

<div>Form 5500</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Annual Return/Report of Employee Benefit Plan</div> <div>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 6057(b) and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div>	<div>OMB Nos. 1210-0110 1210-0089</div> <div>2023</div> <div>This Form is Open to Public Inspection</div>
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Part I	Annual Report Identification Information
For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
A	This return/report is for: <div><div>☐ a multiemployer plan</div><div>☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.)</div><div>☒ a single-employer plan</div><div>☐ a DFE (specify) _____</div><div>☐ the first return/report</div><div>☐ the final return/report</div><div>☐ an amended return/report</div><div>☐ a short plan year return/report (less than 12 months)</div></div>
C	If the plan is a collectively-bargained plan, check here. ▶ ☒
D	Check box if filing under: <div><div>☒ Form 5558</div><div>☐ automatic extension</div><div>☐ the DFVC program</div><div>☐ special extension (enter description)</div></div>
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information
1a	Name of plan AT&T PUERTO RICO PENSION BENEFIT PLAN
1b	Three-digit plan number (PN) ▶ 007
1c	Effective date of plan 01/01/2007
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) 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.	10/09/2024	INGRID BERNER
	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

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2023)
v. 230707

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 210-351-3333 <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 691
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 a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<div style="background-color: #cccccc; height: 20px; width: 100%;"></div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6a(1) 32 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6a(2) 22 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6b 68 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6c 558 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6d 648 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6e 5 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6f 653 </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6g(1) </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black; margin-bottom: 2px;"> 6g(2) </div> <div style="display: flex; justify-content: space-between; border-bottom: 1px solid black;"> 6h 0 </div>
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 1C 3H 3J

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

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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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
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☐ **A** (Insurance Information) – Number Attached 0
- (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 2023 Form M-1 annual report. If the plan was not required to file the 2023 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 _____

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2023</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023	
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 PUERTO RICO PENSION BENEFIT PLAN	B Three-digit plan number (PN) 007
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AT&T INC.	D Employer Identification Number (EIN) 43-1301883
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2023			
2	Assets:			
a	Market value	2a	20375000	
b	Actuarial value	2b	22412000	
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	73	7658000	7658000
b	For terminated vested participants	612	15922000	15922000
c	For active participants	32	2383000	2383000
d	Total	717	25963000	25963000
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	5.25 %	
6	Target normal cost			
a	Present value of current plan year accruals	6a	82000	
b	Expected plan-related expenses	6b	697000	
c	Target normal cost	6c	779000	

Statement by Enrolled Actuary

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

SIGN HERE	09/10/2024
Signature of actuary	Date
BRIAN J. WALKER, ASA, EA	23-06719
Type or print name of actuary	Most recent enrollment number
AON CONSULTING, INC.	214-989-2679
Firm name	Telephone number (including area code)
5005 LBJ FREEWAY, 14TH FLOOR DALLAS, TX 75244	
Address of the firm	

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)	0	1093000
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	1093000
10 Interest on line 9 using prior year's actual return of <u>-17.64</u> %	0	-193000
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 <u>5.42</u> %		0
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
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	900000

Part III Funding Percentages

14 Funding target attainment percentage	14	82.85 %
15 Adjusted funding target attainment percentage	15	82.85 %
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	112.45 %
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
03/27/2024	2450000	0			
Totals ▶			18(b)	2450000	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	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	2300000

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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
5.00 %3rd segment:
5.74 %☐ N/A, full yield curve used**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 Demographic and benefit information**a** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.☒

Yes

☐

No

b Is the plan required to provide a projection of expected benefit payments? 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 6c).....**31a**

779000

b Excess assets, if applicable, but not greater than line 31a**31b**

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

4451000

408000

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**

1187000

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement

0

0

0

36 Additional cash requirement (line 34 minus line 35).....**36**

1187000

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....**37**

2300000

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36).....**38a**

1113000

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b**

0

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 the American Rescue Plan Act of 2021 (See Instructions)**41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☒ 2021

<div>SCHEDULE C</div> <div>(Form 5500)</div> <div>Department of the Treasury Internal Revenue Service</div> <div>Department of Labor Employee Benefits Security Administration</div> <div>Pension Benefit Guaranty Corporation</div>	<div>Service Provider Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>▶ File as an attachment to Form 5500.</div>	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection.

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

<div>A</div> <div>Name of plan</div> <div>AT&T PUERTO RICO PENSION BENEFIT PLAN</div>	<div>B</div> <div>Three-digit plan number (PN)</div> <div>▶</div> <div>007</div>
<div>C</div> <div>Plan sponsor's name as shown on line 2a of Form 5500</div> <div>AT&T INC.</div>	<div>D</div> <div>Employer Identification Number (EIN)</div> <div>43-1301883</div>

Part I

Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1

Information on Persons Receiving Only Eligible Indirect Compensation

- a

Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).....

No

Yes

☒
- b

If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

(b)

Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	ERNST & YOUNG LLP	b EIN:	34-6565596
c Position:	ACCOUNTANT		
d Address:	ONE VICTORY AVENUE SUITE 2000 DALLAS, TX 75219	e Telephone:	214-969-8000

Explanation: THE PLAN SPONSOR DECIDED TO CHANGE ACCOUNTANTS IN THE ORDINARY COURSE OF BUSINESS.

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

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, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

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

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2023
		This Form is Open to Public Inspection

For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023		
A Name of plan AT&T PUERTO RICO PENSION BENEFIT PLAN	B Three-digit plan number (PN) ▶	007
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	2450000
(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)	20375000	17924000
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	20375000	20374000
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	20375000	20374000

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)	2450000	
(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)		2450000
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)		
(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)		

		(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)		259000
(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		2709000

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	2710000	
(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)		2710000
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees.....	2i(2)		
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)		
(5) Investment advisory and investment management fees	2i(5)		
(6) Bank or trust company trustee/custodial fees	2i(6)		
(7) Actuarial fees	2i(7)		
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)		
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		0
j Total expenses. Add all expense amounts in column (b) and enter total	2j		2710000

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-1000
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

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) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☐ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☒ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

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

(1) Name: **FORVIS MAZARS, LLP**

(2) EIN: **44-0160260**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG 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. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

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.)		☒	
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.)		☒	
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.)		☒	
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.)		☒	
e Was this plan covered by a fidelity bond?	☒		1000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
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?		☒	
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?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		☒	
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.)		☒	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

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)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 511281.

<div>SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Retirement Plan Information</div> <div>This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2023</div> <div>This Form is Open to Public Inspection.</div>
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

<div>A Name of plan AT&T PUERTO RICO PENSION BENEFIT PLAN</div>	<div>B Three-digit plan number (PN) ▶ 007</div>
<div>C Plan sponsor's name as shown on line 2a of Form 5500 AT&T INC.</div>	<div>D Employer Identification Number (EIN) 43-1301883</div>

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

<div>1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....</div>	<div>1</div>	<div>0</div>
<div>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</div> <div>Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.</div>		
<div>3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year</div>	<div>3</div>	<div>47</div>

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

<div>4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?</div> <div>If the plan is a defined benefit plan, go to line 8.</div>	<div>☐ Yes ☒ No ☐ N/A</div>
<div>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.</div>	
<div>6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)</div>	<div>6a</div>
<div>b Enter the amount contributed by the employer to the plan for this plan year</div>	<div>6b</div>
<div>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)</div>	<div>6c</div>
<div>If you completed line 6c, skip lines 8 and 9.</div>	
<div>7 Will the minimum funding amount reported on line 6c be met by the funding deadline?</div>	<div>☐ Yes ☐ No ☐ N/A</div>
<div>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?</div>	<div>☐ Yes ☐ No ☒ N/A</div>

Part III	Amendments
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<div>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.</div>	<div>☒ Increase ☐ Decrease ☐ Both ☐ No</div>
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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.
---------	--

<div>10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?</div>	<div>☐ Yes ☐ No</div>
<div>11 a Does the ESOP hold any preferred stock?</div>	<div>☐ Yes ☐ No</div>
<div>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.)</div>	<div>☐ Yes ☐ No</div>
<div>12 Does the ESOP hold any stock that is not readily tradable on an established securities market?</div>	<div>☐ Yes ☐ No</div>

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Schedule R (Form 5500) 2023
v. 230707

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (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 deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for: a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment) b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment) c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14a 14b 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 b The corresponding number for the second preceding plan year	15a 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 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	16a 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
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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) and (b): a Enter the percentage of plan assets held as: Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: _____% High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: _____% Other: _____% b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets: ☐ 0-5 years ☐ 5-10 years ☐ 10-15 years ☐ 15 years or more	
20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation: _____	

Part VII	IRS Compliance Questions
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21a Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No 21b If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2). ☐ Design-based safe harbor method ☐ "Prior year" ADP test ☐ "Current year" ADP test ☒ N/A	
22 If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ____/____/____ (MM/DD/YYYY) and the Opinion Letter serial number _____.	

ACCOUNTANT'S OPINION AND FINANCIAL STATEMENTS

Schedule H, Line 3

PLAN NAME: AT&T PUERTO RICO PENSION BENEFIT PLAN

EIN: 43-1301883

PLAN NUMBER: 007

AT&T Inc. – AT&T Puerto Rico Pension Benefit Plan, Financial Statements, 12/31/2023.

**AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Financial Statements and Supplemental Schedule**

**Years Ended December 31, 2023 and 2022, and
for the year ended December 31, 2023
with Report of Independent Auditors**

AT&T Pension Benefit Plan

AT&T Puerto Rico Pension Benefit Plan

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Independent Auditor's Report

Plan Administrator
AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Dallas, Texas

Opinion on the 2023 Financial Statements

We have audited the financial statements of AT&T Pension Benefit Plan and AT&T Puerto Rico Pension Benefit Plan (the "Plans"), employee benefit plans subject to the *Employee Retirement Income Security Act of 1974* (ERISA), which comprise the statement of net assets available for benefits as of December 31, 2023 and the related statement of changes in net assets available for benefits for the year then ended and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plans as of December 31, 2023 and the changes in their net assets available for benefits for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion on the 2023 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2023 Financial Statements section of our report. We are required to be independent of the Plans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 2023 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plans' ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the Plans, and determining that the Plans' transactions that are presented and disclosed in the financial statements are in conformity with the Plans' provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2023 Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Plans' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plans' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

2023 Supplemental Schedule Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedule is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Auditor's Report on the 2022 Financial Statements

The 2022 financial statements of the Plans were audited by predecessor auditors whose report dated October 4, 2023, expressed an unmodified opinion on those financial statements.

Forvis Mazars, LLP

**San Antonio, Texas
September 30, 2024**

Federal Employer Identification Number: 44-0160260

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Statements of Net Assets Available for Benefits
At December 31
(Dollars in Thousands)

	2023		2022	
	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	\$ 30,016,989	\$ 17,924	\$ 40,996,561	\$ 20,375
Cash and cash equivalents	196	—	84	—
Group annuity contract	42	—	117	—
Registered investment companies	1,285	—	1,382	—
Contributions receivable	—	2,450	—	—
Net assets available for benefits	<u>\$ 30,018,512</u>	<u>\$ 20,374</u>	<u>\$ 40,998,144</u>	<u>\$ 20,375</u>

See accompanying notes.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Statements of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2023
(Dollars in Thousands)

	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	\$ 1,530,484	\$ 259
Net investment gain from investments held outside SBC Master Pension Trust	109	—
Contributions	—	2,450
Total additions	<u>1,530,593</u>	<u>2,709</u>
Deductions		
Pension and death benefits	\$ 4,860,609	\$ 2,710
Total deductions	<u>4,860,609</u>	<u>2,710</u>
Net decrease before transfers	(3,330,016)	(1)
Transfers out due to Mandatory Portability Agreement (<i>Note 1</i>)	(659)	—
Transfer to insurance carrier for annuities purchased (<i>Note 1</i>)	(7,648,957)	—
Net decrease	(10,979,632)	(1)
Net assets available for benefits, beginning of year	40,998,144	20,375
Net assets available for benefits, end of year	<u>\$ 30,018,512</u>	<u>\$ 20,374</u>

See accompanying notes

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements
(Dollars in Thousands)

1. Plan Descriptions

These financial statements include the AT&T Pension Benefit Plan ("AT&T Plan") and the AT&T Puerto Rico Pension Benefit Plan ("PR Plan") (collectively, the Pension Plans) of AT&T Inc. ("AT&T" or the "Company") which participate in the SBC Master Pension Trust ("MPT"). The Plan Sponsor of the AT&T Plan and the PR Plan is AT&T Inc.

The following descriptions of the AT&T Plan and the 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 Plan Administrator's 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 and to successor companies. In 2023, a net \$659 was transferred from the AT&T plan.

