

**THE AVAYA INC.**

**LIFE INSURANCE PLANS  
for salaried employees**

**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. Life Insurance Plans for salaried employees (Life Insurance Plans). More detailed information is provided in the official Life Insurance Plan Documents. In all instances, the Life Insurance Plan Documents will control and govern the operation of the Life Insurance Plans.

The Board of Directors of Avaya Inc. (or its delegate) reserves the right to modify, suspend or terminate the Life Insurance Plans at any time. Questions regarding your benefits should be addressed to the Plan Administrator. Because of the many detailed provisions of the Life Insurance 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 Life Insurance Plans is neither an offer of employment nor a guarantee of future employment for any period of time at Avaya Inc. Avaya Inc. employees are employees at will, which means that they can terminate their employment at any time and for any reason. Likewise, Avaya Inc. may terminate an employee's employment at any time and for any reason.

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## **INTRODUCTION**

The Avaya Inc. Life Insurance Plans for salaried employees (Life Insurance Plans) offer basic life, supplementary life, basic **accidental death and dismemberment (AD&D)**, supplementary **AD&D**, dependent life and dependent **AD&D** insurance coverages.

The Company pays the full cost to provide you with basic life and basic **AD&D** insurance of one times your **total annual pay**. You may elect to waive basic life and/or basic **AD&D** insurance and receive additional cash, which is taxable. You may elect supplementary life and/or supplementary **AD&D** insurance of an additional one to seven times your **total annual pay**. You pay the full cost for any supplementary coverage you elect.

You also have the option of purchasing dependent life and/or dependent **AD&D** insurance for your **eligible dependents**.

## HIGHLIGHTS

Here is a summary of some features of the Life Insurance Plans.

Plan Feature	Summary
Eligibility	<p>If you are an <b>eligible employee</b> (a regular, active, full-time or part-time, salaried employee who works for a <b>Participating Company</b>), you are eligible for basic life, basic <b>accidental death and dismemberment (AD&amp;D)</b>, supplementary life and supplementary <b>AD&amp;D</b> insurance. You may also elect dependent life insurance and dependent <b>AD&amp;D</b> insurance for your <b>eligible dependents</b>.</p>
Enrollment	<p>Your <b>Company-paid basic coverage</b> (basic life and basic <b>AD&amp;D</b> insurance) automatically begins on your first day of work as an <b>eligible employee</b>. You do not need to enroll for these coverages. However you must enroll:</p> <ul style="list-style-type: none"> <li>• To waive basic life and/or basic <b>AD&amp;D</b> insurance,</li> <li>• To elect supplementary life and/or supplementary <b>AD&amp;D</b> insurance for yourself, or</li> <li>• To elect dependent life and/or dependent <b>AD&amp;D</b> insurance for your <b>eligible dependents</b>.</li> </ul> <p>You also need to submit a beneficiary designation form. Your designated beneficiary(ies) will receive the death benefits on your basic life, basic <b>AD&amp;D</b> and supplementary <b>AD&amp;D</b> insurance coverages. You must complete a separate beneficiary form for supplementary life insurance, and this beneficiary designation may be different.</p>
Coverage Provided	<p><b>For Eligible Employees:</b>                      The Company automatically provides you with basic life and basic <b>AD&amp;D</b> insurance of one times your <b>total annual pay</b>, with a cap at \$1 million for each plan. You also have the option of purchasing supplementary life and/or supplementary <b>AD&amp;D</b> insurance of one to seven times your <b>total annual pay</b>, with a cap of \$2.5 million for each plan. The benefit amount as of December 31, 2005, if in excess of the \$2.5 million on either supplementary life or supplementary <b>AD&amp;D</b>, will be grandfathered.</p> <p><b>For Your Eligible Dependents:</b>                      Dependent coverage is available in set dollar amounts. Different amounts apply for dependent life and dependent <b>AD&amp;D</b> insurance.</p>

