

# AVAYA INC.

## SAVINGS PLAN FOR SALARIED EMPLOYEES SUMMARY PLAN DESCRIPTION

This document is dated March 31, 2011

### **Helpful search tools:**

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*Effective 1/1/2011, Updated 3/31/2011*

*This information is intended for ASPSE participants.  
More detailed information is provided in the official Plan Document which is controlling.*

**RELYING ON PLAN INFORMATION**

Plan Participants should rely only on the information contained or incorporated by reference in this summary plan description. We have not authorized anyone to provide the participant with information that is different from what is contained in this document. This summary plan description is dated January 1, 2011. Participants should not assume that the information contained in this summary plan description is accurate as of any date other than that date.

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## **INTRODUCTION**

The Avaya Inc. Savings Plan for Salaried Employees (ASPSE), also referred to as the “Plan” or as one of the company’s savings/401(k) plans, is designed to help you build your retirement income. It offers a variety of investment options to help you save for retirement.

Participating in the ASPSE is entirely voluntary. To take advantage of the ASPSE’s features, you must enroll and elect to contribute. Please review the next section for an overview of the ASPSE.

The ASPSE is a successor to the Lucent Savings Plan.

## ELIGIBILITY AND PARTICIPATION

### ***Who Is Eligible***

You are eligible to participate in the ASPSE as soon as administratively feasible following the date you become an eligible employee. Participation is *not* automatic. If you are eligible, you must enroll in the ASPSE to participate.

You are an eligible employee if you are a regular, full-time or part-time or Term salaried employee who works for a participating company, or an employee who has been temporarily promoted to a salaried position and has held that position for more than one year. Note that the following individuals are not eligible employees: (1) individuals who are not paid from the U.S. payroll of a participating company, (2) individuals who are employed by an independent company (such as an employment agency), (3) individuals whose services are rendered pursuant to an agreement excluding participation in benefit plans, (4) individuals who are included in a unit covered by a collective bargaining agreement that does not provide for participation under the ASPSE, (5) individuals who are non-resident aliens employed outside the United States, (6) individuals who are “leased employees” under Section 414(n) of the Internal Revenue Code, or (7) individuals who are classified as “temporary employees” on the participating company’s payroll.

### ***How to Enroll***

After you become an eligible employee, you will be sent enrollment information. This information provides details about the enrollment process. Any time after you receive the enrollment information, you may enroll through NetBenefits at [www.401k.com](http://www.401k.com), or by calling the Avaya 401(k) Plan Service Center at 1-877-208-0783. (See “Important Contacts” if you are outside the United States).

*Hearing impaired employees* may call **1-800-610-4015** to reach a telecommunications device for the deaf (TDD).

### ***Beneficiary Information***

If you are married, your spouse is automatically your sole, primary beneficiary, unless your spouse provides written, notarized consent to you naming a different beneficiary. Under the Plan, your spouse is your lawful husband or lawful wife for federal income tax purposes. If you do not designate a beneficiary, or if your spouse and none of your designated beneficiaries are living when you die, your ASPSE account is paid to your estate. Maintaining current beneficiary designations is an important component of your financial planning. To name your beneficiary(ies), go to **[www.401k.com](http://www.401k.com)** after you begin participating in the Plan.

***Make-up Contributions***

If you are a new participant in the ASPSE and elect to contribute to the Plan before the end of the month after the month in which you receive your notice of eligibility to participate in this Plan, you may make additional contributions to make up for contributions missed between your eligibility date and your first payroll deduction contribution. You can request these make-up contributions through the end of the second month following the date you become eligible. However, the make-up contributions cannot exceed two months of contributions. If this timeframe crosses calendar years, you can still elect make-up contributions but such contributions count toward the current year's IRS limits. You must elect make-up contributions by completing the "Missed Contribution Authorization Form" on NetBenefits at **www.401k.com** under Plan Information and Forms. This completed form must be sent to Avaya's U.S. Payroll Operations.

## CONTRIBUTING TO THE ASPSE

The ASPSE provides you with a convenient way to save and invest through payroll deductions.

### **Your Contributions**

You may contribute up to 25% of your eligible compensation by using any combination of pre-tax dollars and/or after-tax dollars up to the IRS limits. However, you must contribute in whole percentages in 1% increments (1%, 2% and so on). If you make pre-tax and after-tax contributions, the minimum amount you can contribute is 1% of each contribution type, up to a combined maximum of 25%. Your elected contribution percentage is deducted from your paycheck and automatically deposited in your account.

Your eligible compensation under the Plan is your base salary, short-term incentive compensation plan awards, sales incentive compensation and other lump sum merit awards and incentive compensation as determined from payroll records. Eligible compensation does *not* include payments in lieu of vacation, overtime, shift differentials or other premium pay, Workers' Compensation payments, awards under long and short-term incentive plans, reimbursement payments or amounts paid after you terminate employment.

### **Pre-tax Contributions**

You get an immediate tax advantage from contributing pre-tax dollars -- right in your paycheck. Each pre-tax dollar you contribute lowers your current taxable income, so you end up reducing the current federal income tax that you pay. In some cases, you will also pay lower state and local income taxes. (However, you will still have to pay Social Security taxes on your pre-tax contributions.) **Remember**, with pre-tax contributions, you are not avoiding taxes, just postponing them. Taxes will be due when you take money out of the ASPSE. However, because you may be in a lower tax bracket when you retire, you might end up paying taxes at a lower rate.

### **After-tax Contributions**

If you contribute after-tax dollars to the ASPSE, you pay income taxes on that money before your contributions are deposited in your account. Although after-tax contributions do not offer the same immediate tax advantages as pre-tax contributions, the investment earnings on after-tax contributions grow on a tax-deferred basis until they are paid out of the ASPSE. Also, you have greater access to your after-tax contributions while you are employed and you will not be taxed on your contributions when they are distributed to you.

## **Catch Up Contributions**

To allow greater savings flexibility for participants who are nearing retirement age, employees age 50 or over can make catch up contributions in addition to their other ASPSE contributions. This feature is available to any participant who turns age 50 or is over age 50 in the calendar year in which they wish to make the election and who contributes the Plan's maximum pre-tax deferral percentage (25%) or contributes up to the IRS pre-tax contribution limit. Remember, if you elect to make catch up contributions, this election will apply until you change it.

The maximum catch up contribution amount for 2011 is \$5,500. Eligible participants can elect to contribute up to 50% of eligible compensation, up to the limit. These contributions are not matched.

## **Changing Contribution Elections**

You may change your contribution elections at any time. To change your contribution elections, log on to NetBenefits at [www.401k.com](http://www.401k.com) or call the Avaya 401(k) Plan Service Center.

Generally, the change will be effective in the first paycheck practicable following the date you make the change. Payroll calendars, which show the cutoff date for changes, are posted on NetBenefits. It is a good idea to check your pay stub to make sure your requested change is made.

## **Company Matching Contributions**

Effective April 1, 2010, if you elect to contribute to the Plan, the Company will match a part of your contributions to the ASPSE.

The company matching contribution only applies to the first 3% of eligible compensation you contribute to the ASPSE. Catch up contributions, roll-in contributions and contributions in excess of 3% are **not** matched.

For contributions to the Plan after September 30, 2010, Avaya will contribute \$1 for every \$1 you contribute up to the first 2% of eligible compensation, and then \$.50 for every \$1 you contribute over 2% of eligible compensation, up to the first 3%. If your contributions stop for any reason, matching contributions also stop.

For example, if in November 2010, your monthly eligible compensation is \$4,000 and you contribute 3% (or \$120 a month) to the ASPSE, the Company will contribute a matching contribution of \$100 to your ASPSE account.