On April 26, 2023, AT&T and State Street Global Advisors Trust Company, as independent fiduciary of the AT&T Plan, entered into a commitment agreement with subsidiaries of Athene Holding Ltd. (Athene) under which AT&T agreed to purchase nonparticipating single premium group annuity contracts that would transfer to Athene approximately \$7 billion of the Plan's accumulated plan benefit obligations related to certain retirees, participants and beneficiaries under the Plan. The value of assets and liabilities transferred to Athene shown in these Financial Statements reflect premium true-ups and corresponding reimbursement of assets.

The purchase of the group annuity contracts closed on May 3, 2023, covering approximately 96,000 AT&T participants and beneficiaries (Transferred Participants). Under the group annuity contracts, Athene, through its wholly-owned subsidiaries Athene Annuity and Life Company and Athene Annuity & Life Assurance Company of New York, made an irrevocable commitment, and is solely responsible, to pay the pension benefits of each Transferred Participant beginning with their August 2023 pension payments. The transaction does not change the amount of pension benefits payable to the Transferred Participants.

The purchase of the group annuity contracts was funded directly by assets of the Plan via the pension trust underlying the Plan and required \$0 cash or asset contributions by AT&T. The funded status of the Plan did not materially change due to this transaction.

Prior to the annuity purchase transaction with Athene, the AT&T Plan was a multiple employer plan as The CW Network, LLC was a participating employer that was not a member of the AT&T controlled group. After 2023, the AT&T Plan is no longer a multiple employer plan.

AT&T Pension Benefit Plan

The AT&T Plan is a noncontributory qualified defined benefit pension plan that covers certain management and bargained employees of the Company and includes employees from various mergers and acquisitions.

The Plan is composed of two component parts, the AT&T Component Part and the WarnerMedia Component Part.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

The WarnerMedia Component Part covered employees who had completed one year of eligible service prior to July 1, 2010 with WarnerMedia (formerly Time Warner) and/or its participating subsidiaries and who had otherwise satisfied the applicable participation rules. Benefits under the WarnerMedia Component Part were based on a participant's years of eligible service and eligible compensation, as defined in the WarnerMedia Component Part. Grandfathered benefits and different formula from various plans in effect prior to January 1, 2000 may apply.

On April 8, 2022, AT&T completed the separation and distribution of its WarnerMedia business, and merger of a wholly-owned subsidiary of AT&T formed to hold the WarnerMedia business, with a subsidiary of Discovery, Inc. There were no plan assets or liabilities transferred to any successor plan sponsored by the acquirer. All affected participants were fully vested in their benefit. Benefit obligations for the affected employees were retained in the AT&T Plan and subject to the distribution rights available from the AT&T Plan for any terminated employee. The effect of this transaction was reflected in the December 31, 2021 accumulated plan benefit obligation.

The AT&T Component Part covers the majority of 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 Component Part if they meet the eligibility requirements for the underlying applicable program, which are discussed below. The following descriptions of the AT&T Component Part provide general information. The AT&T Plan is summarized in the Summary Plan Descriptions, which have been distributed to all participants.

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

Bargained Cash Balance Program

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 most new hires after various negotiated dates beginning August 8, 2009.

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 notional 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

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.

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 notional 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.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

Southwest Program

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.

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

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.

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. On April 7, 2021, plan changes were adopted to reduce future accruals on the plan's traditional pension formula for the Nonbargained Program effective January 1, 2022.

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, 2018, employees terminating on or after May 25, 2018 who commence their benefit on or after June 1, 2018 are eligible to receive their total benefit as a lump sum.

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

West Program

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.

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.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

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

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.

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 notional account that accrues interest determined based on a negotiated interest crediting rate, the greater of 4% or 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

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 APVI and whose benefit was frozen in 1993.

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 document which was eliminated.

Mobility Program

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.

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 notional account that accrues interest at a market rate based on the yield on 30-year Treasury securities.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

Employees of certain collectively bargained units, and certain management employees hired to a participating employer before January 1, 2006, 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 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

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.

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 notional account that accrues interest at an annual rate of 4%. Active participants 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. Effective January 1, 2018, employees terminating on or after May 25, 2018 who commence their benefit on or after June 1, 2018 are eligible to receive their benefit as a single lump sum payment. On April 7, 2021, plan changes were adopted to reduce future pension accruals for AT&T Legacy Management Program effective January 1, 2022.

Mobility Bargained Program

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.

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.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

Management Cash Balance Program

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). This Program was frozen to new hire managers effective January 1, 2015.

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 notional 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. Effective January 1, 2015, employees terminating after such date are eligible to receive their benefit as a single lump sum payment. Effective October 1, 2016, all employees regardless of termination date are eligible to receive their benefit as a single lump sum payment.

Southeast Management Program

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.

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 notional account that accrues interest at the greater of 3.79% or 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

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.

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 notional 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 certain active employees, three years of service). Once vested and following a termination of employment, employees may elect to receive their benefit in the form of a lump sum, life annuity, joint and survivor annuity, or a combination of lump sum and annuity in accordance with the terms of the AT&T Plan.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

AT&T Legacy Bargained Program

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.

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 notional account that accrues interest at the annual market rate based on the yield of 30 year US Treasury securities, and effective January 1, 2013, no less than 3.75%, 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.

DIRECTV Program

The DIRECTV Program maintains benefits for certain nonbargained employees hired prior to January 1, 2016, employed by a DIRECTV Participating Company, as defined by the AT&T Plan.

The DIRECTV Program covers many of the employees of DIRECTV and certain subsidiary companies, provides benefits to be paid to eligible employees or their beneficiaries upon retirement. Certain participants, who elected to contribute prior to July 1, 2010, are eligible to contribute and receive a contributory benefit, while all other participants are eligible for a noncontributory benefit. In addition, some participants are eligible for a cash balance benefit. In connection with the July 2015 merger, DIRECTV became a wholly-owned subsidiary of AT&T.

Effective December 1, 2001, the DIRECTV Program established a cash balance alternative. Employees with a noncontributory benefit will receive the greater of their existing noncontributory benefit or the new cash balance benefit. Effective December 1, 2006, all DIRECTV employees, including certain Customer Call Center employees who had not previously participated in the AT&T Plan, were eligible to become AT&T Plan participants and accrue cash balance benefits, after completing one year of service and are vested after three years of service. Effective December 1, 2007, the cash balance crediting rate for all new participants changed from a range of 2% to 4%; to rates of 3%, 3.5%, and 4% depending on years of vesting service. The DIRECTV Program was frozen to new entrants effective January 1, 2016. Effective November 30, 2019, all contributory and noncontributory benefits covered under the DIRECTV Program were frozen, and applicable employees began accruing a DIRECTV Program cash balance account.

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. 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, 2023 and 2022, the PR Plan's assets are invested in the MPT (see Note 8).

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

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

AT&T Legacy Management Program

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).

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 notional account that accrues interest at an annual rate of 4%. Active participants 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. On March 24, 2021, plan changes were adopted to reduce future pension accruals for AT&T Legacy Management Program effective January 1, 2022.

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, joint and survivor annuity, or as a lump sum up to a certain threshold with the remainder paid as an annuity in accordance with the terms of the PR Plan. Effective January 1, 2018, employees terminating on or after May 25, 2018 who commence their benefit on or after June 1, 2018 are eligible to receive their benefit as a single lump sum payment. Effective January 1, 2019, all employees regardless of termination date are eligible to receive their benefit as a single lump sum payment.

AT&T Legacy Bargained Program

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.

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 notional account that accrues interest at the annual market rate based on the yield of 30 year US Treasury securities, and effective January 1, 2013, no less than 3.75%. 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.

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Mobility Program

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).

Under the Mobility Program employee pension benefits are generally calculated as a percentage of pay, which is credited to a notional 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 in all trusts 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. 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, non-publicly traded registered investment companies, partnership/joint venture interests, real estate funds and other interest bearing and 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. Real estate appraisals have been reviewed by an external valuation consultant.

Corporate, U.S. Government, and other bonds and notes are valued 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

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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 and note 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 and note based on external market data, including the current credit rating for the bonds and notes, 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 Actuarial Method*) is appraised by an independent investment manager using generally accepted methods of valuation. 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.

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.

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.

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 II), the holding company for its wireless business, to the MPT, which was allocated in its entirety to the AT&T Plan. During plan years prior to 2020, the MPT was entitled to receive cumulative cash distributions from Mobility II of \$560,000 per annum. On September 28, 2020, the Trust sold one-third of its ownership in the Preferred Interests, reducing the quarterly cash distributions from \$140,000 to \$93,333, or \$373,333 per annum beginning with the 2021 plan year. These cash distributions will be distributed quarterly in equal amounts upon declaration and will be

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accounted for as investment income. The terms of the Preferred Interests and related documents were modified in 2018 to simplify transferability and enhance marketability.

The Preferred Interests had a value of \$9,104,000 on the Contribution Date. On September 28, 2020, the Trust sold one-third of its ownership for an aggregate consideration of \$2,885,111, corresponding to a price of \$27.05 per Preferred Interest. A holder of the Preferred Interests may put the Preferred Interests to Mobility II on or after the earliest of certain events or September 9, 2020. Mobility II may redeem the Preferred Interests upon a change in control of Mobility II on or after September 9, 2022. When either option arises due to a passage of time, that option may be exercised only during certain periods. The price at which a put option or a redemption option can be exercised is the greater of (1) the market value of the interest as of the last date of the quarter preceding the date of the exercise of a put or redemption option and (2) the sum of (a) twenty-five dollars (\$5,333,333 in the aggregate) plus (b) any accrued and unpaid distributions. The redemption price may be paid with cash, AT&T common stock, or a combination of cash and AT&T common stock, at Mobility II's sole election. In no event shall Mobility II be required to deliver more than 250 million shares of AT&T common stock to settle put and redemption options. AT&T has the intent and ability to settle the Preferred Interests with cash.

On December 27, 2022, the AT&T pension trust provided written notice of its right to require Mobility II to purchase the remaining 213 million of Mobility II preferred interests outstanding. AT&T completed the purchase of the outstanding interests and receipt of accrued and unpaid distributions in April 2023 for \$5,414,114, such that \$0 in Preferred Interest remained as of December 31, 2023.

The Pension Plans have met the ERISA minimum funding requirements for 2023 and 2022. AT&T made a contribution of \$2,450 in 2024 for the 2023 plan year to the PR Plan. No contribution was made or required for the 2023 plan year for the AT&T Plan.

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, 2023 and 2022 include (a) rates of retirement, withdrawal, and disability based on experience studies of participating subsidiary employees; (b) rates of mortality:

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Notes to Financial Statements - Continued
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	2023	2022
Pre-commencement mortality	Pri-2012 mortality tables, projected generationally with Projection Scale MP-2021 with COVID endemic adjustments	Pri-2012 mortality tables, projected generationally with Projection Scale MP-2021 with COVID endemic adjustments
Post-commencement mortality	Updated AT&T custom ⁽¹⁾ mortality tables, projected generationally with Projection Scale MP-2021 with COVID endemic adjustments	AT&T custom ⁽¹⁾ mortality table, projected generationally with Projection Scale MP-2021 with COVID endemic adjustments

(1) All custom mortality tables are scaled versions of Pri-2012 tables, with AT&T-specific experience.

and (c) the following interest rates:

	2023	2022
Expected Return on Assets:		
AT&T Pension Benefit Plan	7.25%	7.00%
AT&T Puerto Rico Pension Benefit Plan	7.25%	7.00%

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.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
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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, 2023 and 2022.

The following table presents information about the AT&T Plan's assets and liabilities required to be carried at fair value on a recurring basis, as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, there were no assets or liabilities outside of the MPT classified as Level 3.

	2023		
	Level 1	Level 2	Total
Assets			
Cash and cash equivalents	\$ 196	\$ —	\$ 196
Group annuity contract	—	42	42
Registered investment companies	1,285	—	1,285
Total assets	\$ 1,481	\$ 42	\$ 1,523

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
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	2022		
	Level 1	Level 2	Total
Assets			
Cash and cash equivalents	\$ 84	\$ —	\$ 84
Group annuity contract	—	117	117
Registered investment companies	1,382	—	1,382
Total assets	\$ 1,466	\$ 117	\$ 1,583

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value.

Cash equivalents: Cash equivalents consist of investments in money market funds valued at net asset value per unit equal to one dollar and are classified as a Level 1 investment in the fair value hierarchy.

Group annuity contract: The Plan's group annuity contract is invested in a fixed-dollar deposit fund, is recorded at contract value at an amount that approximates fair value and is classified as a Level 2 investment in the fair value hierarchy.

Registered investment companies: Consist of mutual funds, which are valued at the closing price of shares held by the Plan at year end and are classified as Level 1 investments in the fair value hierarchy.

See Note 8 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, 2023 and 2022 presented below were determined using discount rates of 7.25% and 7.00%, respectively. The Pension Plans use the expected rate of return on plan assets as a basis for determining the interest rate assumption.

