

IRELAND FRIEDA E
Form 5
January 18, 2006

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if
no longer subject
to Section 16.
Form 4 or Form
5 obligations
may continue.
See Instruction
1(b).
Form 3 Holdings
Reported
Form 4
Transactions
Reported

**ANNUAL STATEMENT OF CHANGES IN BENEFICIAL
OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
Number: 3235-0362
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1. Name and Address of Reporting Person *
IRELAND FRIEDA E

2. Issuer Name and Ticker or Trading
Symbol
TELEPHONE & DATA SYSTEMS
INC /DE/ [TDS]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended
(Month/Day/Year)
12/31/2005

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
VP - Internal Audit

30 N. LASALLE ST., STE. 4000

(Street)

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

CHICAGO, IL 60602

____X____ Form Filed by One Reporting Person
____ Form Filed by More than One Reporting
Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) (A) or Amount (D) Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
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Reminder: Report on a separate line for each class of
securities beneficially owned directly or indirectly.

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contained in this form are not required to respond unless
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SEC 2270
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)
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	Derivative Security				or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
					(A)	(D)				
Option (Right to buy)	\$ 52.4	05/13/2005	Â	<u>J⁽¹⁾⁽²⁾</u>	8,000	Â	12/15/2003	07/01/2013	Tandem Common and Special Common Shares ⁽²⁾	8,000
Option (Right to buy)	\$ 66	05/13/2005	Â	<u>J⁽¹⁾⁽²⁾</u>	4,710	Â	12/15/2004	05/08/2014	Tandem Common and Special Common Shares ⁽²⁾	4,710
Option (Right to buy)	\$ 77.36	05/13/2005	Â	<u>J⁽¹⁾⁽²⁾</u>	4,518	Â	12/15/2005	04/20/2015	Tandem Common and Special Common Shares ⁽²⁾	4,518
Restricted Stock Units	Â	05/13/2005	Â	<u>J⁽¹⁾⁽³⁾</u>	742	Â	12/15/2007	Â ⁽⁴⁾	Tandem Common and Special Common Shares ⁽³⁾	742

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
IRELAND FRIEDA E 30 N. LASALLE ST., STE. 4000 CHICAGO, IL 60602	Â	Â	Â VP - Internal Audit	Â

Signatures

Julie D. Mathews, by power
of atty 01/18/2006

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) On May 13 TDS authorized a special common dividend to holders of common shares in which one special common share was distributed to all shareholders making this acquisition exempt from Section 16a-9(a).

(2) Common shares were granted without consideration under the long term incentive plan. As a result of the special common stock dividend, all options to purchase common shares as of May 13 under the long term incentive plan, whether vested or unvested, were adjusted into tandem options. The tandem option provides that upon exercise, the optionee purchases the number common shares originally subject to the option plus an equal number of special common.

(3) Restricted stock units for common shares were granted without consideration under the long term incentive plan. As a result of the special common stock dividend, all restricted stock units as of May 13 that are to be settled in common shares, whether vested or unvested, were adjusted to provide that such award will be settled in the number of common shares originally subject to the award plus an equal number of special common shares.

- (4) Restricted stock unit award pursuant to the 2004 Long-Term Incentive Plan. Stock units will become vested on December 15, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.