

QUESTIONS & ANSWERS

2009 CWA DISTRICT 9 / AT&T WEST FINAL AGREEMENT

**** As compiled and answered by CWA Local 9421 ****

General Wages

Q. What is CPI-W?

A. Consumer Price Index (W). This is a calculation put out by the government. Go to www.BLS.Gov for info.

Q. What is GWI?

A. General Wage Increase. This is the percentage based increase negotiated annually with or without COLA.

Q. What is COLA?

A. Cost Of Living Adjustment. This is calculated as an additional amount into the annual GWI by calculating any amount over the CPI-W that exceeds 4% for the 3rd Year of the contract.

Q. Has the CPI-W ever gone over 4% historically?

A. Yes it has.

Q. Is the GWI retroactive, and how will it be paid?

A. Yes, to April 5, 2009, and likely will be added to a normal payroll period as soon as practicable after ratification.

Q. Is the 45 cent increase for Premises Technicians retroactive back to April 5, 2009?

A. Yes.

Q. How on earth does the figure of 22% increase over the life of the contract for Premises Technicians get computed?

A. First there is the 45 cent increase, then the 3% GWI, which takes the top pay which is currently \$800/week or \$20/hour to \$842.50/week or \$21.06/hour immediately. Then 2010 the 3% GWI will take the top pay to \$868/week or \$21.70/hour. Finally in 2011 the 2.75% GWI (not including any COLA that may apply) will take the top pay to \$892/week or \$22.30/hour. The 22% figure accounts for the compounding of wages over the life of the agreement.

Q. Why did District 4 Premises Technicians get more money than the District 9 Premises Technicians by receiving \$3.25 versus our 45 cents?

A. This is a misconception. In District 4, in trade for the \$3.25 increase they allowed the Premises Technicians to perform the drop work from the serving terminal AND any additional work responsibilities that the Company may wish to include under the Premises Technician title. With the drop work being added, pole climbing would be a requirement and of that process it is pass/fail. What's more, with the \$3.25/hour raise in District 4, the top pay for their Premises Technicians will only be \$20.20/hour or \$808/week from now until the conclusion of their contract. Compare that to the top pay for Premises Technicians in District 9, which will be \$22.30/hour or \$892/week (see previous question/answer); as you can see, our Premises Technicians in District 9 will make \$2.10 more per hour by the conclusion of the District 9 contract than their counterparts in District 4. Even without waiting until the end of the contract, our Premises Technicians in District 9 will immediately start out making \$21.06/hour or \$842.50/week at top pay; that is already \$.86/hour or \$34.50/week more than their counterparts in District 4. And that's just the pay. Work wise, here in District 9 we weren't interested in having our Premises Technicians do more for less. We were looking to preserve the differences between them and a Service Tech / Splicing Tech. In reality, our Premises Technicians in District 9 will be performing less work functions than their counterparts in District 4, but will make \$2.10 more per hour or \$84 more per week by the conclusion of the District 9 contract.

Pension Benefits

Q. Does the 2% increase in the Pension each year over the life of the contract increases apply to current retirees?

A. No, the increase would apply to current active employees approaching retirement.

Q. Did we lose our ability to take a Lump Sum Distribution Option, and if retained, did the notification in order to take Lump Sum change?

A. No, the Lump Sum Distribution Option was maintained, and while advance notice is best to ensure timely payment of monies, the required notice has not changed.

Q. What is the Bargained Cash Balance Program 2 under the AT&T Pension Benefit Plan?

A. This is the Pension Plan for Premises Technicians and future new hires.

Q. What is the vesting period for the Bargained Cash Balance Program 2?

A. 3 years and previous service counts for vesting – however the accounts will not be created until the beginning of 2010.

Q. What is the Company's contribution into the Bargained Cash Balance Program 2?

A. Everything required and necessary (this is not a separate real account).

Q. With the GATT being converted over to the Corporate Bond Interest Rate between now and 2015, is this a positive or negative impact to future retirees.

A. The CBIR fluctuates more than the GATT, so depending this could be good or bad depending. This is required per Code 417 (e)(3)(C) which takes effect in 2012. The 1st quarter of 2012 will still be based on 100% GATT.