The actuarial present values of the Pension Plans' accumulated plan benefits at December 31, 2023 and 2022 are presented below:

	2023		2022	
	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan	AT&T Pension Benefit Plan	AT&T Puerto Rico Pension Benefit Plan
Vested benefits:				
Participants currently receiving payments	\$ 11,754,507	\$ 6,457	\$ 19,255,468	\$ 6,623
Other participants	14,324,059	13,911	16,244,621	14,586
Nonvested benefits	1,006,385	62	1,137,786	82
Total	\$ 27,084,951	\$ 20,430	\$ 36,637,875	\$ 21,291

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

The significant changes in the Pension Plans accumulated plan benefits between the December 31, 2022 and December 31, 2023 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, 2022	\$ 36,637,875	\$ 21,291
Increase (decrease) during the year attributable to:		
Decrease in discount period	2,078,285	1,397
Transfer of accumulated benefits to third-party insurance company ⁽¹⁾	(6,916,613)	—
Change in interest crediting and lump sum conversion rate ⁽²⁾	94,298	307
Change in mortality assumptions	(35,390)	(9)
Change in discount rate	(499,445)	(517)
Other assumption changes	(48)	—
Additional benefits earned and experience gains/losses	586,598	671
Benefits paid	(4,860,609)	(2,710)
Net decrease	(9,552,924)	(861)
Actuarial present value of accumulated plan benefits as of December 31, 2023	\$ 27,084,951	\$ 20,430

(1) See Note 1. Plan Descriptions for further details.

(2) The long-term cash balance crediting rate assumption for plans that based its rate on the 30-year Treasury was changed from 3.99% to 4.16%. The long-term lump sum conversion interest rate assumption for 30-year Treasuries was changed from 3.99% to 4.16%. The 417(c)(3) PPA effective lump sum conversion rate was updated to the full yield curve (FYC) as of the measurement date.

5. Tax Status

The AT&T Plan has received a determination letter from the Internal Revenue Service (“IRS”) dated February 5, 2021 stating that the AT&T Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. The PR Plan has received a determination letter from the IRS dated May 19, 2022. Subsequent to these determinations by the IRS, the plans were amended and the AT&T Plan was restated on January 1, 2020. Once qualified, the Pension Plans are required to operate in conformity with the IRC to maintain their qualification. Although the IRS no longer allows determination letter requests except in limited circumstances, the plan administrator has indicated that it will take the necessary steps, if any, to maintain the Pension Plans’ operations in compliance with the IRC, should any tax qualification issues arise.

The PR Plan has also received a determination letter from the Commonwealth of Puerto Rico’s Department of Treasury (Treasury) dated February 26, 2015, stating that the Plan is qualified under Section 1081.01 of the IRC for a New Puerto Rico (the Puerto Rico Code), and therefore, the related trust is exempt from taxation. 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 plan administrator has indicated that it will take the necessary steps, if any, to maintain the PR Plan’s operations in compliance with the Puerto Rico Code, should any tax qualification issues arise.

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

AT&T Pension Benefit Plan
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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, 2023 and 2022, 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.

6. Risks and Uncertainties

The Pension Plans invest 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.

7. 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:

- 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;
- 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
- 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.

8. SBC Master Pension Trust (MPT)

The majority of the 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.

At December 31, 2023 and 2022, JPMorgan Chase Bank N.A. was the trustee for the MPT. The following table sets forth, by percentage, each plans' participation in the MPT.

	2023	2022
AT&T Pension Benefit Plan	99.9403%	99.9426%
AT&T Puerto Rico Pension Benefit Plan	0.0597%	0.0574%

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AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
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The net assets held under the MPT agreement as of December 31 are summarized below:

Assets	2023		
	AT&T Plan	PR Plan	Total
Non-interest bearing cash	\$ 101,691	\$ 61	\$ 101,752
Interest bearing investments	787,742	470	788,212
Pooled separate accounts	68,424	41	68,465
Common/collective trust funds	967,290	578	967,868
103-12 investment entities	527,119	315	527,434
U.S. Government and governmental agencies bonds and notes	4,499,871	2,687	4,502,558
U.S. Government and governmental agencies bonds and notes-loaned	354,002	211	354,213
Corporate and other bonds and notes	6,461,739	3,858	6,465,597
Corporate and other bonds and notes-loaned	1,118,801	668	1,119,469
Equities	3,035,212	1,812	3,037,024
Equities-loaned	194,210	116	194,326
Mortgage backed securities	328,838	196	329,034
Partnership/joint venture interests	7,427,772	4,435	7,432,207
Real assets and real estate funds	2,761,725	1,649	2,763,374
Non-publicly traded registered investment companies	1,989,128	1,188	1,990,316
Collateral – securities lending	1,703,431	1,017	1,704,448
Total investments	32,225,304	19,241	32,244,545
Receivable for securities sold	234,667	140	234,807
Receivable for investments sold short	150,546	90	150,636
Unrealized appreciation on foreign currency contracts	4,947	3	4,950
Variation margin receivable	1,761	1	1,762
Accrued income	109,357	65	109,422
Other receivables	29,631	19	29,650
Total assets	32,857,904	19,620	32,877,524
Liabilities			
Overdrafts	151	—	151
Payable for securities lending	1,703,431	1,017	1,704,448
Payable for securities purchased	906,872	542	907,414
Investments sold short (proceeds of \$156,933)	142,814	85	142,899
Variation margin payable	4,178	2	4,180
Unrealized depreciation on foreign currency contracts	1,284	1	1,285
Short Sales Payables	69,777	42	69,819
Accrued liabilities	12,408	7	12,415
Total liabilities	2,840,915	1,696	2,842,611
Net assets of the MPT	\$ 30,016,989	\$ 17,924	\$ 30,034,913

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
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Assets	2022		
	AT&T Plan	PR Plan	Total
Non-interest bearing cash	\$ 157,804	\$ 91	\$ 157,895
Interest bearing investments	1,550,514	890	1,551,404
Pooled separate accounts	77,154	44	77,198
Common/collective trust funds	1,228,456	706	1,229,162
103-12 investment entities	734,098	422	734,520
U.S. Government and governmental agencies bonds and notes	4,993,043	2,868	4,995,911
U.S. Government and governmental agencies bonds and notes-loaned	451,122	259	451,381
Corporate and other bonds and notes	7,658,725	4,399	7,663,124
Corporate and other bonds and notes-loaned	1,702,881	978	1,703,859
Equities	3,253,320	1,868	3,255,188
Equities-loaned	329,972	190	330,162
Mortgage Backed Securities	222,312	128	222,440
Preferred interest	5,426,667	—	5,426,667
Partnership/Joint venture interests	7,724,642	4,436	7,729,078
Real assets and real estate funds	4,126,667	2,370	4,129,037
Non-publicly traded registered investment companies	1,786,195	1,026	1,787,221
Collateral – securities lending	2,542,715	1,460	2,544,175
Total investments	43,808,483	22,044	43,830,527
Receivable for securities sold	50,456	29	50,485
Receivable for investments sold short	284,538	163	284,701
Unrealized appreciation on foreign currency contracts	3,862	2	3,864
Variation margin receivable	5,021	3	5,024
Accrued income	236,672	82	236,754
Other receivables	27,261	15	27,276
Total assets	44,574,097	22,429	44,596,526
Liabilities			
Overdrafts	2,214	1	2,215
Payable for securities lending	2,542,715	1,460	2,544,175
Payable for securities purchased	666,977	383	667,360
Investments sold short (proceeds of \$294,926)	275,150	158	275,308
Written options payable (premiums of \$231)	196	—	196
Variation margin payable	7,600	4	7,604
Unrealized depreciation on foreign currency contracts	3,100	2	3,102
Short Sales Payables	58,632	34	58,666
Accrued liabilities	20,952	12	20,964
Total liabilities	3,577,536	2,054	3,579,590
Net assets of the MPT	\$ 40,996,561	\$ 20,375	\$ 41,016,936

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
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The following is the net decrease in the fair value of net assets for the MPT:

	Year Ended December 31, 2023
Additions	
Net appreciation in fair value of investments	\$ 798,031
Investment income	936,956
Total additions	<u>1,734,987</u>
Deductions	
Pension and death benefits	4,863,150
Trustee and investment management fees and administrative expenses	<u>204,244</u>
Total deductions	<u>5,067,394</u>
Net decrease before transfers	(3,332,407)
Transfers of assets resulting from Mandatory Portability Agreement	(659)
Transfer to insurance carrier for annuities purchased (<i>Note 1</i>)	(7,648,957)
Net decrease after transfers	(10,982,023)
Net assets of the MPT:	
Beginning of year	<u>41,016,936</u>
End of year	<u><u>\$ 30,034,913</u></u>

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The following table sets forth by level, within the fair value hierarchy, the MPT's assets at fair value as of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Interest bearing investments	4,875	—	—	4,875
Foreign currency contracts	—	4,950	—	4,950
Equity securities	3,229,596	—	1,754	3,231,350
Corporate and other bonds and notes	—	7,584,406	660	7,585,066
U.S. Government bonds and notes	598	4,856,173	—	4,856,771
Mortgage backed securities	—	329,034	—	329,034
Real assets	—	—	2,724,510	2,724,510
Securities lending collateral	719,304	985,144	—	1,704,448
Receivable for variation margin	1,762	—	—	1,762
Assets at fair value	3,956,135	13,759,707	2,726,924	20,442,766
Overdrafts	151	—	—	151
Unrealized depreciation on foreign currency contracts	—	1,285	—	1,285
Investments sold short	142,899	—	—	142,899
Payable for variation margin	4,180	—	—	4,180
Liabilities at fair value	147,230	1,285	—	148,515
Net assets and liabilities fair value hierarchy table	\$ 3,808,905	\$ 13,758,422	\$ 2,726,924	\$ 20,294,251

Assets held at net asset value practical expedient:

Common/collective trust funds	967,868
Pooled separate accounts	68,465
Partnership/joint venture interests	7,432,207
Interest bearing funds	783,337
103-12 investments	527,434
Non-publicly traded registered investment companies	1,990,316
Real estate funds	38,864
Total assets held at net asset value practical expedient:	11,808,491
Other assets (liabilities)	(2,067,829)
Net assets of the MPT	\$ 30,034,913

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Additional Disclosures Related to MPT Assets Measured at NAV practical expedient as of December 31, 2023:

Investment Class-Sub Class		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real assets	Open-end funds ²	\$ 720,829	\$ —	Quarterly	45-90 days
Partnership/Joint Venture	Closed-end funds ³	1,321,724	614,826	No redemption rights	NA
	Closed-end funds ⁴	5,907,272	1,774,430	No redemption rights	NA
Fixed Income	Closed-end funds ⁶	40,766	74,933	No redemption rights	NA
Common/collective trust funds, 103-12 investments and Other:	Interest bearing investments ⁹	989,569	—	Daily	NA
	Hedge funds ¹	610,920	—	Monthly, Annually	3-90 days
	Fixed income ⁷	1,151,245	—	Daily, Monthly	3-5 days
	Equities ⁸	341,077	—	Daily, Monthly	1-30 days
	Open-end funds ⁵	725,089	—	Monthly, Quarterly	5-30 days
Total		<u>\$ 11,808,491</u>	<u>\$ 2,464,189</u>		

- (1) This class includes both directional and nondirectional hedge fund strategies. 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, could occur over the next 3 years given favorable market conditions. The hedge fund asset class takes both long and short positions in stocks, bonds, ETFs, and other indices to reduce overall portfolio volatility.
- (2) This class includes four real estate funds that invest primarily in U.S. commercial real estate. 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 several funds, which the MPT has elected to exit, will occur over the next 1 - 3 years given favorable market conditions. Real estate funds seek out core and opportunistic real estate investments primarily in United States commercial assets that are return-seeking.
- (3) This class includes real estate and natural resource investment funds that invest in U.S. and international real assets. 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 - 15 years given favorable market conditions. There are no current plans to sell any of these funds. Real estate funds seek out core and opportunistic real estate investments primarily in United States commercial assets that are return-seeking.
- (4) This class includes private equity funds that invest in U.S. and international companies. 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 - 15 years given favorable conditions. There are no current plans to sell any of these funds. Private equity investments include a diversified mix of United States and international corporate finance and venture capital funds that are return-seeking.
- (5) This class includes several fixed income funds that invest primarily in U.S. fixed income securities, however may also invest in non-U.S. securities. These are open-ended funds with no final termination dates. These investments can be redeemed on a monthly or quarterly basis.

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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. Funds may include both hedging and return-seeking United States fixed income 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. These investments can never be redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated or matured. It is estimated that the underlying assets of the funds will be liquidated over the next 4 years given favorable market conditions. There are no current plans to sell any of these funds. These funds are return-seeking.
- (7) This class includes fixed income commingled funds that invest primarily in publicly traded fixed income securities. These funds 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 termination dates.
- (8) This class includes equity commingled funds that invest primarily in publicly traded U.S. and non-U.S. equity securities. 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 and emerging market equity securities. These funds are approved by AT&T. These are open ended funds with no final termination dates.

