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AT&T settles retiree pension claim

AT&T Inc., the largest U.S. telephone company, agreed to pay \$16 million to settle a class-action claim that it underpaid pension benefits to some retirees, lawyers for the plaintiffs said.

The agreement, which still must be approved by a judge, covers about 3,800 managers who accepted early retirement in 2000 under the company's Enhanced Pension and Retirement Program, Eli Gottesdiener, an attorney for plaintiffs, said Tuesday in a statement.

The U.S. Supreme Court last month refused to consider an appeal of a \$31 million award against an AT&T pension plan in a separate case for improperly reducing the benefits of thousands of workers.

AT&T spokesman Fletcher Cook didn't immediately return a phone call seeking comment.

Shares of AT&T, which is in the process of relocating to Dallas from San Antonio, rose 7 cents Tuesday to close at \$30.70.