401(K)

Q. What benefit to members is having a Roth 401(k) option?

A. The money placed into a Roth 401(k) is after tax monies where the accrued interest and money that is available in the account is considered tax free for the individual.

Q. Fidelity currently manages 401(k) and Pension Plans. Is there any change there?

A. There is no requirement for the Company to stay with Fidelity as their Pension / 401(k) administrator; therefore, it is probable that this could change depending on the bidding process.

Q. What is the "catch up"?

A. This means the cap has been raised to a higher annual amount for individuals over 50 years old that want to maximize contributions into their 401(k).

Q. What is the Roth 401(k) cap?

A. The same as the traditional 401(k).

Q. Can someone convert their traditional 401(k) to a Roth 401(k)?

A. There would be costs associated in doing so, could retain traditional and place future monies into Roth 401(k) to avoid having to pay conversion fees. A financial planner would be the best to advise what would be best for your circumstances.

Health Care

Q. If someone has Kaiser, do they have to pay a monthly premium?

A. Not currently, they will only have to pay if the premium for Kaiser exceeds the amount of the HCN (a.k.a. Company Plan - United Health Care) and in the event that this occurs the monthly amount required would be capped at no more than \$30 individual or \$75 family.

Q. Is the Kaiser premium close to the HCN premium?

A. Now... no, Kaiser is significantly less. The future is unknown, but likely Kaiser will remain lower.

Q. For non-Kaiser HMO options, what is the cap for monthly premiums, if any?

A. There isn't a cap for non-Kaiser monthly premiums.

Q. For those who currently have PacifiCare HMO (others have Health Net), will these plans even be offered to us and at what cost?

A. For other HMO's other than Kaiser (PacifiCare / Health Net) the monthly contribution will be \$35 individual / \$75 family, and if the premium exceeds the HCN cost then employee pays additional difference. This means that in addition to the automatic \$35/\$75, any cost above HCN would be added to monthly contribution that employee would pay.

Q. If I do not have Kaiser now and want to switch to Kaiser, is there ANY possibility that I might be denied?

A. No. No eligible employee's will be denied Kaiser Coverage, if they elect to switch into Kaiser Plan.

Q. What does H.R.A. mean, and how does it work? Can the Health Reimbursement Account (H.R.A.) be used to pay for my monthly premium for health care?

A. The Health Reimbursement Account is a Company-funded account that you can use for any related medical expenses. The H.R.A. only applies to those current employees who have the HCN Plan.

Q. What happens if we do not use all of our H.R.A., will we forfeit it like a Flexible Spending Account (F.S.A.)?

A. No, the H.R.A. monies roll over to the following year, until they are used.

Q. Can a person use the H.R.A. towards their deductibles?

A. Yes, if they are part of the HCN, they can use the H.R.A. towards any related medical expenses, same rules as F.S.A.

Q. Will the Company funded H.R.A. count as income for me, and will we be taxed on that money?

A. No.

Q. When will H.R.A. funds be available to use, and do they accumulate interest?

A. As of January 1, 2010, and no they do not accumulate any interest (imaginary account).

Q. Now that we have H.R.A.'s will we still be allowed to do our own F.S.A.'s?

A. Absolutely. Just remember that any unused pre-tax money in an F.S.A. at the end of the year is forfeited and does not rollover like the H.R.A.'s.

Q. If I have Kaiser, will I get the H.R.A.?

A. No, this is only for those covered under the HCN.

Q. How will any monthly premiums be deducted from our payroll?

A. To be determined.

Q. Will Care Plus Health Insurance still be offered to non-management with this new agreement?

A. Yes. This is unchanged.

Q. What all is covered under "preventative care"? Is the list of what is considered "preventative care" negotiated?

A. As defined in the Summary Plan Description, which the CWA Research Department reviewed and advised that the items covered are the usual and customary items covered under "preventative care". No, the list of preventative care was not negotiated, because they were the usual and customary items covered therein.

Q. What is "co-insurance"?

A. After the deductible is paid, for non-preventative care visits and procedures whatever the total cost associated – the employee would be responsible for paying 10% in network, 40% out of network (i.e. \$180 test would cost \$18. in network, \$72 out of network).

Q. For current spouse coverage (when the spouse has health care plan available to them from their employer but elect to be placed on our plan with qualified employee) has to pay approximately \$40 per month for coverage. Has this changed?