Real assets held by the MPT includes approximately 81 separate real estate properties totaling \$2,724,510 at December 31, 2023. 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.

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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, 2023:

	Weighted-Average Discount Rate	Year-One Capitalization rate
Retail – Regional Mall	8.50%	6.88%
Retail – Non-Regional Mall	7.57%	4.92%
Office	8.13%	5.23%
Industrial	6.83%	2.56%
Residential	7.14%	4.81%

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.

Activity, transfers into and out of Level 3 and the reasons for those transfers for the year ended December 31, 2023 are as follows:

	Equities	Corporate and Other Bonds and Notes	Real Assets	Total
Transfers in	\$ 12	\$ —	\$ —	\$ 12
Transfers out	(37)	(711)	—	(748)
Purchases	—	—	127,773	127,773
Sales	(5,430,630)	(2)	(815,560)	(6,246,192)

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The following table sets forth by level, within the fair value hierarchy, the MPT's assets at fair value as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Non-interest bearing cash	\$ 157,895	\$ —	\$ —	\$ 157,895
Interest bearing investments	4,706	—	—	4,706
Foreign currency contracts	—	3,864	—	3,864
Equity securities	3,583,571	—	1,779	3,585,350
Preferred interest	—	—	5,426,667	5,426,667
Corporate and other bonds and notes	—	9,365,649	1,334	9,366,983
U.S. Government bonds and notes	—	5,447,292	—	5,447,292
Mortgage backed securities	—	222,440	—	222,440
Real assets	—	—	4,103,369	4,103,369
Securities lending collateral	1,136,969	1,407,206	—	2,544,175
Receivable for variation margin	5,024	—	—	5,024
Assets at fair value	4,888,165	16,446,451	9,533,149	30,867,765
Overdrafts	2,215	—	—	2,215
Unrealized depreciation on foreign currency contracts	—	3,102	—	3,102
Investments sold short	273,612	1,696	—	275,308
Written options payable	196	—	—	196
Payable for variation margin	7,604	—	—	7,604
Liabilities at fair value	283,627	4,798	—	288,425
Net assets and liabilities fair value hierarchy table	\$ 4,604,538	\$ 16,441,653	\$ 9,533,149	\$ 30,579,340
Assets held at net asset value practical expedient:				
Common/collective trust funds				1,229,162
Pooled separate accounts				77,198
Partnership/joint venture interests				7,729,078
Interest bearing funds				1,546,698
103-12 investments				734,520
Non-publicly traded registered investment companies				1,787,221
Real estate funds				25,668
Total assets held at net asset value practical expedient:				13,129,545
Other assets (liabilities)				(2,691,949)
Net assets of the MPT				\$ 41,016,936

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Additional Disclosures Related to MPT Assets Measured at NAV as of December 31, 2022:

Investment Class-Sub Class		Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Real assets	Open-end funds ²	\$ 838,547	\$ —	Quarterly	45-90 days
	Closed-end funds ³	1,333,787	743,424	No redemption rights	NA
Partnership/ Joint Venture	Closed-end funds ⁴	5,919,723	2,041,351	No redemption rights	NA
Fixed Income	Closed-end funds ⁶	52,996	74,933	No redemption rights	NA
Common/ collective trust funds, 103-12 investments and Other:	Interest bearing investments ⁹	1,814,410	—	Daily	NA
	Hedge funds ¹	833,124	—	Monthly, Annually	3-90 days
	Fixed income ⁷	1,055,213	—	Daily, Monthly	3-5 days
	Equities ⁸	369,629	—	Daily, Monthly	1-30 days
	Open-end funds ⁵	912,116	—	Monthly, Quarterly	5-30 days
Total		<u>\$ 13,129,545</u>	<u>\$ 2,859,708</u>		

- (1) This class includes both directional and nondirectional hedge fund strategies. 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 three real estate funds that invest primarily in U.S. commercial real estate. 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. There are no current plans to sell any of these funds.
- (3) This class includes real estate and natural resource investment funds that invest in U.S. and international real assets. 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. 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, however may also invest in non-U.S. securities. 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. These investments can never be

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redeemed. Distributions from each fund will be received as the underlying investments of the funds are liquidated or matured. It is estimated that the underlying assets of the funds will be liquidated over the next 7 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. These funds 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 termination dates.
- (8) This class includes equity commingled funds that invest primarily in publicly traded U.S. and non-U.S. equity securities. 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 and emerging market equity securities. These funds are approved by AT&T. These are open ended funds with no final termination dates.

Real assets held by the MPT includes approximately 95 separate real estate properties totaling \$4,103,369 at December 31, 2022. 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.

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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, 2022:

	Weighted-Average Discount Rate	Year-One Capitalization rate
Retail – Regional Mall	7.50%	5.51%
Retail – Non-Regional Mall	6.84%	3.99%
Office	6.74%	3.80%
Industrial	6.24%	2.69%
Residential	6.15%	4.18%

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.

Activity, transfers into and out of Level 3 and the reasons for those transfers for the year ended December 31, 2022 are as follows:

	Corporate and Other Bonds and			
	Equities	Notes	Real Assets	Total
Transfers in	\$ 732	\$ 673	\$ 20,077	\$ 21,482
Transfers out	(465)	(919)	(28,814)	(30,198)
Purchases	13	—	715,815	715,828
Sales	(2,560)	(2)	(505,533)	(508,095)

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.

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As of December 31, 2023 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	\$ 4,950	\$ —	\$ 4,950	\$ 1,861	\$ 6,811
Liabilities	(1,285)	—	(1,285)	(31,541)	(32,826)
Net	3,665	—	3,665 ^(a)	(29,680)	(26,015)
Futures contracts:					
Assets					
Bond index	—	—	—	1,977	1,977
Equity index	599,721	(599,272)	449	1,275	1,724
Interest rate	1,378,526	(1,377,212)	1,314	—	1,314
Liabilities					
Bond index	—	—	—	(4,301)	(4,301)
Equity index	—	(1,157)	(1,157)	(2,732)	(3,889)
Interest rate	(1,571,105)	1,568,081	(3,024)	—	(3,024)
Net	407,142	(409,560)	(2,418) ^(b)	(3,781)	(6,199)
Total derivatives	<u>\$ 410,807</u>	<u>\$ (409,560)</u>	<u>\$ 1,247</u>	<u>\$ (33,461)</u>	<u>\$ (32,214)</u>

(a) These amounts are included within the balance of unrealized appreciation and unrealized depreciation on foreign currency contracts of the Net Assets of the MPT.

(b) Recognized as the net of variation margin receivable and variation margin payable in the Net Assets of the MPT.

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As of December 31, 2022 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	\$ 3,864	\$ —	\$ 3,864	\$ 1,021	\$ 4,885
Liabilities	(3,102)	—	(3,102)	(9,836)	(12,938)
Net	762	—	762 ^(a)	(8,815)	(8,053)
Futures contracts:					
Assets					
Bond index	—	—	—	3,466	3,466
Equity index	64,630	(60,850)	3,780	9,234	13,014
Interest rate	2,883,256	(2,882,013)	1,243	—	1,243
Liabilities					
Bond index	—	—	—	—	—
Equity index	(583,855)	583,409	(446)	(429)	(875)
Interest rate	(1,441,936)	1,434,779	(7,157)	—	(7,157)
Net	922,095	(924,675)	(2,580) ^(b)	12,271	9,691
Options contracts					
Written options	(196)	—	(196)	—	(196)
Total derivatives	\$ 922,661	\$ (924,675)	\$ (2,014)	\$ 3,456	\$ 1,442

(a) These amounts are included within the balance of unrealized appreciation and unrealized depreciation on foreign currency contracts of the Net Assets of the MPT.

(b) Recognized as variation margin receivable 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 the MPT.

	Year Ended December 31, 2023
Futures contracts	\$ 99,031
Option contracts	\$ 189
Forward foreign currency exchange rate contracts	\$ (19,477)

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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 including 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 the MPT.

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At December 31, 2023, 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
Equity Index	CAC 40 Index	365	Jan-24	\$ 30,089	\$ (120)
Equity Index	DAX Index Future	48	Mar-24	22,121	(74)
Equity Index	Euro Stoxx 50	411	Mar-24	20,413	(152)
Equity Index	FTSE 100 Index	281	Mar-24	27,026	474
Equity Index	FTSE/MIB Future	42	Mar-24	7,000	(19)
Equity Index	Hang Seng Index	52	Jan-24	5,501	199
Equity Index	IBEX 35 Index	67	Jan-24	7,385	(23)
Equity Index	Mini MSCI EAFE Future	101	Mar-24	10,934	440
Equity Index	Mini MSCI Emerging Market	1,607	Mar-24	80,002	3,056
Equity Index	MSCI India Index	8	Mar-24	882	26
Equity Index	OMXS30 Ind Future	253	Jan-24	5,822	91
Equity Index	Russell 1000 Mini Future	173	Mar-24	22,021	892
Equity Index	Russell 2000 Mini Future	163	Mar-24	15,681	1,008
Equity Index	S&P 400 EMINI Future	55	Mar-24	14,837	615
Equity Index	S&P 500 EMINI Future	1,010	Mar-24	237,023	6,387
Equity Index	S&P 60 IX Futures	123	Mar-24	22,609	568
Equity Index	SPI 200 Futures	108	Mar-24	13,578	242
Equity Index	Topix Index	265	Mar-24	42,823	366
Interest Rate	Euro-Bund Future	(20)	Mar-24	(2,878)	(96)
Interest Rate	JPN 10YR Bond (OSE)	(24)	Mar-24	(24,049)	(198)
Interest Rate	US 10YR Note (CBT)	571	Mar-24	62,573	1,887
Interest Rate	US 10YR Note (CBT)	(1,053)	Mar-24	(115,901)	(2,972)
Interest Rate	US 10YR Ultra Future Bond	668	Mar-24	76,482	2,352
Interest Rate	US 10YR Ultra Future Bond	(3,454)	Mar-24	(390,172)	(17,454)
Interest Rate	US 2YR Note (CBT)	75	Mar-24	15,285	159
Interest Rate	US 2YR Note (CBT)	(3,038)	Mar-24	(620,386)	(5,181)
Interest Rate	US 5YR Note (CBT)	(433)	Mar-24	(46,348)	(751)
Interest Rate	US 5YR Note (CBT)	3,623	Mar-24	385,940	8,146
Interest Rate	US Long Bond (CBT)	2,397	Mar-24	278,190	21,285
Interest Rate	US Long Bond (CBT)	(2,248)	Mar-24	(262,175)	(18,685)
Interest Rate	US Ultra Bond CBT	3,939	Mar-24	481,524	44,702
Interest Rate	US Ultra Bond CBT	(478)	Mar-24	(60,631)	(3,229)
Total				<u>\$ 363,201</u>	<u>\$ 43,941</u> ^(a)

(a) This amount is included within the Variation margin payable of the Net Assets of the MPT.

