

THE AVAYA INC.

REIMBURSEMENT ACCOUNT PLANS

SUMMARY PLAN DESCRIPTION

Effective 1/1/2007
Last Updated 3/30/2007

This is a Summary Plan Description (SPD) of the benefits available, effective January 1, 2007, to **eligible employees** under The Avaya Inc. Health Care Reimbursement Account Plan and The Avaya Inc. Child/Elder Care Reimbursement Account Plan (Reimbursement Account Plans).

The Board of Directors of Avaya Inc. (or its delegate) reserves the right to modify, suspend or terminate the Reimbursement Account Plans at any time, subject to the terms of applicable collective bargaining agreements. Questions regarding your benefits should be addressed to the Plan Administrator (see "Important Contacts"). Because of the many detailed provisions of the Reimbursement Account Plans, no one other than the Plan Administrator is authorized to advise you as to your benefits. For this reason, Avaya Inc. is not bound by statements made by anyone or any entity other than the Plan Administrator or its authorized delegates.

Please note that participation in the Reimbursement Account Plans is neither an offer of employment nor a guarantee of employment for any period of time at Avaya Inc.

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INTRODUCTION

The Avaya Inc. Reimbursement Account Plans allow you to set aside **pre-tax** dollars from your pay to cover certain health care and/or child/elder care expenses. There are two Reimbursement Accounts:

- The *Health Care Reimbursement Account (HCRA)* may be used to pay for eligible health care expenses for you and your **HCRA dependents**.
- The *Child/Elder Care Reimbursement Account (CECRA)* may be used to pay for eligible child/elder care expenses that allow you to work, or if you are married, that allow both you and your **lawful spouse** to work, or your **lawful spouse** to attend school full-time.

You may elect to participate in one, both or neither accounts. If you want to continue participating after your initial enrollment, you *must re-enroll each year* during **annual enrollment**. Your elections do *not* automatically continue from one year to the next. Under government rules, any amounts not used for expenses incurred during the year must be forfeited.

HIGHLIGHTS

Here is a summary of some features of the Reimbursement Account Plans.

Plan Feature	Summary
Eligibility	If you are an 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), you are eligible for coverage.
Enrollment	You must enroll if you want to participate in the Reimbursement Accounts. To continue participating after your initial enrollment, you <i>must re-enroll each year</i> during annual enrollment . Your elections do <i>not</i> automatically continue from one year to the next.
About the Reimbursement Accounts	<p>The Reimbursement Accounts allow you to set aside pre-tax dollars from your pay to cover certain health care or child/elder care expenses. There are two Reimbursement Accounts.</p> <ul style="list-style-type: none"> • The <i>Health Care Reimbursement Account (HCRA)</i> may be used to pay for eligible health care expenses (medical, dental, vision and hearing) for you and your HCRA dependents. • The <i>Child/Elder Care Reimbursement Account (CECRA)</i> may be used to pay for eligible child/elder care expenses that allow you to work, or if you are married, that allow both you and your lawful spouse to work, or your lawful spouse to attend school full-time. <p>You may elect to participate in one, both or neither accounts. <i>Under government rules, any amounts not used for expenses incurred during the year must be forfeited.</i></p>
Company Match	The Company will match \$0.25 for every \$1.00 you contribute to your CECRA .
Cost	You fund your Reimbursement Account(s) with pre-tax dollars that are deducted from your pay in equal installments throughout the year. The minimum amount you may contribute to each account during any one Plan Year is \$300. The maximum amount you may contribute each year is \$4,000 for HCRA and generally \$4,000 for CECRA . The total amount contributed to your CECRA including the Company match may not exceed \$5,000.

TERMS YOU SHOULD KNOW

There are several words and phrases that have a specific meaning under the Reimbursement Account 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.

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**. If you want to continue participating in the **HCRA** and/or the **CECRA** for any year after the year of your initial enrollment, you *must re-enroll each year* during annual enrollment. Your elections do *not* automatically continue from one year to the next. Elections made during annual enrollment are effective on the first day of the following calendar year.

Avaya Health and Benefits Decision Center: the resource to call to enroll, make changes in your coverage or ask questions about the Reimbursement Account Plans. See “Important Contacts.”

CECRA: an acronym for the Child/Elder Care Reimbursement Account. Money in this account may be used to pay for eligible child/elder care expenses that allow you to work, or if you are married, that allow both you and your **lawful spouse** to work, or your **lawful spouse** to attend school full-time.

CECRA dependent: a person who is:

- A child under the age of 13 who is a “qualifying child” under Internal Revenue Code Section 152(a)(1); or
- A dependent of any age who is physically or mentally incapable of self-care (e.g., your child, parent, domestic partner, domestic partner’s child) who qualifies as your dependent under Internal Revenue Code Section 152 and lives with you for more than one-half of the calendar year; or
- Your **lawful spouse** if he or she is physically or mentally incapable of self-care and lives with you for more than one-half of the calendar year.

Generally, to satisfy the definition of “qualifying child” under Internal Revenue Code Section 152(a)(1), a child must: (i) be your child, brother, sister, stepbrother, or stepsister or a descendant of any such relative; (ii) live with you for more than one-half of the calendar year; (iii) be under age 19 (age 24 if a student) or disabled; and (iv) not provide more than one-half of his or her own support.

Generally, to be a “qualifying relative” under Internal Revenue Code Section 152, the individual must: (i) bear a specified relation to you or be an individual who has the same principal residence as you and is a member of your household; (ii) receive more

than one-half of his or her support from you; and (iii) not be a qualifying child of you or anyone else.

COBRA: an acronym for the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. This refers to federal legislation that governs the offer of temporary continued medical coverage to participants who otherwise would lose coverage due to certain reasons, such as a loss of employment.

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 Reimbursement Account Plans.

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

HCRA: an acronym for the Health Care Reimbursement Account. Money in this account may be used to pay for eligible health care expenses for you and your **HCRA dependents**.

HCRA dependent: a person who is your **lawful spouse** or dependent under Internal Revenue Code Section 152. To be a Section 152 dependent, the person must be either a “qualifying child” or a “qualifying relative.”

Generally, to satisfy the definition of “qualifying child”, a child must: (i) be your child, brother, sister, stepbrother, or stepsister or a descendant of any such relative; (ii) live with you for more than one-half of the calendar year; (iii) be under age 19 (age 24 if a student) or disabled; and (iv) not provide more than one-half of his or her own support.

Generally, to be a “qualifying relative,” the individual must: (i) bear a specified relation to you or be an individual who has the same principal residence as you and is a member of your household; (ii) receive more than one-half of his or her support from you; and (iii) not be a qualifying child of you or anyone else.

Lawful spouse: a person who is the lawful husband or lawful wife for federal income tax purposes. An **eligible employee** residing in a state that recognizes common law marriage must satisfy the specific minimum state requirements to be married under common law.

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 The Avaya Inc. Pension Plan for Salaried Employees.

Participating Company: Avaya and such other companies that have elected to participate in the Reimbursement Account Plan, with the prior approval of Avaya.

Pre-tax: pre-tax contributions are the type of contributions you make to your **HCRA** and/or your **CECRA**. Pre-tax contributions are made before Federal, Social Security (FICA) and most state and local taxes are withheld.

