

Network Addendum – U-verse Field Operations (NA-UFO) Wire Technician Voluntary Severance Premium Offer - Q & As

Q1. Is this a forced layoff?

A1. No. This is a one-time voluntary offer.

Q2. Who will receive this offer?

A2. Certain Wire Technicians as determined by the business unit.

Q3. How do I determine the amount of my lump sum?

A3. The lump sum will be \$5,000 plus Layoff Allowance equivalent. To determine the Layoff Allowance equivalent portion of the payment, the employee will use their years of completed service and the table in Section 6.04 of the NA-UFO.

Q4. When and how will I receive my payment?

A4. The payment will be disbursed within 30 days of your off-payroll date and will be received in the same manner as your regular paycheck, i.e. direct deposit.

Q5. Is this one-time lump sum payment taxable?

A5. Yes. The payment is subject to applicable Federal, FICA and State Taxes. Taxes will be withheld and reported to the federal and state agencies in the year in which the payment is received.

Q6. At what rate is my lump sum payment taxed for Federal, FICA and State Taxes?

A6. Tax rate information is available at HR OneStop online or at 1-888-722-1787.

Q7. Is my lump sum payment subject to any tax-favored treatment or is the payment considered ordinary income?

A7. The payment is considered ordinary income and are not subject to any tax-favored treatment.

Q8. Can I roll my lump sum payment into an IRA account in order to defer the taxes?

A8. For information regarding taxes contact OneStop online or at 1-888-722-1787.

Q9. Am I entitled to unemployment compensation if I take this lump sum?

A9. Eligibility for unemployment compensation is a matter of state law. In most states, individuals who voluntarily terminate their employment do not qualify for benefits. Even where termination was involuntary, some states reduce unemployment compensation benefits if the individual claiming such benefits received a severance payment. Due to these variations, AT&T is not able to explain how requests for unemployment will be determined.

Q10. If I am pension eligible and granted this lump sum, will my pension payments begin automatically?

A10. This lump sum does not initiate pension payments. To apply for your pension, call the AT&T Benefits Center at 1-877-772-0020. When prompted, say "Pension" and a representative will be able to answer your questions.

Q.11. What if I submit my acceptance form and decide I wish to make changes or cancel my acceptance?

A.11. The last form received prior to the deadline of July 22, 2020 will be the one utilized. Any forms received after the deadline will not be valid.

Q.12. How will ties in seniority dates be handled?

A.12. Any tie will be determined by the provisions of Section 3.02 of the NA-UFO.

Q.13. What happens if there are no takers?

A.13. Remaining reductions may be declared involuntary surplus on/after August 13, 2020.

Q.14. If I take the WT Special offer, what happens to my vacation?

A.14. Vacation will be paid based on Section 5.08 of the NA-UFO for employees who are laid off.

Q.15. Will I receive confirmation that my form has been received?

A.15. Yes, successful submission of the offer form will result in you receiving the following auto reply:

Your request has been received by Severance Operations. Transactions are worked in the order received. Duplicate submissions or calls can delay processing. You will be contacted if additional information is needed.

We appreciate your patience.

Severance Operations