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
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(Dollars in Thousands)

At December 31, 2022, open futures contracts held in the MPT were as follows:

Risk Type	Type of Contract	Number of Contracts		Expiration	Notional	
		Buy/(Sell)			Value	Fair Value
Equity Index	Amsterdam Index Future	(52)	Jan-23	\$ (7,993)	\$ 363	
Equity Index	CAC 40 Index	2	Jan-23	140	(4)	
Equity Index	CAC 40 Index	(295)	Jan-23	(20,970)	660	
Equity Index	DAX Index Future	3	Mar-23	1,139	(36)	
Equity Index	DAX Index Future	(36)	Mar-23	(13,831)	446	
Equity Index	Euro Stoxx 50	(550)	Mar-23	(23,034)	927	
Equity Index	FTSE 100 Index	13	Mar-23	1,188	1	
Equity Index	FTSE 100 Index	(342)	Mar-23	(31,440)	14	
Equity Index	FTSE/MIB Future	(38)	Mar-13	(4,931)	143	
Equity Index	Hang Seng Index	(59)	Jan-23	(7,469)	(59)	
Equity Index	IBEX 35 Index	(53)	Jan-23	(4,653)	33	
Equity Index	Mini MSCI EAFE Future	85	Mar-23	8,429	(144)	
Equity Index	Mini MSCI Emerging Market	8	Mar-23	394	(10)	
Equity Index	Mini MSCI Emerging Market	(1,859)	Mar-23	(90,322)	1,145	
Equity Index	OMXS30 Ind Future	(346)	Jan-13	(7,123)	229	
Equity Index	Russell 1000 Mini Future	397	Mar-23	43,497	(1,445)	
Equity Index	Russell 2000 Mini Future	51	Mar-23	4,639	(123)	
Equity Index	Russell 2000 Mini Future	(184)	Mar-23	(16,628)	336	
Equity Index	S&P 400 EMINI Future	(63)	Mar-23	(15,577)	188	
Equity Index	S&P 500 EMINI Future	(1,231)	Mar-23	(243,885)	6,240	
Equity Index	S&P 60 IX Futures	22	Mar-23	3,910	(134)	
Equity Index	S&P 60 IX Futures	(144)	Mar-23	(25,352)	689	
Equity Index	SGX CNX Nifty Future	74	Jan-23	2,702	(5)	
Equity Index	SPI 200 Futures	3	Mar-23	360	(7)	
Equity Index	SPI 200 Futures	(139)	Mar-23	(16,880)	290	
Equity Index	Swiss Market IX Futures	(179)	Mar-23	(21,211)	640	
Equity Index	Topix Index	1	Mar-23	143	(4)	
Equity Index	Topix Index	(323)	Mar-23	(45,971)	1,130	
Interest Rate	Euro-BOBL Future	(1)	Mar-23	(125)	4	
Interest Rate	Euro-Bund Future	56	Mar-23	8,281	(352)	
Interest Rate	Euro-Bund Future	(27)	Mar-23	(4,015)	254	
Interest Rate	Euro-Schatz Future	(1)	Mar-23	(112)	1	
Interest Rate	US 10YR Note (CBT)	2,129	Mar-23	240,919	(1,839)	
Interest Rate	US 10YR Note (CBT)	(492)	Mar-23	(55,729)	479	
Interest Rate	US 10YR Ultra Future Bond	297	Mar-23	35,551	(421)	
Interest Rate	US 10YR Ultra Future Bond	(1,755)	Mar-23	(209,027)	1,443	
Interest Rate	US 2YR Note (CBT)	72	Mar-23	14,748	18	
Interest Rate	US 2YR Note (CBT)	(4,100)	Mar-23	(840,502)	(318)	
Interest Rate	US 5YR Note (CBT)	4,213	Mar-23	455,015	(307)	
Interest Rate	US 5YR Note (CBT)	(389)	Mar-23	(42,072)	87	

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

Interest Rate	US Long Bond (CBT)	5,110	Mar-23	645,890	(5,384)
Interest Rate	US Long Bond (CBT)	(1,972)	Mar-23	(247,641)	463
Interest Rate	US Ultra Bond CBT	11,102	Mar-23	1,515,593	(24,456)
Interest Rate	US Ultra Bond CBT	(336)	Mar-23	(45,637)	510
Total				<u>940,408</u>	<u>(18,315)</u> ^(a)

(a) This amount is included within the Variation margin payable of the Net Assets of the MPT.

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 the MPT.

As of December 31, 2023 there were no written options held by the MPT.

As of December 31, 2022 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	(232)	\$ (231)	\$ (1,391)	196
	Total	(232)	\$ (231)	\$ (1,391)	196

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).

AT&T Pension Benefit Plan
AT&T Puerto Rico Pension Benefit Plan
Notes to Financial Statements - Continued
(Dollars in Thousands)

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 2023 and 2022 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 the MPT.

At December 31, 2023 and 2022, the foreign currency contracts held by the MPT were:

	Notional Value		Fair Value	
	2023	2022	2023	2022
Derivative assets	\$ 296,943	\$ 552,937	\$ 4,950	\$ 3,864
Derivative liabilities	\$ (296,943)	\$ (552,937)	\$ (1,285)	\$ (3,102)

Securities Lending

During 2023 and 2022, 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, 2023 and 2022 are reported on the accompanying MPT statements of net assets available for benefits at December 31, 2023 and 2022. The fair value of securities on loan was \$1,668,008 and \$2,485,402 as of December 31, 2023 and 2022. The reported collateral includes non-cash holding of \$780,736 and \$991,307, and cash holding of \$923,712 and \$1,552,868 at December 31, 2023 and 2022, respectively. The amount of income earned for the year ended December 31, 2023 was \$3,614.

9. Related-Party Transactions

At December 31, 2023 and 2022, the MPT held \$55,464 and \$62,056 in AT&T common stock and \$117,493 and \$130,158 of bonds guaranteed by AT&T. At December 31, 2023 and 2022, the MPT held \$0 and \$5,426,667 in Preferred Interests. Certain investments of the MPT are managed by JP Morgan Investment Management Inc., an affiliate of the AT&T Pension trustee, by The Bank of New York Mellon Corporation (BNY Mellon), an affiliate of

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the Time Warner trustee, and by Fidelity, an affiliate of the AT&T Pension recordkeeper, among other investment managers. These investments qualify as party-in-interest transactions, which are exempt from the prohibited transactions rules of ERISA.

10. Subsequent Events

Management evaluated subsequent events for the Pension Plans through September 30, 2024, the date the financial statements were available to be issued.

AT&T Pension Benefit Plan
EIN# 43-1301883, PN# 017
Schedule H, Line 4i – Schedule of Assets (Held at End of Year)
December 31, 2023

Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Cost	Current Value
Cash and Cash Equivalents			
DREYFUS CASH MGMT INST FD 288	195,467 units	\$ 195,662	\$ 195,643
Total Cash and Cash Equivalents		195,662	195,643
Group Annuity Contract			
*TRANSAMERICA SV FIXED OPT I	3,441 units	42,133	42,133
Total Group Annuity Contract		42,133	42,133
Registered Investment Companies			
Mutual Funds			
*MPSSX/BNY MELLON SM CAP MULTI STRATEGY-CLM	13,727 units	199,582	275,500
*DRGVX/BNY MELLON DYNAMIC VALUE FUND-CLASS I	12,387 units	431,827	512,205
*DAPIX/BNY MELLON LARGE CAP GROWTH FUND-CLASS I	28,732 units	543,123	497,640
Total Mutual Funds		1,174,532	1,285,345
Total Investments		\$ 1,412,327	\$ 1,523,121

* Indicates party-in-interest to the Plan.

EIN 43-1301883/PN 007

AT&T Puerto Rico Pension Benefit Plan
2023 Schedule SB, Line 26a — Schedule of Active Participant Data

The following page shows the schedule of active participant data used in the 2023 plan year valuation.

EIN 43-1301883/PN 007
AT&T Puerto Rico Pension Benefit Plan
Attachment to 2023 Schedule SB, Line 26a

AT&T Puerto Rico Pension Benefit Plan

[illegible]

EIN 43-1301883/PN 007

AT&T Puerto Rico Pension Benefit Plan
2023 Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Description of Actuarial Assumptions and Methods

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

Summary of Actuarial Assumptions

	2023	2022
Effective interest rates for minimum funding¹	5.25%	5.42%
Segment rates for minimum funding¹		
1st segment rate (years 0 to 4)	4.75%	4.75%
2nd segment rate (years 5 to 19)	5.00%	5.18%
3rd segment rate (years 20 and after)	5.74%	5.92%
Effective interest rates for purposes other than minimum funding²	3.25%	2.92%
Segment rates for purposes other than minimum funding²		
1st segment rate (years 0 to 4)	1.41%	1.07%
2nd segment rate (years 5 to 19)	3.09%	2.68%
3rd segment rate (years 20 and after)	3.58%	3.36%

¹ The interest rates for minimum funding are based on the IRS 24-month average segment rates with September look-back, adjusted to fall within the interest rate corridor under interest rate stabilization.

² The interest rates used for purposes other than minimum funding are based on the IRS 24-month average segment rates with September look-back, without regard to interest rate stabilization.

**Summary of Actuarial Assumptions
(continued)**

	2023	2022
30-year Treasury lump sum conversion rate¹	3.99%	1.94%
Cash balance crediting rate subject to 30-year Treasury rate¹		
Legacy AT&T CWA Contract	3.99%	3.75%
All others	3.99%	1.94%

¹ Interest rate assumptions subject to the 30-year Treasury rate are based on the rate in effect for the month of November prior to the valuation date.

Summary of Actuarial Assumptions (continued)

Expected rate of salary increase

Assumed rates of salary increase for AT&T vary by age or service and bargained/nonbargained status. As of 12/31/2022, the rates are adjusted by +1% over the current assumption for nonbargained employees for 2023 and 2024. Specific rates can be found in Exhibits A-1 through A-2.

Retirement rates

Retirement rates are assumed to follow age and service graded tables and vary by bargained/nonbargained status and by gender. Specific rates can be found in Exhibits B-1 and B-2.

Withdrawal rates

Withdrawal rates are assumed to follow age/service graded tables and vary by bargained/nonbargained status and by gender. Specific rates can be found in Exhibits C-1 and C-2.

Disability rates

Disability rates are assumed to follow age and service graded tables and vary by bargained/nonbargained status and by gender. Specific rates can be found in Exhibits D-1 through D-4.

Decrements

Decrements are assumed to be mid-year.

Mortality

The mortality table, in accordance with Treasury regulations 1.430(h)(3), is the prescribed 2023 static mortality table, with separate rates for annuitants and non-annuitants.

Summary of Actuarial Assumptions (continued)

Mortality for lump sum option

Commencements in the first year of the valuation are valued explicitly with that year's 417(e)(3) PPA mortality table. Future commencements reflect the valuation year's 417(e)(3) PPA mortality table.

Expected rate of return on plan assets

The expected rate of return on assets for purposes of determining the Value of Plan Assets is assumed to be 7.50% as of 1/1/2023 (6.75% prior to 2023), which reflects arithmetic returns for a one-year period. The third segment rate limitation is 6.11% for 2021 and 5.92% for 2022.

Expenses included in target normal cost

The expenses included in the target normal cost are based on the expected administration expenses and PBGC premiums for 2023.

Form of payment election

Form of payment elections are assumed to vary by program. Specific rates can be found in Exhibits F-1 through F-3.

Percent married

80% of active males and 55% of active females are assumed to be married.

Spouse age

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

Current year valuation earnings

For Bargained employees: Pension Compensation for the prior year, net of commissions and Success Sharing Plan (SSP) payments, increased for one year by the salary scale, plus prior year commissions increased for one year by 2.50%, plus Projected SSP Payments. Projected SSP Payments are the 3-year average of SSP payments based on the movement in the AT&T stock price, for contracts that received SSP payments.

For Management employees: Pension Compensation for the prior year, net of commissions and bonus payments, increased for one year by the salary scale, plus Target Commissions, plus Target Bonus.

Maximum earnings

For 2023: \$330,000.

Maximum benefit

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

Exhibit A-1

**Annual Rates of Salary Increase
Bargained Employees**

Years of service	Annual increase
0 - 1	8.00%
1 - 2	8.00
2 - 3	8.00
3 & over	2.75

Based on AT&T experience 2017-2020 and future expectations

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		

As of 12/31/2022, for 2023 and 2024, the annual rates of salary increase are adjusted by +1% over the rates shown above.

Exhibit B-1

**Annual Rates of Retirement
Bargained Male Employees**

Age	Years of service							
	10	11-19	20	21-24	25	26-29	30	> 30
<50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.080	0.055
50	n.a.	n.a.	n.a.	n.a.	0.040	0.040	0.080	0.055
51	n.a.	n.a.	n.a.	n.a.	0.040	0.040	0.080	0.055
52	n.a.	n.a.	n.a.	n.a.	0.040	0.040	0.080	0.055
53	n.a.	n.a.	n.a.	n.a.	0.040	0.040	0.080	0.055
54	n.a.	n.a.	n.a.	n.a.	0.040	0.040	0.080	0.055
55	n.a.	n.a.	0.085	0.085	0.070	0.070	0.105	0.065
56	n.a.	n.a.	0.075	0.075	0.070	0.070	0.105	0.065
57	n.a.	n.a.	0.090	0.090	0.070	0.070	0.105	0.070
58	n.a.	n.a.	0.090	0.090	0.070	0.070	0.105	0.085
59	n.a.	n.a.	0.100	0.100	0.105	0.105	0.180	0.110
60	n.a.	n.a.	0.100	0.100	0.105	0.105	0.180	0.135
61	n.a.	n.a.	0.190	0.190	0.145	0.145	0.180	0.135
62	n.a.	n.a.	0.190	0.190	0.145	0.145	0.180	0.190
63	n.a.	n.a.	0.265	0.265	0.170	0.170	0.210	0.190
64	n.a.	n.a.	0.265	0.265	0.170	0.170	0.210	0.190
65	0.260	0.260	0.335	0.335	0.255	0.255	0.265	0.245
66	0.260	0.260	0.335	0.335	0.255	0.255	0.355	0.245
67	0.260	0.260	0.260	0.260	0.215	0.215	0.355	0.250
68	0.260	0.260	0.260	0.260	0.215	0.215	0.355	0.250
69	0.260	0.260	0.260	0.260	0.215	0.215	0.355	0.250
70	0.260	0.260	0.260	0.260	0.260	0.260	0.250	0.250
71	0.260	0.260	0.260	0.260	0.260	0.260	0.250	0.250
72+	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 2017-2020 and future expectations