A. Yes this has changed, where the \$40 spouse contribution is eliminated. The premium payments have replaced the spouse contribution in a sense where anything above the employee would be considered family and result in a cost of \$75 per month for the HCN and non-Kaiser HMO's.

Q. Has the time period for open enrollment changed?

A. No.

Q. How will Premises Technicians be treated regarding medical?

A. They will be treated like current employees for medical.

Q. Is the monthly premium contribution included in the OOP max?

A. No.

Q. Are there any RX drugs that are not covered under the plans?

A. Yes there are a number of RX drugs that are not covered. For example medicinal marijuana is not covered.

Q. What are the options and costs associated for retiree health care?

A. There are two different plans available for Pre-Medicare Eligible Retirees and two different plans available for Post Medicare Eligible Retirees.

For the Pre-Medicare Eligible Retirees the first plan is a Blended Cap plan where there are monthly premium costs as determined at enrollment, but there is not a deductible, defined co-pays (\$30 Office Visit, None Hospital E.R., \$200 Hospital Admission) no OOP max, a \$50 deductible for RX with an OOP max of \$1,500 individual/\$3,000 family on Generic and Formulary. The co-pays for RX are as follows Retail Generic \$8 - \$14 / Mail Generic \$17 - \$28, Retail Formulary \$26 - \$28 / Mail Formulary \$54 - \$56, and Retail Non-Formulary \$50 - \$56 / Mail Non-Formulary \$108 - \$112.

The second plan for Pre-Medicare Eligible Retirees AND one of the two options for Post Medicare Eligible Retirees requires no monthly contributions for Premiums. There is a \$400 individual / \$800 family deductible with co-insurance 10% in network and 50% out of network. The OOP max for network is \$1,000 / \$3,000. There are no co-pays due to the co-insurance. RX deductibles are \$75 2010, \$125 2011 and \$175 2012 with an OOP max of 1,500 individual / \$3,000 family on Generic and Formulary. The co-pays for RX are as follows Retail Generic \$10 - \$11 / Mail Generic \$20 - \$28, Retail Formulary \$30 - \$33 / Mail Formulary \$75 - \$83, Retail Non-Formulary \$50 - \$55 / Mail Non-Formulary \$125 - \$138.

The second plan for Post Medicare Eligible Retirees requires no monthly contributions and no deductibles, with no change to co-insurance. No OOP max. Co-pays \$30 Office Visits, None Hospital ER, \$200 Hospital Admission. RX deductibles are \$75 2010, \$125 2011 and \$175 2012

with an OOP max of 1,500 individual / \$3,000 family on Generic and Formulary. . The co-pays for RX are as follows Retail Generic \$10 - \$11 / Mail Generic \$20 - \$28, Retail Formulary \$30 - \$33 / Mail Formulary \$75 - \$83, Retail Non-Formulary \$50 - \$55 / Mail Non-Formulary \$125 - \$138.

Q. The Company Health Care Plan has a lifetime monetary cap for retirees, what is it going to be under the new agreement?

A. There is not a lifetime cap for those in the HCN. This is unchanged. See the summary plan description for Kaiser and all other HMO options for any lifetime caps that may exist.

Q. Were we able to retain the benefit that I am not sure what it is called, but when a retiree is Medicare eligible - age 65 you are charged a monthly \$89 (currently I believe) on your social security check for Medicare and the company has reimbursed us a \$50 (not sure of exact amount) monthly. Is this still being offered for this contract?

A. There were no changes negotiated, but this is based on a scale which takes several factors into consideration to determine the actual cost.

Q. Will there be any changes to pre-65 retirees cost for Kaiser?

A. Yes, likely there will be. They would be shared at the time of open enrollment for those retirees for 2004 or later, or prior to enrollment for those prior to 2004.

Q. Are there any changes for Medicare Part B Reimbursement?

A. No, not for current retirees and those who retire under this agreement.

Q. Any changes to Vision coverage for current employees?

A. No change.

Q. Why is the OOP max for health care and RX so high?

A. Actually the OOP max for someone making less than \$28,000 per year is currently \$1,000 individual and \$4,000 family and for someone making more than \$28,000 per year is currently \$1,500 individual and \$4,500 family, whereas the new plan is \$1,000 individual *(same or less) and \$3,000 family *(less). For RX the current OOP max is \$750 individual and \$1500 family, whereas the new plan is \$900 individual (\$150 more) and \$1800 family (\$300 more).