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, legal separation 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, your spouse or child.
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.
Residence or Worksite	A change in the place of residence or worksite of you, your spouse or a child.

The Internal Revenue Service (IRS) 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.

PARTICIPATING IN THE PLANS

Who Is Eligible

You are eligible to enroll if you are 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**.

In addition to your own medical, dental, vision or hearing expenses, you also can use your Reimbursement Account(s) to cover any eligible expenses.

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 Reimbursement Account Plans.

How to Enroll

What you need to do to enroll for 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 level during the year due to a **qualified status change** (see “If You Have a Qualified Status Change”).

Newly Eligible Employees

An enrollment letter will be sent to your home address when you first become eligible to participate in the Reimbursement Account Plans. The letter will include information about the Reimbursement Accounts, how to enroll 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 or by calling the **Avaya Health and Benefits Decision Center** (see “Important Contacts”).

Annual Enrollment

During **annual enrollment**, you will have an opportunity to select the benefits that best meet your needs for the coming year. **Annual enrollment** is held once a year, usually in the fall.

You will receive enrollment information that will explain how to make your **annual enrollment** elections, including elections for the **HCRA** and the **CECRA**. If you want to continue participating in one or both of these accounts for any year after the year of your initial enrollment, you *must re-enroll each year* during **annual enrollment**. Your elections do *not* automatically continue from one year to the next.

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

You have several enrollment choices. You may:

- Enroll in the Health Care Reimbursement Account (**HCRA**) *only*,
- Enroll in the Child/Elder Care Reimbursement Account (**CECRA**) *only*,
- Enroll in *both* Reimbursement Accounts, or
- Choose *not to participate* in either Reimbursement Account.

You also must indicate the amount you want to contribute to your Reimbursement Account(s).

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 Do Not Enroll

If you do not make any elections during the **annual enrollment** period, you will not have an opportunity to enroll in either account until the next **annual enrollment** or unless you have a **qualified status change**. This means you will *not* be covered under the **HCRA** or the **CECRA** for the current year. You must wait until the next **annual enrollment** to enroll.

If You and Your Spouse Both Work for Avaya Inc.

If you and your **lawful spouse** both work for Avaya Inc. and are eligible to enroll in the Reimbursement Accounts, here is what happens:

- Each of you may have your own **HCRA**. Each of you may contribute up to the \$4,000 Plan Year maximum to your **HCRA**.

- Each of you may have your own **CECRA**. However, your combined total annual contribution including the Company match (“Company Match for the CECRA”) will be subject to IRS limitations (see “Special Rules for the CECRA”).

About Participation

If you elect to participate in the Reimbursement Accounts for a given Plan Year, your elections will remain in effect through December 31st of that Plan Year only. If you want to continue participating for any year after the year of your initial enrollment, you *must re-enroll each year* during **annual enrollment**. Your elections do *not* automatically continue from one year to the next.

You do *not* need to be enrolled for other benefits through Avaya Inc. in order to enroll for the **HCRA** or the **CECRA**.

When Participation Begins

You can participate in the Reimbursement Accounts during any Plan Year *only if* you enroll as follows:

- *For newly eligible employees:* If you enroll by the date specified in your enrollment letter, your participation for that year begins as of your first day of work as an **eligible employee** (see “Who Is Eligible”). Your contributions generally begin as of the following pay period. If you do not enroll within 31 days, you may not elect to participate until the next **annual enrollment**. You cannot enroll after the last payroll file has run in mid-November.
- *Following a **Qualified Status Change**:* If you elect to increase, decrease or stop **HCRA** or **CECRA** contributions within 31 days of a **qualified status change**, your change takes effect as of the following pay period. If you do not change your election within 31 days of the **qualified status change**, you must wait until the next **annual enrollment**.
- *During **Annual Enrollment**:* If you enroll or re-enroll during **annual enrollment**, your participation for the next Plan Year begins on the first day of the following calendar year.

For any year after the year of your initial enrollment, *you must re-enroll each year during **annual enrollment** if you want to continue your participation*. For more information, see “If You Have a Qualified Status Change” and “Annual Enrollment.”

HOW THE REIMBURSEMENT ACCOUNT PLANS WORK

The Avaya Inc. Reimbursement Account Plans allow you to set aside **pre-tax** dollars from your pay to cover certain health care or child/elder care expenses. There are two Reimbursement Accounts:

- The *Health Care Reimbursement Account (HCRA)* may be used to pay for eligible health care expenses for you and your **HCRA dependents**.
- The *Child/Elder Care Reimbursement Account (CECRA)* may be used to pay for eligible child/elder care expenses that allow you to work, or if you are married, that allow both you and your **lawful spouse** to work, or your **lawful spouse** to attend school full-time.

You may elect to participate in one, both or neither accounts.

The following chart provides some general guidelines about the Reimbursement Accounts.

HOW THE REIMBURSEMENT ACCOUNT PLANS WORK		
	<i>Health Care Reimbursement Account</i>	<i>Child/Elder Care Reimbursement Account</i>
<i>Each Year You Can Set Aside...</i>	\$300 - \$4,000	\$300 - \$4,000 (\$5,000 including the Company Match)
<i>To Be Eligible for Reimbursement, Expenses Must Be...</i>	<ul style="list-style-type: none"> • Medically necessary • For you and your HCRA dependents • Not reimbursed elsewhere • Considered an eligible expense by the IRS 	<ul style="list-style-type: none"> • For care of CECRA dependents • Fees for day care, baby-sitting and housekeepers whose duties include child/elder care • For payments to relatives who care for a CECRA dependent provided you do not claim that relative as a dependent on your federal income tax return • Fees for before- and after-school care programs, provided the expenses are itemized separately from tuition expenses • To allow you to work, or if you are married, to allow you and your lawful spouse to work, or your lawful spouse to attend school full-time
<i>You Are Reimbursed This Way...</i>	<ul style="list-style-type: none"> • Up to your annual election less any previous reimbursements 	<ul style="list-style-type: none"> • Up to your current account balance including the company match
<i>These Special Rules Apply...</i>	<ul style="list-style-type: none"> • Reimbursed expenses cannot also be claimed on your tax return. • Lawful spouses both working for Avaya Inc. can each contribute up to the maximum to separate accounts. 	<ul style="list-style-type: none"> • Reimbursed expenses lower the amount you can claim on the Federal Dependent Care Tax Credit. • Contributions may be limited depending on the employment status and income of you and your lawful spouse (see "Special Rules for the CECRA").

Balances Cannot Be Transferred Between HCRA and CECRA

If you participate in the **HCRA** and the **CECRA**, you cannot transfer balances from one account to another. Your **HCRA** balance may only be used for eligible health care expenses and your **CECRA** balance may only be used for eligible child/elder care expenses.

Reimbursement Restrictions

The money in your Reimbursement Account(s) can only be used for eligible expenses incurred during the same Plan Year. However, you may submit claims for expenses incurred during a Plan Year up to April 15th of the following Plan Year. Any money remaining in your account(s) after that date is forfeited.

When an Expense Is Incurred

Any health care or child/elder care expense is considered “incurred” on the date the service or treatment is provided, not on the day you pay for it.

