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**Communications Workers of America**  
**Local 13500 AFL-CIO**



August 10, 2016

Dear Sisters and Brothers,

I am pleased to announce that The Communications Workers of America AT&T Mobility National Benefits bargaining committee has reached a new tentative agreement (TA) with AT&T Mobility.

This proposed national agreement covers health care and other benefits. An earlier agreement was voted down last month and continued negotiations resulted in this tentative agreement which is being provided for a ratification vote.

Enclosed are highlights of the REVISED Tentative Agreement for your review. Additional documents are also available by going to <http://www.cwa-union.org/Mobility-NBBP> .

A ratification vote will take place on Friday, August 26, 2016. Voting will be done on site between the hours of 10:30am and 7pm. CWA will have a voting station set up towards the rear of the auditorium near the Keystone conference room. If you are not planning on being at work on August 26<sup>th</sup>, please contact Cindy Liddick, Chief Steward or your Division office at 610-966-9600 to obtain an absentee ballot.

Ratification results will be posted once all voting has taken place.

I encourage each you to exercise your rights as a member by voting on this new agreement.

If you have any questions please contact me at the number listed above or your Division office.

In Unity,

A handwritten signature in black ink that reads 'Julie Daloisio'. The signature is written in a cursive, flowing style.

Julie Daloisio

## CWA Reaches New Tentative Agreement over AT&T Mobility Benefits – New 2016 Mobility Benefit Plan Is More Affordable for Many

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*And paves the way for bargaining health care benefits in regional collective bargaining agreements*

We had two main goals for our 2016 negotiations over the National Bargained Benefits Plan at AT&T Mobility - we wanted to make health care more affordable and we wanted to put health benefits into the regional collective bargaining agreements. We met these goals with this new tentative agreement.

- We heard from many members that contribution rates were too high and that some of us are opting out of the Mobility coverage, so we wanted to make sure there were affordable options. We addressed this concern in a number of ways:
  - 20,000 employees who were hired after 2014 will no longer be required to pay a higher premium contribution than their more senior co-workers.
  - Employees with dependent children and no covered spouse will pay lower rates under a new 4-tier contribution structure.
  - Employees in Puerto Rico will be able to take advantage of popular HMO plans with much lower contribution rates, reflecting the lower cost of health care there.
  - A new “Option 2” plan will be introduced that has much lower premiums than the traditional PPO plan, though it has higher out-of-pocket costs.
  - As a result of renegotiating the agreement when the first tentative agreement was not ratified, we pushed the effective date of the spousal surcharge to 2019.
- We wanted to end the separation of a key part of our economic package - our benefits plans -- from our collective bargaining over wages and working conditions. In this tentative agreement we have negotiated an “unwind” agreement that will put health benefits back into the regional contracts when this NBBP agreement expires in 2020.

### One Agreement in Four Parts

Four documents (posted at [cwa-union.org/mobility-nbbp](http://cwa-union.org/mobility-nbbp)) make up the new Agreement covering about 43,000 CWA-represented employees of Mobility.

#### 1. National Bargained Benefit Plan for Employees of AT&T Mobility Services LLC Benefit Outline Summary

This is the main document that spells out all the terms of the medical, prescription drug, dental and vision benefits that were negotiated. Some highlights include:



CWA/AT&T Mobility National Bargained Benefit Plan Tentative Agreement Highlights  
August 2, 2016

