

## PARTICIPATING IN THE PLAN

### **Who Is Eligible**

If you are an **eligible employee** (a regular, active, full-time or part-time, represented employee who works for a **Participating Company**), you are eligible to participate in the Medical Plan. There is a six-month waiting period. If you wish, you may enroll for coverage earlier by paying the full coverage cost during the waiting period (see “Enrolling Early”). This cost is waived if you have been continuously **covered** as a dependent of another eligible Avaya employee or retiree.

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 Medical Plan.

### **Eligible Dependents**

As a participant in the Medical Plan, you also may enroll your **eligible dependents** for coverage.

Generally, you must enroll your **eligible dependents** in the same option that you chose for yourself, unless you are in one of the following situations:

SITUATION	ADMINISTRATION
You are enrolled in the <b>POS</b> option and your <b>covered dependents</b> permanently live separately from you and outside the <b>network</b> area.	Your dependents may be enrolled as “out-of-area” by completing special paperwork through <b>Aetna</b> . <b>Traditional Indemnity</b> option benefits will be provided.
Your <b>lawful spouse, domestic partner</b> or child is also an Avaya Inc. eligible active or retired employee.	Persons who qualify as the dependents of either an active or retired employee may be enrolled as the dependents of either, but not of both. See “Avaya Inc. Families.” If such person is enrolled as a dependent, they must enroll in the same option. Otherwise, they may or may not enroll in the same option.

SITUATION	ADMINISTRATION
You have a <b>Class II dependent</b> continuously enrolled since January 1, 1996 under the Medical Plan and any predecessor plans for other covered charges only.	The <b>Class II dependent</b> is covered only for those benefits designated at “other covered charges” and payable under the terms of the <b>Traditional Indemnity</b> option, regardless of the option in which the employee enrolls.

If you elect to enroll your **domestic partner** and/or **domestic partnership dependents**, you and your **domestic partner** must complete an Affidavit of Domestic Partnership. This affidavit is available on the Avaya Healthy Decisions Web site ([www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com)) under the “Reference Materials & Forms” section. Have the agreement notarized and return the affidavit to the **Avaya Health and Benefits Decision Center**.

The **Avaya Health and Benefits Decision Center** can tell you the tax impact of enrolling a **domestic partner** and/or **domestic partnership dependents**. Under IRS regulations, you contribute toward the cost of Medical Plan coverage on a pre-tax basis for yourself and for your family members *other than* your **domestic partner** and/or **domestic partnership dependent**. The same tax advantages do not apply when you cover your **domestic partner** and/or **domestic partnership dependent**. Under IRS regulations, you cover them with after-tax contributions and the amount of the Company’s cost to cover them is reported as taxable income to you each month. This taxable income is subject to both income tax and FICA withholding. The amount of taxable income depends on the Medical Plan option you elect, and on whom you elect to cover.

You may enroll another **eligible employee** or Avaya Inc. retiree (who participates in The Avaya Inc. Pension Plan) as your dependent, as long as the eligibility requirements are satisfied. If you enroll another **eligible employee** or represented Avaya Inc. retiree as your **eligible dependent**, he or she will have to waive his/her own coverage to be your dependent, since he or she cannot be covered as both an **eligible employee** and an **eligible dependent**. He or she would not be eligible to receive cash back in his/her paycheck. See “Avaya Inc. Families.” A represented active or retired Avaya Inc. employee cannot enroll a salaried active or retired Avaya Inc. employee as an **eligible dependent**.

### **Enrollment**

What you need to do to enroll for medical coverage depends on whether you are:

- A newly **eligible employee**,

- An employee changing your existing coverage during an **annual enrollment** period, or
- An employee changing your existing coverage during the year due to a **qualified status change** (see “Changing Your Coverage During the Year”).

### Newly Hired Employees

If you are an **eligible employee**, you may enroll in the Medical Plan immediately. However, there is a six-month waiting period before the Company contributes towards the cost of your coverage. If you wish, you may enroll for coverage earlier by paying the full coverage cost during the waiting period. This cost is waived if you have been continuously **covered** as a dependent of another eligible Avaya employee or retiree (see “Avaya Inc. Families”). For information, see “Enrolling Early” and “Your Monthly Contribution.”

