

Summary of Material Modifications



Important Benefits Information

The BellSouth Retiree Medical Assistance Plan
The BellSouth Retiree Dental Assistance Plan
The BellSouth Group Life Plan

This summary of material modifications (SMM) is an update to the Health and Insurance Plans for Retirees Summary Plan Descriptions (SPDs). This SMM applies solely to former employees of L.M. Berry and Company and Berry Network, Inc. who while employed were not classified as a management employee, were not represented by a union and who terminated employment on and after June 1, 2008. This SMM does not apply to any other former employee who is eligible to participate in the Health and Insurance Plans for Retirees.

Please keep this SMM with your program SPDs.

DISTRIBUTION

Distributed to former employees of L.M. Berry and Company and Berry Network, Inc. who while employed were not classified as a management employee, were not represented by a union and who terminated employment on and after June 1, 2008.

NIN 78-13936



Benefits

Summary of Material Modifications

December 2008

IMPORTANT INFORMATION

In all cases, the official documents for the Plan govern and are the final authority on the terms of the Plan and, if there are any discrepancies between the information in this SMM and the Plan, the Plan documents will control. AT&T reserves the right to terminate or amend any and all of its employee benefit plans or programs. Participation in the plans and programs is neither a contract nor a guarantee of future employment.

What is this document?

This document is a summary of material modifications (SMM) for the Health and Insurance Plans for Retirees Summary Plan Descriptions (SPDs).

Why did I receive this document?

You are eligible to participate in one of the programs that this SMM applies.

What action do I need to take?

Please review this document carefully for detailed information about your benefits and keep it for future reference.

What changes are included in this SMM?

This SMM outlines changes to the rules for eligibility for retiree benefits coverage.

How do I use this document?

This SMM replaces or changes the specified sections of the SPD. It is important that you read this SMM with the appropriate SPD to get a complete picture of your benefits.

Questions?

Contact the eligibility and enrollment vendor at 1-877-722-0020 if you have questions regarding information in this SMM.

INTRODUCTION

Health and Insurance Plans SPD Amended by This SMM

This summary of material modifications (SMM) is an update to the Health and Insurance Plans for Retirees Summary Plan Descriptions (SPDs) and shall be effective June 1, 2008, unless otherwise specified. This SMM applies to the following health and insurance plans (hereafter referred to as the "Affected Plans"):

- The BellSouth Retiree Medical Assistance Plan
- The BellSouth Retiree Dental Assistance Plan
- The BellSouth Group Life Plan

Participants Affected by This SMM

The changes described in this SMM apply to former employees of L.M. Berry and Company or Berry Network, Inc. who both:

- While employed were neither:
 - Classified as a management employee
 - Represented by a union
- Terminate employment on and after June 1, 2008

Former employees to whom these changes apply are referred to in this SMM as "Former L. M. Berry NMNU Employees".

WHO IS ELIGIBLE FOR RETIREE COVERAGE

Replace the "L. M. Berry NMNU Employees" section beginning on Page 3 of the September 2008 SMM with the following revised section. This section is added to Page 2 of the SPD after the "Represented Employees" section under the heading "Who is Eligible for Retiree Coverage".

Former L. M. Berry NMNU Employees: You qualify for retiree coverage for you and your eligible dependents if you meet one of the following post-employment requirements. Your net credited service is determined under the BellSouth Personal Retirement Account Pension Plan.

Modified Rule of 75

You will be eligible for retiree coverage if you meet both the age and corresponding net credited service requirements as described in the following table, as of the date you terminate employment.

Minimum Age		Corresponding Net Credited Service
Any age	And	At least 30 years
50 years old	And	At least 25 years
55 years old	And	At least 20 years
65 years old	And	At least 10 years
<i>Age and service are based on completed whole years.</i>		

Rule of 75

You will be eligible for retiree coverage if you meet the Rule of 75 requirements as described below before Jan. 1, 2009, and terminate employment as an L.M. Berry NMNU on or after June 1, 2008. If you do not meet the Rule of 75 requirements before Jan. 1, 2009, you must meet the Modified Rule of 75 to be eligible for retiree coverage. Refer to the "Modified Rule of 75" section above for additional information.

Rule of 75
<p>An L. M. Berry NMNU Employee with at least 10 years of NCS meets the Rule of 75 when any combination of your NCS and your age (in whole years and whole months) equals or exceeds 75 years.</p> <p>Examples</p> <ul style="list-style-type: none"> • If you are age 46½ and have 28½ years of NCS, you have met the Rule of 75. • If you are age 64 and have 11 years NCS, you have met the Rule of 75. • If you are age 68 and have 7 years NCS, you do NOT meet the Rule of 75 because your NCS does NOT equal at least 10 years.
<p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>Whole years and whole months of age and service are added together to determine if the Rule of 75 is met.</i> • <i>Any periods of part-time employment are pro-rated by the number of hours worked per week as a percent of 37.5 hours if you were (i) initially hired on or after Jan. 1, 1990, or (ii) rehired after Jan. 1, 1990, following a break in service.</i>

Severance Employee Group

A Former L. M. Berry NMNU Employee who terminates employment under the AT&T and BellSouth Corporation Merger Severance Agreement and who at that time does not satisfy the Rule of 75 or Modified Rule of 75 eligibility requirements for post-employment medical coverage, will be eligible for retiree coverage if the Former L. M. Berry NMNU Employee meets the Rule of 65 requirements as described in the following table.

Rule of 65
<p>An L.M. Berry NMNU Employee with at least 10 years of NCS meets the Rule of 65 when any combination of your NCS and age (in whole years and whole months) equals or exceeds 65 years.</p> <p>Examples</p> <ul style="list-style-type: none">• If you are age 46½ and have 18½ years of NCS, you have met the Rule of 65.• If you are age 54 and have 11 years NCS, you have met the Rule of 65.• If you are age 58 and have 7 years NCS, you have NOT met the Rule of 65 because your NCS does NOT equal at least 10 years.
<p><i>Notes:</i></p> <ul style="list-style-type: none">• <i>Whole years and whole months of age and service are added together to determine if the Rule of 65 is met.</i>• <i>Any periods of part-time employment are pro-rated by the number of hours worked per week as a percent of 37.5 hours if you were (i) initially hired on or after Jan. 1, 1990, or (ii) rehired after Jan. 1, 1990, following a break in service.</i>

CONTINUED APPLICABILITY

Except as amended herein, the provisions of the Affected Plans will remain in effect.