Exhibit B-1 (continued)

**Annual Rates of Retirement
Bargained Female Employees**

Age	Years of service							
	10	11-19	20	21-24	25	26-29	30	> 30
<50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.155	0.105
50	n.a.	n.a.	n.a.	n.a.	0.125	0.075	0.155	0.105
51	n.a.	n.a.	n.a.	n.a.	0.125	0.075	0.155	0.105
52	n.a.	n.a.	n.a.	n.a.	0.125	0.075	0.155	0.105
53	n.a.	n.a.	n.a.	n.a.	0.125	0.075	0.155	0.105
54	n.a.	n.a.	n.a.	n.a.	0.125	0.075	0.155	0.105
55	n.a.	n.a.	0.215	0.150	0.150	0.150	0.100	0.110
56	n.a.	n.a.	0.185	0.140	0.100	0.100	0.100	0.100
57	n.a.	n.a.	0.230	0.115	0.100	0.100	0.100	0.120
58	n.a.	n.a.	0.230	0.115	0.100	0.100	0.100	0.125
59	n.a.	n.a.	0.190	0.190	0.165	0.165	0.190	0.145
60	n.a.	n.a.	0.190	0.190	0.165	0.165	0.190	0.185
61	n.a.	n.a.	0.215	0.215	0.165	0.165	0.190	0.185
62	n.a.	n.a.	0.220	0.220	0.165	0.165	0.190	0.205
63	n.a.	n.a.	0.285	0.285	0.230	0.230	0.215	0.205
64	n.a.	n.a.	0.285	0.285	0.230	0.230	0.215	0.205
65	0.360	0.360	0.365	0.365	0.370	0.370	0.400	0.265
66	0.360	0.360	0.365	0.365	0.370	0.370	0.400	0.265
67	0.360	0.360	0.320	0.320	0.280	0.280	0.400	0.255
68	0.360	0.360	0.320	0.320	0.280	0.280	0.400	0.255
69	0.360	0.360	0.320	0.320	0.280	0.280	0.400	0.255
70	0.325	0.325	0.325	0.325	0.325	0.325	0.325	0.325
71	0.325	0.325	0.325	0.325	0.325	0.325	0.325	0.325
72+	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 2017-2020 and future expectations

Exhibit B-2

**Annual Rates of Retirement
Nonbargained Employees**

Age	Years of service							
	10	11-19	20	21-24	25	26-29	30	> 30
<50	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.070	0.080
50	n.a.	n.a.	n.a.	n.a.	0.070	0.070	0.070	0.080
51	n.a.	n.a.	n.a.	n.a.	0.070	0.070	0.070	0.080
52	n.a.	n.a.	n.a.	n.a.	0.070	0.070	0.070	0.080
53	n.a.	n.a.	n.a.	n.a.	0.070	0.070	0.070	0.080
54	n.a.	n.a.	n.a.	n.a.	0.070	0.070	0.070	0.080
55	n.a.	n.a.	0.105	0.105	0.105	0.105	0.105	0.105
56	n.a.	n.a.	0.100	0.100	0.100	0.100	0.100	0.105
57	n.a.	n.a.	0.115	0.115	0.115	0.115	0.115	0.110
58	n.a.	n.a.	0.115	0.115	0.115	0.115	0.115	0.135
59	n.a.	n.a.	0.150	0.150	0.155	0.155	0.160	0.160
60	n.a.	n.a.	0.150	0.150	0.155	0.155	0.160	0.190
61	n.a.	n.a.	0.190	0.190	0.155	0.155	0.160	0.190
62	n.a.	n.a.	0.215	0.215	0.155	0.155	0.160	0.255
63	n.a.	n.a.	0.240	0.240	0.210	0.210	0.245	0.255
64	n.a.	n.a.	0.240	0.240	0.210	0.210	0.245	0.255
65	0.305	0.305	0.350	0.350	0.325	0.325	0.360	0.325
66	0.305	0.305	0.350	0.350	0.325	0.325	0.360	0.325
67	0.305	0.305	0.350	0.350	0.360	0.360	0.360	0.305
68	0.305	0.305	0.350	0.350	0.360	0.360	0.360	0.305
69	0.305	0.305	0.350	0.350	0.360	0.360	0.360	0.305
70	0.335	0.335	0.335	0.335	0.335	0.335	0.335	0.335
71	0.335	0.335	0.335	0.335	0.335	0.335	0.335	0.335
72+	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 2017-2020 and future expectations

Exhibit C-1

**Annual Rates of Withdrawal
Bargained Employees**

Select Period			Ultimate Rates		
Years of Service	Male	Female	9 or More Years of Service		
			Age	Male	Female
0	0.350	0.400	15-19	0.120	0.160
1	0.300	0.350	20-24	0.120	0.160
2	0.250	0.300	25-29	0.120	0.160
3	0.200	0.250	30-34	0.120	0.160
4	0.200	0.200	35-39	0.070	0.100
5	0.150	0.200			
6	0.140	0.190	40-44	0.040	0.085
7	0.130	0.190	45-49	0.030	0.075
8	0.120	0.190	50-54	0.030	0.075
			55-59	0.050	0.090
			60+	0.090	0.120

Note: Based on AT&T experience 2017-2020 and future expectations

Exhibit C-2

**Annual Rates of Withdrawal
Nonbargained Employees**

Age	Rate
15-19	0.200
20-24	0.200
25-29	0.100
30-34	0.090
35-39	0.070
40-44	0.050
45-49	0.045
50-54	0.050
55-59	0.070
60+	0.100

Note: Based on AT&T experience 2017-2020 and future expectations

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			
47	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			
47	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			
47	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 F-1

Form of Payment
Retirements and Terminations from Active Status

Retirements - Modified Rule of 75 reached				
	<u>Immediate commencement</u>		<u>Commencement at age 65</u>	
Bargained Retirements	<u>Lump Sum</u>	<u>Annuity</u>	<u>Lump Sum</u>	<u>Annuity</u>
Mobility	60%	15%	25%	0%
AT&T Legacy Bargained	35%	65%	0%	0%
Management Retirements				
Mobility	60%	15%	25%	0%
AT&T Legacy Management	35%	35%	15%	15%

Exhibit F-2

Form of Payment
Retirements and Terminations from Active Status

Terminations - Modified Rule of 75 not reached				
	<u>Immediate commencement</u>		<u>Commencement at age 65</u>	
	<u>Lump Sum</u>	<u>Annuity</u>	<u>Lump Sum</u>	<u>Annuity</u>
Bargained Terminations				
Mobility	60%	0%	40%	0%
AT&T Legacy Bargained	60%	0%	28%	12%
Management Terminations				
Mobility	50%	0%	50%	0%
AT&T Legacy Management ¹	50%	0%	25%	25%

¹Lump sum commencement assumption for lump sum eligible portion of benefit only

Exhibit F-3

**Form of Payment
 Terminated Vested Participants**

Terminated Vested Participants				
	<u>Immediate commencement</u>		<u>Commencement at age 65</u>	
Bargained Terminations	<u>Lump Sum</u>	<u>Annuity</u>	<u>Lump Sum</u>	<u>Annuity</u>
Mobility	0%	0%	100%	0%
AT&T Legacy Bargained	0%	0%	70%	30%
Management Terminations				
Mobility	0%	0%	100%	0%
AT&T Legacy Management ¹	0%	0%	50%	50%

¹Lump sum commencement assumption for lump sum eligible portion of benefit only

Actuarial Methods

Valuation date

The valuation date is January 1, 2023.

Calculation of normal costs and liabilities

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

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

For calculating the actuarial present value of vested benefits, 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 for benefits assumed to be paid as a lump sum and where the amounts are impacted by changes in lump sum interest rates or mortality. Accordingly, lump sums determined under 417(e) which are assumed to commence in the plan year reflect the interest rates applicable for the plan year and future lump sum commencements reflect annuity substitution using the interest rates under section 430(h)(2). Additionally, the liabilities for lump sum commencements are valued using the plan year's 417(e)(3) PPA mortality table.

Value of plan assets

The value of plan assets is used to calculate contribution requirements under ERISA. The value of plan 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 one-third per year, beginning in the current year. The value of plan assets must be within 10% of the market value of assets.

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AT&T Puerto Rico Pension Benefit Plan
2023 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.

<div>SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation</div>	<div>Single-Employer Defined Benefit Plan Actuarial Information</div> <div>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).</div> <div>► File as an attachment to Form 5500 or 5500-SF.</div>	<div>OMB No. 1210-0110</div> <div>2023</div> <div>This Form is Open to Public Inspection</div>
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For calendar plan year 2023 or fiscal plan year beginning 01/01/2023 and ending 12/31/2023

► 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 PUERTO RICO PENSION BENEFIT PLAN	B Three-digit plan number (PN) ► 007
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AT&T Inc.	D Employer Identification Number (EIN) 43-1301883
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information
1 Enter the valuation date: Month 01 Day 01 Year 2023	
2 Assets:	
a Market value.....	2a 20,375,000
b Actuarial value	2b 22,412,000
3 Funding target/participant count breakdown	
a For retired participants and beneficiaries receiving payment	(1) Number of participants 73 (2) Vested Funding Target 7,658,000 (3) Total Funding Target 7,658,000
b For terminated vested participants.....	612 15,922,000 15,922,000
c For active participants.....	32 2,383,000 2,383,000
d Total	717 25,963,000 25,963,000
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 5.25%
6 Target normal cost	
a Present value of current plan year accruals.....	6a 82,000
b Expected plan-related expenses	6b 697,000
c Target normal cost.....	6c 779,000

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.	
<div>SIGN HERE</div> <div>Brian J. Walker BTW</div> <div>Signature of actuary</div> <div>Brian J. Walker, ASA, EA</div> <div>Type or print name of actuary</div> <div>Aon Consulting, Inc.</div> <div>Firm name</div> <div>5005 LBJ Freeway, 14th Floor</div> <div>DALLAS TX 75244</div> <div>Address of the firm</div>	<div>09/10/2024</div> <div>Date</div> <div>2306719</div> <div>Most recent enrollment number</div> <div>214-989-2679</div> <div>Telephone number (including area code)</div>

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)	0	1,093,000
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	1,093,000
10	Interest on line 9 using prior year's actual return of <u>-17.64</u> %	0	-193,000
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 <u>5.42</u> %		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		
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	900,000

Part III		Funding Percentages	
14	Funding target attainment percentage	14	82.85 %
15	Adjusted funding target attainment percentage	15	82.85 %
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	112.45 %
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
03/27/2024	2,450,000	0			
Totals ►			18(b)	2,450,000	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 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.	19c 2,300,000
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

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.00 %	3rd segment: 5.74 %	☐ N/A, full yield curve used
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 Demographic and benefit information	
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
b Is the plan required to provide a projection of expected benefit payments? 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 6c).....	31a	779,000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	4,451,000	408,000	
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	1,187,000	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0
36 Additional cash requirement (line 34 minus line 35)	36	1,187,000	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)	37	2,300,000	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	1,113,000	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0	
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 the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☒ 2021
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AT&T Puerto Rico Pension Benefit Plan
Summary of Attachments to 2023 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 26a	Schedule of Active Participant Data
Line 32	Schedule of Amortization Bases

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AT&T Puerto Rico Pension Benefit Plan

2023 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.

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AT&T Puerto Rico Pension Benefit Plan
2023 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, 2023	Period during which rate(s) apply
03/27/2024	\$2,450,000	2023	5.25%	\$2,300,000	1/1/2023 - 3/27/2024

AT&T Puerto Rico Pension Benefit Plan
2023 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 Puerto Rico Pension Benefit Plan
2023 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 Puerto Rico Pension Benefit Plan

Effective date

The AT&T Pension Plan and Cingular Wireless Pension Plan were merged into the AT&T Puerto Rico Pension Benefit Plan on December 31, 2009. All programs were last restated effective January 1, 2020.

Contributions

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

Employee contributions are neither required nor permitted under the Plan.

Expenses

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

Changes reflected in the valuation as of December 31, 2022

- The monthly pension bands will increase 1% on each of 1/1/2023, 1/1/2024, 1/1/2025, and 1/1/2026 for the AT&T Legacy Bargained Program (CWA).
- The annual cash balance pension band credits will increase 1% of each of 1/1/2023, 1/1/2024, 1/1/2025, and 1/1/2026 for the AT&T Legacy Bargained Program (CWA).

Summary of Plan Provisions

AT&T Legacy Bargained Program of the AT&T Puerto Rico Pension Benefit Plan

Employees eligible for participation

Any (i) Puerto Rico employee represented by a union which agrees to the pension plan, (ii) Puerto Rico nonsalaried employee whose position is subject to wage progression or who is paid weekly or biweekly, (iii) Puerto Rico nonsalaried employee temporarily promoted to a salaried management position, (iv) Puerto Rico salaried-graded employee, or (v) Puerto Rico 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 April 1, 2010, employees hired or rehired on or after on or after August 8, 2009 are not eligible.