For contributions to the Plan from March 31, 2010 to September 30, 2010, Avaya contributed \$.50 for every \$1 you contribute up to the first 3% of eligible compensation.

If your contributions stop for any reason, matching contributions also stop.

For paycheck dates from March 1, 2009 to March 31, 2010, the Company did not make matching contributions to the ASPSE.

### **IRS Limitations**

The IRS places an annual dollar limit on the amount of pre-tax contributions you can make to the ASPSE during any year. In addition, the IRS limits the amount of compensation that can be used to determine ASPSE contributions. Once your compensation reaches the maximum amount set forth below, all employee and matching contributions to the ASPSE (except for catch up contributions) for you stop.

The IRS also limits the combined amount you and the Company can contribute to your ASPSE account. Your contributions (pre-tax and after-tax but not including catch up contributions) and any matching contributions *combined* cannot exceed the limit set forth below for any calendar year. When your pre-tax contributions reach the Pre-tax Contribution Limit listed below, your contributions **automatically** switch to after-tax unless you contact the Avaya 401(k) Plan Service Center to stop them for the year. If you reach the Maximum Contribution Limit or the Maximum Compensation Limit, your contributions automatically stop until the beginning of the next year.

	<b>Pre-tax Contribution Limit</b>	<b>Maximum Contribution Limit</b>	<b>Maximum Compensation Limit</b>
<b>2008</b>	\$15,500	\$46,000	\$230,000
<b>2009</b>	\$16,500	\$49,000	\$245,000
<b>2010</b>	\$16,500	\$49,000	\$245,000
<b>2011</b>	\$16,500	\$49,000	\$245,000
<b>2012</b>	\$16,500*	\$49,000*	\$245,000*

\* May be increased based upon changes to the Consumer Price Index (CPI).

The ASPSE must pass IRS-imposed nondiscrimination tests. If the ASPSE fails these tests, the amount you can contribute to the Plan may be limited or excess savings may be returned to you and you may forfeit any matching contributions associated with those contributions.

### **Roll-in Contributions**

If you receive a distribution from a former employer's qualified plan, including after-tax contributions, you may be able to roll that distribution into the ASPSE and continue deferring income taxes on that money. You may also roll in a distribution from an individual retirement account (IRA) that was established to hold amounts from another employer's qualified plan (known as a conduit IRA). You can also make a qualified roll-in contribution after you terminate employment with Avaya if you still have an ASPSE

account.

You may make a direct roll-in or a 60-day roll-in. With a direct roll-in, you receive payment from the other qualified plan or conduit IRA in the form of a check made payable directly to Fidelity Investments Institutional Operations Company, Inc. (or F.I.I.O.C.), and *no taxes* are withheld from the amount you roll in. With a 60-day roll-in, you receive payment from the other qualified plan or conduit IRA in the form of a check made payable to you. Taxes are withheld from the payment, and you must roll in the money *within 60 days* after you receive payment. There may be tax consequences if you do not roll in the full amount of your eligible rollover distribution (including any amount that was withheld for taxes when payment was made).

You do not need to contribute via payroll deduction to make a roll-in contribution. If you need more detailed information on roll-in contributions, log on to NetBenefits at **www.401k.com** or call the Avaya 401(k) Plan Service Center. To make a roll-in contribution, complete the “Avaya 401(k) Roll-In Form,” which you can get from NetBenefits at **www.401k.com** or by calling the Avaya 401(k) Plan Service Center.

## INVESTING YOUR ASPSE ACCOUNT

The ASPSE provides a variety of investment options for investing your Plan account. The investment options differ in their investment objectives and opportunities for risk and return.

You choose how you want your ASPSE account invested. Your investment elections apply to both your contributions and the company contributions. You may invest in one or more of the investment options to meet your personal financial goals. And you will be able to change your investment elections as your needs change.

The value of your investments will fluctuate in response to changing market conditions. You must consider the risks and potential rewards of each of the ASPSE's investment options. You should always carefully weigh your investment elections and decide on the best investment strategy for your situation. Although the Company provides you with summary information about the investment options, it is important that you understand that the Company cannot give investment advice. For more information, you may wish to consult a professional financial or investment advisor, or log on to NetBenefits at **www.401k.com** or contact the Avaya 401(k) Plan Service Center to obtain fund fact sheets and other educational material. You may also want to consider enrolling in Financial Engines to help you with your investment strategy.

### ***Important Note About Investment Decisions***

The ASPSE is intended to constitute a plan described in Section 404(c) of ERISA and the Code of Federal Regulation Section 2550.404c-1. This means that the fiduciaries of the Plan may be released from liability for any losses that are the direct and necessary result of investment instructions given by you or your beneficiary.

### ***Your Investment Choices***

You may invest in one or more of the available investment options. You choose the investment mix that is right for you. In creating the investment mix that is right for you, you may select from three distinct asset classes -- short-term investments, bond and stock funds, and/or asset allocation funds. You should make your investment elections when you enroll. If you do not make an investment election, your contributions will be invested in the default investment option.

## Default Investment Option

The chart below represents the default investment option

Date Of Birth	Target Retirement Fund	Retirement Date Range
Before 1937	Target Retirement Income	Retired before 2002
1/1/1937-12/31/1942	Target Retirement 2005	2002-2007
1/1/1943-12/31/1947	Target Retirement 2010	2008-2012
1/1/1948-12/31/1952	Target Retirement 2015	2013-2017
1/1/1953-12/31/1957	Target Retirement 2020	2018-2022
1/1/1958-12/31/1962	Target Retirement 2025	2023-2027
1/1/1963-12/31/1967	Target Retirement 2030	2028-2032
1/1/1968-12/31/1972	Target Retirement 2035	2033-2037
1/1/1973-12/31/1977	Target Retirement 2040	2038-2042
1/1/1978-12/31/1982	Target Retirement 2045	2043-2047
1/1/1983-12/31/1987	Target Retirement 2050	2048-2052
1/1/1988 and later	Target Retirement 2055	2053 and later

## Tiers In General

To help you select which funds may be right for you and help you determine the time you may need to spend monitoring them, the funds in the Plan have been arranged into “tiers.” These tiers have been set up based on how much time you plan to spend putting together and monitoring the collection of funds you select for your portfolio.

Although this arrangement of funds is designed to help you decide which combination of funds may be right for you, it’s simply a guideline. For some participants it may make sense to stick to one tier – for others it may make sense to select a variety of funds across several tiers. The choice is yours.

*Avaya Inc. Savings Plan for Salaried Employees*

	<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>
	<b>Target Retirement Trusts</b>	<b>Core Funds</b>	<b>Brokerage Link</b>
<b>Amount of Time &amp; Effort by You</b>	Low level	Moderate level	High level
<b>Brief Description</b>	Vanguard assembles and manages a mix of stocks, bonds, and short-term reserves appropriate for your stage of retirement planning. These funds automatically change asset allocations as you approach retirement.	These funds cover a broad spectrum of investments. Unlike Tier 1, Target Retirement Trusts, these funds do not change their asset allocation automatically; it is up to you to select the right combination for your account.	This is the brokerage account within the 401(k) Plan. It is designed to provide a broad range of investment products for a participant who wants the highest degree of flexibility in selecting investments.

### **Tier 1 – Target Retirement Trusts**

Investing for retirement can be challenging, especially if you're not an experienced investor. To help provide a convenient investment strategy, the 401(k) Plan offers Target Retirement Trusts, managed by Vanguard, as investment options.

With the Target Retirement Trusts, you may only have one decision to make — when you expect to retire. Vanguard does the rest, assembling and managing the mix of stocks, bonds, and short-term reserves appropriate for your stage of retirement planning.

