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SBC COMMUNICATIONS INC
Form 8-K
May 27, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report: May 25, 2004

SBC COMMUNICATIONS INC.

(Exact name of registrant as specified in its charter)

1-8610

(Commission File Number)

DELAWARE

(State or other jurisdiction of incorporation)

43-1301883

(I.R.S. Employer Identification Number)

175 E. Houston, San Antonio, Texas, 78205

(Address of principal executive offices and zip code)

(210) 821-4105

(Registrant's telephone number, including area code)

Item 5. Other Events

On May 25, 2004, SBC Communications Inc. (SBC) announced that it had reached agreement with the on a new, five-year contract covering approximately 100,000 SBC employees, subject to approval by

The new contract provides for a 2 percent base salary increase and a 1 percent lump-sum payment i increases of 2.5 percent in years two and three. Wage increases in years four and five are 2.25 cost-of-living increase based on the consumer price index. The new contract also provides for lu three and \$375 in years four and five. Pension band increases will be in ranges similar to wage provides for increased health care co-payments.

SBC agreed to make one-time lump-sum payments totaling approximately \$2,500 per person to approxi retirees. Half of the amount is to be paid on or about December 31, 2004 and the other half, on expects increased operating expenses in the second quarter of 2004 of approximately \$250 million lump-sum payments to retirees and strike-related expenses.

When compared to the provisions of the previous contract, and, combined with changes to retiree b contract to result in cost savings of up to \$2 billion over the period of the new contract.

Information set forth in this report contains financial estimates and other forward-looking state uncertainties and actual results may differ materially. A discussion of factors that may affect filings with the Securities and Exchange Commission. SBC disclaims any obligation to update or r report based on new information or otherwise.

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Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this statement to be signed on its behalf by the undersigned hereunto duly authorized.

SBC COMMUNICATIONS INC.

Date: May 25, 2004

By: /s/ John J. Stephens
John J. Stephens
Vice President and Controller