

## EMPLOYMENT-RELATED EVENTS AFFECTING COVERAGE

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

Since your medical options are based, in part, on your employment status, it is possible that a change in your employment status may affect your coverage. If your current option is not available to you under your new employment status, you should select a new option. If you do not elect a new option, you will automatically be enrolled in your **assigned option** (see “Assigned Option”). However, if you are not eligible for an **assigned option**, you will not be enrolled in any option. This means you and your dependents will not be **covered** under the Medical Plan for the rest of the calendar year, and you must wait until the next **annual enrollment** to enroll.

If...	The rule is...
You change from full-time to part-time (25 or more hours per week)	Your current coverage stays the same.
You change from full-time to part-time (fewer than 25 hours per week)	You may choose any available medical option for the remainder of the Plan Year, and you may change your coverage category. If you elect coverage, you pay the required coverage cost. If you make no election, no coverage will be assigned for the remainder of the year.
You change from part-time (fewer than 25 hours per week) to full-time	If you were previously enrolled in an <b>HMO</b> , you remain in that option. If you were enrolled in another option, or not enrolled at all, you may enroll in any available option. If you make no election, you will be enrolled in the <b>assigned option</b> for the remainder of the year.
You change from represented to salaried	Your coverage under the Medical Plan will end and you will be eligible for The Avaya Inc. Medical Expense Plan for Salaried Employees.

If...	The rule is...
You change from salaried to represented	Your coverage under the Avaya Inc. Medical Expense Plan for Salaried Employees will end and you will become eligible for the Medical Plan. Coverage will be effective the later of the first of the month following your change in classification or the first of the month in which you will reach six months of <b>NCS</b> .

For information about what happens if your coverage option changes, see “If Your Coverage Option Changes During the Year.”

***If You Terminate Employment***

Your coverage under the Medical Plan ends on the last day of the month in which your employment ends. Different rules apply if you retire (see “If You Retire”).

When coverage ends, you may be eligible to continue coverage for yourself and your eligible **covered dependents** under **COBRA**. Following **COBRA**, conversion to an individual policy also may be available. If you are enrolled in an **HMO** option, call the **HMO** to see if **COBRA** coverage is available for your **domestic partner** and **domestic partnership dependents**. For more information, see “Continuation of Coverage.”

***If You Are Laid Off***

If you are laid off, you will be able to continue Medical Plan coverage through **COBRA** (see “Continuing Coverage”). Depending upon your years of service and the type of layoff, part of your cost for **COBRA** coverage may be paid by the Company. Your Force Adjustment Program package will provide the details.

***If You Retire***

If you retire with a service or disability pension, enrollment material and information about your coverage options under The Avaya Inc. Retiree Medical Expense Plan will be sent to you at your home address. If you enroll by the date specified in your enrollment material, coverage will become effective on the first day of the month following the month in which you retire.

If you retire with a service or disability pension, but you do not enroll by the enrollment deadline, you will automatically be enrolled in the assigned coverage option that applies to you under The Avaya Inc. Retiree Medical Expense Plan, if applicable.

Under The Avaya Inc. Retiree Medical Expense Plan, Medicare becomes the primary plan if you are Medicare-eligible. Your Avaya Inc. coverage will be secondary. In addition, Medicare-eligible retirees and their family members enrolled in the **POS** option will have their secondary benefits payable under the **Traditional Indemnity** schedule. If you and your **covered dependents** are Medicare-eligible, you will be enrolled in the **Traditional Indemnity** option. Please note that **COB** with Medicare as the primary plan works differently.

To continue coverage for **domestic partner** and/or **domestic partnership dependents**, they must be enrolled as your dependents in the Medical Plan when you retire. You cannot add new **domestic partner** and/or **domestic partnership dependents** after you retire.

More information may be found in the SPD for The Avaya Inc. Retiree Medical Expense Plan.

When you retire, you also have the option to continue coverage under **COBRA**; a **COBRA** enrollment package will also be sent to your home address.

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

If you leave the Company and then return after a break in service, your coverage resumes based on the Medical Plan's eligibility rules and the service bridging rules of The Avaya Inc. Pension Plan or The Avaya Inc. Pension Plan for Salaried Employees (see "Who Is Eligible" and "When Coverage Begins").

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

Your participation in the Medical Plan may be affected if you become disabled. Your length of service and the duration of your disability determine what happens to your coverage during a disability.

### **Accident Disabilities**

If you become partially or totally disabled due to a certified work-related accident as determined under The Avaya Inc. Sickness and Accident Disability Benefit Plan, you will continue to be eligible for coverage under the Medical Plan. You will be subject to the same costs as an active employee during that time. This coverage will continue for as long as you remain disabled under The Avaya Inc. Sickness and Accident Disability Benefit Plan. However, if you become entitled to Medicare while coverage under the

Medical Plan is in effect, coverage under the Medical Plan will be administered secondary to Medicare.

If you are eligible for a service pension under The Avaya Inc. Pension Plan and you elect to retire and waive your right to future accident disability benefits, your benefits would be provided under The Avaya Inc. Retiree Medical Expense Plan and your coverage under The Avaya Inc. Medical Expense Plan would end.

### **Sickness Disabilities**

If you become disabled due to a certified non-work-related disability as determined under The Avaya Inc. Sickness and Accident Disability Benefit Plan, you will continue to be eligible for coverage under the Medical Plan for as long as you are receiving benefits under The Avaya Inc. Sickness and Accident Disability Benefit Plan. You will be subject to the same costs as an active employee during that time.

If you continue to be disabled after you have received the maximum number of weeks of sickness disability benefits, you may be eligible for benefits under The Avaya Inc. Long-Term Disability Plan. If you are **covered** by The Avaya Inc. Pension Plan and you are eligible for a disability or service pension, you will be **covered** by The Avaya Inc. Retiree Medical Expense Plan and your coverage under The Avaya Inc. Medical Expense Plan will end. If you are not eligible for a disability or service pension, but you are eligible for benefits under The Avaya Inc. Long-Term Disability Plan, your Medical Plan coverage would continue as indicated below.

Your coverage under the Medical Plan will automatically resume on your first day of work upon your return.

### **Long-Term Disability**

Medical Plan coverage under The Avaya Inc. Medical Expense Plan is available for employees eligible for The Avaya Inc. Long-Term Disability Plan who are not eligible for coverage under The Avaya Inc. Retiree Medical Expense Plan as described above. Coverage under the Medical Plan will terminate as of the end of the month in which you are no longer eligible for long-term disability benefits or at age 65, whichever is earlier. *If you become eligible for Medicare benefits while coverage under the Medical Plan is in effect, coverage under the Medical Plan will be administered secondary to Medicare.*

### ***If You Take an Approved Leave of Absence***

If you take an approved leave of absence under the Family and Medical Leave Act of 1993, as amended (**FMLA**), your coverage under the Medical Plan may continue for up to 12 work weeks. The Company continues its share of the cost of this coverage under the **POS**, **Traditional Indemnity** and **HMO** options. You must pay your share of any

cost of coverage to continue coverage during your **FMLA** leave. If you choose not to continue such coverage, you remain eligible for reinstatement upon your return to work.

If you are eligible for an **FMLA** leave, Avaya Inc. will comply with this legislation.