

## **TERMS YOU SHOULD KNOW**

There are several words and phrases that have a specific meaning under the Life Insurance Plans. This section explains those terms so you can better understand your benefits. These terms are printed in **boldface** when they appear to let you know they are defined here.

**Accidental Death and Dismemberment (AD&D):** accidental death and dismemberment insurance. You receive Company-paid accidental death and dismemberment insurance equal to one times your **total annual pay**, and may purchase optional additional coverage for yourself or your dependents.

**Actively at work:** you are considered to be actively at work under the Life Insurance Plans if:

- You are actually present on the job, or
- It is a regularly scheduled day off, a scheduled vacation day or a paid holiday, as long as you were actively at work on the most recent prior day that was a regularly scheduled work day for you, and that was not a scheduled vacation day or paid holiday.

For dependent life and dependent **AD&D** insurance, you are considered to be actively at work if:

- You satisfy one of the above conditions, or
- You are receiving benefits under The Avaya Inc. Sickness and Accident Disability Benefit Plan.

**After-tax:** premium payments are taken from your pay after applicable federal, state and local taxes are withheld.

**Annual enrollment:** the period of time each year designated by the Company in which you can generally make changes in your benefits for reasons other than a **qualified status change**. Elections made during annual enrollment are effective on the first day of the following calendar year or when proof of insurability is approved by the Insurer, whichever is later.

**Annual rate of pay:** your annual rate of pay is 52 times your normal weekly adjusted rate of pay (hourly rate times 40).

**Avaya Health and Benefits Decision Center:** the resource to call to enroll, make changes in your coverage or ask questions about your Life Insurance Plans. See "Important Contacts."

**Cash Accumulation Fund:** as a participant in the Supplementary Life Insurance Plan for represented employees, you have the option of contributing to a personal Cash Accumulation Fund. This fund is not subject to income taxes while your contributions remain in your account. You may take loans and withdrawals from the fund. The fund earns interest at a competitive rate; although this rate may vary each year, it is guaranteed never to be lower than 3%.

**Children:** include your biological children (excluding stillborn children), and/or legally adopted children (including any child in the formal legal adoption process, regardless of residence), stepchildren living with you, and children living with you for whom you or your **lawful spouse** or **domestic partner** is the legal guardian (excluding “wards of the state” or “foster children”). A child who is in the armed forces of any country is not eligible.

See **Class I dependents** and **domestic partnership dependent**.

**Class I dependents:** include your **lawful spouse** and each unmarried child through December 31st of the year in which the child reaches age 23.

To be eligible, a child must be:

- Your biological child and/or your legally adopted child living with you, including any child in the formal legal process of adoption, regardless of residence,
- A stepchild living with you, or
- A child living with you for whom you or your **lawful spouse** is the legal guardian. This does not include “wards of the state” or “foster children.”

Class I dependents also include each unmarried child of any age who is determined to be eligible by the applicable medical Claims Administrator by meeting all of the following criteria:

- Incapable of self-support,
- Physically or mentally handicapped, and
- Fully dependent on you for support.

To be covered as Class I dependents, **children** beyond the age of 23 years must be certified for coverage by the applicable medical Claims Administrator under The Avaya Inc. Medical Expense Plan. You must complete an application form available from your applicable medical Claims Administrator and submit it for approval to the address listed on the form.

No coverage is available for a child over age 23 who is incapacitated for a short time due to illness or accident (e.g., a broken leg).

A family member who is in the armed forces of any country may not be considered a dependent for purposes of the Life Insurance Plans.

**Company-paid basic coverage:** the amount of your basic life and basic **AD&D** insurance that the Company provides at no cost to you. Each coverage equals one times your **total annual pay**. The amount of your Company-paid basic coverage begins to reduce when you reach age 66.

**Contingent beneficiary(ies):** receives the death benefits under the basic life, supplementary life, basic **AD&D** and supplementary **AD&D** insurance only if none of your **primary beneficiaries** is living when you, the **eligible employee**, die.

**Covered:** eligible under the terms of the Life Insurance Plans. "Covered" is often used to modify other terms. A covered person is one who is enrolled and eligible for benefits under the Life Insurance Plans.

**Covered dependent:** a **Class I dependent, domestic partner** or **domestic partnership dependent** who is **covered** as the dependent of an **eligible employee**.

