.11	0.095	0.09	0.07
40+	0.17	0.14	0.11	0.10	0.08	0.08	0.075	0.075	0.065

Note: Based on AT&T experience 2009-2012

Exhibit C-6 (continued)

Annual rates of withdrawal
Nonbargained employees
(as of December 31, 2013)

9+ Years of service			9+ Years of service		
Age	**Male**	**Female**	**Age**	**Male**	**Female**
15	0.075	0.065	35	0.040	0.055
16	0.075	0.065	36	0.040	0.055
17	0.075	0.065	37	0.040	0.055
18	0.075	0.065	38	0.040	0.055
19	0.075	0.065	39	0.040	0.055
20	0.075	0.065	40	0.035	0.040
21	0.075	0.065	41	0.035	0.040
22	0.075	0.065	42	0.035	0.040
23	0.075	0.065	43	0.035	0.040
24	0.075	0.065	44	0.035	0.040
25	0.075	0.065	45	0.035	0.040
26	0.075	0.065	46	0.035	0.040
27	0.075	0.065	47	0.035	0.040
28	0.075	0.065	48	0.035	0.040
29	0.075	0.065	49	0.035	0.040
30	0.045	0.055	50+	0.030	0.030
31	0.045	0.055			
32	0.045	0.055			
33	0.045	0.055			
34	0.045	0.055			

Note: Based on AT&T experience 2009-2012

Exhibit D-1

Annual rates of disability
Bargained employees (except AT&T Mobility)

Age	Male	Female	Age	Male	Female
29 & under	0.0007	0.0014	50	0.0019	0.0030
30	0.0007	0.0016	51	0.0021	0.0032
31	0.0007	0.0016	52	0.0022	0.0033
32	0.0007	0.0016	53	0.0024	0.0035
33	0.0007	0.0016	54	0.0025	0.0037
34	0.0007	0.0016	55	0.0027	0.0037
35	0.0007	0.0017	56	0.0031	0.0041
36	0.0007	0.0017	57	0.0034	0.0044
37	0.0007	0.0018	58	0.0040	0.0049
38	0.0007	0.0018	59	0.0046	0.0053
39	0.0008	0.0019	60	0.0058	0.0059
40	0.0008	0.0021	61	0.0067	0.0065
41	0.0009	0.0022	62	0.0081	0.0073
42	0.0010	0.0024	63	0.0101	0.0086
43	0.0011	0.0025	64	0.0119	0.0097
44	0.0012	0.0027	65 & over	0.0121	0.0097
45	0.0013	0.0029			
46	0.0015	0.0031			
77	0.0016	0.0034			
48	0.0017	0.0035			
49	0.0019	0.0036			

Exhibit D-2

Annual rates of disability
Nonbargained employees (except AT&T Mobility)

Age	Male	Female	Age	Male	Female
29 & under	0.0004	0.0006	50	0.0015	0.0023
30	0.0004	0.0007	51	0.0016	0.0025
31	0.0004	0.0008	52	0.0018	0.0026
32	0.0004	0.0008	53	0.0020	0.0027
33	0.0004	0.0008	54	0.0022	0.0029
34	0.0004	0.0009	55	0.0023	0.0030
35	0.0004	0.0009	56	0.0026	0.0032
36	0.0004	0.0009	57	0.0030	0.0036
37	0.0004	0.0010	58	0.0037	0.0039
38	0.0004	0.0011	59	0.0044	0.0043
39	0.0004	0.0012	60	0.0054	0.0048
40	0.0005	0.0013	61	0.0067	0.0052
41	0.0005	0.0014	62	0.0085	0.0061
42	0.0006	0.0016	63	0.0106	0.0076
43	0.0007	0.0018	64	0.0114	0.0080
44	0.0008	0.0019	65 & over	0.0114	0.0080
45	0.0009	0.0021			
46	0.0011	0.0024			
77	0.0012	0.0025			
48	0.0014	0.0025			
49	0.0015	0.0026			

