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To: All AT&T Union Members

Today corporate bond rates were published. The new corporate bond rates affect the value of AT&T lump sum pensions, which will change in the 2016 calendar year.

The US Congress authorized employers with defined benefit pensions to change the calculation formula for lump sums, phasing out the "GATT Rate" that had been used for many years, and replacing it with a new set of interest rates. The phase-out happened at AT&T over a four (4) year period from 2011 to 2014. The GATT rate is now gone – only the corporate bond rates are used.

As a general rule, higher interest rates lead to lower lump sum values. But changes in rates will affect each of you differently.

It is recommended that you discuss your pension and/or retirement options with a financial professional.

Below are the Corporate Bond Rates for 2015 and 2016.

Segment	2015	2016
Tier 1	1.40%	1.76%
Tier 2	3.88%	4.15%
Tier 3	4.96%	5.13%

In Unity,
Gary Kundrat, President
David Passalacqua, Executive Vice President
Linda Burns, Secretary/Treasurer