If a *health care service or treatment* will extend beyond December 31st, only expenses incurred during the Plan Year for which an **HCRA** election is made are eligible for reimbursement.

Account Statements

Account statements are sent to you following the third and fourth calendar quarters. You also receive a statement with each reimbursement.

YOUR CONTRIBUTIONS

You fund your Reimbursement Account(s) with **pre-tax** dollars that are deducted from your pay in equal installments throughout the year. If you elect to participate in the **HCRA** and the **CECRA**, your contributions to each account are kept separately. Because of the special tax advantages offered by these accounts, IRS rules do not allow you to transfer money from one account to the other. This means you can only use your **HCRA** for eligible health care expenses and your **CECRA** for eligible child/elder care expenses.

How Much You Can Contribute

The minimum amount you may contribute to each account during any one Plan Year is \$300. The maximum amount you may contribute depends on the type of account. The following chart shows you how this works.

MINIMUM AND MAXIMUM CONTRIBUTION AMOUNTS		
FOR ANY ONE PLAN YEAR		
Account	Minimum	Maximum
HCRA (health care)	\$300	\$4,000
CECRA (child/elder care)	\$300	\$4,000* (\$5,000 including the Company Match)
*This amount may be limited by IRS rules. For more information, see "Special Rules for the CECRA."		

If your enrollment is effective after January 1st of a Plan Year, you still can set aside up to the maximum annual amount allowed for each account. Your contributions will be deducted from your pay in equal installments throughout the remaining months of that Plan Year. However, there is a \$5,000 annual maximum for **CECRA** elections (including Company contributions), which is an IRS maximum. So you should take into consideration any amounts that you and/or your spouse may have contributed through another employer.

Estimate Your Expenses to Determine Your Contributions

It is important to carefully estimate your expenses before you decide how much you want to contribute to the **HCRA** and/or the **CECRA** during the Plan Year, since unused balances must be forfeited. You should be able to get a good idea of what your expenses might be by looking at your expenses over the last couple of years. Also consider any health care expenses (medical, dental, vision or hearing) and/or changes to your child/elder care needs that you expect may occur during the Plan Year.

You may want to be conservative in your estimate, to avoid forfeitures. For more information, see “Forfeiture of Unused Funds.”

Changing Your Contributions

Each year during **annual enrollment** you choose whether or not to participate in the **HCRA** and/or the **CECRA**. Generally, the choices you make during **annual enrollment** remain in effect for the full Plan Year. However, you may be permitted to change your contribution amount or stop contributions if you have a **qualified status change**. For more information, see “If You Have a Qualified Status Change.” If you have a **qualified status change** during the year and need to reduce the amount you contribute to your account, you may not reduce the annual amount to less than what you have already contributed in payroll deductions or been reimbursed, whichever is greater.

Effect of Contributions on Other Benefits

Contributions to the Reimbursement Account(s) do not affect pay-related benefits, such as savings plan, disability and group life insurance.

Forfeiture of Unused Funds

Because of the favorable tax treatment provided by the Reimbursement Accounts, government regulations require that the money in your Reimbursement Account(s) be used for eligible expenses incurred during the same Plan Year. However, you may submit claims for that Plan Year up to April 15th of the following Plan Year. Any money remaining in your account(s) after that date is forfeited.

What Happens to Forfeited Funds

Forfeitures are distributed equally among all represented employees participating in the Reimbursement Accounts the following Plan Year, provided they are on the active payroll on the date of distribution. Health care account forfeitures are distributed among **HCRA** participants and child/elder care account forfeitures among **CECRA** participants. These forfeitures are deemed taxable income to the **eligible employee**.

Before distribution, however, administrative costs and expenses of the **HCRA** and the **CECRA** Plans may be deducted from the forfeiture amount.

COMPANY CONTRIBUTIONS

Company Match for the HCRA

The Company does not provide any contribution to your **HCRA**.

Company Match for the CECRA

If you are a **CECRA** participant, will receive a match of \$0.25 for every \$1.00 you contribute to your **CECRA**. For example, if you contribute \$4,000 to your **CECRA**, Avaya will contribute \$1,000 to your account for a total of \$5,000.

YOUR HEALTH CARE REIMBURSEMENT ACCOUNT (HCRA)

The **HCRA** allows you to use **pre-tax** dollars to pay for eligible health care expenses for you and your **HCRA dependents** that:

- Are medically necessary,
- Are not reimbursed, or are only partially reimbursed, by Avaya Inc. or another employer's medical, dental or vision plans (including your **HCRA dependents'** plans), and
- Are considered an eligible expense by the IRS.

Who Is Covered Under the HCRA

For an expense to be eligible under the **HCRA**, it must be incurred by you and/or your **HCRA dependents**.

For more information, see "When an Expense Is Incurred", "Eligible Health Care Expenses" and "Ineligible Health Care Expenses."

Eligible Health Care Expenses

This section lists some of the most common expenses that may qualify for reimbursement under the **HCRA**. If you want to determine if a particular expense is covered, call the Claims Administrator (see "Important Contacts"). You may consult IRS publication 502 for detailed information about eligible health care expenses and Avaya Healthy Decisions at www.AvayaHealthyDecisions.com for a list of over-the-counter drugs that may be allowed or disallowed.

The IRS publication is available from your local IRS office, through the Internet at www.irs.ustreas.gov, or you may call 1-800-829-1040 to request a copy. Certain eligible expenses must be accompanied by a doctor's statement indicating the specific medical disorder, the specific treatment needed and how this treatment will alleviate the medical condition or an Explanation of Benefits statement showing claim processing of an eligible expense. If you need clarification, please call the **Avaya Health and Benefits Decision Center**.

Some examples of health care expenses that may be eligible for reimbursement under your **HCRA** include:

- Acupuncture services
- Ambulance Services

- Birth control pills prescribed by a doctor
- Braille books and magazines
- Chiropractors' services within the scope of their licenses
- Christian Science practitioner fees for medical care
- Cosmetic surgery or procedure if it is necessary to improve a deformity from a congenital abnormality, an accident or trauma, or a disfiguring disease
- Costs of computer storage of medical records
- Cost of guide dog or other animal for persons who are visually or hearing impaired
- Costs of a smoking cessation program prescribed by a doctor
- Costs of a weight loss program to treat a specified disease diagnosed by a physician (such as obesity, hypertension or heart disease)
- Crutches
- Detoxification or drug abuse centers
- Eye examinations, eyeglasses, and contact lenses, if medically necessary and not covered in full by a vision plan
- Fertility enhancement to overcome an inability to have children
- Hearing exams, hearing aids and batteries
- Laser eye surgery or radial keratotomy expenses to improve vision if it is done to treat defective vision
- Mileage rate for use of an automobile to obtain medical care (which may be a deductible medical expense under Code Section 213 if it is primarily for, and essential to, medical care) is \$0.20 per mile for 2007. Related parking fees and tolls may be deductible as separate items.
- Organ donation expenses
- Out-of-pocket costs for eligible medical, dental, vision and hearing expenses such as copayments and deductibles.

