



Presidents Meeting – 2015 Bargaining Report
Benefits Only – May 19, 2015

Benefits – Effective 1/1/16 CORE Contract*

Medical Premiums/Pretax Deduction

Current Employees

A new, low premium, health care option is available to all employees beginning in 2016. The new option with higher deductibles but significantly lower monthly premiums may be a good option for individuals or families that have low usage. The plan has the same benefits and networks with a different cost structure.

<u>Monthly Contributions (full time):</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Option 1	Single	79.00	88.00	102.00	110.00
	Family	163.00	219.00	255.00	273.00
Option 2	Single	N/A	24.00	36.00	50.00
	Family	N/A	60.00	89.00	124.00
 <u>2015 New Hire**</u>					
<u>Option 1</u>					
	Single	135.00	139.00	149.00	150.00
	Family	300.00	346.00	372.00	372.00
 <u>Option 2</u>					
	Single	N/A	73.00	80.00	90.00
	Family	N/A	181.00	200.00	222.00
 <u>Deductibles</u>					
<u>Option 1</u>					
<u>Network/ONA/PPO</u>					
	Single	500.00	500.00	500.00	600.00
	Family	1000.00	1000.00	1000.00	1200.00
Non Network	Single	1300.00	1300.00	1300.00	2100.00
	Family	2600.00	2600.00	2600.00	4200.00
 <u>Option 2</u>					
<u>Network/ONA/PPO</u>					
	Single	N/A	1300.00	1300.00	1300.00
	Family	N/A	2600.00	2600.00	2600.00
Non Network	Single	N/A	3900.00	3900.00	3900.00
	Family	N/A	7800.00	7800.00	7800.00

Monthly Contributions Part Time: Same eligibility requirements as current

****2015 New Hires are employees hired on, or after ratification of the 2015 CBA**

*** Includes Global Services Appendix G & COS Contract**

Eligibility for Company Subsidy- Individual Coverage (after 90 days)

Family Coverage (after 6 months) *

*If electing family coverage after 90 days, and before 6 months, the amount of the individual contribution will be deducted from the monthly premium amount.

Option 2- If family coverage is selected, family deductible must be met before deductible is considered met. This may be met by one, or a combination of family members.

Enrollees in Option 2 may be eligible to establish an HSA based on IRS rules. 2016 appears to be eligible at this time.

Out of Pocket Maximums (include deductibles):

Option 1

**In Network/PPO
& ONA**

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Single	2,500.00	2,500.00	3,000.00
Family	5,000.00	5,000.00	6,000.00

Non Network

Single	7,300.00	7,300.00	9,000.00
Family	14,600.00	14,600.00	18,000.00

Option 2

**In Network
ONA/PPO**

Single	6450.00	6450.00	6450.00
Family	12900.00	12900.00	12900.00

Non Network

Single	19350.00	19350.00	19350.00
Family	38700.00	38700.00	38700.00

Co-Insurance

Option 1

10%/40% 10%/40% 10%/50%

Option 2

10%/50% 10%/50% 10%/50%

Prescription Drugs

RX Deductible

Option 1

None

Option 2

Single and Family Integrated with Medical

Rx Out of Pocket Maximum
Includes deductible

<u>Option 1</u>	Single	1,200.00	1,200.00	1,200.00
	Family	2,400.00	2,400.00	2,400.00

Option 2 **Single and Family integrated with Medical**

Rx Co Pay

<u>Generic:</u>	<u>Option 1</u>	<u>2016-2018</u>
	Retail:	10.00
	Mail:	20.00

	<u>Option 2</u>
	Retail: 9.00
	Mail: 18.00

<u>Brand</u>	<u>Option 1</u>	<u>2016-17</u>	<u>2018</u>
	Retail Preferred:	35.00	35.00
	Mail Preferred:	70.00	70.00
	Retail Non-Pref:	60.00	70.00
	Mail Non-Pref:	120.00	140.00
	<u>Option 2</u>		
	Retail Preferred:	35.00	35.00
	Mail Preferred:	70.00	70.00
	Retail Non-Pref:	70.00	70.00
	Mail Non-Pref:	140.00	140.00

Pension and Savings

Pension

- All employees participating in the Midwest Program of the AT&T Pension Benefit Plan will receive an increase in the monthly pension band amounts each year for terminations in plan years
 2016 - 1% 2017 - 1% 2018 - 1%.

