

EMPLOYMENT-RELATED EVENTS AFFECTING COVERAGE

Your coverage under the Dental Plan will end if certain events occur.

If You Change Your Employment Status

Changes in your employment status, such as going from full-time to part-time, generally do not affect your participation in the Dental Plan. However, you may need to re-enroll due to the change in your cost of coverage. You will receive an enrollment package from the **Avaya Health and Benefits Decision Center** and must make your election within 31 days of the qualified event.

If your employment status changes from salaried to represented, it will affect your eligibility for dental benefits as follows:

- Coverage under the Dental Plan will end on the last day of the month in which your status changes.
- Your status change to a represented position will make you eligible to participate in the dental plan offered to represented employees.

If You Terminate Your Employment

Your coverage under the Dental Plan ends on the last day of the month in which your employment ends. Different rules apply if you retire or terminate and your age plus **net credited service** equal at least 60, and you have a minimum of 5 years of **net credited service** (see “If You Retire”).

When coverage ends, you may be eligible to continue coverage for yourself and your eligible **covered dependents** under **COBRA**. For more information, see “Continuing Your Dental Coverage Through COBRA.”

If You Retire

Retiree dental coverage is bundled with medical coverage. This means that you cannot elect dental coverage independently from your medical coverage. The **DMO** option is not offered to retirees.

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

If you retire with a service or disability pension, but you do not enroll by the enrollment deadline, you will *not* have retiree health coverage. You may elect coverage at a later date if you wish.

If you terminate employment and are eligible for access to retiree health care because your age plus your **net credited service** equals at least 60, and you have at least 5 years of **net credited service**, you will have access to retiree health care and will receive enrollment material and information about your coverage options at your home address. If you enroll by the date specified in your enrollment material, coverage will become effective on the first day of the month following the month in which you terminate employment.

If you have access to retiree health care, but you do not enroll by the enrollment deadline, you will *not* have retiree health coverage. You may elect coverage at a later date if you wish.

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

More information may be found in the SPD for The Avaya Inc. Retiree Dental Expense Plan for Salaried Employees. Business Assistants hired before January 1, 1999 who participate in The Avaya Inc. Pension Plan (as offered to represented employees), should reference the SPD for The Avaya Inc. Retiree Dental Expense Plan, as certain provisions differ.

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

If You Transfer

If you transfer to another **Participating Company**, it will not affect your participation in the Dental Plan. If you transfer to a non-Participating Company, your coverage under the Dental Plan ends on the last day of the month in which you are no longer an **eligible employee**.

If You Are Laid Off

If you are laid off, you will be able to continue Dental Plan coverage through **COBRA** (see "Continuing Your Dental Coverage Through COBRA"). Your coverage under the Dental Plan will end as of the last day of the month in which your layoff occurs.

If You Are Rehired

If you are returning to Avaya Inc. within six months of your date of separation, your prior **net credited service** will be immediately bridged, minus the period of time that you were not employed by Avaya Inc. If you are returning to Avaya Inc. and it has been longer than six months since your date of separation, your **net credited service** will not be immediately bridged. Upon completion of two years of continuous Avaya employment after re-employment, your prior Avaya Inc. service will be bridged for certain Avaya Inc. benefits purposes.

Should you terminate employment before your **net credited service** is bridged, your new **net credited service** date will be based on your rehire date and any previous service will not have an impact in the calculation of this new **net credited service**.

If you were previously service pension-eligible on your first termination date and you are rehired, you will continue to be eligible for subsidized coverage under the Medical Plan at your next termination. The amount the Company will contribute will be based on the rules in effect at the time of your next termination. Currently, the Company will contribute 3% of the Maximum Company Contribution for every year of **net credited service** up to service accrued as of 2003 with a Maximum Company Contribution percentage set at 75%.

If you were not previously service pension-eligible or a participant of the account balance plan on your first termination date and you are rehired, your age plus **net credited service** must equal at least 60 with at least 5 years of **net credited service** at the next termination to be eligible for continued coverage (other than COBRA). You will have access to purchase group retiree health insurance through Avaya at 100% of the cost.

If You Become Disabled

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

If you become partially or totally disabled as determined under The Avaya Inc. Short-Term Disability Plan for Salaried Employees, you will continue to be eligible for coverage under the Dental Plan. You will be subject to the same costs as an active employee during that time. This coverage will continue for as long as you continue to receive benefits under The Avaya Inc. Short-Term Disability Plan for Salaried Employees.

If you are eligible for a service pension under the Service Based Program of The Avaya Inc. Pension Plan for Salaried Employees or The Avaya Inc. Pension Plan, and you elect to retire and waive your right to future disability benefits, your benefits would be provided under The Avaya Inc. Retiree Dental Expense Plan for Salaried Employees

and your coverage under The Avaya Inc. Dental Expense Plan for Salaried Employees would end.

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

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

Long-Term Disability

Dental Plan coverage under The Avaya Inc. Dental Expense Plan for Salaried Employees is available under **COBRA** to employees eligible for The Avaya Inc. Long-Term Disability Plan for Salaried Employees who are not eligible for coverage under The Avaya Inc. Retiree Dental Expense Plan for Salaried Employees, as described above.

If You Take an Approved Leave of Absence

If you take an approved leave of absence under the Family and Medical Leave Act (FMLA), your coverage under the Dental Plan may continue for up to 12 work weeks. The Company continues its share of the cost of this coverage. You must pay your share of any cost of coverage to continue coverage during your FMLA leave. If you choose not to continue such coverage, you remain eligible for reinstatement upon your return to work.

If you are eligible for an FMLA leave under The Family and Medical Leave Act of 1993, as amended, Avaya Inc. will comply with this legislation.