Suppose you're planning to retire in the year 2026. You might consider investing in the Target Retirement 2025. It's that simple. And with 11 Target Retirement Trusts to choose from, there's one to fit your plans, whatever your age.

The following chart outlines the Target Retirement Trusts available under Tier 1:

<b>Date Of Birth</b>	<b>Target Retirement Trust</b>	<b>Retirement Date Range</b>
Before 1937	Target Retirement Income	Retired before 2002
1/1/1937-12/31/1942	Target Retirement 2005	2002-2007
1/1/1943-12/31/1947	Target Retirement 2010	2008-2012
1/1/1948-12/31/1952	Target Retirement 2015	2013-2017
1/1/1953-12/31/1957	Target Retirement 2020	2018-2022
1/1/1958-12/31/1962	Target Retirement 2025	2023-2027
1/1/1963-12/31/1967	Target Retirement 2030	2028-2032
1/1/1968-12/31/1972	Target Retirement 2035	2033-2037
1/1/1973-12/31/1977	Target Retirement 2040	2038-2042
1/1/1978-12/31/1982	Target Retirement 2045	2043-2047
1/1/1983-12/31/1987	Target Retirement 2050	2048-2052
1/1/1988 and later	Target Retirement 2055	2053 and later

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A single Target Retirement Trust can help give you an efficient, well-diversified portfolio — designed and managed according to your stage in life. Just keep in mind that although Target Retirement Trusts can help simplify investment selection, all investing is subject to risk. Diversification does not ensure a profit or protect against a loss in a declining market.

Each Target Retirement Trust invests in up to seven broadly diversified Vanguard funds and is subject to the risks associated with those underlying funds. Target Retirement Trusts can include a mix of U.S. stocks, European and Pacific stocks, U.S. bonds, and money market instruments.

The investment risks of each investment option change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad, and may be subject to the risks associated with investing in high yield, small cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates. You'll never have to adjust your investment mix; investment professionals do it all for you automatically, according to a predetermined schedule.

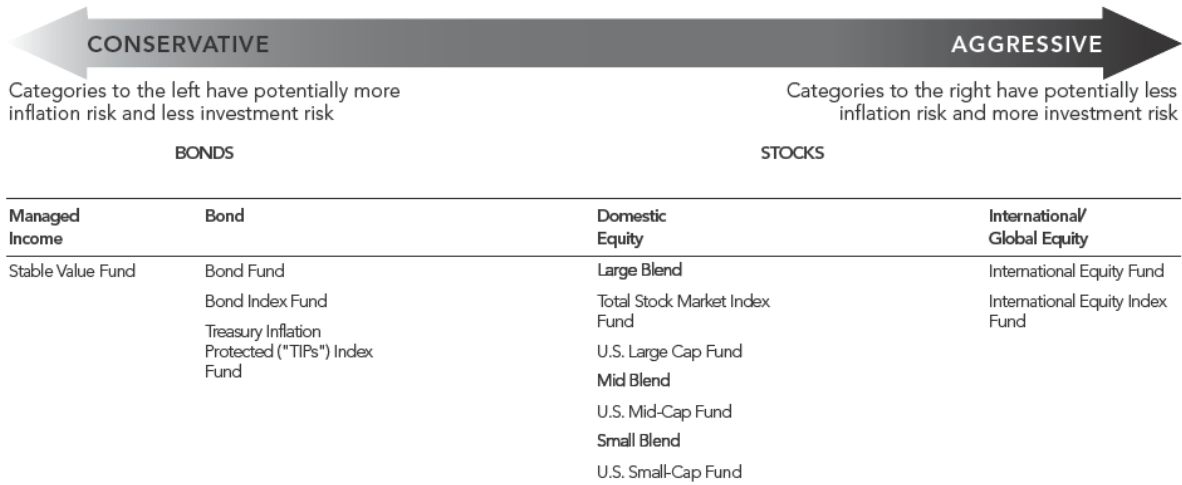
Although this approach may mean less work and worry for you, you are responsible for selecting and monitoring your investments to make sure they continue to reflect your financial situation, risk tolerance, and time horizon. Most investment professionals suggest that you reexamine your investment strategy at least annually or when your situation changes. In addition, you may want to consult an investment adviser regarding your specific situation.

For Investment Fund Fact Sheets for each Target Retirement Trust, log on to NetBenefits at [www.401k.com](http://www.401k.com) and click on Investment Option Fact Sheet under Employer News or call the Avaya 401(k) Plan Service Center to request a copy of the Avaya Savings Plan for Salaried Employees Enrollment Guide.

## **Tier 2 – Core Funds**

If you prefer to mix and match the funds in your 401(k) Plan account and create your own asset allocation, but are fairly new to investing — or simply want a select number of funds to choose from — core funds may be right for you. These funds cover a broad spectrum of investments. Unlike Tier 1 Target Retirement Trusts, these funds do not change their asset allocation automatically; it is up to you to select the right combination for your 401(k) Plan account. The below spectrum provides you with a listing of funds in this Tier.

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For Investment Fund Fact Sheets for each Tier 2 – Core Option, log on to NetBenefits at [www.401k.com](http://www.401k.com) and click on Investment Option Fact Sheet under Employer News or call the Avaya 401(k) Plan Service Center to request a copy of the Avaya Savings Plan for Salaried Employees Enrollment Guide

**Tier 3 – BrokerageLink**

This tier provides the opportunity for participants to invest a portion of their Plan account through a Fidelity BrokerageLink account. A BrokerageLink account is not automatically created for you. Participants interested in opening up a Fidelity BrokerageLink account should call the Avaya 401(k) Plan Service Center at 1-877-208-0783.

**Fidelity BrokerageLink®.** This is the brokerage account within the Plan. BrokerageLink services are provided through Fidelity Brokerage Services LLC, 100 Summer Street, Boston, MA, 02110, a member of the New York Stock Exchange and Securities Investor Protection Corporation.

You alone decide how to invest the assets in your BrokerageLink account. You can invest in most listed stocks, corporate bonds, zero-coupon bonds, U.S. Treasury securities, mortgage securities and U.S. Government agency bonds, certificates of deposit, and other mutual funds. If you do not feel comfortable actively managing a portfolio of individual securities, you may find that your Plan’s core investment options are more appropriate for you. There are certain securities in which you cannot invest through your BrokerageLink account; check your BrokerageLink brochure for more information. There are additional fees for investing in BrokerageLink account. See your Plan’s fact sheet for details.

Please note that a BrokerageLink account is not for everyone. If you are a

sophisticated investor who is willing to take on additional risk and you are prepared to assume the responsibility of more closely monitoring this portion of your portfolio, it could be appropriate for you. However, if you do not feel comfortable actively managing a portfolio beyond those offered through the Plan's core options, then a self-directed brokerage account may not be appropriate for you. Remember, it is always your responsibility to ensure that the options you select are consistent with your particular situation including your goals, time horizon, and risk tolerance.

## **Resources**

The Plan offers two programs through Financial Engines – Online Advice and Professional Management – to help participants save and invest for retirement. These programs take the current fund lineup into consideration. For more information about these Financial Engines programs, call Fidelity Workplace Retirement Services at 1-877-401-5762 any business day between 8:30 a.m. and 8:00 p.m. Eastern Time to speak with a Retirement Specialist, who can answer your questions and connect you to a Financial Engines representative.

Regardless of whether you use the services described below or not, an annual fee of \$7.50 will be deducted from your account for administrative fees related to the Financial Engines services. As described below, additional fees apply if you use Professional Management.