- Over-the-counter items determined to be solely or primarily for a medical purpose and therefore reimbursable. Purchased to alleviate or treat a personal injury or sickness.
- Over-the-counter items that have a dual purpose - they may have a general health and well-being purpose as well as a medical purpose. These items can only be reimbursed with a provider note stating the medical condition that the item is recommended to treat or alleviate, and that the treatment is not cosmetic and not for the maintenance of general good health and well-being.
- Oxygen and oxygen equipment to relieve breathing problems cause by a medical condition
- Prescriptions (including prescription vitamins)
- Psychologists' services within the scope of their licenses
- Remedial reading/language training, in certain cases
- Some special schooling for the disabled
- Special automobile hand controls for the handicapped
- Special equipment for the disabled
- Sterilization surgery
- Transportation costs that are primarily for, and essential to, medical care
- Wheelchairs used mainly for the relief of sickness or disability, and not just to provide transportation to and from work
- X-ray fees for medical reasons

Ineligible Health Care Expenses

Not all health care expenses are eligible for reimbursement under the **HCRA**. Some examples of health care expenses that are *not* eligible for reimbursement under your **HCRA** include:

- Automobile insurance premiums, including premiums for medical coverage
- Child/elder care expenses (these are reimbursable only through the child/elder care account)

- Cosmetic surgery or procedure to improve appearance except those described under “Eligible Health Care Expenses”
- Costs for a nurse to care for a newborn
- Costs of controlled substances in violation of federal law
- Diapers or diaper service
- Fees for an exercise or health club membership, unless there is a special medical reason for the membership
- Funeral expenses
- Household help, even if recommended by a doctor
- Insurance premiums paid for any health coverage
- Life insurance and accidental loss insurance premiums
- Maternity clothes
- Over-the-counter items determined to be primarily for general health and well-being, which are not reimbursable under any circumstances.
- Personal use items, cannot include in medical expenses an item ordinarily used for personal, living or family purposes unless it is used to prevent a medical condition
- Social activities, such as dance classes, if recommended by a doctor to improve general health
- Weight reduction programs for general well-being

HCRA Auto-Reimbursement

HCRA Auto-Reimbursement will automatically reimburse you for eligible health care expenses under the **HCRA**. **HCRA** Auto-Reimbursement eliminates the need for you to manually prepare and submit many of your out-of-pocket health care costs. The **HCRA** Auto-Reimbursement service applies only to medical and dental claims administered by Aetna. Your Aetna medical (including prescription drugs) and dental claims (excluding claims under the Dental Maintenance Organization) that are submitted and processed for you or any of your covered dependents will be forwarded monthly to the **Avaya Health and Benefits Decision Center** for automatic processing and reimbursement

under **HCRA**. You should not submit a **HCRA** claim form for services/claims processed via **HCRA** Auto-Reimbursement.

Special Rules for the HCRA

The following special rules apply to the **HCRA**:

- You cannot claim expenses reimbursed through your **HCRA** as a deduction on your federal income tax return.
- If you and your **lawful spouse** both work for Avaya Inc., you can each set aside up to the full \$4,000 in separate health care accounts each year.
- Claims must be for at least \$25. However, your final claim for any Plan Year may be for less than \$25.

Filing a Claim

You must file a claim to request reimbursement for health care expenses. For more information, see "Claims."

YOUR CHILD/ELDER CARE REIMBURSEMENT ACCOUNT (CECRA)

The **CECRA** allows you to use **pre-tax** dollars to cover eligible child/elder care expenses that allow you to work. If you are married, you and your **lawful spouse** must be working, or your **lawful spouse** must be a full-time student or incapable of self-care.

Also see “Federal Dependent Care Tax Credit” for important information.

Who Is Covered Under the CECRA

For an expense to be eligible under the **CECRA**, it must be for the care of a **CECRA dependent**.

Eligible Child/Elder Care Expenses

This section lists some of the most common expenses that may qualify for reimbursement under the **CECRA**. If you want to determine if a particular expense is covered, call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”). You also may consult IRS publication 503 for detailed information about eligible expenses. This publication is available from your local IRS office, through the Internet at www.irs.ustreas.gov, or you may call 1-800-829-1040 to request a copy.

Examples of child/elder care expenses that may be eligible for reimbursement under your **CECRA** include:

- Fees for preschool
- Fees for child care or adult care centers that comply with state and local regulations
- What you pay for eligible child or elder care inside or outside your home
- Costs of housekeepers whose duties include child or elder care
- The amount you pay relatives who care for your **CECRA dependents**, as long as you do not claim them as dependents on your income tax return (payments to your child may be made only if that child is at least age 19)
- Fees for people who care for an elderly or incapacitated **CECRA dependent**
- Fees for before-school and after-school day care programs, provided they are itemized separately from any tuition expenses

For more information, see “Ineligible Child/Elder Care Expenses.”

Ineligible Child/Elder Care Expenses

Not all child/elder care expenses are eligible for reimbursement under the **CECRA**. Some examples of child/elder care expenses that are *not* eligible for reimbursement under your **CECRA** include:

- Expenses for food, clothing, or education of a **CECRA dependent** (including kindergarten)
- Expenses for transportation between your house and the place where dependent care services are provided, or to pick up a baby-sitter
- Expenses for which you use the Federal Dependent Care Tax Credit
- Expenses to attend first grade or a higher grade
- Expenses for overnight camps
- Health care expenses (these are reimbursable only through the **HCRA**)

Federal Dependent Care Tax Credit

The IRS makes available a federal tax credit for dependent care expenses. However, you cannot claim the same expenses under the Federal Dependent Care Tax Credit as you do under the **CECRA**.

Child/elder care tax worksheets are available from the IRS to help you determine if the federal tax credit or **CECRA** is best for you. Also, you may want to consult a tax advisor about your own situation.

Special Rules for the CECRA

The following special rules apply to the **CECRA**:

- If you are married, you and your **lawful spouse** may both participate in a child/elder care reimbursement account. However, the following limits apply:
 - If you file a joint federal income tax return, your combined total annual contribution (including the company match) cannot exceed \$5,000.
 - If you file separate returns, each of you may contribute (including the company match), up to \$2,500.

- The annual amount you contribute to your **CECRA** cannot be more than your income or your **lawful spouse's** income, whichever is lower. For instance, if you earn \$30,000 a year and your **lawful spouse** earns \$4,500, the maximum your family can set aside (including the company match) for eligible child/elder care expenses is \$4,500.
- If your **lawful spouse** is a full-time student, or if he or she is disabled and has no income, the IRS assumes your **lawful spouse's** income is \$200 a month if you claim expenses for one **dependent**, and \$400 a month if you claim expenses for two or more eligible dependents.
- If you are single or divorced, you may contribute (including the company match) the full \$5,000 each year.
- If you are a highly compensated employee (generally an employee whose annual compensation exceeds \$90,000) and a **CECRA** participant, your **CECRA** contribution may need to be reduced during the Plan Year in order to ensure compliance with IRS nondiscrimination testing requirements. If your contributions need to be reduced you will be notified in writing.

Filing a Claim

You must file a claim to request reimbursement for eligible child/elder care expenses. For more information, see "Claims."

YOUR COSTS

There is no premium cost associated with the Reimbursement Account(s). However, if you elect to participate in the **HCRA** and/or **CECRA**, you fund your account(s) with **pre-tax** dollars that are deducted from your pay in equal installments throughout the year. If you enroll during the year, your contributions are deducted from your pay in equal installments throughout the remaining months of that Plan Year.