After you start working for a **Participating Company**, an enrollment letter will be sent to your home address. The letter will include information about how to enroll yourself and your **eligible dependents** and the date by which you must make your elections. You can make your enrollment elections online by logging onto the Avaya Healthy Decisions Web site at [www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com) or by calling the **Avaya Health and Benefits Decision Center** (see “Important Contacts”).

After you receive the letter, by the specified date in the enrollment letter, you may:

- Change from the **assigned option** to another available option,
- Choose a coverage option, if one was not assigned, or
- Enroll your **eligible dependents**.

In addition, if you can certify that you have medical coverage elsewhere, you may decline Avaya Inc.'s medical coverage. In this case, if you are a full-time employee or part-time employee scheduled to work at least 25 hours a week, you may be able to receive cash back in your paycheck.

If you do not make any elections by the specified date indicated in your enrollment letter, here is what will happen:

- If you are a regular, full-time **eligible employee** or a regular, part-time **eligible employee** scheduled to work *at least 25 hours* a week, you will be continued to be **covered** under your **assigned option**. Your dependents *will not* be covered. You may change your coverage due to a **qualified status change** (see “Changing Your Coverage During the Year”). Otherwise, you will *not* be permitted to make any changes until the next **annual enrollment**.

- If you are a part-time **eligible employee** scheduled to work *fewer than 25 hours* per week, you do *not* have an automatic **assigned option**. This means you and your dependents *will not* be **covered** under the Medical Plan for the current year. You must wait until the next **annual enrollment** to enroll, unless you have a **qualified status change**.
- If you are already enrolled through the early enrollment process (see “Enrolling Early”), your current choices will continue unless you elect otherwise.

Generally, you do not need to re-enroll each year, unless you wish to change your coverage category.

### Assigned Option

The **assigned option** is automatically assigned if you do not enroll. Not all employees have an **assigned option**. Your eligibility for an **assigned option** depends on your job classification. The option that is assigned is determined by whether or not you live in a **POS** area. Here is how it works.

Job Classification	Your Assigned Medical Option If You Live:	
	Within a POS Area	Outside a POS Area
Full-time <b>eligible employee</b>	<b>POS</b> option	<b>Traditional Indemnity</b> option
Part-time <b>eligible employee</b> , scheduled to work 25 hours or more per week	<b>POS</b> option	<b>Traditional Indemnity</b> option
Part-time <b>eligible employee</b> , scheduled to work fewer than 25 hours per week*	No <b>assigned option</b>	No <b>assigned option</b>
*If you are a part-time employee hired before January 1, 1981, you will have an <b>assigned option</b> as if you worked 25 or more hours per week, regardless of the number of hours you are actually scheduled to work.		

Generally, coverage *automatically* begins under your **assigned option** on the first day of the month in which you complete six months of **net credited service**, unless you elect to enroll earlier (see “Enrolling Early”). If you do not meet the requirements for an **assigned option**, you must enroll by the specified date in your enrollment letter to have medical coverage.

If you enroll your **eligible dependents** at the same time you enroll yourself, coverage for those dependents begins the same day as your coverage begins.

## Enrolling Early

You may begin coverage before you complete six months of **net credited service** by enrolling and paying the full coverage cost. If you enroll, you also may enroll your **eligible dependents**.

Coverage begins as follows:

- If you enroll *within 31 days*, coverage is effective as of your first day of work as an **eligible employee**.
- If you enroll *after* the first 31 days, coverage begins based on when you enroll, but not later than the first of the month following the month in which you enroll.

An **Avaya Health and Benefits Decision Center** representative (see “Important Contacts”) can assist you with your particular situation.

Toward the end of your six-month waiting period, you will have an opportunity to select, confirm or change your coverage elections.

## Declining Avaya Inc. Medical Coverage

If you can certify that you have medical coverage from a non-Avaya Inc. source (such as a medical plan provided by your spouse’s employer), you may elect to decline Avaya Inc.’s Medical Plan coverage. In this event, if you are a full-time employee or part-time employee scheduled to work at least 25 hours a week, you will be reimbursed a portion of your cost for coverage as taxable income in your paycheck. This reimbursement is *not* available to part-time employees scheduled to work less than 25 hours a week.

The cash back option is *not* available if you are **covered** as a dependent of another Avaya Inc. employee/retiree.

As with any benefit election, you will want to carefully consider the benefits and costs for all the options available to you and to select the coverage that makes the most sense for you.