- All 2015 New Hires, and employees currently participating in the BCB2 Plan will be eligible to participate in the BCB2 Plan.

Savings Plans

- **AT&T Savings and Security Plan-** no change from current plan.
- **AT&T Retirement Savings Plan-** All 2015 New Hires, and employees currently participating in the AT&T Retirement Savings Plan will be eligible to participate in the AT&T Retirement Savings Plan
- No change from current plan

Vision

Introduction of a new Vision Plan with higher benefit levels than the previous standard option of the plan. The significantly higher benefit levels in this plan will provide better value than the former Ameritech Vision Care Program at much lower premiums than the Vision Plus Plan option

Monthly Contributions:

2016-2018

Individual	\$2.00
Individual + 1	\$5.00
Family	\$8.00

Coverage Levels

Exam:	1 per 12 months
Network:	No co pay/No co-insurance
Non-Network:	\$28.00 allowance toward exam.

Frame Allowance:	1 allowance per 12 months
Network:	\$130.00
Non-Network:	\$30.00

Lenses Allowance:	1 set per 12 months
Network:	No co pay/No co-insurance
	Standard plastic lenses: single, bi-focal, tri-focal, lenticular, progressive plus polycarbonate at 100%.

Non-Network 1 set per 12 months
\$30.00-\$80.00 allowance toward lenses

Contact Lenses Allowance: Allowance per 12 months
Network: \$150.00
Non-Network \$150.00

Second Pair Benefit: Network only- Allows for a second pair of glasses, or contact lenses allowance after the first pair benefit is utilized per 24 months

Monthly contributions are fixed for the term of the 2015 Collective Bargaining Agreement.

(Applies to all current employees and 2015 new hires)

Dental

2016-2018

Individual \$7.00
Individual +1 \$14.00
Family \$23.00

(No change to current Plan. Applies to all current employees and 2015 new hires)

New Voluntary Wellness Programs

Includes: Tobacco cessation, heart health, diabetes management, weight management, stress management and others. Also provides access to a variety of web-based tools and resources. These programs can assist employees and their families in staying healthy and keeping their health care costs low.

Disease management for Asthma, Heart Failure, Coronary Artery Disease, Diabetes and Chronic Obstructive Pulmonary Disease if enrolled in Option 1 or Option 2 of the AT&T Bargained Employee Medical Program.

Disability

(includes Accident*, Short-Term and Long-Term)

All current employees, 2009 and 2012 New Hires

AT&T Midwest Disability Benefits Program – (No change to current program)

2015 New Hires

AT&T Disability Income Program – 26 week limit at 100% or 60% of pay based on NCS. No accident disability* (covered under Short Term Disability). Re-employment opportunity for those remaining disabled after 26 weeks but becoming able to perform available jobs up to 52 weeks from the end of their Short Term Disability. Supplemental

Long Term Disability option in addition to standard Long Term Disability, except for terms and temps.

Flexible Spending Account, CarePlus, Life Insurance, Long-Term Care, Adoption, Commuter, EAP

Same as current Plans. (Applies to all current employees and 2015 new hires)

Eligible Retired Employees

Monthly Contributions

2015 and 2012 New Hires

Eligible retired employees* who are Non-Medicare eligible will pay 100% of the full cost of coverage * with no company subsidy.

2009 New Hires

Eligible retired employees* who are Non-Medicare eligible will pay 50% of the full cost of coverage

Current Employees

Eligible Retired Employees* who are Non-Medicare eligible will have access to the same plans, options and pricing as current active employees

*Eligible Retired Employees are employee currently active 2009 New Hires and Current employees who retire during the term of the 2015 Collective Bargaining Agreement

Benefit Definitions

Annuity: Refers to a monthly (annual) pension benefit.

AT&T Midwest Bargained Employee Medical Program (Formerly CHCP): The Midwest Bargained Employee Medical Program that has two distinct insurance options; a Health Care Network (HCN) and Preferred Provider Organization (PPO/Non PPO). The Plan is considered a traditional Point of Service Plan; meaning you choose an In-Network/PPO provider [or not] at the time you need services.

Banded Plan: Refers to our traditional defined benefit pension plan. Each title/wage has an associated pension band which is then translated into a fixed dollar amount. Pension bands are generally listed in the wage tables and the band amounts are listed in

Appendix.B. Multiply your band dollar amount by your years of NCS to get a general estimate of your monthly pension benefit.