### **Online Advice**

If you're already actively managing your Avaya 401(k) account, Online Advice may be right for you. This easy-to-use Web site offers objective, professional advice to help you refine your investment strategy. Log in for a personalized forecast showing how much your investments may be worth when you retire, and see a step-by-step action plan with specific investment recommendations. You can also fine-tune your strategy by exploring different contributions, risk levels, and retirement goals. To get started, log in to Fidelity NetBenefits at **www.401k.com** and click "Get Personalized Help from Financial Engines."

### **Professional Management**

With Professional Management, Financial Engines analyzes the investments available in the Avaya 401(k) Plan and selects a personalized investment mix designed for you. It is important to also include any investments outside the Avaya 401(k) plan in order for Financial Engines to personalize your investment mix according to your total investment strategy.

Financial Engines works with Fidelity to handle all the transactions to put your new investment strategy into action and continues to manage your account over time to help keep you on track. You get peace of mind knowing that professionals are managing your investments. With Professional Management, it doesn't take a lot of time or money to get the benefit of professional investment management. Financial Engines' fee is 0.60% of your account balance per year if your account is less than \$100,000, and discounts apply if your account is more than \$100,000. The fee is deducted directly from your Avaya 401(k) Plan account, so there is no bill to pay and no reduction in your take-home pay. You can cancel at any time if you aren't satisfied. Just call Fidelity Workplace Retirement Services at 1-877-401-5762, business days between 8:30 a.m. and 8:00 p.m. Eastern time.

### ***Additional Information About Investment Options***

You can request the following information concerning the investment options from NetBenefits at **www. 401k.com** or the Avaya 401(k) Plan Service Center:

- A description of the annual operating expenses (e.g., investment management fees, administrative fees, transaction costs) that reduce the rate of return to participants and beneficiaries, and the aggregate amount of such expenses expressed as a percentage of average net assets of the investment option.
- A copy of any prospectuses, financial statements and reports, and of any other materials relating to the investment option, to the extent such information has been provided to the Plan.
- A list of the assets comprising the portfolio of each investment option, and with respect to each such asset which is a fixed rate investment contract issued by a bank, savings and loan association or insurance company, the name of the issuer of the contract, the term of the contract and the rate of return on the contract.
- Information concerning the value of units in the investment option, as well as the past and current investment performance of such option, determined, net of expenses, on a reasonable and consistent basis.

### ***Accounting for Your Investments: Units***

If you are invested in Tier 1 or Tier 2 investment options, your ownership in these funds is in "units." Unitization means the share price of any underlying investment within the funds has been converted to a unit price. A unitized fund is a fund that is composed of underlying investments and a percentage of short-term investments. Unitization allows the underlying investments to be purchased, exchanged and redeemed on a daily basis with flexibility. In addition, unitization permits matching and combining of all participants cash flows and holdings.

### **Valuing Your ASPSE Account**

All funds in the ASPSE are valued daily. This allows you to monitor your investments on a daily basis, if you wish. The performance of each of the Plan's investment options is available on NetBenefits at **www.401k.com**.

### **Investment Change for Future Contributions**

If you are contributing to the Plan, you may change the way future contributions are invested at anytime. You may choose to invest in one or more of the available investment options. All allocations to investment options must be in 1% increments.

To change your investment election for future contributions, access NetBenefits at **www.401k.com** or call the Avaya 401(k) Plan Service Center.

### **Investment Fund Transfer (Exchange)**

You may transfer (exchange) all or part of your existing investments among one or more of the available options as often as daily. All exchanges must be in 1% increments.

To exchange existing balances among investment options, access NetBenefits at **www.401k.com** or call the Avaya 401(k) Plan Service Center.

The time your exchange is confirmed with NetBenefits or the Avaya 401(k) Plan Service Center determines when the exchange is effective. If your exchange is confirmed before the closing time for the New York Stock Exchange on that business day (generally, 4:00 p.m. Eastern), your exchange is effective after the close of business that day. If you want to cancel a pending exchange, you must call the Avaya 401(k) Plan Service Center and confirm your cancellation with a representative before the closing time for the New York Stock Exchange that same day. If your exchange is confirmed at or after the closing time for the New York Stock Exchange on a business day (generally, 4:00 p.m. Eastern), or any time on a holiday or weekend, your exchange will be effective after the close of business on the next business day. If you want to cancel a pending exchange, you must call the Avaya 401(k) Plan Service Center and confirm your cancellation with a representative before the closing time for the New York Stock Exchange the next business day.

*Special Limits:* Your ability to invest in any of the funds offered under the Plan may be limited. For example, many of the funds prohibit market timing and excessive trading activities. These funds may adopt rules that limit your ability to exchange in and out of the fund. If a fund determines that you have violated its rules, your ability to invest in that fund may be restricted. For information about any potential prohibitions and restrictions, you should review the Fund Fact Sheet available at [www.401k.com](http://www.401k.com).

### ***The Trustee May Suspend Transactions***

The Trustee maintains a cash balance for certain investment options to provide monies for fund exchanges, loans, withdrawals and distributions. The amount of cash balance for an investment option may be revised in response to anticipated changes in the cash needs for that investment option.

If the cash balance for an investment option is not sufficient due to unusual participant activity, the Trustee may:

- Temporarily stop taking fund exchange instructions relating to the investment option, and/or
- For a period of time, suspend the following transactions for that investment option:
  - Fund exchanges,
  - Loans,
  - Withdrawals, and
  - Distributions.

## VESTING

Vesting refers to your ownership of the money in your ASPSE account. If you are vested in an amount, then you own that money, even if you no longer work for a participating company.

You are always 100% vested in your contributions to the ASPSE -- including pre-tax, after-tax, catch-up and roll-in contributions -- plus any investment earnings on these contributions.

If you are employed by a participating company after December 31, 2008, you will be 100% vested in your company contribution account.

### ***Old Vesting Requirement***

From January 1, 2004 through December 31, 2008, you needed to earn three years of vesting service to be 100% vested in your company contribution account. The method used to determine vesting service was the “elapsed time” method. The “elapsed time” method in general measures your service in days, months and years that have elapsed from the day you begin working at Avaya to the day you stop working there.

### ***Restoring Forfeited Company Contributions***

If your employment terminated before January 1, 2009 and you were not vested in your company contribution account, you forfeited the full value of your company contribution account. If you are rehired, you are eligible to have the forfeited amounts restored. To do so, you must be rehired before five years have elapsed from the date of your termination of employment and you must repay any distribution you received. Call the Avaya Benefit Service Center for information concerning how to have your account restored, including if you have taken a distribution from the ASPSE, the amount you must pay back into the ASPSE and how to pay it back. You must repay your distribution within five years of the date you are re-employed in order to have the forfeited amount restored.

## RECEIVING YOUR ASPSE MONEY

### **Loans**

Although the ASPSE is designed to help you save for your future financial security, you may access the money in your account through the Plan's loan feature. You may take a loan if you are a Plan participant, even if you are no longer an active employee of Avaya. You may have one residential loan and one general purpose loan outstanding at any time. A residential loan is any loan used to acquire a dwelling unit that will within a reasonable time be used as your principal residence. A general purpose loan is any loan that is not a residential loan.

An advantage of taking an ASPSE loan is that the loan is *not* a taxable distribution because you repay the borrowed amount, plus interest, to your Plan account through payroll deductions on an after-tax basis. However, if you default on your loan, the outstanding balance is reported as taxable income to the IRS. Also, remember that you pay interest on a Plan loan rather than earning investment return on that money. The lost potential investment earnings could make a big difference in your account.