Exhibit D-3

Annual rates of disability
AT&T Mobility bargained employees

Age	Male	Female	Age	Male	Female
30 & under	0.0003	0.0003	50	0.0014	0.0014
31	0.0003	0.0003	51	0.0015	0.0015
32	0.0003	0.0003	52	0.0016	0.0016
33	0.0003	0.0003	53	0.0017	0.0017
34	0.0003	0.0003	54	0.0018	0.0018
35	0.0004	0.0004	55	0.0020	0.0019
36	0.0004	0.0004	56	0.0022	0.0021
37	0.0005	0.0004	57	0.0023	0.0022
38	0.0005	0.0004	58	0.0025	0.0023
39	0.0006	0.0005	59	0.0027	0.0025
40	0.0007	0.0005	60	0.0030	0.0026
41	0.0007	0.0006	61	0.0032	0.0029
42	0.0008	0.0007	62	0.0034	0.0030
43	0.0008	0.0008	63	0.0036	0.0032
44	0.0010	0.0008	64	0.0038	0.0034
45	0.0010	0.0009	65 & over	0.0000	0.0000
46	0.0011	0.0010			
77	0.0012	0.0011			
48	0.0012	0.0012			
49	0.0013	0.0013			

Exhibit D-4

Annual rates of disability
AT&T Mobility nonbargained employees

Age	Male	Female
All	0.00051	0.00103

Exhibit E-1

Annual rates of disabled mortality
AT&T Southeast participants (disabled prior to January 1, 1995)

Age	Male	Female	Age	Male	Female	Age	Male	Female
45	0.019251	0.014417	70	0.057612	0.033123	95	0.234086	0.184537
46	0.020025	0.014800	71	0.061019	0.034916	96	0.248436	0.201757
47	0.020846	0.015197	72	0.064679	0.036986	97	0.263954	0.222043
48	0.021716	0.015611	73	0.068604	0.039352	98	0.280803	0.243899
49	0.022639	0.016043	74	0.072881	0.042033	99	0.299154	0.268185
50	0.023624	0.016495	75	0.076965	0.044540	100	0.319185	0.295187
51	0.024617	0.016970	76	0.081027	0.047104	101	0.341086	0.325225
52	0.025865	0.017470	77	0.085222	0.049840	102	0.365052	0.358897
53	0.027076	0.017997	78	0.089592	0.052794	103	0.393102	0.395842
54	0.028263	0.018553	79	0.094182	0.056017	104	0.427255	0.438360
55	0.029451	0.019140	80	0.099034	0.059556	105	0.469531	0.487816
56	0.030667	0.019761	81	0.104194	0.063460	106	0.521945	0.545886
57	0.031937	0.020417	82	0.109705	0.067777	107	0.586518	0.614309
58	0.033281	0.021111	83	0.115609	0.072556	108	0.665268	0.694884
59	0.034700	0.021845	84	0.121952	0.077845	109	0.760215	0.789474
60	0.036185	0.022621	85	0.128777	0.083693	110	1.000000	1.000000
61	0.037729	0.023441	86	0.136128	0.090148			
62	0.039325	0.024307	87	0.144048	0.097260			
63	0.040976	0.025222	88	0.152581	0.105075			
64	0.042720	0.026187	89	0.161771	0.113643			
65	0.044607	0.027205	90	0.171662	0.123012			
66	0.046684	0.028278	91	0.182297	0.133216			
67	0.049000	0.029408	92	0.193720	0.143634			
68	0.051594	0.030598	93	0.205975	0.155581			
69	0.054468	0.031848	94	0.219106	0.169181			

Source: Revenue Ruling 96-7

Exhibit E-2

Annual rates of disabled mortality
AT&T Southeast participants (disabled after December 31, 1994)