Benefit Commencement Date (BCD): For the Midwest is the date commonly used as your last day on payroll. Is Very Important when retiring at year end (12/31).

Carrier/Vendor: Is the insurance company that administers our benefit plans. Currently the carrier for both the Health Care Network (HCN) and for the PPO/Non plan is Blue Cross Blue Shield of Illinois. The enrollment and eligibility vendor is Aon Hewitt. And Cigna/Dental, EyeMed/Vision, Fidelity/Pension & Savings Plans.

Cash Balance Account (BCB2): A pension plan available to newly hired employees and certain other current employees that allow participants to plan for future retirement. Requires 1 year of service to participate. Unlike a banded defined benefit pension plan; a cash balance plan specifies the amount of the contribution by the employer on a more consistent, steadily escalating curve basis rather than the amount of a future benefit or a step curve basis that is used in banded defined benefit pension plans. Monies can be paid out in a lump sum in a more unrestricted way if employees move from company to company prior to retirement.

Co-Insurance: This is the amount you are responsible for once you have met your deductible. It is expressed as a percentage. For example: If your co-insurance is 10%; you are responsible for 10% of the Reasonable & Customary cost (or Network Negotiated Fee) for your health care after you have met your deductible. If you went to your family doctor and the reasonable fee for the office visit was \$100; you would be responsible for \$10.00 and your insurance would pay \$90. You are responsible for any amounts over the reasonable and customary (or Network Negotiated Fee) if the Provider you use does not waive them. The charges you are responsible for are determined by your Co-insurance level (10% when you use an In-Network/PPO provider or 40% when using a Non-Network/Non PPO provider).

Co-Pays: Co-pays are set dollar amounts usually paid at the time services are rendered. (Example: \$20 per Dr. Office Visit or \$75 per ER Visit). Co-pays are not applicable for the Medical/Surgical portions of the Medical Plan, but will still apply for Prescription drugs.

Deductible: The deductible is an amount of money that must be paid "up front" before the Plan pays anything toward your coverage, except preventive from network providers. Like the premium, the amount can be different based on the number of covered individuals, either single or family (two or more individuals). The deductible is also substantially higher if you receive care at a Non-Network/Non-PPO providers or facilities. Dollars that apply to the In-Network/PPO and Non-Network/Non PPO providers are never mixed. The deductible is waived for some medical services, such as In-Network/PPO Preventative Care. Once you meet the appropriate medical deductible; all you pay is Co-Insurance (described above) for allowable charges and your insurance

pays the remainder until you reach your applicable out of pocket maximum, after which the plan pays for all covered services.

Eligible Employees (EE): An employee that is eligible to participate in the Plan.

Eligible Expenses: Expenses for services that are covered under the insurance plan. Services must be medically necessary. (Example: cosmetic surgery or air purifiers are not generally eligible expenses/not covered as they are not considered medically necessary) Contact the number listed on the back of your insurance card if you have questions as to what are covered expenses/procedures.

Flexible Spending Account (FSA): An account that you can set up using pre-tax dollars deducted from your paycheck. Healthcare and Dependent care expenses are eligible to be paid out of this account. You must enroll annually for this account. While the account has definite tax advantages; you should note the any money unused at the end of the year is forfeited. This is a good option for individuals that have predictable eligible expenses such as child care or prescription drugs. Many of the same expenses payable out of an FSA are the same as those eligible for reimbursement through a Healthcare Reimbursement Account (HRA). Special rules apply for individuals who are also enrolled in an Health Savings Account.

Future Retiree: An employee that is in Regular Full Time status on the start date of Contract term and retires during the term of this Contract.

Health Reimbursement Account (HRA's): An account, funded by the employer that provides dollars to pay for eligible health care expenses such as deductibles, or co-insurance. Any amounts not used in the current year carry-over to the next year.

HMO's: A medical plan offered as an alternative to the traditional medical plan(s), and sometimes require a monthly premium. Each HMO will have their own plan designs. It is the responsibility of each employee to review and compare plan details, providers and costs before choosing an HMO medical option.