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 now be vested after three years.

Term of Employment (also known as Net Credited Service)

Term of Employment, also known as 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 December 31, 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.

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 $\{[(i) \times (ii)] + (iii)\} \times (iv)$, 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), and special promotion credits (if applicable) as follows:

■ **Interest credits**

After January 1, 2010, 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%. Effective January 1, 2013, the interest crediting rate 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.

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■ **Differential pay credits**

The Differential Pay Credit equals a credit for each \$100 of differential pay, if any, received during a crediting period. 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.

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 the 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.

Forms of payment

Single life annuity or cash payment under same conditions as Cash Balance Formula Benefit.

Annuity benefit if participant active at death

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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.

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.

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.

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

Pension Band	Terminations					Pension Band	Terminations				
	On or after 1/1/2022	On or after 1/1/2023	On or after 1/1/2024	On or after 1/1/2025	On or after 1/1/2026		On or after 1/1/2022	On or after 1/1/2023	On or after 1/1/2024	On or after 1/1/2025	On or after 1/1/2026
	and before 1/1/2023	and before 1/1/2024	and before 1/1/2025	and before 1/1/2026			and before 1/1/2023	and before 1/1/2024	and before 1/1/2025	and before 1/1/2026	
101	\$41.56	\$41.98	\$42.40	\$42.82	\$43.25	119	\$73.15	\$73.88	\$74.62	\$75.37	\$76.12
102	43.30	43.73	44.17	44.61	45.06	120	74.87	75.62	76.38	77.14	77.91
103	45.07	45.52	45.98	46.44	46.90	121	76.61	77.38	78.15	78.93	79.72
104	46.79	47.26	47.73	48.21	48.69	122	78.41	79.19	79.98	80.78	81.59
105	48.57	49.06	49.55	50.05	50.55	123	80.11	80.91	81.72	82.54	83.37
106	50.32	50.82	51.33	51.84	52.36	124	81.89	82.71	83.54	84.38	85.22
107	52.15	52.67	53.20	53.73	54.27	125	83.68	84.52	85.37	86.22	87.08
108	53.86	54.40	54.94	55.49	56.04	126	85.40	86.25	87.11	87.98	88.86
109	55.63	56.19	56.75	57.32	57.89	127	87.15	88.02	88.90	89.79	90.69
110	57.37	57.94	58.52	59.11	59.70	128	88.89	89.78	90.68	91.59	92.51
111	59.14	59.73	60.33	60.93	61.54	129	90.66	91.57	92.49	93.41	94.34
112	60.85	61.46	62.07	62.69	63.32	130	92.40	93.32	94.25	95.19	96.14
113	62.63	63.26	63.89	64.53	65.18	131	94.18	95.12	96.07	97.03	98.00
114	64.35	64.99	65.64	66.30	66.96	132	95.91	96.87	97.84	98.82	99.81
115	66.12	66.78	67.45	68.12	68.80	133	97.66	98.64	99.63	100.63	101.64
116	67.90	68.58	69.27	69.96	70.66	134	99.50	100.50	101.51	102.53	103.56
117	69.63	70.33	71.03	71.74	72.46	135	101.15	102.16	103.18	104.21	105.25
118	71.40	72.11	72.83	73.56	74.30						

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

Pension Band	On or after 1/1/2022 and before 1/1/2023 Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	\$1,172	\$1,370	\$1,561	\$1,952	\$2,344	\$2,741	\$3,323	\$3,906
102	1,213	1,418	1,624	2,027	2,432	2,846	3,445	4,055
103	1,266	1,480	1,687	2,109	2,528	2,952	3,588	4,219
104	1,313	1,534	1,754	2,191	2,625	3,061	3,719	4,377
105	1,362	1,590	1,824	2,275	2,718	3,177	3,864	4,544
106	1,404	1,644	1,877	2,344	2,809	3,288	3,986	4,692
107	1,457	1,699	1,939	2,426	2,920	3,397	4,130	4,850
108	1,502	1,754	2,007	2,509	3,013	3,513	4,262	5,015
109	1,556	1,815	2,068	2,589	3,109	3,623	4,406	5,177
110	1,595	1,863	2,130	2,663	3,200	3,726	4,527	5,331
111	1,650	1,926	2,199	2,747	3,294	3,843	4,666	5,486
112	1,692	1,973	2,261	2,828	3,392	3,960	4,802	5,650
113	1,746	2,035	2,322	2,906	3,496	4,068	4,939	5,814
114	1,789	2,088	2,385	2,981	3,582	4,171	5,068	5,961
115	1,836	2,144	2,444	3,061	3,677	4,288	5,207	6,126
116	1,884	2,206	2,515	3,146	3,775	4,406	5,347	6,287
117	1,939	2,253	2,583	3,225	3,869	4,515	5,481	6,453
118	1,978	2,308	2,644	3,301	3,960	4,618	5,611	6,597

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

Pension Band	On or after 1/1/2022 and before 1/1/2023 Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	\$2,027	\$2,369	\$2,705	\$3,387	\$4,055	\$4,733	\$5,747	\$6,761
120	2,075	2,426	2,766	3,459	4,158	4,844	5,892	6,926
121	2,124	2,480	2,835	3,541	4,255	4,965	6,023	7,088
122	2,165	2,528	2,889	3,616	4,344	5,068	6,145	7,233
123	2,219	2,589	2,958	3,698	4,439	5,177	6,287	7,398
124	2,275	2,650	3,029	3,782	4,535	5,287	6,432	7,562
125	2,316	2,699	3,091	3,864	4,631	5,404	6,563	7,727
126	2,362	2,754	3,152	3,939	4,720	5,514	6,686	7,870
127	2,417	2,828	3,225	4,036	4,836	5,644	6,857	8,062
128	2,472	2,876	3,294	4,111	4,932	5,754	6,994	8,224
129	2,509	2,932	3,342	4,179	5,015	5,852	7,110	8,356
130	2,554	2,981	3,403	4,255	5,105	5,954	7,233	8,508
131	2,604	3,035	3,472	4,334	5,197	6,072	7,370	8,673
132	2,650	3,091	3,536	4,416	5,292	6,186	7,507	8,838
133	2,699	3,152	3,597	4,501	5,396	6,297	7,652	8,993
134	2,747	3,206	3,658	4,569	5,486	6,398	7,775	9,146
135	2,790	3,255	3,719	4,652	5,584	6,516	7,912	9,308

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

Pension Band	On or after 1/1/2023 and before 1/1/2024 Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	\$1,184	\$1,384	\$1,577	\$1,972	\$2,367	\$2,768	\$3,356	\$3,945
102	1,225	1,432	1,640	2,047	2,456	2,874	3,479	4,096
103	1,279	1,495	1,704	2,130	2,553	2,982	3,624	4,261
104	1,326	1,549	1,772	2,213	2,651	3,092	3,756	4,421
105	1,376	1,606	1,842	2,298	2,745	3,209	3,903	4,589
106	1,418	1,660	1,896	2,367	2,837	3,321	4,026	4,739
107	1,472	1,716	1,958	2,450	2,949	3,431	4,171	4,899
108	1,517	1,772	2,027	2,534	3,043	3,548	4,305	5,065
109	1,572	1,833	2,089	2,615	3,140	3,659	4,450	5,229
110	1,611	1,882	2,151	2,690	3,232	3,763	4,572	5,384
111	1,667	1,945	2,221	2,774	3,327	3,881	4,713	5,541
112	1,709	1,993	2,284	2,856	3,426	4,000	4,850	5,707
113	1,763	2,055	2,345	2,935	3,531	4,109	4,988	5,872
114	1,807	2,109	2,409	3,011	3,618	4,213	5,119	6,021
115	1,854	2,165	2,468	3,092	3,714	4,331	5,259	6,187
116	1,903	2,228	2,540	3,177	3,813	4,450	5,400	6,350
117	1,958	2,276	2,609	3,257	3,908	4,560	5,536	6,518
118	1,998	2,331	2,670	3,334	4,000	4,664	5,667	6,663

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

Pension Band	On or after 1/1/2023 and before 1/1/2024							
	Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	\$2,047	\$2,393	\$2,732	\$3,421	\$4,096	\$4,780	\$5,804	\$6,829
120	2,096	2,450	2,794	3,494	4,200	4,892	5,951	6,995
121	2,145	2,505	2,863	3,576	4,298	5,015	6,083	7,159
122	2,187	2,553	2,918	3,652	4,387	5,119	6,206	7,305
123	2,241	2,615	2,988	3,735	4,483	5,229	6,350	7,472
124	2,298	2,677	3,059	3,820	4,580	5,340	6,496	7,638
125	2,339	2,726	3,122	3,903	4,677	5,458	6,629	7,804
126	2,386	2,782	3,184	3,978	4,767	5,569	6,753	7,949
127	2,441	2,856	3,257	4,076	4,884	5,700	6,926	8,143
128	2,497	2,905	3,327	4,152	4,981	5,812	7,064	8,306
129	2,534	2,961	3,375	4,221	5,065	5,911	7,181	8,440
130	2,580	3,011	3,437	4,298	5,156	6,014	7,305	8,593
131	2,630	3,065	3,507	4,377	5,249	6,133	7,444	8,760
132	2,677	3,122	3,571	4,460	5,345	6,248	7,582	8,926
133	2,726	3,184	3,633	4,546	5,450	6,360	7,729	9,083
134	2,774	3,238	3,695	4,615	5,541	6,462	7,853	9,237
135	2,818	3,288	3,756	4,699	5,640	6,581	7,991	9,401

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

Pension Band	On or after 1/1/2024 and before 1/1/2025 Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	\$1,196	\$1,398	\$1,593	\$1,992	\$2,391	\$2,796	\$3,390	\$3,984
102	1,237	1,446	1,656	2,067	2,481	2,903	3,514	4,137
103	1,292	1,510	1,721	2,151	2,579	3,012	3,660	4,304
104	1,339	1,564	1,790	2,235	2,678	3,123	3,794	4,465
105	1,390	1,622	1,860	2,321	2,772	3,241	3,942	4,635
106	1,432	1,677	1,915	2,391	2,865	3,354	4,066	4,786
107	1,487	1,733	1,978	2,475	2,978	3,465	4,213	4,948
108	1,532	1,790	2,047	2,559	3,073	3,583	4,348	5,116
109	1,588	1,851	2,110	2,641	3,171	3,696	4,495	5,281
110	1,627	1,901	2,173	2,717	3,264	3,801	4,618	5,438
111	1,684	1,964	2,243	2,802	3,360	3,920	4,760	5,596
112	1,726	2,013	2,307	2,885	3,460	4,040	4,899	5,764
113	1,781	2,076	2,368	2,964	3,566	4,150	5,038	5,931
114	1,825	2,130	2,433	3,041	3,654	4,255	5,170	6,081
115	1,873	2,187	2,493	3,123	3,751	4,374	5,312	6,249
116	1,922	2,250	2,565	3,209	3,851	4,495	5,454	6,414
117	1,978	2,299	2,635	3,290	3,947	4,606	5,591	6,583
118	2,018	2,354	2,697	3,367	4,040	4,711	5,724	6,730

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

Pension Band	On or after 1/1/2024 and before 1/1/2025							
	Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	\$2,067	\$2,417	\$2,759	\$3,455	\$4,137	\$4,828	\$5,862	\$6,897
120	2,117	2,475	2,822	3,529	4,242	4,941	6,011	7,065
121	2,166	2,530	2,892	3,612	4,341	5,065	6,144	7,231
122	2,209	2,579	2,947	3,689	4,431	5,170	6,268	7,378
123	2,263	2,641	3,018	3,772	4,528	5,281	6,414	7,547
124	2,321	2,704	3,090	3,858	4,626	5,393	6,561	7,714
125	2,362	2,753	3,153	3,942	4,724	5,513	6,695	7,882
126	2,410	2,810	3,216	4,018	4,815	5,625	6,821	8,028
127	2,465	2,885	3,290	4,117	4,933	5,757	6,995	8,224
128	2,522	2,934	3,360	4,194	5,031	5,870	7,135	8,389
129	2,559	2,991	3,409	4,263	5,116	5,970	7,253	8,524
130	2,606	3,041	3,471	4,341	5,208	6,074	7,378	8,679
131	2,656	3,096	3,542	4,421	5,301	6,194	7,518	8,848
132	2,704	3,153	3,607	4,505	5,398	6,310	7,658	9,015
133	2,753	3,216	3,669	4,591	5,505	6,424	7,806	9,174
134	2,802	3,270	3,732	4,661	5,596	6,527	7,932	9,329
135	2,846	3,321	3,794	4,746	5,696	6,647	8,071	9,495

