

SURVIVOR BENEFITS

Your Spouse or Domestic Partner

As described in this section, your spouse or domestic partner may be entitled to certain survivor benefits if you die. For Plan purposes, your spouse is your legal husband or legal wife for federal income tax purposes. For Plan purposes, an individual (same-gender or opposite-gender) is your domestic partner if you both meet 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 you must satisfy any of the following applicable criteria:

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

For your domestic partner to receive the survivor benefits described in this section, in most cases, you must file a notarized copy of the Domestic Partner Affidavit with the Avaya Pension Service Center before your death. Once you file a Domestic Partner Affidavit, the individual named as your Domestic Partner in that Affidavit will be entitled to the survivor benefits described in this section unless you file a Termination of Domestic Partnership Affidavit.

If you die without a Domestic Partner Affidavit on file, your domestic partner usually will not receive a survivor death benefit. However, if you die without a Domestic Partner Affidavit on file while actively employed by Avaya, your domestic partner may receive a survivor death benefit if you and your domestic partner complied with a state or local registration process for domestic partners, you were the same-gender and were legally married under the laws of your state, or you were the same-gender and legally entered into a civil union under the laws of your state, and your domestic partner provides proof of such registration, marriage or civil union.

If You Die While Actively Employed

If you are not vested when you die, no benefit is paid under the Plan. If you are not married or do not have a domestic partner when you die, no benefit is paid under the Plan, regardless of whether or not you are vested. If you die as an active employee after you are vested and you are married or have a domestic partner, the Plan provides an automatic survivor annuity that pays a lifetime income to your eligible spouse or domestic partner. Instead of receiving an annuity, your spouse or domestic partner may elect to receive payment of the survivor benefit in a single lump sum.

If you have at least 15 years of net credited service when you die, your spouse or domestic partner will receive 100% of the reduced benefit you would have received under the joint and 100% survivor annuity or the joint and 100% survivor annuity with non-spouse beneficiary if you had retired on the date of your death with a service pension. There is no discount for early commencement. The annuity for your spouse or domestic partner begins as of the day after your death.

If you have less than 15 years of net credited service when you die, the survivor benefit is only provided if

- you and your spouse were married throughout the one-year period immediately before your death, or
- you and your domestic partner were in a domestic partnership throughout the one-year period immediately before your death.

If your spouse or domestic partner meets this requirement, your spouse or domestic partner can choose to receive the survivor benefit immediately (or any time on or before your 65th birthday) reduced for each year it starts before the date you would have reached age 65.

For purposes of applying this one-year requirement, the period of your domestic partnership with an opposite-sex domestic partner who you later marry will count toward the one-year period of marriage requirement if you filed a Domestic Partner Affidavit with the Avaya Pension Service Center.

If You Die After Terminating Employment but Before Beginning Your Service Pension

If you are service pension eligible when you terminate employment and die before your pension begins, your spouse or domestic partner receives a pre-retirement survivor annuity.

Under this survivor annuity, your eligible spouse or domestic partner receives 100% of the reduced benefit you would have received under the joint and 100% survivor annuity or the joint and 100% survivor annuity with non-spouse beneficiary if you began your

pension on the day you died. (If you die before age 55, the early commencement discount will apply.) Instead of receiving an annuity, your spouse or domestic partner may elect to receive payment of the age 65 survivor benefit in a single lump sum.

If you are not legally married or do not have a domestic partner when you die, no benefits are paid under the Plan when you die.

If You Die After Terminating Employment but Before Beginning Your Deferred Vested Pension

If you are eligible for a deferred vested pension when you terminate employment and die before beginning your pension, your spouse will receive a pre-retirement survivor annuity, unless you previously declined this coverage with your spouse's written, notarized consent. To qualify for this annuity, your spouse must be legally married to you throughout the one-year period immediately before your death. Once your spouse has consented to your election to decline the pre-retirement survivor annuity coverage, your spouse cannot withdraw that consent. After you have declined coverage, you can elect to start it again at any time.