## Annual Enrollment

During **annual enrollment** each year, you will have an opportunity to select the benefits that best meet your needs for the coming year. You may change the **eligible dependents** you cover and/or change Medical Plan options. **Annual enrollment** is held once a year, usually in the fall.

You will receive enrollment information, including the coverage options available to you for the following year. If you do not elect to make any changes, your current coverage option will continue unless it is being discontinued or replaced by another option for your

area and/or job classification. If your current option is discontinued or replaced by another option, you will be enrolled in your **assigned option**. However, if you are not eligible for an **assigned option**, you will not be enrolled in any option unless you actively enroll. For more information, see “Assigned Option.”

Elections made during **annual enrollment** are effective on the first day of the following calendar year.

### **Confirmation Statements**

A confirmation statement will be generated after you enroll or change benefits during **annual enrollment** or at any other time during the year. Be sure to review the information carefully and report any discrepancies immediately to the **Avaya Health and Benefits Decision Center** (see “Important Contacts”).

### ***If You and Your Spouse or Domestic Partner Work for a Participating Company***

If you are a newly hired, regular, active, full-time or part time, represented employee *and* you were **covered** as an **eligible dependent** of another Avaya Inc. employee on the day immediately before your date of hire, you are eligible for Medical Plan coverage as an employee on your first day of active service with a **Participating Company**.

Only one employee of Avaya Inc. may enroll any given **eligible dependent**. Either you or your **lawful spouse** (or **domestic partner**), as an employee or retiree, may cover your dependent **children**. A child may not be **covered** under the Medical Plan by both parents at the same time.

### **Changing Your Coverage During the Year**

If you have a **qualified status change**, you may make a related change in your Medical Plan coverage level, that is, in the **eligible dependents** you cover and your tier of coverage (individual, two-person, family, or no coverage). You may also make a change in your coverage option. You must contact the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) any time you have a **qualified status change** and wish to make a corresponding change in coverage. You have 31 days after the event to make a change. *If you do not enroll your new dependent within 31 days and you are enrolled in the **POS** option or **Traditional Indemnity option** (non-**HMO** option), you will be permitted to elect coverage for your new dependent prospectively the first of the following month. If you do not enroll your new dependent within 31 days and you are enrolled in an **HMO** option, you will not be permitted to elect coverage for your dependent until the next **annual enrollment** period, unless you experience another applicable **qualified status change**.*

## If Your Coverage Option Changes During the Year

If your job classification changes, you move in or out of a **POS** area, or you have a **qualified status change**, your medical coverage option may change before the next **annual enrollment**.

If your coverage option changes during the calendar year, here is what will happen:

- Any amounts you have paid toward your annual **deductible** under your prior option apply toward satisfaction of your **deductible** under your new option during that calendar year. **Deductible** amounts applied **out-of-network** under the **POS** option apply to **deductible** amounts under the **Traditional Indemnity** option, and vice versa.
- Amounts you have paid that apply toward your **out-of-pocket maximum** under the **Traditional Indemnity** option apply toward satisfying the **out-of-network out-of-pocket maximum** under the **POS** option during that calendar year, and vice versa.
- Amounts you have paid as **copayments** under the **POS** option or an **HMO** do *not* apply toward satisfying either the **deductible** or **coinsurance** requirements under the **Traditional Indemnity** option.
- Amounts you have paid as **deductibles** or **coinsurance** amounts under the **Traditional Indemnity** option do *not* apply toward satisfying the **in-network out-of-pocket maximum** under the **POS** option.
- For any benefits with an annual limit, such as home health care and chiropractic care, any services incurred under your prior option count toward the benefit limits of your new option during that calendar year.
- Your **Mental Health and Chemical Dependency Program** and **Prescription Drug Program** benefits are unaffected unless you move into or out of an **HMO**.

## Special Enrollment Period

In addition to the changes you may make due to a **qualified status change**, you have a window in which you may enroll someone outside their initial enrollment period or an **annual enrollment** period if:

- The individual is an **eligible employee** or **eligible dependent**,
- You previously declined Medical Plan coverage for that person due to their coverage under another group health plan or personal health insurance, and

- That person loses their other health coverage for reasons other than failure to pay premiums as required or for termination for cause.

You must contact the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) to enroll that person *within 31 days* after the other health coverage is lost. If you miss the deadline, you must wait until the next **annual enrollment** period to enroll that person.