ERB

Q. Was there any change to ERB?

A. No.

Job Security / No Layoff Commitment

Q. Has the no layoff commitment been extended, and does it include the Premises Technicians?

A. Yes, and it has been extended to those Premises Technicians hired prior to ratification of this agreement.

National Transfer Plan

Q. When does the National Transfer Plan become active?

A. All Regions / Districts must ratify their Tentative Agreements once reached containing the National Transfer Plan Language, and once that has been done everywhere, it will be activated as soon as practicable thereafter.

Horizons

Q. Does Horizons apply to Premises Technicians?

A. Yes.

Mini Transfer Process

Q. What changes were made to the Mini Transfer Process, if any?

A. Mini Transfers will be contained within the Consolidated Head-Quarters Exchange (CHQE) per District. This will prevent the Company from using the Mini Transfer process as a Force Balancing Tool.

Q. Are Premises Technicians eligible to utilize the Mini Transfer Process?

A. No.

Term Employees

Q. Why didn't the non-Premises Technicians that are Term employees currently get converted to Regular Status?

A. While it would have been everyone's desire to convert everyone to Regular Status, the only ones that the Company was willing to convert were the Premises Technicians. However, we were successful in obtaining for the Terms to have access to AUTS for any available positions.

Q. If a Term is unable to secure a transfer via AUTS and is subsequently work completed, how will they be treated for future employment opportunities with the Company?

A. They would be treated like an off-the-street hire; however, they would bring their prior experience into the equation.

AUTS

Q. Will Premises Technicians that now have access to AUTS have to meet the 30 months time in title before being able to transfer via AUTS?

A. Yes, however any time currently worked will count towards the time in title for those hired prior to ratification.

Card Check

Q. Did we retain card check agreement?

A. Yes and it includes new and evolving technologies. Additionally, we have recognition of the Direct TV work which will likely be performed by Premises Technicians once the merger/purchase is finalized.

Illness Payment

Q. Is there now a waiting period to be paid for those who are sick or take FMLA?

A. No.

Article 7

Q. Were there any changes to Article 7 regarding the grievance process?

A. Yes, there are 2 Trials – the first regarding the ability for management to meet with the union via teleconference or conference call for disciplinary grievances, and the other to allow for fact finding meetings between the union and the company. Both trials are 6 months in duration and can be cancelled by either party at any time... however in reality, the two are tied together, so if one goes – so does the other.

Q. What does Fact Finding Meetings provide for?

A. Allows for a joint investigation where both sides have an agreed upon set of facts that are stipulated upon, which helps expedite and improve the rest of the process.

SSP / TPA (Team Award)

Q. There is a rumor that all of the employees who would have been eligible for the 2008 TPA (Team Award) will not receive the \$1500.00. True or not?

A. Not true. All eligible employees will receive the \$1500 as soon as practicable after ratification. This was as a result of a grievance settlement on the 2008 TPA resolved thru bargaining. Unfortunately, Premises Technicians are not eligible for these monies.

Q. What are Success Sharing Units?

A. That is the multiplier of 150 that is multiplied with the dividend and or the stock price appreciation.

Q. Will there be room for manipulation to avoid payout?

A. Not as much as they had with former TPA. In order for manipulation to occur with SSP, the Company would have to mess with their stock price in a negative manner which is non-beneficial to the Company as a whole.

Q. Do Premises Technicians get SSP?

A. Yes.

Overtime

Q. Were there any changes to the 49 hour rule?

A. No, and unfortunately Premises Technicians remain ineligible.

Q. Currently Premises Technicians are expected to finish their loads before ending their day, resulting in frequent mandatory overtime... has this changed?

A. Unfortunately, mandatory overtime still exists for Premises Technicians; however, if there are times where non-incidentual overtime is forecasted, they will distribute these opportunities as equitably as possible.

Premises Technicians

Q. Did the Union ask to take Premises Technicians out of Appendix E?

A. Yes, it was demanded repeatedly. Your committee fought for 6 months up until the last day to get Premises Technicians the best deal possible, while preserving the differences between them and the Service Techs.

