

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). The BellSouth Retiree Medical Assistance Plan, BellSouth Retiree Dental Assistance Plan and BellSouth Group Life Plan are component programs of the AT&T Umbrella Benefit Plan No. 1 (Plan).

Please keep this SMM with your 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 78-13923



Benefits

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| September 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, subject to any applicable collective bargaining obligation. Participation in the plans and programs is neither a contract nor a guarantee of future employment.

This SMM is provided for your information and review.

INTRODUCTION

Health and Insurance Plans SPD Amended by This SMM

This summary of material modifications (SMM) is an update to the Summary Plan Descriptions (SPDs) for the following Retiree Health and Insurance Plans (hereafter referred to as the "Affected Plans"), which are component programs under the AT&T Umbrella Benefit Plan No. 1, and which shall be effective June 1, 2008, unless otherwise specified:

- 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 the following individuals who are former employees of L.M. Berry and Company or Berry Network, Inc. who, while employed, were not classified as a management employee, were not represented by a union, and terminated employment on and after June 1, 2008, (hereinafter referred to as "Former L. M. Berry NMNU Employees") and their eligible dependents:

- Retired employees participating in one or more of the Affected Plans
- Eligible dependents of retirees (including surviving dependents) covered under any of the Affected Plans
- Qualified beneficiaries under COBRA who are receiving benefits under any of the Affected Plans subject to COBRA and who, prior to the applicable COBRA qualifying event, were participating in an Affected Plan
- Former employees who are receiving benefits under the BellSouth Long Term Disability Plan for Non-Salaried Employees

CESSATION OF PARTICIPATION FOR CERTAIN RETIREES

Add the following paragraph to the end of the section "Cessation of Participation for Certain Retirees" on Page 5 of the February 2008 SMM:

Cessation of Participation for Certain Retirees

Effective June 1, 2008, individuals who are Former L.M. Berry NMNU Employees who terminate employment with post-employment eligibility, shall be eligible to participate in the Affected Plans under the same terms and conditions as a former represented employee.

WHO IS ELIGIBLE FOR RETIREE COVERAGE

Add the following "L. M. Berry NMNU Employees" section to Page 2 of the SPD after the "Represented employees" section:

L. M. Berry NMNU Employees: You qualify for retiree coverage for you and your eligible dependents if you meet both the age and corresponding net credited service requirements as described in the table below, 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>		

COST OF COVERAGE: RETIRED EMPLOYEES

Delete the medical plan cost of coverage table for L.M. Berry Retirees on Page 41 of the SPD and replace with the following table:

Effective date:	How the cost of medical coverage is paid:
Former L. M. Berry NMNU Employees	<p>Retiree and spouse or domestic partner: Retiree pays the Prorated Premium. Retiree is subject to the Capped Excess Premium; however, the earliest this premium will be required is Jan. 1, 2010.</p> <p>Other Class I dependents: If coverage began before retirement Retiree pays the Prorated Premium and the Capped Excess Premium; however, the earliest this premium will be required is Jan. 1, 2010.</p> <p>If coverage began after retirement—Retiree pays 100% HMO Premiums and Class II/Sponsored Dependent Premiums apply.</p>

Delete the dental plan cost of coverage table for L.M. Berry Retirees on Page 90 of the SPD and replace with the following table

Effective date:	How the cost of dental coverage is paid:
Former L. M. Berry NMNU Employees	<p>Retiree and spouse or domestic partner: Retiree is subject to the Capped Excess Premium; however, the earliest this premium will be required is Jan. 1, 2010.</p> <p>Other Class I dependents: If coverage began before retirement—Retiree pays Capped Excess Premium however, the earliest this premium will be required is Jan. 1, 2010.</p> <p>If coverage began after retirement—Retiree pays 100%</p>

CONTINUED APPLICABILITY

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