**Domestic Partner:** an individual (same-gender or opposite-gender) is your domestic partner if you both complete and file with the **Avaya Health and Benefits Decision Center** a notarized Domestic Partner Affidavit in which you both attest that you met all of the following requirements:

- Reside in the same household,
- Are age 18 or older,
- Have mental sufficiency to enter into a valid contract,
- Are not related to each other by blood,
- Are not legally married to any other person,
- Have a close and committed personal relationship with each other; intend to continue such relationship indefinitely; and have no such relationship with anyone else, and
- Have joint responsibility for each other's welfare and financial obligations.

In addition to the aforementioned requirements, the following criteria must be satisfied if applicable:

- Have complied with any state or local registration process for domestic partners; are the same-gender, reside in a state that recognizes same-gender marriages and are legally married under the laws of that state; or reside in a state that recognizes same-sex civil unions and have legally entered into such a civil union.

**Domestic partnership dependent:** is the natural or adopted child of a **domestic partner**, a child whom the **domestic partner** is in the formal, legal process of adopting, or a child living with you for whom the **domestic partner** is the legal guardian. The child must otherwise meet the definition of an eligible child as a **Class I dependent**.

**Eligibility date:** the first day of the month in which an **eligible employee** attains six months of **net credited service**.

**Eligible dependents:** your eligible **Class I dependents**, **domestic partner** and **domestic partnership dependents**.

**Eligible employee:** a regular, active, full-time or part-time, represented employee with at least six months of **net credited service** who works for a **Participating Company**.

Individuals who are not paid from the U.S. payroll of a **Participating Company**, who are employed by an independent company (such as an employment agency), or whose services are rendered pursuant to an agreement excluding participation in benefit plans are not eligible to participate in the Life Insurance Plans.

**FMLA:** the Family and Medical Leave Act of 1993, as amended.

**Lawful spouse:** a person who is recognized as the lawful husband or lawful wife of an active employee under the laws of the state or jurisdiction of the **eligible employee's** domicile. A lawful spouse who is in the armed forces of any country is not eligible.

**Loss of a foot:** means that the foot is completely severed at or above the ankle joint.

**Loss of a hand:** means that the hand is completely severed at or above the wrist joint.

**Loss of hearing:** means total and irrecoverable loss of hearing in both ears.

**Loss of sight in one eye:** means that the eye is entirely blind and that no sight can be restored in that eye.

**Loss of speech:** means total and irrecoverable loss of speech.

**Loss of the thumb and index finger on the same hand:** means that all of the phalanges of the thumb and index finger are severed.

**Net credited service:** your current continuous service plus all service credited under the service bridging rules (including mandatory portability, if applicable) of The Avaya Inc. Pension Plan and/or The Avaya Inc. Pension Plan for Salaried Employees.

**Participating Company:** Avaya and such other companies that have elected to participate in the Life Insurance Plans, with the prior approval of Avaya.

**Pre-tax:** premium payments taken from your pay before federal and most state and local taxes are withheld.

**Primary beneficiary(ies):** the person(s), organization, estate or trust named to receive the death benefits for life insurance and **AD&D** insurance if the covered employee dies.

**Qualified status change:** as permitted under federal regulations, qualified changes in status include the following:

Qualified Status Change	Description
Marital Status	A change in your legal marital status, including marriage, death of your spouse, divorce or annulment.
Number of Family Members	Events that change the number of eligible family members, including birth, adoption, placement for adoption or death.
Employment Status	A termination or commencement of employment by you or your spouse.
Work Schedule	A reduction or increase in hours of employment by you, your spouse, or a child, including a switch between part-time and full-time, or the start of or return from an unpaid leave of absence.
Family Member Meets or No Longer Meets the Eligibility Requirements	An event that causes a member of your family to meet or no longer meet the Plan's eligibility requirements for coverage. This may include a child reaching the maximum age for coverage, etc.

Avaya Inc. also considers corresponding changes in **domestic partner** and/or **domestic partnership dependents** as a qualified status change.

The Internal Revenue Service states that you may change coverage during the year if you have a qualified change in status. Qualified status changes must be reported to the **Avaya Health and Benefits Decision Center** (see "Important Contacts") within 31 days of the event.

**Tobacco use:** any use of tobacco at any time during the 12-month period before enrollment constitutes tobacco use. This includes cigarettes, cigars, pipes, chewing tobacco, and snuff. The amount of your life insurance benefit will be reduced if it is

determined that you misrepresented yourself as a non-tobacco user when you enrolled in the Life Insurance Plans.

**Total annual pay (TAP):** used to determine the amount of life insurance available to you. Your total annual pay is your **annual rate of pay**, plus the annual Avaya Performance Award Target Payment amount, rounded to the next higher \$1,000, as of September 10<sup>th</sup> of the prior Plan Year. For new hires, the total annual pay is calculated as of the date you are hired with the Company.