If you terminate employment while eligible for a vested pension and die before beginning your pension, your eligible domestic partner can receive a pre-retirement survivor annuity if you file a Domestic Partner Affidavit and elect pre-retirement survivor annuity coverage for your domestic partner before your death. For more information, see "Deferred Vested Pension Pre-Retirement Survivor Annuity Coverage", below. To qualify for this annuity, you and your domestic partner must be in a domestic partnership throughout the one-year period immediately before your death.

Under the pre-retirement survivor annuity, your eligible spouse or domestic partner will receive 50% of the reduced benefit you would have received if:

- You lived to the date your deferred vested pension began,
- You elected to receive your deferred vested pension as a joint and 100% survivor annuity, and
- You died the next day.

In that case, payments to your spouse or domestic partner can begin any time from the earliest date you would have been eligible to begin your deferred vested pension up to the date you would have reached age 65.

Deferred Vested Pension Pre-Retirement Survivor Annuity Coverage

As described above, pre-retirement survivor annuity coverage provides your spouse or domestic partner with a survivor benefit if you die before beginning your benefit. If you have a deferred vested pension, have a spouse and do not decline pre-retirement survivor annuity coverage, your benefit is permanently reduced for that coverage.

Coverage under the pre-retirement survivor annuity is only provided to your domestic partner if you elect such coverage. If you have a deferred vested pension and elect pre-retirement survivor annuity coverage for your domestic partner, your benefit is permanently reduced for that coverage.

You can decline, elect and/or re-elect the pre-retirement survivor annuity coverage by notifying the Avaya Pension Service Center in writing at any time (and as often as you wish) after you terminate your employment and before your vested pension begins. Your spouse must consent each time you decline coverage in writing and his or her consent must be notarized. After you have elected pre-retirement survivor annuity coverage for your domestic partner, you can decline that coverage at any time without your domestic partner's consent.

The amount of the permanent reduction for each full and partial calendar year the pre-retirement survivor annuity coverage is in effect is calculated based on your age on January 1 of that year using the following table:

Your Age	Annual Reduction
Under 45	.20% (.0020)
45 though 54	.35% (.0035)
55 through 59	.60% (.0060)
60 through 64	.80% (.0080)

If you are single when you terminate employment and you marry before you begin your benefit, the pre-retirement survivor annuity coverage automatically begins on the first anniversary of your marriage unless you decline coverage.

The following is an example of a deferred vested pension with pre-retirement survivor annuity coverage and a joint and 100% survivor annuity. This example assumes:

- You terminate employment on July 1, 2007 when you are age 57.
- You are eligible for a deferred vested pension of \$500 a month at age 65.
- You elect pre-retirement survivor annuity coverage when you leave and it remains in effect until you begin your pension.
- You begin your pension February 1, 2015 at age 65.

Using the table, your reduction for pre-retirement survivor annuity coverage is calculated as follows:

You did not decline pre-retirement survivor annuity coverage when you terminated employment at age 57 and this coverage remained in effect until you began your pension at age 65. Four of those calendar years -- 2007 through 2010 -- were subject to a 0.60% annual reduction. Four of those calendar years -- from 2011 through 2014 -- were subject to a 0.80% annual reduction. There is no charge for 2015 because that is the year during which your pension started.

2007 – 2010 reduction	$\$500.00 \times .0060 \times 4 \text{ years} = \12
2011 – 2014 reduction	$\$500.00 \times .0080 \times 4 \text{ years} = \underline{\$16}$

Total Reduction: = \$28

Monthly pension benefit at age 65 before reduction for pre-retirement survivor annuity coverage	\$ 500.00
Less reduction for pre-retirement survivor annuity coverage	- <u>28.00</u>
Amount of monthly benefit at age 65 reduced for pre-retirement survivor annuity coverage	= \$ 472.00

If You Die After Your Pension Starts

If you die while receiving pension benefits, any death benefit is paid in accordance with the terms of the annuity you were receiving at the time of your death.