For more information, see “Your Contributions.”

WHEN PARTICIPATION ENDS

Your eligibility to make **pre-tax** contributions to the **HCRA** and/or the **CECRA** ends if any of the following events occur:

- Your employment with a **Participating Company** is terminated for any reason
- You become eligible for Long-Term Disability benefits through Avaya Inc.
- You take a leave of absence (other than an **FMLA** leave) of more than 30 days (see “If You Take an Approved Leave of Absence”)
- The Company you work for ceases to be a **Participating Company**
- The Reimbursement Account Plan(s) is terminated

Although you are no longer eligible to make **pre-tax** contributions to your Reimbursement Account(s), your participation may not end at that time. For more information, see “What Happens When Participation Ends.”

Other Reasons Your Coverage Will End

In addition, when any of the following happens, you will receive written notice that your coverage has ended on the date identified in the notice:

- Fraud or misrepresentation, or because you knowingly gave the Plan Administrator or **Avaya Health and Benefits Decision Center** false, material information. Examples include false information relating to a person’s eligibility or status as an **eligible dependent**.
- You in any other way materially violates the terms of the Reimbursement Account Plan(s).

What Happens When Participation Ends

If your participation ends during the Plan Year, you cannot withdraw the cash remaining in your Reimbursement Account(s). However, you may continue to submit claims for eligible health care and/or child/elder care expenses up until April 15th of the following year, subject to certain limitations. After that date, you forfeit any balance remaining in your Reimbursement Account(s). If you die, your dependents, estate or representative also has until April 15th of the following year to submit claims.

In addition, you may be able to continue your participation in the **HCRA**. However, continued **HCRA** contributions will be made on an after-tax basis. Contributions to the **CECRA cannot** be continued, but you may still be able to submit additional expenses for

reimbursement.

For more information, see “When HCRA Participation Ends” and “When CECRA Participation Ends.”

When HCRA Participation Ends

You may submit claims for eligible health care expenses (see “Your Health Care Reimbursement Account”) incurred *before the end of the month in which your participation ended* up until April 15th of the following year.

In addition, you may be eligible to continue your participation in your **HCRA** for a limited period of time through **COBRA**. However, your future contributions will be made with after-tax dollars. If you elect to continue your participation, you may submit claims for expenses incurred for *as long as you participate in the HCRA*. For more information, see “Continuing Your HCRA Coverage Through COBRA.”

When CECRA Participation Ends

Participation in **CECRA** for a given Plan Year ends on the earlier of:

- December 31st of that Plan Year, or
- When there is no more money in your account.

However, you can continue to submit claims for eligible child/elder care expenses incurred at any time during that Plan Year until April 15th of the following year.

You cannot continue to make **CECRA** contributions after you leave the payroll.

CONTINUING COVERAGE

Continuing Your HCRA Coverage Through COBRA

A federal law known as **COBRA** (Consolidated Omnibus Budget Reconciliation Act of 1985, as amended) requires employers to offer **eligible employees** and their covered **dependents** the opportunity to continue their group health care coverage *at their own expense* for a limited period of time if they lose coverage due to a qualifying event. **COBRA** applies to all the medical options plus the **HCRA**.

Electing **COBRA** for the **HCRA** gives you or your **HCRA dependents** the benefit of extending the time period for which claims for reimbursement may be incurred. Normally, to be eligible for reimbursement a claim must be incurred while you are covered under and contributing to the **HCRA**. If you have not incurred enough expenses at the time of your qualifying event to recover your contributions to the **HCRA**, then you should consider electing **COBRA** in order to extend the coverage period long enough to incur claims that would allow for full reimbursement, but not past the end of the year. For this reason, **COBRA** is only available to you or your **HCRA dependents** if the amount you could be reimbursed exceeds the amount you would have to pay into the account on an after-tax basis.

COBRA Coverage

COBRA may extend your coverage under the **HCRA** for the remainder of the year. The following chart summarizes who is eligible for **COBRA** continuation coverage, under what circumstances, and how long **COBRA** continuation coverage continues.

If:	Qualifying Event	Who Is Eligible for COBRA Coverage
You	Become laid off	You and your HCRA dependents
	Have a reduction in hours	You and your HCRA dependents
	Terminate employment (for reasons other than gross misconduct)	You and your HCRA dependents
	Do not return from an FMLA leave of absence	You and your HCRA dependents
	Die	Your HCRA dependents
	Become divorced or legally separated	Your HCRA dependents

If:	Qualifying Event	Who Is Eligible for COBRA Coverage
Your HCRA dependent	Is no longer an eligible HCRA dependent (due to age limit, divorce, or legal separation)	Your HCRA dependent
	Is no longer an eligible HCRA dependent because of your death	Your HCRA dependent

Employee Loses Coverage

If you lose coverage because of a layoff, termination of employment (for reasons other than gross misconduct), or if you do not return to work after an **FMLA** leave of absence, **COBRA** continuation coverage is available to you and your **HCRA dependents**. If you elect **COBRA** coverage and you acquire a new child (birth, adoption or placement of adoption) during your **COBRA** continuation period, you may enroll that new child in **COBRA** continuation coverage.

You and your **HCRA dependents** will be notified by the **Avaya Health and Benefits Decision Center** when an event makes continuation of coverages available and sends you election information, including the cost of the coverage. You and each of your **HCRA dependents** have an independent right to elect **COBRA** continuation coverage. You (or a **HCRA dependent**) must notify the **Avaya Health and Benefits Decision Center** (within 60 days of the date the notice is sent or coverage is lost, whichever is later) of your decision to continue coverage. If you do not elect continuation coverage during the first 60-day election period and you become eligible for trade adjustment assistance, you may elect continuation coverage during a second 60-day period that begins on the first day of the month in which you are determined to be eligible for such assistance. In this situation, your election must be made within 6 months of your first **COBRA** qualifying event.

Dependent Continuation Coverage

Each of your **HCRA dependents** may have the right to **COBRA** continuation coverage from the date of the qualifying event if he or she loses coverage because:

- You die,
- You and your spouse get divorced or legally separated, or
- He or she is no longer eligible for coverage under the Reimbursement Account Plan (e.g., due to age limit).

If your **HCRA dependents** lose coverage because of your death, the **Avaya Health and Benefits Decision Center** will notify them of their right to continue coverage within 44 days. Your **HCRA dependent** must notify the **Avaya Health and Benefits Decision Center** of their decision to continue coverage within 60 days of the later of this notification or the date benefits terminate.

If you get divorced or legally separated, or if your child no longer meets the eligibility requirements, you or your **HCRA dependent** must notify the **Avaya Health and Benefits Decision Center** within 60 days of the event. This notice should be in writing and should include proof of the qualifying event (for example, a copy of the divorce decree). If the **Avaya Health and Benefits Decision Center** is not notified within 60 days of the qualifying event, your **HCRA dependent** will lose the right to elect **COBRA** continuation coverage. After the **Avaya Health and Benefits Decision Center** is notified, your **HCRA dependent** will be notified of his or her right to continue coverage within 14 days. Within 60 days of the later of this notification or the date benefits terminate, your **HCRA dependent** must notify the **Avaya Health and Benefits Decision Center** of his or her decision to continue coverage. If the **Avaya Health and Benefits Decision Center** determines that your **HCRA dependent** is not eligible for **COBRA** continuation coverage, your **HCRA dependent** will be notified in writing explaining why continuation coverage is not available.