Age	Male	Female	Age	Male	Female	Age	Male	Female
45	0.043033	0.023988	70	0.073284	0.051331	95	0.234086	0.217045
46	0.044007	0.024734	71	0.075979	0.053268	96	0.248436	0.232467
47	0.044993	0.025504	72	0.078903	0.055356	97	0.263954	0.248870
48	0.045989	0.026298	73	0.082070	0.057573	98	0.280803	0.266289
49	0.046993	0.027117	74	0.085606	0.059979	99	0.299154	0.284758
50	0.048004	0.027961	75	0.088918	0.062574	100	0.319185	0.303433
51	0.049021	0.028832	76	0.092208	0.065480	101	0.341086	0.327385
52	0.050042	0.029730	77	0.095625	0.068690	102	0.365052	0.359020
53	0.051067	0.030655	78	0.099216	0.072237	103	0.393102	0.395842
54	0.052093	0.031609	79	0.103030	0.076156	104	0.427255	0.438360
55	0.053120	0.032594	80	0.107113	0.080480	105	0.469531	0.487816
56	0.054144	0.033608	81	0.111515	0.085243	106	0.521945	0.545886
57	0.055089	0.034655	82	0.116283	0.090480	107	0.586518	0.614309
58	0.056068	0.035733	83	0.121464	0.096224	108	0.665268	0.694884
59	0.057080	0.036846	84	0.127108	0.102508	109	0.760215	0.789474
60	0.058118	0.037993	85	0.133262	0.109368	110	1.000000	1.000000
61	0.059172	0.039176	86	0.139974	0.116837			
62	0.060232	0.040395	87	0.147292	0.124948			
63	0.061303	0.041653	88	0.155265	0.133736			
64	0.062429	0.042950	89	0.163939	0.143234			
65	0.063669	0.044287	90	0.173363	0.153477			
66	0.065082	0.045666	91	0.183585	0.164498			
67	0.066724	0.046828	92	0.194653	0.176332			
68	0.068642	0.048070	93	0.206615	0.189011			
69	0.070834	0.049854	94	0.219519	0.202571			

Source: Revenue Ruling 96-7

Exhibit F-1

Married percentage of retired participants
West, Midwest, and Southeast bargained employees

Age	Male	Female	Age	Male	Female	Age	Male	Female
50 & under	0.83	0.65	70	0.82	0.29	90	0.40	0.04
51	0.83	0.64	71	0.81	0.27	91	0.37	0.03
52	0.83	0.63	72	0.80	0.25	92	0.33	0.03
53	0.83	0.63	73	0.79	0.23	93	0.29	0.02
54	0.83	0.62	74	0.78	0.21	94	0.25	0.02
55	0.83	0.61	75	0.77	0.18	95	0.20	0.01
56	0.83	0.60	76	0.75	0.16	96	0.14	0.01
57	0.83	0.58	77	0.73	0.15	97	0.07	0.01
58	0.83	0.56	78	0.71	0.13	98	0.01	0.01
59	0.83	0.53	79	0.69	0.11	99 & over	0.01	0.01
60	0.84	0.51	80	0.68	0.10			
61	0.84	0.49	81	0.66	0.08			
62	0.84	0.46	82	0.64	0.07			
63	0.84	0.44	83	0.62	0.06			
64	0.84	0.41	84	0.59	0.06			
65	0.87	0.38	85	0.56	0.05			
66	0.86	0.36	86	0.53	0.05			
67	0.85	0.34	87	0.50	0.05			
68	0.84	0.32	88	0.46	0.04			
69	0.83	0.30	89	0.43	0.04			

Exhibit F-2

Married percentage of retired participants
Legacy AT&T bargained employees

Age	Male	Female	Age	Male	Female	Age	Male	Female
15	0.40	0.02	35	0.56	0.63	55	0.85	0.60
16	0.40	0.02	36	0.61	0.64	56	0.85	0.57
17	0.40	0.02	37	0.66	0.65	57	0.85	0.54
18	0.40	0.11	38	0.71	0.66	58	0.85	0.51
19	0.40	0.19	39	0.75	0.67	59	0.85	0.48
20	0.40	0.26	40	0.78	0.67	60	0.85	0.45
21	0.40	0.32	41	0.79	0.67	61	0.84	0.42
22	0.40	0.37	42	0.81	0.67	62	0.83	0.40
23	0.40	0.41	43	0.83	0.66	63	0.82	0.38
24	0.40	0.44	44	0.84	0.65	64	0.81	0.36
25	0.40	0.46	45	0.85	0.64	65	0.80	0.36
26	0.40	0.48	46	0.86	0.63	66	0.79	0.36
27	0.40	0.50	47	0.87	0.63	67	0.79	0.36
28	0.40	0.52	48	0.88	0.63	68	0.79	0.36
29	0.40	0.54	49	0.89	0.63	69	0.78	0.36
30	0.40	0.56	50	0.90	0.63	70	0.78	0.36
31	0.40	0.58	51	0.89	0.63	71	0.78	0.36
32	0.43	0.60	52	0.88	0.63	72	0.77	0.31
33	0.47	0.61	53	0.87	0.63	73	0.77	0.27
34	0.51	0.62	54	0.86	0.63	74	0.77	0.24