Q. Why is the time in title 30 months for the Premises Technician title?

A. Because of the product training which takes a lengthy amount of time, and the Company's desire to retain their skilled and experienced workers for their new flagship product that is continuing to grow and expand.

Q. Can the Company cancel any hours for Premises Technicians under the new agreement?

A. Yes, however they must provide 12 hours notice to avoid paying a penalty. Once your shift begins, they are unable to cancel any part of the 8 hour shift.

Q. In order for Premises Technicians to place & test grounding rods will there be training and what is the timeline?

A. Yes, we believe there should be training provided by the Company in order to perform this work safely, and our concerns have been forwarded to the JCOSH committee. The time line for any training has not been shared. One of the important things to remember is that locates should be performed prior to placing the ground rods.

Leveraged Titles

Q. Will Service Reps be required to relocate if they choose to move into the Leveraged Title?

A. No. They will not be changing their chair, just their manner in which they are paid. Service Reps and Leveraged Titles will co-located.

Q. If a Service Rep moves to the Leveraged Title, can they retreat back to Service Rep?

A. Yes, 6 months retreat rights.

Q. Can a Service Rep. be forced into the Leverage Title?

A. No. In the event of a surplus, both Service Reps and Leveraged Titles are part of the same pool for surplus purposes within the Consolidated Headquarters Exchange. In the event that a Service Rep was offered a Leveraged Title via the matching phase of a surplus outside of the CHQE, then they would be pay protected as outlined in Article 2. If they voluntarily bumped someone in a Leveraged Title outside the CHQE, again they would have pay protections as outlined in Article 2.

Q. If a Leveraged Title worker is sick, how will their absence be paid?

A. They would receive their 60% base pay only for any days absent.

Q. How would they be paid for Vacation, Union Paid Time, and Training?

A. Vacation – 60% base pay, UP time – 60% base pay, and Training – 100%.

Q. If I moved to a Leveraged Title, is it true that I could make more money than a Service Rep?

A. Yes, the commission allows them to make up to 180% of Service Rep. pay.

Q. What will Leveraged Titles pay for dues to the union?

A. Union dues will be based upon the 60% base wage unless changes occur to the CWA Constitution down the road that could change the formula for how dues are calculated.

Q. Why did the union accept the Leveraged Title?

A. If we hadn't, the Company would have moved all Service Rep work, impacting some 4,500 – 5,000 Service Reps in California, out of state where they have the Leveraged Titles.

Q. Are there going to be quotas for Service Reps that could lead to discipline?

A. MOA 98-02 was retained, so there are no sales quotas for Service Reps. that include discipline.

Q. Doesn't the 40% at risk commission based pay system potentially drive some of the wrong behaviors?

A. It certainly could, which is why we continue to have concerns regarding those who end up in this title.

MOA's

Q. Were any MOA's canceled?

A. No MOA that the union wanted were discontinued.

Ultra MOA

Q. Is it true that a revised version of the Ultra MOA was negotiated?

A. Yes, where the scope of misconduct violations was narrowed greatly.

Q. Will Ultra replace Supervisory Monitoring?

A. Yes, for those with the recording platform. For those that do not have the recording platform, not until they have the recording platform.

Q. Will there be a new 90 day grace period for any discipline?

A. Yes, even if you have the platform there will be a new 90 day window upon ratification.

Q. Who will perform Service Assurance?

A. 3rd Levels and above, no Service Assurance at the local level; however, 1st and 2nd lines outside of the office may perform Service Assurance as well.

General

Q. Why didn't we stick together in bargaining, did we not agree to strike rather than accept take backs, with the slogan 1 Union, 1 Fight, 1 Future? What happened and why?

A. There was no agreement to have a national table, therefore leaving bargaining to occur regionally. We certainly didn't want to get stuck with what District 4 got, and we had to work incredibly hard and for an extended period of time to bring in an improved agreement. We obtained a good agreement where many items the Company seriously wanted to remove, were preserved and maintained in this agreement. Yes, there were a couple of areas where we would like to have gotten more... but this was the very best we could achieve under the current economic circumstances.

In Unity,

Lupe Mercado

Michael Bell

Darrin Simmons

John Adams Jr.

Denise Mack

Cherri Heinze

Robert Longer