- The “new hire” date will be moved to January 1, 2017. All employees who were hired or transferred into Mobility after January 1, 2014, who currently are considered “new hires” for benefits purposes, will become “current employees” for benefits.
- Eligibility for the Company subsidy for the individual employee will begin in the month in which the employee has 90 days of service.
- New Option 2 coverage will be available with higher deductibles and out-of-pocket costs than the traditional PPO, but also with much lower monthly contributions.
- Four coverage tiers are now available in order to reduce monthly contributions for employees covering dependents on their own: Individual; Individual + Child(ren); Individual + Spouse; Family
- For members who live in Puerto Rico, new healthcare options will be available:
  - Negotiated caps on the HMO costs
  - Medical incentives available with new plans
  - Lower costs to align with the healthcare market costs in Puerto Rico
- Tobacco Surcharge: A surcharge of \$50 per month will be charged to smokers. Smokers will self-identify in open enrollment, and the surcharge will be waived if the employee enrolls in a smoking cessation program, the cost of which is covered.
- Spousal Surcharge: Effective in 2019, a surcharge of \$100 per month will be charged unless the employee attests that his or her spouse/legally recognized partner does not have access to medical coverage; in which case it will be waived.

**2. Letter to Patricia Telesco dated June 7, 2016 regarding Puerto Rico benefits**

This side letter details the provisions of the Puerto Rico capped HMO contribution rules and is part of the Agreement.

**3. Excise Tax Memorandum of Agreement to the National Bargained Benefit Plan for Employees of AT&T Mobility Services, LLC**

This is language for plan year 2020, when the tax on high cost health plans is currently scheduled to begin. The tax applies to employers, not employees. The agreement details the terms under which the union and company have agreed to hold talks to modify the health plan design to avoid the tax, if that should become necessary. In that event, employees will pay no more in total costs as a result of such plan design changes.

**4. Conditional Unwind Memorandum of Agreement to the National Bargained Benefit Plan for Employees of AT&T Mobility Services, LLC**

This is the document that “unwinds” the National Bargained Benefits Plan Agreement and puts the benefits back together with the Regional Agreements beginning with the next rounds of bargaining. The terms of this current NBBP agreement will remain in place through 2020, but each regional bargaining unit will incorporate those terms within their overall collective bargaining agreement, and will negotiate new terms to be effective 2021.

**AT&T Mobility National Bargained Benefit Plan**  
REVISED Tentative Agreement

	Option 1 (Traditional PPO Plan)					Option 2 (High-Deductible Plan)			
	<i>Current</i>	2017	2018	2019	2020	2017	2018	2019	2020
<b><u>Monthly Contributions</u></b>									
Employee Only	82	89	88	98	110	32	44	57	70
+ Child(ren)	169	153	150	168	188	55	75	97	120
+ Spouse	169	245	241	269	302	88	121	156	193
Family	169	260	256	286	321	93	128	166	205
Tobacco Surcharge	0			50				50	
Partner Surcharge	0	0	0	100	100	0	0	100	100
<b><u>In-Network Medical Coverage</u></b>									
<b><u>Deductible</u></b>									
Employee Only	500	500	650	700	750			1,300	
All Other Tiers	1,000	1,000	1,300	1,400	1,500			2,600	
<b><u>Coinsurance</u></b>									
All Tiers	10%			10%				10%	
<b><u>Out-of-Pocket Maximum</u></b>									
Employee Only	2,000	2,500	3,250	3,500	3,750			6,450	
All Other Tiers	4,000	5,000	6,500	7,000	7,500			12,900	
<b><u>Prescription Drug Coverage</u></b>									
<b><u>Deductible</u></b>									
Employee Only	None			None				Integrated with Medical	
All Other Tiers	None			None				Integrated with Medical	
<b><u>Copays (30-day Retail, 90-day Mail Order)</u></b>									
<b><u>Generic</u></b>									
	10, 20			10, 20				9, 18	
Preferred Brand	30, 60	30, 60	35, 70	35, 70	35, 70			35, 70	
Non-Preferred	60, 120	60, 120	60, 120	70, 140	70, 140			70, 140	
<b><u>Out-of-Pocket Maximum</u></b>									
Employee Only	900	900	1,200	1,200	1,200			Integrated with Medical	
All Other Tiers	1,800	1,800	2,400	2,400	2,400			Integrated with Medical	
<b><u>Dental Coverage</u> (Employee Only / + 1 / Family)</b>									
Monthly Contributions	3 / 9 / 16	7 / 14 / 23							
Plan Design	<u>Annual Deductible: 25/person (No Change)</u>								
	<u>Annual Max Benefit: 1,750/person (No Change)</u>								
	<u>Lifetime Max Orthodontic Benefit: 2,000/person (No Change)</u>								
<b><u>Vision Coverage</u> (Employee Only / + 1 / Family)</b>									
Monthly Contributions	2 / 5 / 7	2 / 5 / 8							
Plan Design	<u>Annual Frame Allowance: 130/person (No Change)</u>								
	<u>Annual Contact Allowance: 150/person (No Change)</u>								