### **What You Can Borrow**

The minimum loan amount is \$1,000. The maximum loan amount you can have at one time is the lesser of: 50% of your vested ASPSE account balance, or \$50,000 minus your highest outstanding loan balance during the previous 12 months. There is a one time processing fee of \$50 for each loan.

To find out the actual dollar amount you may borrow or to apply for a loan, you can use NetBenefits at **www. 401k.com** or call the Avaya 401(k) Plan Service Center.

If you have invested part of your account in the BrokerageLink<sup>®</sup> option, amounts invested in that option are taken into account when determining your maximum loan amount. However, those assets are not available to fund your loan amount unless you move the assets into one of the other investment options.

### **Interest on Your Loan**

The interest rate on your loan is the prime rate in effect as of the last business day of the month before the month in which the loan is initiated. The interest rate on your loan remains fixed throughout the term of your loan.

### **Loan Term**

For a general purpose loan, the minimum term is one year and the maximum term is 56 months. For a residential loan, the minimum term is one year and the maximum term is 15 years. You may repay your loan in full at any time without penalty. If you want to

pre-pay your loan, call the Avaya 401(k) Plan Service Center and they will walk you through the process.

## Repaying a Loan

Generally, you repay your loan in equal installments over the term of the loan through after-tax payroll deductions, unless you pre-pay your loan.

All loan repayments -- plus the interest you pay on your loan -- are credited to your account according to your latest investment elections on file, in reverse contribution type order. If you don't have any investment election on file, repayments are invested in the appropriate default investment option.

Repayment of your loan will be affected if you take an unpaid leave of absence (other than a military leave) or are unable to make repayments by payroll deduction (e.g., while on a leave of absence or receiving Workers' Compensation), as follows:

- While you are receiving Workers' Compensation or on an approved unpaid leave of absence, generally loan repayments will be suspended for up to 12 months. **If you choose, you may continue to repay your loan by sending checks directly to the record keeper during your leave.**
- If you return to work within 12 months, loan repayments will automatically resume by after-tax payroll deduction in equal installments over the remaining loan repayment period.
- If your absence is longer than 12 months, your loan will default at the end of 12 months of leave of absence unless you (1) begin making loan payments by sending checks directly to record keeper in equal installments over the remaining loan repayment period, or (2) repay the full amount of your outstanding loan.
- If your loan is not fully repaid at the end of 56 months (or 15 years for a residential loan), you must repay the balance in a lump sum or it will default.
- If you go on a military leave of absence while you have an outstanding loan, those loan payments are suspended for the entire period of your military leave, unless you choose to continue making loan payments. When you return from a military leave, you must contact the Avaya 401(k) Service Center to discuss your options for resuming loan payments. If you resume loan payments, your loan term will be extended by the period your loan was suspended while you were on military leave.

## Renegotiating Your Loan

Generally, you may renegotiate or change the initial terms of your loan after you receive the money *only if* your compensation is reduced due to a demotion or disability.

To renegotiate your loan, call the Avaya 401(k) Plan Service Center. An Avaya 401(k) Plan Service Center representative will verify the circumstances for your renegotiation and contact you with details about your renegotiated loan. You cannot renegotiate an outstanding loan more than once a year.

The maximum term of your renegotiated loan cannot exceed 56 months from the original loan date of your general purpose loan or 15 years from the original loan date of your residential loan.

## Repaying Your Loan When No Longer on Payroll

If you terminate employment and still have a loan outstanding, you can (1) continue to make loan payments by check (coupon payment) or through electronic funds transfer from your bank account, (2) pre-pay the entire outstanding balance, or (3) allow the loan to default and become taxable to you.

## Defaulting on Your Loan

Your loan will default if:

- You are actively employed and do not make payments for 90 days or more.
- You do not repay your loan within five (5) years from the original loan date for a general purpose loan or fifteen (15) years from the original loan date for a residential loan.
- You do not continue loan repayments or repay your outstanding loan balance within 120 days after you terminate employment (including retiring with a service pension).
- You are on a leave of absence (other than a military leave of absence) and you do not resume making loan repayments or repay your outstanding loan balance by the last day of the 12th month of your unpaid leave of absence.
- You terminate employment (including retiring with a service pension) and take a full distribution of your Plan account balance without repaying the loan.

If your loan is in threat of default, the Avaya 401(k) Plan Service Center will notify you of the outstanding loan amount due, the date by which it must be paid and where to send the payment. If you default on a loan, the unpaid balance is reported to the IRS as a

taxable distribution. See the “Tax Information” Section for the tax rules for taxable distributions.

### ***Withdrawals During Employment***

The ASPSE allows the following types of in-service withdrawals before you terminate employment to help you meet immediate financial needs:

- Age 59½
- Non-hardship, non-suspension
- Non-hardship, suspension
- Hardship
- Special company contributions

The amount you may withdraw from your ASPSE account is subject to Plan and IRS rules. The rules vary by the type of withdrawal. When you take any in-service (partial) withdrawal, money will be taken from your investment options (except for your BrokerageLink® option) on a pro-rata basis. For example, if you take an in-service withdrawal of \$1,000 and your account is invested 50% in the Stable Value Fund and 50% in the U.S. Small-Cap Fund; your \$1,000 withdrawal will be withdrawn \$500 from the Stable Value Fund and \$500 from the U.S. Small-Cap Fund. Additionally, money for any withdrawal will be taken from your money types or sources, (i.e., pre-tax, after-tax, rollover, etc.) based on a predetermined order, or hierarchy, and that hierarchy varies depending on the type of withdrawal you request. Please note that no funds will be withdrawn from your BrokerageLink® option. Instead, you must transfer funds from your BrokerageLink® option to the other investment options if the amount of your withdrawal exceeds the full amount available from those other investment options.

Before you request any type of withdrawal from your ASPSE account, you should consider the tax consequences. Because tax laws are complex, you also may want to consult a professional tax advisor. If you decide to request the withdrawal, call the Avaya 401(k) Plan Service Center.

Note that periodic withdrawals are also available after you terminate employment. See the “Distribution of Your Account” section for more information.

### **Non-Hardship, Non-Suspension Withdrawals**

#### **Age 59½ Withdrawals**

If you are at least age 59½, you may take an age 59½ withdrawal of your entire ASPSE account balance without a required suspension of your contributions.

### **Non Age 59½ Withdrawal**

You may request a non-hardship, non-suspension withdrawal if you are under age 59½ and have the following types of money in your account –

- Prior company contributions
- After-tax un-matched contributions
- After-tax matched contributions that have been in the plan for at least 2 years
- Company matching and automatic contributions that have been in the plan for at least 2 years
- Rollover contributions

You may take an unlimited number of non-hardship, non-suspension withdrawals in a year.

### **Non-Hardship, Suspension Withdrawals**

You may request a non-hardship, suspension withdrawal if you are under age 59½, are not eligible for a non-hardship, non-suspension withdrawal and have the following types of money in your account –

- After-tax matched contributions that have been in the plan for less than 2 years
- Company matching and automatic contributions that have been in the plan for less than 2 years

If you take a non-hardship, suspension withdrawal, your contributions and company matching contributions will be suspended for six (6) months.

You may take an unlimited number of non-hardship withdrawals in a year. For any non-hardship withdrawal, your minimum withdrawal is the lesser of \$300 or the amount of your account balance available for withdrawal.