Source: Legacy AT&T experience 1985-1987

Exhibit F-2 (continued)

Married percentage of retired participants
Legacy AT&T bargained employees

Age	Male	Female	Age	Male	Female
75	0.76	0.22	95	0.42	0.04
76	0.75	0.20	96	0.40	0.03
77	0.74	0.19	97	0.38	0.02
78	0.73	0.18	98	0.36	0.01
79	0.72	0.18	99	0.34	0.00
80	0.71	0.17	100	0.32	0.00
81	0.70	0.17	101	0.30	0.00
82	0.68	0.16	102	0.28	0.00
83	0.66	0.16	103	0.26	0.00
84	0.64	0.15	104	0.24	0.00
85	0.62	0.14	105	0.22	0.00
86	0.60	0.13	106	0.20	0.00
87	0.58	0.12	107	0.18	0.00
88	0.56	0.11	108	0.16	0.00
89	0.54	0.10	109	0.14	0.00
90	0.52	0.09	110 & over	0.12	0.00
91	0.50	0.08			
92	0.48	0.07			
93	0.46	0.06			
94	0.44	0.05			

Source: Legacy AT&T experience 1985-1987

Actuarial methods
Funding

Actuarial methods

Valuation date

The valuation date is January 1, 2014.

Calculation of normal costs and liabilities

The method used to calculate the ERISA target normal cost and funding target, and PBGC premium funding target liabilities 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 actuarial present value of accumulated plan benefits. 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 pension death benefits.

Per Treasury regulation section 1.430(d)-1(f)(4)(iii), the liabilities for the funding valuation are determined using the annuity substitution method.

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.

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AT&T Pension Benefit Plan
2014 Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to potential software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. To the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB, the values on the signed Schedule SB will govern.

EIN 43-1301883/PN 006

AT&T Pension Benefit Plan
2014 Schedule SB, Line 32 — Schedule of Amortization Bases

Schedule of Amortization Bases

Type of Base	Present Value of Any Remaining Installments	Valuation Date	Years Remaining	Amortization Installment[1]
Shortfall Amortization Base	$ 6,309,882,000	1/1/2011	12	$ 737,816,000
Shortfall Amortization Base	$ (4,128,598,000)	1/1/2012	5	$ (908,028,000)
Shortfall Amortization Base	$ (1,069,134,000)	1/1/2013	6	$ (202,378,000)
Shortfall Amortization Base	$ 524,708,000	1/1/2014	7	$ 87,815,000
Total	$ 1,636,858,000			$ - [2]

[1] Does not include $69,811,000 Installment Acceleration Amounts due to excess compensation or excess shareholder payments for 2014 for AT&T Pension Benefit Plan.

[2] Not less than zero.

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AT&T Pension Benefit Plan
2014 Schedule SB, Line 24 — Change in Non-Prescribed Actuarial Assumptions

Effective January 1, 2014, the changes in actuarial assumptions are as follows:

- As of 1/1/2014, the retirement and withdrawal rates were updated to reflect recent plan experience and future expectations.

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AT&T Pension Benefit Plan
2014 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
- gender
- service
- bargained/nonbargained status

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.

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.

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AT&T Pension Benefit Plan
2014 Schedule SB, Line 19 — Discounted Employer Contributions

Line 19c. Contributions Allocated Toward Minimum Required Contribution for Current Year

Date of Contribution (mm/dd/yyyy)	Amount paid by employer(s)	Year Applied	Effective Interest Rate	Interest Adjusted Contribution as of January 1, 2014	Period during which rate(s) apply		
6/29/2015	$175,000,000	2014	6.46%	$159,411,000	1/1/2014	-	6/29/2015

*On September 30, 2014 a corrective contribution of $699,347.76 (interest included) was made for prior unauthorized withdrawals.

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AT&T Pension Benefit Plan
2014 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.