

EMPLOYMENT-RELATED EVENTS

If You Are Planning to Retire

If you are eligible for a service pension and are planning to retire, you should request a commencement package from the Avaya Pension Service Center up to 90 days before your desired retirement date (see “When Pension Benefits Are Payable”).

If You Are Rehired After You Begin Your Pension Benefit

Your pension payments under this Plan may be suspended if you return to work after beginning your service or deferred vested pension, and you are employed by:

- A participating company,
- A non-participating Avaya subsidiary company, or
- An interchange company if you are covered by an interchange agreement and do not waive your rights under that agreement.

If your pension is suspended during your period of reemployment, you will not receive the suspended amounts. Under Plan rules, however, your prior service may be bridged.

The suspension rules are based in part on whether you have reached normal retirement age, which is generally age 65.

If you return to work for a participating company or a non-participating Avaya subsidiary after beginning your pension, and:

You are:	While you are on the active payroll, your pension benefit is:
Less than normal retirement age, regardless of the number of hours worked in the month	Suspended for that month
Normal retirement age or older and paid for less than 40 hours in a calendar month	Paid for that month
Normal retirement age or older and paid for 40 or more hours in a calendar month	Suspended for that month

If you return to work after beginning your deferred vested pension, the amount of your deferred vested pension may be adjusted to (a) reflect any period of suspension after you returned to the active payroll, and (b) additional service if you bridge.

Return to Work Under the Mandatory Portability Agreement (MPA):

- If you return to work for an interchange company, are covered by the MPA and:

You are:	While You Are on Roll, Your Pension Based on Net Credited Service Recognized Under the Plan is:
Less than normal retirement age (regardless of whether or not your net credited service from the Plan is bridged)	Suspended
Normal retirement age or older and your net credited service from the Plan <i>is not bridged</i>	Paid by the Plan*
Normal retirement age or older and your net credited service from the Plan <i>is bridged</i>	Suspended under the Plan. (Remember, your entire benefit will be paid by the interchange company plan, including your benefit based on your net credited service that was recognized under this Plan*)
*Even if you had not begun to receive your pension from the Plan, these rules will apply when you reach normal retirement age.	

- If you are hired by an interchange company and your net credited service from the Plan is bridged by the interchange company's pension plan, your pension benefit will be transferred to the interchange company's plan, you will no longer be a participant under the Plan and you will have no further rights under Avaya Inc.'s pension plans.
- If you return to work for an interchange company and you are not covered by the MPA (or you waive coverage), your pension payments from the Plan will continue.
- If you were hired by a participating company and your net credited service with an interchange company is bridged, your benefit under the interchange company's plan will be transferred in the Plan. Your benefit under the Plan will be suspended, including the portion based on your interchange company service.

If You Are Rehired After Receiving a Lump Sum Payment

If you received a lump sum payment of your pension benefit and are rehired into a position covered by the Plan, you may be able to repay the lump sum with interest and restore your old net credited service for purposes of calculating future pension benefits. Your repayment must be made in a single payment. You have until six months after

your date of rehire or the end of the fifth Plan Year after the year in which you received the lump sum, whichever is later, to repay the lump sum with interest.

If you repay the lump sum with interest within the required period, your old net credited service will apply (subject to applicable bridging rules) for all purposes including calculation of future pension benefits. If you do not repay the lump sum with interest before the deadline, your old net credited service will not count for calculating the amount of your future pension.

If You Transfer

If you transfer to another participating company, it will not affect your Plan participation.

If you transfer to a non-participating Avaya subsidiary company, either directly or after a break in service, your continuous service with the non-participating Avaya subsidiary company will be recognized under the Plan (subject to the applicable service bridging rules) for the following purposes:

- Vesting
- Eligibility for a service or disability pension
- Attainment of the 15-year requirement for an immediately payable automatic pre-retirement survivor annuity
- Determining the amount of any early commencement discount
- Bridging prior service, subject to the applicable service bridging rules.

Service with a non-participating Avaya subsidiary company will *not* be recognized for:

- Calculating your benefit under the Plan, or
- Bridging prior service subject to the MPA.

If you are employed by a non-participating Avaya subsidiary company that is less than 80% but more than 50% owned by Avaya Inc., you may elect to begin your benefit under the Plan. If you elect to begin your pension benefit, service with the non-participating Avaya subsidiary company, beginning on the date your benefit payments start, will not be recognized for any purpose under the Plan.

If you are employed by a non-participating Avaya subsidiary company that is less than 50% owned by Avaya Inc., your service with that entity will not be recognized for any purpose under the Plan. In addition, if you are eligible to begin receiving your benefit, you may elect to begin your pension at any time.

If You Transfer From The Avaya Inc. Pension Plan for Salaried Employees to the Plan

Pension benefits for employees who transfer from The Avaya Inc. Pension Plan for Salaried Employees to the Plan will be determined as follows:

For the first three years following the date of transfer from The Avaya Inc. Pension Plan for Salaried Employees to the Plan:

- For net credited service up to the date of your transfer, your pension will be based on the rules under the Service Based Program or Account Balance Program, as the case may be, in effect on your transfer date.
- For net credited service from the date of your transfer, your pension will be determined by the provisions of this Plan.

For more than three years following the date of transfer from The Avaya Inc. Pension Plan for Salaried Employees to the Plan, once you complete more than three years of net credited service after your transfer to the Plan, you will be entitled to a pension benefit that is the greater of:

- The pension benefit described above, or
- A benefit under the provisions of the Plan based on all your years of net credited service before and after the transfer from The Avaya Inc. Pension Plan for Salaried Employees (APPSE) to the Plan. In this case, your net credited service under the APPSE after December 31, 2003 will not be included in your net credited service for purposes of calculating your Plan benefit.

Service with both plans will be counted in determining your eligibility for a pension.

If You Terminate Employment Due to Layoff

If you are laid off and are later rehired in a regular position, your service before the period of layoff may be bridged to your service following the layoff under the bridging rules described in the "Break in Net Credited Service" section.

If You Work Beyond Age 70½

If you continue to work beyond age 70½, you will be given a one-time chance to begin receiving your pension when you reach age 70½ even though you are still working. If you so elect, your pension payments will start on April 1 of the year following the year in which you reach age 70½. If you do not elect to begin receiving your pension at that time, you must wait until you retire for your pension to begin.

If you elect to begin receiving your pension, the amount of the pension will initially be calculated as of the February 28 (February 29 in a leap year) immediately before the

April 1 payment date. On December 31 of each year following the initial April 1 pension payment date (or on your actual termination date, if earlier), your pension will be recalculated based on your additional service, your pension band, and the Plan rules in effect at that time. If this recalculation results in a higher monthly pension, the higher monthly pension will be paid beginning on February 1 of the following year (or on the day following your actual termination of employment, if earlier).

Form of Payment

If you elect to begin receiving your pension and are not legally married when that first April 1 pension payment is made, your pension will be paid as a single life annuity, unless you elect an optional form of payment.

If you elect to begin receiving your pension and are legally married when that first April 1 pension payment is made, your pension will be paid as a joint and 50% survivor annuity, unless you elect an optional form of payment with the written, notarized consent of your spouse.

See “How Pension Benefits Are Paid” for additional information on distribution options.

Your distribution option election when that first April 1 payment is made will continue through the rest of your employment and after your retirement or termination. Because your pension payments have begun, you will no longer be covered by the automatic survivor annuity while actively employed.