### **Hardship Withdrawals**

If you are not at least 59½ and are not eligible for any other withdrawal, you may withdraw your pre-tax contributions and pre-1989 earnings on them *only* if:

- You have an immediate and heavy financial need that cannot be met by other financial resources, including a loan or a non-hardship withdrawal (you must exhaust these resources before you can take a hardship withdrawal).
- Your immediate and heavy financial need is to:

- Pay severe, uninsured medical expenses incurred by you, your spouse or your eligible dependents,
  - Purchase your principal residence (not including mortgage payments),
  - Pay post-secondary education tuition and related expenses for you, your spouse or your dependents,
  - Prevent foreclosure on, or eviction from, your principal residence,
  - Repair or renovate your home due to damage resulting from a fire, natural disaster or similar unforeseeable event,
  - Pay extraordinary legal expenses, or
  - Pay for funeral expenses for members of your immediate family.
- You provide acceptable proof of your financial hardship.
  - You cannot withdraw pre-tax funds that exceed the amount of your hardship need plus the amount of your potential tax liability on such withdrawal.
  - You must receive your hardship withdrawal in cash only.
  - Your contributions and the Company's matching contributions are suspended for six months when you receive a hardship withdrawal.

### **Special Company Contributions Withdrawal**

You may request a withdrawal of your special company contributions at any time, subject to the Plan's minimum withdrawal requirement of \$300. (Special company contributions were contributions of Lucent common stock made between August 1998 and August 1999 to participants in the Lucent Technologies, Inc. Long Term Savings and Security Plan.) If you withdraw your special company contributions, your contributions will not be suspended.

## DISTRIBUTION OF YOUR ACCOUNT

### ***Your Distribution Options***

If your employment ends (except due to death) and your account is more than \$1,000, you may leave your money in the Plan or elect:

- A lump sum payment payable to you,
- A rollover to another employer's plan or IRA, or
- Discretionary withdrawals, which allow you to request unlimited withdrawals. The minimum amount for a withdrawal is \$500 or your remaining ASPSE account balance, whichever is less. When you take a discretionary withdrawal, money will be taken from all your investment options (except for your BrokerageLink<sup>®</sup> option) on a pro-rata basis. For example, if you take a discretionary withdrawal of \$1,000 and your account is invested 50% in the Stable Value Fund and 50% in the U.S. Small-Cap Fund, your \$1,000 withdrawal will be withdrawn \$500 from the Stable Value Fund and \$500 from the U.S. Small-Cap Fund. Additionally, money for any withdrawal will be taken from your money types, or sources, (i.e., pre-tax, after-tax, rollover, etc.) based on a predetermined order, or hierarchy. Please note that no funds will be withdrawn from your BrokerageLink<sup>®</sup> option. Instead, you must transfer funds from your BrokerageLink<sup>®</sup> option to the other investment options if the amount of your withdrawal exceeds the full amount available from those other investment options.

If your employment ends (except due to death) and your account is \$1,000 or less, you may elect a lump sum payable to you or a rollover to another employer's plan or IRA. If you do not make a distribution election, your account will be paid to you as a lump sum as soon as administratively feasible.

If you die, your beneficiary (or beneficiaries) may elect to receive your ASPSE account in a lump sum payment or a direct rollover to an IRA.

The earliest you can request your distribution is 45 days after the effective date of your severance from employment.

### ***Minimum Required Distribution Rules***

Terminated employees must start receiving annual distributions, known as minimum required distributions (MRDs) from the Plan beginning with the calendar year in which they reach age 70½. You can defer your first MRD payment until April 1 of the calendar year following the calendar year in which you reach age 70½.

Before the date your first MRD payment must be paid, you will receive a letter from the Avaya 401(k) Plan Service Center describing the MRD process and your available options. That letter will also include any forms that you need to complete.

## TAX INFORMATION

A major advantage of the ASPSE is that you will defer income taxes on your pre-tax contributions, catch up contributions, company matching contributions, roll-in contributions and all investment earnings while that money is in the Plan. However, you must pay taxes on that money when you receive a withdrawal or distribution from the ASPSE.

Remember, you will not owe any taxes on your after-tax contributions because you already paid taxes on them before they went into your ASPSE account. However, this does not mean that your entire after-tax contribution account is not taxed; you will owe taxes on the investment earnings on your after-tax contributions.

Depending on where you live, you also may owe state and local taxes on your distribution.

Special tax treatment may apply if your distribution qualifies as a lump sum. Tax laws are complex and change from time to time. You should consult a tax professional for specific advice about your personal financial situation before you receive a withdrawal or distribution. The information in this section provides only general tax information. The Company cannot give tax advice. Also, before you request a withdrawal or distribution from the ASPSE, you should review the Special Federal Tax Notice Regarding Plan Payments in your distribution package. Copies of that notice also are available on NetBenefits at [www.401k.com](http://www.401k.com) and upon request from the Avaya 401(k) Plan Service Center.

### ***Mandatory Withholding***

The Plan is required by law to withhold 20% of your withdrawal or distribution (excluding after-tax contributions) if you do not elect to directly roll your payment over into another qualified plan or an IRA. Generally, the taxable portion of your payment qualifies as an eligible rollover, and can be rolled over into an IRA or another employer's qualified plan that accepts rollovers. The 20% tax withholding from your payment is sent to the IRS to be credited against your taxes.

A hardship withdrawal is not an eligible rollover distribution and is not subject to the 20% withholding. You may elect additional tax withholding of your hardship withdrawal and may want to do so because hardships withdrawals are taxable distributions.

### ***Additional 10% Tax if You Are Under Age 59½***

If you receive a distribution from the ASPSE before you reach age 59½, you may have to pay an additional 10% tax on your payment. This tax is in addition to any other

federal, state or local taxes you may owe on your payment.

The additional 10% tax does *not* apply if the payment is:

- Rolled over into an IRA or another employer's qualified plan within 60 days
- Paid to you because you terminated your employment with Avaya or a participating company during or after the year you reach age 55
- Paid to you in equal (or almost equal) payments over your life or life expectancy
- Used to pay certain medical expenses
- Paid to your beneficiary or estate after your death
- Paid to your spouse or former spouse, child, or other dependent pursuant to a Qualified Domestic Relations Order (QDRO)
- Paid to you because you retire due to disability

***IRS Publications***

- You can find more specific information on the tax treatment of payments from qualified retirement plans in:
- IRS Publication 575, Pension and Annuity Income
- IRS Publication 590, Individual Retirement Arrangements
- IRS Form 5329 which addresses the additional 10% tax
- IRS Form 4972 which addresses special tax treatment for lump sum distributions

These publications are available from your local IRS office, by calling 1-800-TAX-FORM or logging on to the Internal Revenue Service Web site at <http://www.irs.gov>.

## **EFFECT OF EMPLOYMENT STATUS AND OTHER CHANGES ON ASPSE PARTICIPATION**

There are a number of life- and work-related events that may impact your participation in the ASPSE. This section describes how these different events are handled under the ASPSE.

### ***If You Change Your Employment Status***

If you are no longer an eligible employee due to a status change, your contributions and eligibility for company matching contributions stop on the date your status change occurs. If you become eligible to participate in the Avaya Inc. Savings Plan (ASP) due to your status change, your elections under this plan will be carried over to the ASP. This means that you do not need to enroll in the ASP. Your balance and your contribution elections in this ASPSE will be transferred to the ASP in accordance with procedures in effect at the time of your transfer.

### ***If Your Employment Terminates***

As soon as administratively feasible after your employment terminates but at least 45 days after termination, you are eligible to request a distribution from your vested ASPSE account.

If you terminate employment and still have a loan outstanding, you can: (1) continue to make loan payments by check or through electronic funds transfer from your bank account, (2) pre-pay the entire outstanding balance, or (3) allow the loan to default and become taxable to you.

### ***If You Transfer***

If you transfer to another participating company, it will *not* affect your ASPSE participation. If you are assigned to an Avaya affiliate that is not a participating company, you can no longer contribute to the ASPSE but can do everything else an active employee can do (e.g., take a loan or in-service withdrawal).