Health Savings Account (HSA): An account created for individuals who are covered under high-deductible health plans (HDHPs) to save for medical expenses that HDHPs do not cover. Contributions are made into the account by the individual, or the individual's employer, and are limited to a maximum amount each year. The contributions are invested over time and can be used to pay for qualified medical expenses, which include most medical care such as dental and vision.

Life Insurances.

Basic Life: Term Life insurance provided and paid for by the employer.

Supplemental Life: Additional Term life insurance that the employee may elect/pay for. It is available in increments up to 6 times the annual pay. Is discounted for non-smokers.

Dependent Life: Term life insurance for spouse and/or children that an employee may elect to purchase in varying amounts.

Modified Rule of 75: Is a pension rule that defines when an employee may retire with a service pension and with retirement benefits. Other than a Disability pension; you must meet the following grid in order to qualify for a service pension with associated benefits (any age + service = 75 DOES NOT qualify):

<u>Service</u>	<u>Age</u>
30+ years	Any age
25 years	Age 50
20 years	Age 55
10 years	Age 65

Mortality Table: Tables used to determine life expectancy for lump sum calculations.

Network Negotiated Fees (NNF): Fees like Reasonable and Customary fees that are normally charged in a geographical area for specific services, but that are negotiated downward by the insurance industry to reflect a much deeper discount.

New Hire: Employees who are hired or rehired after ratification date of the Contract are considered 2015 New Hires. This includes current Regular Limited Term (RLT's) employees that are reclassified to regular Full Time (RFT) status after that date. Recalled employees are considered current employees and not new hires. An employee who hires/rehires or transfers into the 2015 Collective Bargaining Agreement after the ratification date shall be referred to as 2015 New Hires.

Non PPO/Non-Network: Providers, hospitals and facilities that have not agreed to a discounted rate and who do not belong to the network or PPO. You may still use these providers, but at a much higher out of pocket cost to yourself. Deductibles, Co-insurance and Out of Pocket Maximums are much higher when out of Network. **It is your responsibility each and every time you seek services to verify that the provider you use is in the Network or PPO. Providers and facilities sometimes join or leave networks during the course of the year.**

Other Post-Employment Benefits (OPEB's): These are benefits that an employee is eligible to receive (or purchase) upon reaching retirement eligibility. (example: Medical, Care Plus, Dental, Vision, Life Insurances). The options available to employee's vary and is dependent on their retirement company and date.

Out of Pocket Maximums (OOP): A fixed amount depending on whether you are using In-Network/PPO or Non-Network/Non PPO services. Once you have paid this amount (generally through Co-insurance payments) all additional covered services are paid by the insurance at 100% (of R&C or NNF). Premiums, Deductibles or amounts over the R&C/NNF are not applied to the OOP Maximum.

Pension Protection Act (PPA): A law to provide more stability for employer provided pension plans. The law requires certain corporate bond rates be blended for purposes of determining lump sum payout amounts for pensions if that option is elected.

PPO/HCN Network: A network of participating health care providers, hospitals, and facilities that have agreed to reduced rates for their services. By utilizing participating providers; you will be eligible for lower Deductibles, Co-insurance and OOP Maximums. **It is your responsibility each and every time you seek services to verify that providers are still In-Network or PPO. Providers and facilities sometimes join or leave networks during the course of the year.**

Premium/Contribution: This refers to a monthly payment required to participate in a benefit plan. The amount of the premium is dependent on the number of covered individuals covered. The fee is less for an individual than for a family (two or more). The payment is made via payroll deduction (if still employed) and is in most cases made on a pre-tax income basis. Failure to pay any part of your premium(s) will result in in cancellation of ALL insurance coverage and will require a period of time before you can re-enroll. This could be a result of inadequate money in the pay cycle to cover the deduction.

Usual & Customary Fees (U&C): U&C fees are fees that are normally charged by medical and/or dental providers in a certain geographical area.

Self-Insured: A situation where the Company pays a vendor to administer the benefit plan and only pays the actual claim rather than pay monthly insurance premiums for each employee.

General Legal Notice: This information is provided for training discussion and is informational only. It only attempts to summarize the listed components of the benefit plans or programs for easier understanding. Individual situations and plans may vary. Full details, including eligibility are described in your Summary Plan Descriptions, Summary material Modifications and Plan Documents which are subject to the Collective Bargaining Agreement. In all cases; the Collective Bargaining Agreement and/or Plan Documents shall govern and are the final authority on the terms of the Plans.