

**MEMORANDUM OF AGREEMENT
BETWEEN
AT&T MIDWEST and AT&T NATIONAL
(the Company)
AND
INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
SYSTEM COUNCIL T-3
(the Union)**

PAYMENT IN LIEU OF VACATION

This Memorandum of Agreement (“Memorandum”) confirms the understanding reached between the Company and the Union (collectively “Parties”) during 2013 collective bargaining regarding payment in lieu of vacation. The Parties agree that, effective January 1, 2014, employees who resign (other than under applicable employment security/force adjustment provisions) or are terminated for cause shall be paid out only the unused portion of their annual vacation allotment based on when they left the payroll. The chart below shall be used to determine the vacation allotment for employees who have completed at least six (6) months of service and who leave the payroll during the calendar months provided:

Month Employee Leaves Company or (Credited Months)	Annual Eligible Vacation Hours (For eligibility refer to Article 25 or Appendix C Section 4)				
	5 Days or 1 Week (40 Hours)	10 Days or 2 Weeks (80 Hours)	15 Days or 3 Weeks (120 Hours)	20 Days or 4 Weeks (160 Hours)	25 Days or 5 Weeks (200 Hours)
	Number of "Earned" Current Year Vacation Hours				
Jan. (1)	3	7	10	13	17
Feb. (2)	7	13	20	27	33
Mar. (3)	10	20	30	40	50
Apr. (4)	13	27	40	53	67
May (5)	17	33	50	67	83
Jun. (6)	20	40	60	80	100
Jul. (7)	23	47	70	93	117
Aug. (8)	27	53	80	107	133
Sep. (9)	30	60	90	120	150
Oct. (10)	33	67	100	133	167
Nov. (11)	37	73	110	147	183
Dec. (12)	40	80	120	160	200

However, the Parties also agree that except for those employees addressed specifically in the preceding paragraph, all other employees will be paid out vacation at the time of separation as if they had accrued vacation for the entire year of separation, provided they are not on a leave of absence for at least one day during the year of their separation.

This Memorandum applies to all employees covered by the CBA, including Appendix C. It will remain in effect through the life of the 2013 Collective Bargaining Agreement.

AGREED:

FOR THE UNION:

FOR THE COMPANY:

Paul T. Wright
Chairman, System Council T-3
International Brotherhood of Electrical Workers

Randall S. White
Vice-President - Labor Relations

June 23, 2013
Date

June 23, 2013
Date