When Coverage Ends

If you and/or your **HCRA dependent** elect **COBRA** continuation coverage, the coverage takes effect on the date of your qualifying event and continues until the earliest of the following:

- The end of the plan year
- The date Avaya Inc. no longer provides coverage to any of its employees
- When there is a significant underpayment of a premium or when premiums for **COBRA** continuation coverage are not paid within the required time
- The date you or your **HCRA dependents** become covered under another group health care plan other than TRICARE (provided pre-existing condition exclusions or limitations under the new group health care plan do not apply)

If the **Avaya Health and Benefits Decision Center** determines that your coverage is terminating before the end of the **COBRA** period (e.g., when premiums are not being paid within the required time), you will be notified that your coverage is terminating and you will be provided with the reason why and the date your coverage is terminating.

COBRA Coverage Cost

You (or your **HCRA dependent**) pay the full cost for **COBRA** continuation coverage, plus a 2% administrative fee.

The initial **COBRA** payment (which includes payment for coverage back to the date regular coverage ended) is due when you elect **COBRA**. However, the Reimbursement Account Plan is legally required to provide you with a 45-day grace period for this initial **COBRA** payment. No further extension will be permitted. After the initial payment, subsequent payments are due by the first of the month for the coverage period which is being paid. The Reimbursement Account Plan is legally required to provide you with a 30-day grace period for these payments. No further extension is permitted. Payments received after your 30- or 45-day grace period will result in an automatic loss of all **COBRA** coverage rights. Once **COBRA** coverage is lost, it cannot be reinstated. There are no exceptions.

If You Have Questions

Questions concerning your **COBRA** continuation coverage rights should be addressed to the **Avaya Health and Benefits Decision Center** (see “Important Contacts”). For more information about your rights under ERISA, including **COBRA**, the Health Insurance Portability and Accountability Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit the EBSA Web site at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through the EBSA Web site.)

Keep Your Plan Informed of Address Changes

In order to protect your family’s rights, you should keep the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the **Avaya Health and Benefits Decision Center**.

Continuing Your CECRA Coverage

*You cannot continue to make contributions to the **CECRA** after you leave the payroll.* However, you may submit claims for eligible child/elder care expenses incurred during the Plan Year in which your contributions end. For more information, see “When CECRA Participation Ends.”

CLAIMS

Filing a Claim

You can be reimbursed for eligible health care expenses (see “Eligible Health Care Expenses”) up to the amount you choose to contribute to your **HCRA** for the year, less any reimbursements already made. For **CECRA** claims, you can only be reimbursed up to the amount available in your account; claims over that amount are pended and reimbursed as the money accumulates in your account through payroll deductions.

To request reimbursements:

- Call the **Avaya Health and Benefits Decision Center** to request a **HCRA** and/or **CECRA** claim form or log onto the Avaya Healthy Decision Web site at www.AvayaHealthyDecisions.com and click on “Reference Materials & Forms” on the left navigation bar.
- For **HCRA** claims, all health care expenses should first be filed under your or your **HCRA dependent’s** medical, dental, vision care or hearing plan before you request reimbursement from the Reimbursement Account Plan. You should attach the explanation of benefits statement you received from the insurance company to your claim form.
- If expenses are not covered by insurance or any other source, include an itemized bill or receipt from the provider showing the:
 - Name and address of the person or organization that provided the service or product and the federal tax identification number or equivalent (for **CECRA** claims, this may include the Social Security number of your child/elder care provider),
 - Type of service or product provided,
 - Date the expense was incurred,
 - Amount of the expense, and
 - Claimant’s signature.
- For **CECRA** claims, the provider must complete the appropriate sections of the form or you must submit a receipt from the day care provider with the dates of service, the amount, providers signature and the Social Security number or Tax ID number. Requests will not be processed without the Tax ID number for all providers.

- Submit the completed form with the required documentation to the address printed on the form. Alternatively, the form may be faxed to the number listed on the form.

All annual amounts elected under a **HCRA** are immediately available for disbursement. For **CECRA** claims, checks are released once the actual contributions have been deducted and posted to the accounts. The money is not available until after the last paycheck of the month has been issued.

If your claim is denied, you may appeal the decision. For more information, see “Claim Procedures.”

Filing Deadline

You must submit claims for eligible expenses incurred during a Plan Year by April 15th of the following Plan Year. Any money remaining in your account(s) after that date is forfeited. For more information, see “When an Expense Is Incurred” and “Forfeiture of Unused Funds.”

EMPLOYMENT-RELATED EVENTS AFFECTING COVERAGE

If You Terminate Your Employment

Your eligibility to make **pre-tax** contributions to the **HCRA** and/or the **CECRA** ends if your employment with a **Participating Company** ends for any reason. However, you may still be able to receive benefits through the Plan. For more information, see “What Happens When Participation Ends.”

If You Become Disabled

Your participation in the **HCRA** and **CECRA** may be affected if you become disabled. The duration of your disability determines the effect it will have on your participation.

Disabilities/Effect on Coverage

If you become totally disabled as determined under The Avaya Inc. Sickness and Accident Disability Benefit Plan, your eligibility to make contributions to the **HCRA** and the **CECRA** may continue for the remainder of that Plan Year, or until you are no longer eligible for those disability benefits. However, your participation may not end at that time. For more information, see “What Happens When Participation Ends.” If you return to work during the same Plan Year, your contributions will automatically resume for the remainder of that Plan Year.

Different rules apply after you become eligible for Long-Term Disability benefits. Your eligibility to make **pre-tax** contributions to the **HCRA** and/or the **CECRA** ends when you become eligible for long-term disability benefits under The Avaya Inc. Long-Term Disability Plan. However, your ability to receive benefits from the Reimbursement Account Plans may not end at that time. For more information, see “What Happens When Participation Ends.”

If You Take an Approved Leave of Absence

If you are participating in the **HCRA** and/or the **CECRA** during an approved leave of absence (other than an **FMLA** leave) that begins and ends during the same Plan Year, your contributions will stop during your leave. When you return to work, your accounts will be reinstated upon return and monthly contribution amounts will be adjusted accordingly. Changes to the **HCRA/CECRA** annual election upon return from leave will be permitted as consistent with a **qualified status change** (i.e., a participant who returns from leave with a new child may increase or begin an **HCRA** or **CECRA** to account for the additional expenses for the child).

If you are on an approved leave of absence (other than an **FMLA** leave) during the next **annual enrollment**, you *cannot* enroll at that time. However, if you return to active employment during the next Plan Year, you can enroll within 31 days of your return to work.

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

PERSONAL EVENTS AFFECTING PARTICIPATION

If You Gain a New Dependent

If you gain a new dependent (for example, through marriage, birth or adoption), you may be able to enroll in the **HCRA** and/or the **CECRA** if your new dependent is a **HCRA dependent** and/or a **CECRA dependent**. If you are already a participant, you may be able to increase, decrease or stop your contributions. For more information, see “If You Have a Qualified Status Change.”