**Tobacco Surcharge:** Smokers will self-identify in open enrollment. The surcharge will be waived if the employee enrolls in a free smoking cessation program.

**Spouse/Legal Partner Surcharge:** will be waived if employee attests that their partner does not have access to other employer-based coverage.

**Medical Out-of-Pocket Maximum:** Amounts paid towards the deductible will now count towards your out-of-pocket maximum.

**The New AT&T Mobility Agreement Benefits: New Hires**

Under the current Mobility Benefit Agreement, members hired after 2013 are required to pay contributions towards health coverage that were nearly 60% higher compared to their more senior colleagues.

We found that 45% of employees hired in 2013 or after were forgoing AT&T health coverage as a result.

With this new agreement, all 20,000 of these “new hires” will be eligible to enroll in coverage at the same contribution level as more senior members. This will mean immediate reductions in medical costs for these new employees.

<u>Monthly Contributions for Members Hired 2013 – 2016</u>			
	<u>2016</u>	<u>2017</u>	<u>Annual Savings</u>
Employee Only	\$131	\$89	\$504
+ Child(ren)	\$270	\$153	\$1,404
+ Spouse	\$270	\$245	\$300
Family	\$270	\$260	\$120

**The New AT&T Mobility Agreement Benefits: Members in Puerto Rico**

Under the current Mobility Benefit Agreement, members in Puerto Rico were being offered only one health plan option, the Triple S HMO plan. AT&T charged these members the same monthly contribution for the Triple S plan as Mobility members in their traditional PPO plan.

However, AT&T pays a significant amount less to provide this plan compared to health coverage their traditional PPO. AT&T was not passing these savings on to our members.

With this new agreement, contributions for the current Triple S HMO will be set to equal the least expensive health plan made available by AT&T (called the “Bronze Plan”). This will result in significant member savings.

<u>2016 Contribution For Triple S HMO Coverage in Puerto Rico</u>			
	<u>Current Agreement</u>	<u>New Agreement</u>	<u>Annual Savings</u>
Employee Only	\$82	\$25.00	\$834
Family	\$169	\$50.00	\$1,878

**The New AT&T Mobility Agreement Benefits: Single Parents**

Under this new agreement, the over 2,500 members at AT&T Mobility covering a child and no other adults will see a reduction in their medical contribution beginning 2017. This reflects a commitment to keep health coverage affordable for single parents.

<u>Monthly Contributions for AT&amp;T Mobility Members Covering Dependent Children</u>			
	<u>Current</u>	<u>2017</u>	<u>Annual Savings</u>
Employee + Child(ren)	\$169	\$153	\$192

**The New AT&T Mobility Agreement Benefits: Members with Low Medical Costs**

This new agreement includes a new Option 2 medical plan with lower contributions and higher out-of-pocket costs.

This plan is designed for members who have no serious health conditions and plan to use their medical plan mainly for preventive services, which will continue to be provided free of charge.

Choosing the new Option 2 plan will mean considerable savings in your monthly contributions.

<u>2017 Monthly Contributions for AT&amp;T Coverage</u>			
	<u>Option 1</u>	<u>Option 2</u>	<u>Annual Savings</u>
Employee Only	\$89	\$32	\$684
+ Child(ren)	\$153	\$55	\$1,176
+ Spouse	\$245	\$88	\$1,884
Family	\$260	\$93	\$2,004