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

Pension Band	On or after 1/1/2025 and before 1/1/2026 Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	\$1,208	\$1,412	\$1,609	\$2,012	\$2,415	\$2,824	\$3,424	\$4,024
102	1,249	1,460	1,673	2,088	2,506	2,932	3,549	4,178
103	1,305	1,525	1,738	2,173	2,605	3,042	3,697	4,347
104	1,352	1,580	1,808	2,257	2,705	3,154	3,832	4,510
105	1,404	1,638	1,879	2,344	2,800	3,273	3,981	4,681
106	1,446	1,694	1,934	2,415	2,894	3,388	4,107	4,834
107	1,502	1,750	1,998	2,500	3,008	3,500	4,255	4,997
108	1,547	1,808	2,067	2,585	3,104	3,619	4,391	5,167
109	1,604	1,870	2,131	2,667	3,203	3,733	4,540	5,334
110	1,643	1,920	2,195	2,744	3,297	3,839	4,664	5,492
111	1,701	1,984	2,265	2,830	3,394	3,959	4,808	5,652
112	1,743	2,033	2,330	2,914	3,495	4,080	4,948	5,822
113	1,799	2,097	2,392	2,994	3,602	4,192	5,088	5,990
114	1,843	2,151	2,457	3,071	3,691	4,298	5,222	6,142
115	1,892	2,209	2,518	3,154	3,789	4,418	5,365	6,311
116	1,941	2,273	2,591	3,241	3,890	4,540	5,509	6,478
117	1,998	2,322	2,661	3,323	3,986	4,652	5,647	6,649
118	2,038	2,378	2,724	3,401	4,080	4,758	5,781	6,797

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AT&T Inc.
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Pension band credits
AT&T Legacy Bargained Program
(bands 119 to 135)

Pension Band	On or after 1/1/2025 and before 1/1/2026							
	Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	\$2,088	\$2,441	\$2,787	\$3,490	\$4,178	\$4,876	\$5,921	\$6,966
120	2,138	2,500	2,850	3,564	4,284	4,990	6,071	7,136
121	2,188	2,555	2,921	3,648	4,384	5,116	6,205	7,303
122	2,231	2,605	2,976	3,726	4,475	5,222	6,331	7,452
123	2,286	2,667	3,048	3,810	4,573	5,334	6,478	7,622
124	2,344	2,731	3,121	3,897	4,672	5,447	6,627	7,791
125	2,386	2,781	3,185	3,981	4,771	5,568	6,762	7,961
126	2,434	2,838	3,248	4,058	4,863	5,681	6,889	8,108
127	2,490	2,914	3,323	4,158	4,982	5,815	7,065	8,306
128	2,547	2,963	3,394	4,236	5,081	5,929	7,206	8,473
129	2,585	3,021	3,443	4,306	5,167	6,030	7,326	8,609
130	2,632	3,071	3,506	4,384	5,260	6,135	7,452	8,766
131	2,683	3,127	3,577	4,465	5,354	6,256	7,593	8,936
132	2,731	3,185	3,643	4,550	5,452	6,373	7,735	9,105
133	2,781	3,248	3,706	4,637	5,560	6,488	7,884	9,266
134	2,830	3,303	3,769	4,708	5,652	6,592	8,011	9,422
135	2,874	3,354	3,832	4,793	5,753	6,713	8,152	9,590

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

Pension Band	On or after 1/1/2026							
	Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
101	\$1,220	\$1,426	\$1,625	\$2,032	\$2,439	\$2,852	\$3,458	\$4,064
102	1,261	1,475	1,690	2,109	2,531	2,961	3,584	4,220
103	1,318	1,540	1,755	2,195	2,631	3,072	3,734	4,390
104	1,366	1,596	1,826	2,280	2,732	3,186	3,870	4,555
105	1,418	1,654	1,898	2,367	2,828	3,306	4,021	4,728
106	1,460	1,711	1,953	2,439	2,923	3,422	4,148	4,882
107	1,517	1,768	2,018	2,525	3,038	3,535	4,298	5,047
108	1,562	1,826	2,088	2,611	3,135	3,655	4,435	5,219
109	1,620	1,889	2,152	2,694	3,235	3,770	4,585	5,387
110	1,659	1,939	2,217	2,771	3,330	3,877	4,711	5,547
111	1,718	2,004	2,288	2,858	3,428	3,999	4,856	5,709
112	1,760	2,053	2,353	2,943	3,530	4,121	4,997	5,880
113	1,817	2,118	2,416	3,024	3,638	4,234	5,139	6,050
114	1,861	2,173	2,482	3,102	3,728	4,341	5,274	6,203
115	1,911	2,231	2,543	3,186	3,827	4,462	5,419	6,374
116	1,960	2,296	2,617	3,273	3,929	4,585	5,564	6,543
117	2,018	2,345	2,688	3,356	4,026	4,699	5,703	6,715
118	2,058	2,402	2,751	3,435	4,121	4,806	5,839	6,865

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

Pension Band	On or after 1/1/2026							
	Years of service in whole years at end of crediting period							
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+
119	\$2,109	\$2,465	\$2,815	\$3,525	\$4,220	\$4,925	\$5,980	\$7,036
120	2,159	2,525	2,879	3,600	4,327	5,040	6,132	7,207
121	2,210	2,581	2,950	3,684	4,428	5,167	6,267	7,376
122	2,253	2,631	3,006	3,763	4,520	5,274	6,394	7,527
123	2,309	2,694	3,078	3,848	4,619	5,387	6,543	7,698
124	2,367	2,758	3,152	3,936	4,719	5,501	6,693	7,869
125	2,410	2,809	3,217	4,021	4,819	5,624	6,830	8,041
126	2,458	2,866	3,280	4,099	4,912	5,738	6,958	8,189
127	2,515	2,943	3,356	4,200	5,032	5,873	7,136	8,389
128	2,572	2,993	3,428	4,278	5,132	5,988	7,278	8,558
129	2,611	3,051	3,477	4,349	5,219	6,090	7,399	8,695
130	2,658	3,102	3,541	4,428	5,313	6,196	7,527	8,854
131	2,710	3,158	3,613	4,510	5,408	6,319	7,669	9,025
132	2,758	3,217	3,679	4,596	5,507	6,437	7,812	9,196
133	2,809	3,280	3,743	4,683	5,616	6,553	7,963	9,359
134	2,858	3,336	3,807	4,755	5,709	6,658	8,091	9,516
135	2,903	3,388	3,870	4,841	5,811	6,780	8,234	9,686

Summary of Plan Provisions

AT&T Legacy Management Program of the AT&T Puerto Rico Pension Benefit Plan

Employees eligible for participation

Any salaried management Puerto Rico employee who is employed by an AT&T Corp. Participating Company becomes a participant immediately upon attaining at least age 21. This plan was closed to new participants on December 31, 2006. Effective June 1, 2016, transfers into management positions are no longer eligible to participate.

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.

Term of Employment (also known as Net Credited Service)

Term of Employment, also known as 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.

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 (excluding short term incentive award payments), Team Management incentive compensation plan awards (APA), incentive compensation for directory or marketing employees, and area differential pay.

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) and PR code section 1081.01(a)(12) compensation limits.

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Special update

Active participants as of January 1, 1997 were eligible for the Special Update. The monthly pension benefit under the Special Update is $(i) \times (ii) \times .016 / 12$ 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 $\{(i) \times (ii) \times (iii)\} + [(iv) \times .016]$ 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 $(i) \times (ii)$, 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 interest credit was 5.5%.

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■ **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:

Prior to 1/1/2022	
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%

Effective 1/1/2022	
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 & over	7.00%

■ **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 above based on age. Effective 1/1/2022, the Supplemental Pay Credit is calculated using a 3% Pay Factor for all participants.

■ **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 is the greater of these benefits 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 (i.e. 3-year of vesting service).

■ **Date payment begins**

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 is 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 payment begins**

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 5 years of Vesting Service. Notwithstanding 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.

Forms of payment

Single life annuity or cash payment under same conditions as Cash Balance Formula Benefit.

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.

Surviving spouses of participants that die on or after May 25, 2018 that elect to receive their benefit beginning on or after June 1, 2018 are eligible to receive a full lump sum payment. Effective January 1, 2019, all survivors are eligible to receive a full lump sum payment, regardless of death date.

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.

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. Corresponding residual annuities are calculated in accordance with final IRS partial lump sum regulations released September 8, 2016. Participants terminating on or after May 25, 2018 that elect to receive their benefit beginning on or after June 1, 2018 are eligible to receive a full lump sum payment with no limit. Effective January 1, 2019, all participants are eligible to receive a full lump sum payment, regardless of termination date.

For participants that terminate employment on or after November 1, 2018 and elect a distribution between January 1, 2019 and April 1, 2019, the greater of the 2018 and 2019 actuarial equivalent factors shall be used to calculate the lump sum amount.

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

Summary of Plan Provisions

Mobility Program of the AT&T Puerto Rico Pension Benefit Plan

Employees eligible for participation

Any nonbargained Puerto Rico employee, or bargained employee that bargained to participate in the Plan, who is regularly employed by AT&T Mobility Puerto Rico will become a participant the day after completing one Year of Service. Any nonbargained employee or bargained employee that bargained to participate in the Plan, of Cingular Wireless that transferred from SBC Corporation or BellSouth Corporation is a participant in the Plan on the date of transfer. Any nonbargained employee, or bargained employee that bargained to participate in the Plan, hired by Cingular Wireless prior to December 31, 2001 becomes a participant in the Plan on January 1, 2002 if not already a participant in the Plan. Eligibility for nonbargained employees was closed December 31, 2005. Eligibility for bargained employees was closed December 31, 2011. Effective June 1, 2016, transfers into management positions are no longer eligible to participate.

Definitions

Transferred employee

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

Transferred participant

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

Years of service

Years of Service will be calculated on an elapsed time basis for the number of whole 12-month periods of service. For actives on January 1, 2010, accrued benefits will now be vested after three years.

Years of vesting service credit

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

Years of pension eligibility service

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

Term of Employment (also known as 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) and PR code section 1081.01(a)(12) compensation limits.

SBC career-average benefit

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

Special pension account (SPA)

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

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 Puerto Rico 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 $\frac{1}{2}\%$ for each month the participant's age on the commencement date is prior to age 55. If the participant has attained 30 Years of Net Credited Service, then reduction is $\frac{1}{4}\%$ for each month the participant's age on the commencement date is prior to age 55.
- the SPA.
- the Accelerated Transition Benefit, reduced for distribution prior to age 55, times an immediate lump sum factor.
- the Special ATB.
- the BellSouth Management Pension Plan benefit, reduced for distribution prior to age 60 (age 61 for terminations during 2004, 2005 or age 62 for termination during 2006 or later) times an immediate lump sum factor. Reduction is $\frac{1}{2}\%$ for each month the participant's age on the commencement

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date is prior to the applicable age based on year of termination. If the participant has attained 30 Years of Net Credited Service, then reduction is $\frac{1}{4}\%$ for each month the participant's age on the commencement date is prior to applicable age based on year of termination.

- the BellSouth Pension Plan Benefit, reduced for commencement prior to age 56, times an immediate lump sum factor. Reduction is $\frac{1}{2}\%$ for each month the participant's age on the commencement date is prior to age 56. If the participant has attained 30 Years of Net Credited Service, then the benefit is not reduced for early commencement.
- the BellSouth Management Pension Minimum Lump Sum benefit.

Annuity benefit

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

Date payments begin

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

Termination benefit

Eligibility

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

Lump sum benefit

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

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

Annuity benefit

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

Date payments begin

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

Surviving spouse benefit

Eligibility

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

Annuity benefit

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

Lump sum benefit

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

Death benefit if no surviving spouse

Eligibility

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

Lump sum benefit

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

Forms of payment

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

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

Benefits not valued

No benefits are excluded that would materially affect the liabilities.

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AT&T Puerto Rico Pension Benefit Plan
2023 Schedule SB, Line 32 — Schedule of Amortization Bases

Type of Base	Present Value of Any Remaining Installments	Valuation Date	Years Remaining	Amortization Installment
Shortfall Amortization Base	\$ 4,451,000	1/1/2023	15	\$ 408,000
Total	\$ 4,451,000			\$ 408,000

AT&T Puerto Rico Pension Benefit Plan

2023 Schedule SB, Line 24 — Change in Non-Prescribed Actuarial Assumptions

Effective January 1, 2023, the changes in actuarial assumptions are as follows:

- The salary increase rates were adjusted by +1% over the current assumption for nonbargained employees for 2023 and 2024 to reflect future expectations.
- The expected long-term rate of return on assets for determining the Value of Plan Assets was changed from 6.75% to 7.50%. This change had no impact on the 2023 actuarial valuation results.