If a Dependent Loses Eligibility

See “Continuing Coverage.”

If You Have a Qualified Status Change

The Internal Revenue Service (IRS) states you can change coverage levels during the year if you have a **qualified status change**.

If you have a **qualified status change**, you may be able to change the amount you contribute to, or stop contributing to, the **HCRA** and/or the **CECRA**. The change to your contributions must be consistent with your qualified status change. For example, if you have a baby during the year, you may increase your contributions. In addition, your change will only be effective for expenses incurred after your change takes effect.

If you have a **qualified status change** and decrease your annual contribution, your annual contribution may not be less than the amount you have already contributed or the amount already paid in claim reimbursements, whichever is greater. If your annual contribution amount changes, your monthly contributions will be adjusted accordingly.

To be eligible to start, change or stop your contributions, you must report your **qualified status change** to the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) within 31 days of the event.

When Your Change Takes Effect

If you increase, decrease or stop your contributions within 31 days of a **qualified status change**, your change takes effect as of the date of the **qualified status change**. The **Avaya Health and Benefits Decision Center** (see “Important Contacts”) can advise you as to when the change will be shown in your paycheck, and your new deduction amount(s). If you do not change your contributions within 31 days of the **qualified status change**, you must wait until the next **annual enrollment** to make a change. You cannot make a change after the last payroll file has run in mid-November.

If You Die While Participating in the Reimbursement Account Plans

See “If You Terminate Your Employment.”

If You Retire While Participating in the Reimbursement Account Plans

See “If You Terminate Your Employment.”

IMPORTANT CONTACTS

Following is a list of contacts and resources, including specific responsibilities for each.

Contact / Service Provided	Address / Telephone Number
<p>Avaya Health and Benefits Decision Center: Contact for questions concerning eligibility and enrollment.</p>	<p><i>Telephone Number:</i> 1-800-526-8056 (option 1) TDD: 1-800-952-0450</p> <p>Web site: www.AvayaHealthyDecisions.com</p>
<p>Claims Administrator: Contact by phone for:</p> <ul style="list-style-type: none"> • Eligible and ineligible health care and/or child/elder care expenses • Claim forms <p>Contact by mail:</p> <ul style="list-style-type: none"> • To submit claims for benefits • For legal actions regarding a claim for benefit 	<p>SHPS administers the Reimbursement Account Plans on behalf of Avaya Inc.</p> <p>Address for submitting claims: Avaya Health and Benefits Decision Center P.O. Box 34740 Louisville, KY 40232</p> <p><i>Telephone Number:</i> 1-800-526-8056, option 1 (on business days from 8:00 a.m. to 8:00 p.m. Eastern time); TDD: 1-800-952-0450 Fax: 1-866-643-2219</p> <p>Web site: www.AvayaHealthyDecisions.com</p>
<p>Plan Administrator: Contact for all legal actions, except for legal actions regarding a claim for benefits. Legal actions regarding a claim for benefits should be directed to the Claims Administrator at the above address.</p>	<p>Avaya Inc. Reimbursement Accounts Plan Administrator 211 Mount Airy Road Basking Ridge, NJ 07920</p> <p>E-mail: hwplanadmin@avaya.com</p>

OTHER IMPORTANT INFORMATION

This section contains administrative information about the Reimbursement Account Plans and other details required under the terms of a federal law, the Employee Retirement Income Security Act of 1974, as amended (ERISA). Note, however, that ERISA governs only the **HCRA**.

Claim Procedures

Participants, their beneficiaries (if applicable) or any individual duly authorized by them, have the right under ERISA and the Reimbursement Account Plan to file a written claim for benefits with the Claims Administrator (see “Important Contacts”).

The Plan Administrator (see “Important Contacts”) has the final authority to decide whether you are eligible to participate in the Reimbursement Account Plan. The Claims Administrator has the authority to decide the amount and extent of benefits that are payable to you. The Plan Administrator has the final authority to decide the amount and extent of benefits that are payable to you.

You (or another person) cannot challenge a claim decision in court until the following claim and appeal procedures have been complied with and exhausted.

Claim Processing

When the benefit is provided or denied, you will receive a notice explaining how the coverage level was calculated or why benefits have been denied. This notice will be provided within 30 days after the Claims Administrator receives the claim.

If the Claims Administrator needs more than 30 days to make a decision, a representative will notify you in writing within the initial 30-day period and explain why more time is required. An additional 15 days (for a total of 45 days) may be taken if the Claims Administrator sends this notice. The extension notice will include the date by which the Claims Administrator’s decision will be sent.

Appeal Procedures

After the Claims Administrator or Plan Administrator (see “Important Contacts”), as the case may be, denies your claim, you (or your authorized representative) may request a full review by the Plan Administrator (see “Important Contacts”) if you disagree with the denial. You (or your authorized representative) must submit a written request for review within 180 days after you receive the denial notice. In connection with your appeal, you (or your authorized representative) may review relevant documents and submit issues and comments in writing.

The relevant documents that must be made available to you upon request include documents, records and other information that:

- Were relied on in deciding your benefit claim;
- Were submitted, considered or generated in the course of deciding your benefit claim;
- Demonstrate that the decision complied with the Reimbursement Account Plan's administrative procedures or safeguards; or
- State the Reimbursement Account Plan's policy or guidelines regarding the benefits, whether or not it was relied upon.

If you want to appeal a decision on benefits, send your appeal to the Plan Administrator (see "Important Contacts").

Your appeal will be reviewed. Someone other than the person who made the first decision on your claim must make this review. The Plan Administrator (see "Important Contacts") must disclose the identity of any medical or vocational experts who were consulted in connection with your claim. If the benefit decision is based on a medical judgment, the Plan Administrator must consult with a health care professional who has the appropriate training and experience in the field of medicine involved.

After a decision by the Plan Administrator (see "Important Contacts") is made concerning your appeal, you will be notified of the findings and decision in writing. This notice will be provided no later than 60 days after receiving the claim.

This decision is final and is not subject to further internal review.

Claims Decision Notices

The notice given to you concerning the decision on either your initial claim or your appeal will include:

- The specific reason or reasons for the decision;
- The specific Reimbursement Account Plan provisions upon which the benefit decision is based;
- A statement that you are entitled to receive upon request (and free of charge) reasonable access to, and copies of, all document, records and other information relevant to your claim;

- A description of any additional material or information that is necessary for you to complete your claim and an explanation of why such material or information is necessary;
- If an internal rule, guideline, protocol or similar criterion was relied on in making the decision, either a copy of that document or a statement that such a document was relied upon and that a copy will be furnished (free of charge) upon request;
- If the decision is based on a medical limit (for example, a decision that the proposed service is not medically necessary or that it is experimental), either an explanation of the scientific or clinical judgment for the decision (applying the Reimbursement Account Plan's terms to your medical circumstances), or a statement that such an explanation will be provided free of charge upon request;
- For an initial claim, a description of the appeal procedures and
- A statement that the claimant has the right to bring a civil action under ERISA Section 502(a) following a denial upon appeal.

