

AT&T Ameritech /SBC Retirees - We are AASBCR®

Blue Bulletin

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AT&T Life Insurance & Death Benefits Reductions for Retirees

In December of 2020, AT&T Human Resources announced that, effective January 1, 2022, they will reduce the Life Insurance benefits that have been promised to retirees. They will also make cuts to the Death Benefit. The only exceptions to this policy are the Grandfathered retirees, many of whom retired on or before the early 1990s. We are pleased to say that AT&T revised their original plans for the Grandfathered Retiree benefits after being reminded by AASBCR® and other AT&T retiree organizations of AT&T's legal obligations under the Reservation of Rights clause.

While AT&T claims to have notified individual retirees who are impacted by the change in Life Insurance and/or the Death Benefit, we have heard from many retirees who say they have received no notification. Be aware that if you haven't been notified, that does not necessarily mean you are not affected. We recommend that if you have questions or doubts about your situation, please call the Benefit Center (877 722-0020) about Life Insurance or the Fidelity Service Center (800-416-2363) about the Death Benefit.

When this policy change was first announced, AASBCR, along with other Telco retiree groups, sent a letter to AT&T executives expressing our shock and dismay at their decision. When we consulted lawyers familiar with employee issues like this, they indicated there would be no case unless we could produce documentation that stated retirees had a lifetime right to these insurance benefits. While we were able to document AT&T's legal obligation regarding Grandfathered retirees under the Reservation of Rights clause, after scouring the SPDs (Summary Plan Descriptions) associated with insurance benefits for other retirees we were unable to find any lifetime guarantees.

We found, without exception, that all the SPDs made a statement like the following: "*Although a certain program or plan may be in effect during your employment or at the time of your retirement, it does not mean you or any beneficiary or dependent will have a lifetime right to any benefits under the program or guaranteed continuation of any such plan or program.*"

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Basically, this means that AT&T can discontinue or change plans or programs at will. AT&T likes to claim that fewer than 10% of the Fortune 500 companies offer life insurance benefits. Although AT&T doesn't seem to care what Fortune 500 companies are doing in other areas, when it comes to cutting benefits, they are in lockstep with those other Fortune 500 companies.

Currently, AT&T offers a maximum of \$15,000 in life insurance benefits to management retirees and \$25,000 to craft or bargained-for retirees. Now, after drastically cutting Life Insurance for retirees, AT&T has decided to offer affected retirees a one-time opportunity to *buy* life insurance which they claim is competitively priced at 20% below comparable products. This offer is a real slap in the face to its retirees and demonstrates AT&T's blatant disregard for both their welfare and that of their families. When we checked with insurance agents, we found that discounted group insurance rates, such as those being offered by AT&T, have been around for years. These are not special rates and no matter what the discount may be, it will be difficult if not impossible for many retirees, especially those in their 60s and 70s, to afford new plans.

According to AT&T, all affected retirees will qualify, regardless of health and the amount of insurance coverage that can be purchased is dependent upon what was lost when AT&T cut the life insurance benefits. The rates will be locked for 3 years but there is a rate adjustment as you age, therefore, since it inevitable that you will continue to age, your rate will continue to adjust – upward. We understand the plan will be administered by Met Life.

What can we do?

You can write or call your senators and representatives to tell them what AT&T is doing. In addition, you can contact AT&T executives and express your strong opinion that what AT&T has done is an egregious insult to its retirees. Obviously, the goal of this effort would be to convince AT&T to reconsider its decision. In furtherance of this effort, AASBCR has sent letters to senior AT&T executives and to the editors of major newsletters, and we are working closely with the NRLN who will include this issue in their lobbying efforts with legislators.

So, make your voices heard. You can call AT&T CEO, John Stankey, at 210-821-4105 or you can write to the following AT&T Executives:

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Ms. Angela Santone
Senior Executive Vice President, AT&T HR
208 S. Akard Suite 3703
Dallas, TX 75205

Mr. John Palmer
Senior Vice President, AT&T
208 S. Akard
Dallas, TX 75205

Ms. Julianna Galloway
Vice President, AT&T
208 S. Akard
Dallas, TX 75205

A suggested letter that you may use when writing these executives follows:

Ms. Angela Santone
Senior Executive Vice President HR
AT&T
208 S. Akard Street, Suite 3703
Dallas, TX 75205

Dear Ms. Santone:

As an AT&T retiree, I am compelled to express my shock and dismay at AT&T's announcement regarding retirement life insurance benefits. It is utterly amazing that at the height of the worst pandemic our country has ever experienced, with over 400,000 people who have already died, AT&T would inform retirees that they are cutting and or eliminating life insurance and death benefits for retirees. Does that say something about how retirees, your so called "ambassadors", are regarded by their former employer?

It is quite interesting that the explanation provided is not that this is a steep burden on AT&T during difficult financial times, but rather that AT&T is making these changes to be closer to the "market". AT&T was once the "market" leader.

When I was hired, my salary was less than "the market" because I was offered "exceptional benefits" to compensate. At retirement, I was assured by many

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corporate leaders that I would continue to receive those benefits, both verbally and written. Now, the “new AT&T” has had a change of heart. Evidently this is not a case where your word is your bond.

It seems to me that there has been an erosion of benefits over the last decade since AT&T has made “super deals” that have cost the shareholders, as well as retirees. Retirees like me really feel the pinch when benefits are cut or reduced. Why is this necessary? What are the true savings to AT&T? I would like to suggest that, at this time in our nation - when the need for assistance is so great - that AT&T would again want to take a leadership role in helping and protecting some of the most vulnerable, including your own retirees.

I encourage you to examine the disparities of this decision and reconsider the changes you have suggested before implementation.

Sincerely,

CC: John Palmer, Senior Vice President
Julianna Galloway, Vice President

Proudly working on behalf of retirees of the Bell System and successor companies of the New AT&T, located worldwide

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