### ***If You Are Rehired***

If your rehire date is within 30 days of your termination date, your contribution election will automatically restart. If your rehire date is more than 30 days after your termination date, you must make a new contribution election by logging on to [www.401k.com](http://www.401k.com) or call the Avaya 401(k) Plan Service Center at 877-208-0783

If you were not vested upon termination and you forfeited your company contributions, the forfeited amounts may be restored to your account when you are rehired, depending

on the length of your break in service, whether you took a distribution from the Plan, and whether you repay that distribution.

### ***If You Become Disabled***

Your ASPSE participation may be affected if you are absent due to a disability, or severed from service due to a permanent disability.

If you are absent due to a disability, your contributions and any loan repayments continue while you are receiving short-term disability benefits under the Avaya Inc. Short-Term Disability Plan for Salaried Employees, unless your disability benefits are not large enough to cover all of the necessary deductions. You may stop, start or change the amount or investment of your contributions at any time while receiving disability benefits or when you return to work.

When you become eligible for long-term disability benefits, you are considered separated from service due to a permanent disability. This means that your contributions stop and you can request a distribution.

No contributions are taken from amounts paid as Workers' Compensation.

### ***If You Take a Leave of Absence***

During an unpaid leave of absence, your contributions and company matching contributions are suspended. If you have a loan, certain rules apply to how repayments are handled during your leave of absence. See "Repaying Your Loan" for more information. Otherwise, you may make all other transactions available to active participants.

### **Resuming Contributions Upon Return**

The length of your leave of absence determines whether or not contributions resume automatically when you return to active status:

- If you return *within* 12 months of the date your leave began, contributions automatically resume at the same level and following the same investment directions in effect before your leave.
- If your leave is *longer than* 12 months, your contributions do *not* automatically resume when you return to work. This means if you want to begin making contributions to the ASPSE, you must re-enroll.

Regardless of the length of your leave, you *cannot* make up the missed contributions except as indicated below. When you return from a leave, you should check your contribution elections through NetBenefits at [www.401k.com](http://www.401k.com) or by calling 1-877-208-

0783.

### **Military Leave of Absence**

If you are a participant in the ASPSE when you start U.S. military service, including service in the National Guard, and you apply to be re-employed by Avaya or a participating company within specific time limits after your military service ends, you can make make-up contributions to the ASPSE for the period of your military service. These make-up contributions are in addition to any contributions you may make under the other provisions of the ASPSE.

Any make-up contributions you make may not exceed the amount you otherwise would have been allowed to make to the ASPSE, assuming you were continuously employed by the Company during your military service. Any make-up contributions must be made within five years after the date of your re-employment with a participating company. But if your military service lasted under 1½ years, make-up contributions must be made within the period of three times the length of your military service, starting on your date of re-employment with Avaya or a participating company.

You generally will not be eligible for make-up contributions if your military service lasts for more than five years.

### ***If You Die***

If you die, your total Plan account balance will be paid to your beneficiary(ies). Your beneficiary (ies) should contact the Avaya Pension Service Center at 1-800-750-7300 to report your death. The Avaya Pension Service Center will coordinate the processing of all your death benefits. Once complete documentation has been received, the Avaya Pension Service Center will direct the Avaya 401(k) Plan Service Center to pay each beneficiary his or her share of your Plan account.

Tax considerations may apply to distributions to beneficiaries. Your Plan account is included in your estate after your death, and may be subject to federal estate taxes. You should consider speaking with a professional tax advisor regarding your individual situation. Also see the “Special Federal Tax Notice Regarding Plan Payments” for important tax information regarding these distributions.

## IMPORTANT CONTACTS

Here is a list of resources for the ASPSE.

### **Avaya 401(k) Plan Service Center**

Aside from this summary, your primary source of ASPSE information is the Avaya 401(k) Plan Service Center at Fidelity Investments. This resource handles most transactions and information about the ASPSE.

### **By Phone**

You can reach the Avaya 401(k) Plan Service Center by phone, as follows:

<b>Domestic Employees</b>	<b>International Assignees (Employees assigned outside the U.S.)</b>
<p>Call 1-877-208-0783 to access the VRS or to speak with a service representative. You may access the VRS from any phone 24 hours a day, virtually seven days a week.</p> <p>If you need or want to speak to a service representative, you may call any business day from 8:30 a.m. to 12:00 midnight, Eastern time.</p>	<p>Visit <a href="http://www.att.com/traveler">http://www.att.com/traveler</a> or call AT&amp;T Direct at 1-800-331-1140 for your country code. After you call the correct country code number, call 1-877-208-0783 to access the VRS. The VRS is available 24 hours a day, seven days a week.</p> <p>If you need or want to speak to a service representative, you may call any business day from 8:30 a.m. to 12:00 midnight, Eastern time.</p>

Hearing impaired employees may call 1-800-610-4015 to reach a telecommunications device for the deaf (TDD).

### **On-line**

You can access the Avaya 401(k) Plan Service Center on-line using NetBenefits at **[www.401k.com](http://www.401k.com)**.

### **By Mail**

You may send forms, applications and other written correspondence to the Avaya 401(k) Plan Service Center by regular mail or overnight mail, as follows:

*Avaya Inc. Savings Plan for Salaried Employees*

<b>Regular Mail</b>	<b>Overnight Mail</b>
Fidelity Investments Avaya 401(k) Plan Service Center PO Box 770003 Cincinnati, OH 45277-0065	Fidelity Investments Avaya 401(k) Plan Service Center 100 Crosby Parkway, KC1F-L Covington, KY 41015

***Other Resources***

The following sources have specific responsibilities, as explained below:

<b>Contact/Service Provided</b>	<b>Address/Telephone Number</b>
<b><i>Domestic Relations Matters Group:</i></b> Handles matters relating to Qualified Domestic Relations Orders (“QDROs”), subpoenas and interrogatories regarding ASPSE information.	Domestic Relations Matters Group Aon Hewitt 400 Atrium Drive 5th Floor South Somerset, NJ 08873 732-302-2178
<b><i>Avaya Pension Service Center:</i></b> Report a participant death. Authorizes payments to beneficiaries. Makes permanent address changes for retired employees.	Avaya Pension Service Center PO Box 56225 Jacksonville, FL 32244-6225 Toll Free 1-800-750-7300 TDD: 1-877-369-7596
<b><i>Savings Plan Administrator:</i></b> Decides claims for benefits. Contact to request ASPSE documents.	Savings Plan Administrator Avaya Inc. 211 Mount Airy Road Basking Ridge, NJ 07920 1-908-953-6000  <a href="mailto:Youravaya401k@avaya.com">Youravaya401k@avaya.com</a>
<b><i>Employee Benefits Committee:</i></b> Decides appeals of denied claims and interprets ASPSE provisions.	Employee Benefits Committee Avaya Inc. 211 Mount Airy Road Basking Ridge, NJ 07920 1-908-953-6000  <a href="mailto:Youravaya401k@avaya.com">Youravaya401k@avaya.com</a>

*Avaya Inc. Savings Plan for Salaried Employees*

<b>Contact/Service Provided</b>	<b>Address/Telephone Number</b>
<b>Investment Committee:</b> Selects and monitors investment options.	Investment Committee Avaya Inc. 211 Mount Airy Road Basking Ridge, NJ 07920 1-908-953-6000
<b>Plan Trustee:</b> Manages the trust fund and pays all ASPSE benefits from the funds in the trust.	Fidelity Management Trust Company 82 Devonshire Street Boston, MA 02109

## OTHER IMPORTANT INFORMATION

This section contains administrative information about the ASPSE and other details required under the terms of a federal law, the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### ***Claim and Appeal Procedures***

#### **Claim Procedures**

Participants, their beneficiaries (if applicable) or any individual duly authorized by them have the right under ERISA and the ASPSE to file a written claim for benefits with the Savings Plan Administrator (see “Other Resources”).