Your Rights Under ERISA

It is Avaya Inc.'s policy to provide meaningful benefits -- above and beyond your paycheck. Part of this additional protection is provided through The Avaya Inc. Health Care Reimbursement Account and The Avaya Inc. Child/Elder Care Reimbursement Account. You are entitled to certain rights and protection for the **HCRA** only under ERISA. These rights are described in this section. *The **CECRA** is not an ERISA Plan, so the information described in this section does not apply to that Plan.*

Right to Receive Information About the Plan and Its Benefits

It is your right to know about your benefits. Therefore, in addition to this SPD describing your benefits under the **HCRA**, you will have the opportunity to obtain a summary of the Reimbursement Account Plan's annual financial report. You also may examine all Plan documents governing the Reimbursement Account Plan and a copy of the latest annual report (Form 5500 Series) filed with the U.S. Department of Labor. These documents are available for you to examine without charge in the Plan Administrator's office.

You can receive a copy of any of these documents, for a reasonable charge, by making a written request to the Plan Administrator.

You also have the right to continue **HCRA** coverage for yourself, spouse, or dependents if there is a loss of coverage under the Reimbursement Account Plan as a result of a qualifying event under **COBRA**. You or your dependents will have to pay for such coverage. Review this summary plan description and the documents governing the Reimbursement Account Plan for the rules governing your **COBRA** continuation rights.

Prudent Action by Plan Fiduciaries

You also have the right to expect the fiduciaries -- the people responsible for the operation of the Health Care Reimbursement Account Plan -- to act prudently and in the best interest of those who participate as a whole. The Health Care Reimbursement Account Plan's fiduciaries must act in the best interest of all Health Care Reimbursement Account Plan participants.

No one, including the Company may dismiss you or discriminate against you to prevent you from obtaining benefits or exercising any of your rights under ERISA.

Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce your ERISA rights. For instance:

- If you request a copy of plan documents or the latest annual report (Form 5500 Series) from the Plan Administrator and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials – unless the materials were not sent for reasons beyond the control of the Plan Administrator.
- If you have a claim for benefits that is denied or ignore – in whole or in part – after going through the appeals procedures, you may file suit in a state or federal court.
- If it should happen that the Reimbursement Account Plan fiduciaries misuse the Reimbursement Account Plan's money, or if you are discriminated against for asserting your ERISA rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court.
- If you file suit against the Reimbursement Account Plan, the court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees – if, for example, it finds your claim is frivolous.

If You Have Questions

For answers to questions about the Health Care Reimbursement Account Plan, contact the Claims Administrator (see "Important Contacts"). If you have any questions about this statement of your rights, or about your rights under ERISA, contact the nearest Regional or District Office of the U.S. Department of Labor, Employee Benefits Security Administration (EBSA), listed in your telephone directory; or contact the Division of

Technical Assistance and Inquiries, U.S. Department of Labor, EBSA, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the EBSA or visit the EBSA Web site at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through the EBSA Web site.)

Plan Funding and Payment of Benefits

The source of funds for the **HCRA** and the **CECRA** is your elected payroll deduction and general operating assets of Avaya Inc. Avaya Inc. pays the cost of administering these plans. Any amounts left in the Reimbursement Account Plans after all claims are paid out (through April 15th of the following year) are considered forfeited balances. Forfeited balances are determined separately for the **HCRA** and the **CECRA**. After deduction of certain Avaya Inc. administrative cost and expenses of the Reimbursement Account Plans, remaining forfeited balances are distributed equally among all employees participating in the Reimbursement Account Plans in the following Plan Year, provided they are on the active payroll on the date of distribution. All forfeitures are deemed taxable income to the **eligible employee**.

Benefits Cannot Be Assigned

Assignment or alienation of any benefits provided by the Reimbursement Account Plans will not be permitted or recognized, except as otherwise required by applicable law. This means that benefits provided under the Reimbursement Account Plans are not subject to sale, assignment, anticipation, alienation, attachment, garnishment, levy, execution or any other form of transfer. Generally, state and local laws will not be recognized unless permitted by or under applicable federal law, such as ERISA.

Union Agreement

If you are covered by an applicable collective bargaining agreement, the benefits described in this SPD reflect the provisions of The Avaya Inc. Reimbursement Account Plans as referred to in applicable collective bargaining agreements between the Company and the unions representing employees of the Company. Copies of these agreements are distributed or made available to those employees covered by the agreements and to any other employee who submits a written request for a copy to the Plan Administrator. A reasonable duplication charge may be made for copies furnished in response to such written request.

Plan May Be Amended or Terminated

The Company expects to continue the Reimbursement Account Plans, but reserves the right to amend or terminate the Reimbursement Account Plans at any time by the resolution of the Board of Directors or a properly authorized designee, subject to the terms of applicable collective bargaining agreements.

Plan Administrator

The Plan Administrator has the full discretionary authority and power to control and manage all aspects of the Reimbursement Account Plans, to determine eligibility for Reimbursement Account Plans benefits, to interpret and construe the terms and provisions of the Reimbursement Account Plans, to determine questions of fact and law, to direct disbursements, and to adopt rules for the administration of the Reimbursement Account Plans as they may deem appropriate in accordance with the terms of the Reimbursement Account Plans, applicable collective bargaining agreements and all applicable laws.

Plan Sponsor

The Plan Sponsor may allocate or delegate its responsibilities for the administration of the Reimbursement Account Plans to others and employ others to carry out or render advice with respect to its responsibilities under the Reimbursement Account Plans, including discretionary authority to interpret and construe the terms of the Reimbursement Account Plans, to direct disbursements and to determine eligibility for Reimbursement Account Plans benefits.

ADMINISTRATIVE INFORMATION

Plan Names	The official Plan Names of the Reimbursement Accounts are: <ul style="list-style-type: none"> • The Avaya Inc. Health Care Reimbursement Account Plan • The Avaya Inc. Child/Elder Care Reimbursement Account Plan which are part of The Avaya Inc. Health & Welfare Benefits Plan.
Plan Sponsor	The Plan Sponsor is Avaya Inc.
Plan Administrator	The Plan Administrator is: Avaya Inc. Reimbursement Account Plans Administrator 211 Mount Airy Road Basking Ridge, NJ 07920 E-mail: hwplanadmin@avaya.com
Type of Administration	The Plan is administered on behalf of Avaya Inc. by SHPS.
Claims Administrator	Claims under the Reimbursement Account Plans are administered on behalf of Avaya Inc. by the Claims Administrator: Avaya Health and Benefits Decision Center P.O. Box 34740 Louisville, KY 40232 <i>Telephone Number:</i> 1-800-526-8056 (on business days from 8:00 a.m. to 8:00 p.m. Eastern time); TDD: 1-800-952-0450.
Agent for Service of Legal Process	Legal actions regarding a claim for benefits should be sent to the Claims Administrator. All other legal actions should be sent to the Plan Administrator.
Plan Records and Plan Year	The Plans and all their records are maintained on a calendar year basis, beginning on January 1st and ending on December 31st of each year.
Type of Plans	<ul style="list-style-type: none"> • The HCRA is considered a “health & welfare” plan under the Employee Retirement Income Security Act of 1974, as amended (ERISA). • The CECRA is <i>not</i> a “health & welfare” plan under ERISA.
Plan Number	The Plan Number is 551.
Employer Identification Number	The Employer Identification Number is 22-3713430.