If a claim for benefits is denied in whole or in part, the claimant will receive a written notice of the Savings Plan Administrator’s decision, within 90 days after the Savings Plan Administrator received the claim. The written notice will include:

- The specific reason(s) for the denial,
- Reference to the specific ASPSE provisions on which the denial was based,
- A description of any additional material or information necessary for the claimant to complete the claim and an explanation of why the material or information is necessary,
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim,
- Information about the steps to be taken if you, your dependent, or an authorized representative wishes to submit the claim for review; and
- A statement regarding your right to bring an action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), 29 U.S.C. 1132(a).

If the Savings Plan Administrator needs more than 90 days to make a decision, he or she will notify you in writing within the initial 90-day period and explain why more time is required. An additional 90 days (for a total of 180 days) may be taken if the Savings Plan Administrator sends this notice. The extension notice will show the date by which the Savings Plan Administrator’s decision will be sent.

If a claim for benefits is denied in whole or in part, an appeal process is available to you.

You, your dependents, or your authorized representative may appeal in writing within 60 days after the denial is received.

### **Appeal Procedures**

A claimant can appeal a denied claim. If you wish to file an appeal, you must do so in writing within 60 days of receiving notification of the Savings Plan Administrator's decision. In connection with preparing your appeal, you or your representative can request, free of charge, copies of all documents, records, and other information relevant to your claim. If you believe an error has occurred, you can support your request by giving the reason you think there is an error. Also, whenever possible, send copies of any documents or records that support your appeal. Whether or not you can provide such additional information, your claim will be reconsidered after your request is received. Send a written request for review of any denied claim directly to the Secretary of the Employee Benefits Committee (see "Important Contacts").

The Employee Benefits Committee will conduct a review and make a final decision within 60 days after receiving the written request for review.

If special circumstances cause the Employee Benefits Committee to need more than 60 days to make a decision, a representative will notify you in writing within the initial 60-day period and explain why more time is required. An additional 60 days (for a total of 120 days) may be taken if the Employee Benefits Committee sends this notice.

The decision will be in writing and will explain the specific reasons that your claim was denied, specific reference to pertinent ASPSE provisions on which the denial was based, a statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim, and a statement regarding your right to bring an action under Section 502(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), 29 U.S.C. 1132(a).

The Employee Benefits Committee shall serve as the final review committee under the Plan. However, you or your beneficiary may have additional rights under ERISA. Applicable law and the ASPSE's provisions require you to pursue all your claim and appeal rights on a timely basis *before* seeking any other legal recourse regarding claims for benefits.

The Employee Benefits Committee and the Savings Plan Administrator have the full discretionary authority and power to control and manage all aspects of the ASPSE, to determine eligibility for ASPSE benefits, to interpret and construe the terms and provisions of the ASPSE, to determine questions of fact and law, and to adopt rules for the administration of the ASPSE as they may deem appropriate in accordance with the

terms of the ASPSE and all applicable laws.

### **Statement of ERISA Rights**

As a participant in the ASPSE, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, as amended (ERISA). ERISA provides that all Plan participants shall be entitled to:

#### **Receive Information About Your Plan and Benefits**

Examine, without charge, at the Savings Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Savings Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Savings Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

Receive at least once a quarter, a statement of your total account balance either by mail or online. The Plan must provide this statement free of charge.

#### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

#### **Enforce Your Rights**

If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if

you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Savings Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Savings Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

### **Assistance with Your Questions**

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the Employee Benefits Security Administration Brochure Request Line at 1-800-998-7542, on the Internet at <http://www.dol.gov/ebsa/publications/main.html>, or by contacting the Employee Benefits Security Administration field office nearest you.

### ***Benefits Cannot Be Assigned***

Generally, you or your beneficiary cannot assign or transfer amounts under the ASPSE nor can amounts credited to your Plan account be used to pay your debts or obligations of any nature unless you first elect a withdrawal from your account. However, the ASPSE is required to comply with court issued Qualified Domestic Relations Orders (QDROs) and qualified federal tax levies.

### ***Benefits Not Guaranteed by PBGC***

The ASPSE is a defined contribution plan. Therefore, benefits under the Plan are *not* insured or guaranteed by the Pension Benefit Guaranty Corporation (PBGC).

### **ASPSE Expenses**

Participants' ASPSE accounts pay plan expenses, including any investment manager fees, trustee fees, recordkeeping fees and administrative expenses. Investment management fees are disclosed in the applicable investment fund fact sheet and on NetBenefits at [www.401k.com](http://www.401k.com).

### **ASPSE Funding and Payment of Benefits**

Funds are held for participants in the Plan and the participants' beneficiaries. The Trustee pays all benefits under the ASPSE from the available funds in the trust. Company contributions and employee contributions to the Plan go into a trust fund managed under the terms of a trust agreement by the Plan's Trustee.

### **ASPSE Document Governs**

This SPD is designed to describe the ASPSE in easy-to-understand terms. It is shorter and less technical than the legal ASPSE document. However, it is the ASPSE document that determines your rights and the rights of your beneficiaries under the Plan. In all instances, the ASPSE document governs.

### **ASPSE May Be Amended or Terminated**

The Company expects to continue the ASPSE, but reserves the right to amend or terminate the ASPSE at any time by the resolution of the Board of Directors or properly authorized designee. The Company does not guarantee the continuation of any ASPSE benefits during employment or at or during retirement nor does it guarantee any specific level of benefits or contributions.

## ADMINISTRATIVE INFORMATION

<b>Plan Name</b>	The official Plan name is the Avaya Inc. Savings Plan for Salaried Employees. (The Plan is also referred to as the "ASPSE" or one of the Avaya Savings/401(k) Plans.)
<b>Plan Sponsor</b>	Avaya Inc. 211 Mt. Airy Road Basking Ridge, NJ 07920
<b>Participating Employers</b>	Subsidiaries and affiliates for Avaya Inc. that have adopted the ASPSE are participating employers. You may find out if an employer is a participating employer or request a list of the participating employers by writing to the Savings Plan Administrator.
<b>Type of Administration</b>	The ASPSE is administered by the Employee Benefits Committee (the "EBC") and the Savings Plan Administrator appointed by the EBC to assist in the day-to-day administration. The Investment Committee is responsible for selecting and monitoring the Plan's investment options.
<b>Savings Plan Administrator and Agent for Service of Legal Process</b>	The Savings Plan Administrator is the agent for service of legal process. The address and telephone number of the Savings Plan Administrator are:  Savings Plan Administrator Avaya Inc. 211 Mount Airy Road Basking Ridge, NJ 07920 (908) 953-6000  Legal process may also be served on the Trustee.
<b>Plan Records and Plan Year</b>	The ASPSE and all its records are maintained on a calendar year basis, beginning on January 1st and ending on December 31st of each year.
<b>Type of Plan</b>	The ASPSE is an "employee pension benefit plan," a "defined contribution plan," an "individual account plan," a "401(k) plan" and a "404(c) plan" under ERISA.
<b>Employer Identification Number</b>	The Employer Identification Number assigned by the IRS to Avaya Inc. is 22-3713430.
<b>Plan Number</b>	The Plan number assigned by Avaya to this Plan is 003.
<b>Source of Payments</b>	The assets of the Plan are held in a trust and benefits are paid from the trust. The trustee of the Plan's trust is:  Fidelity Management Trust Company 82 Devonshire Street #11D Boston, MA 02109