Plan Feature	Summary
When Benefits Are Paid	<p><i>Under Employee Coverage:</i></p> <ul style="list-style-type: none"> <li>• Your basic and supplementary life insurance benefit is paid to your beneficiary(ies) if you die while coverage is in effect.</li> <li>• Your basic and supplementary <b>AD&amp;D</b> insurance may pay a benefit if you die or suffer a covered loss as the result of an accident that occurs while coverage is in effect. Accidental death benefits are paid to your beneficiary(ies). Benefits for a covered loss other than death are paid to you.</li> <li>• You may have access to part of your basic life and supplementary life insurance benefits through an Accelerated Benefit Option if you become terminally ill.</li> </ul> <p><i>Under Dependent Coverage:</i></p> <ul style="list-style-type: none"> <li>• You receive any dependent life or dependent <b>AD&amp;D</b> insurance benefits if one of your <b>eligible dependents</b> dies or suffers a covered loss while dependent life and/or dependent <b>AD&amp;D</b> insurance is in effect.</li> </ul>
Cost	<p>The Company pays the full cost to provide <b>eligible employees</b> with basic life and basic <b>AD&amp;D</b> insurance. If you elect supplementary coverage, or if you elect any dependent coverage, you pay the full cost for that coverage.</p>

## **TERMS YOU SHOULD KNOW**

There are several words and phrases that have a specific meaning under the Life Insurance 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.

**Accidental Death and Dismemberment (AD&D):** accidental death and dismemberment insurance. You receive Company-paid accidental death and dismemberment insurance equal to one times your **total annual pay**, limited to \$1 million, and may purchase optional additional coverage for yourself or your dependents.

**Actively at work:** you are considered to be actively at work under the Life Insurance Plans if:

- You are actually present on the job, or
- It is a regularly scheduled day off, a scheduled vacation day or a paid holiday, as long as you were actively at work on the most recent prior day that was a regularly scheduled work day for you, and that was not a scheduled vacation day or paid holiday.

For dependent life and dependent **AD&D** insurance, you are considered to be actively at work if:

- You satisfy one of the above conditions, or
- You are receiving benefits under The Avaya Inc. Short-Term Disability Plan for Salaried Employees.

**After-tax:** premium payments taken from your pay after applicable federal, state and local taxes are withheld.

**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**. Elections made during annual enrollment are effective on the first day of the following calendar year or when proof of insurability is approved by the Insurer, whichever is later.

**Annual rate of pay:** if you are paid every week, your annual rate of pay is 52 times your normal weekly adjusted rate of pay (hourly rate times 40). If you are paid once a month, your annual rate of pay is 12 times your monthly base pay.

**Avaya Health and Benefits Decision Center:** the resource to call to enroll, make changes in your coverage or ask questions about your Life Insurance Plans. See "Important Contacts."

**Cash Accumulation Fund:** as a participant in the Supplementary Life Insurance Plan for salaried employees, you have the option of contributing to a personal Cash Accumulation Fund. This fund is not subject to income taxes while your contributions remain in your account. You may take loans and withdrawals from the fund. The fund earns interest at a competitive rate; although this rate may vary each year, it is guaranteed never to be lower than 4%.

**Children:** include your biological children (excluding stillborn children), and/or legally adopted children (including any child in the formal legal adoption process, regardless of residence), stepchildren living with you, and children living with you for whom you or your **lawful spouse** or **domestic partner** is the legal guardian (excluding “wards of the state” or “foster children”). A child who is in the armed forces of any country is not eligible.

See **Class I dependents** and **domestic partnership dependent**.

**Class I dependents:** include your **lawful spouse** and each unmarried child through December 31st of the year in which the child reaches age 23.

To be eligible, a child must be:

- Your biological child and/or your legally adopted child living with you, including any child in the formal legal process of adoption, regardless of residence,
- A stepchild living with you, or
- A child living with you for whom you or your **lawful spouse** is the legal guardian. This does not include “wards of the state” or “foster children.”

Class I dependents also include each unmarried child of any age who is determined to be eligible by the applicable medical Claims Administrator by meeting all of the following criteria:

- Incapable of self-support,
- Physically or mentally handicapped, and
- Fully dependent on you for support.

To be covered as Class I dependents, **children** beyond the age of 23 years must be certified for coverage by the applicable medical Claims Administrator under the Avaya Inc. Medical Expense Plan for Salaried Employees. You must complete an application form available from your applicable medical Claims Administrator and submit it for approval to the address listed on the form.

No coverage is available for a child over age 23 who is incapacitated for a short time due to illness or accident (e.g., a broken leg).

A family member who is in the armed forces of any country may not be considered a dependent for purposes of the Life Insurance Plans.

**Company-paid basic coverage:** the amount of your basic life and basic **AD&D** insurance that the Company provides at no cost to you. Each coverage equals one times your **total annual pay**. The amount of your Company-paid basic coverage begins to reduce when you reach age 66.

**Contingent beneficiary(ies):** receives the death benefits under the basic life, supplementary life, basic **AD&D** and supplementary **AD&D** insurance only if none of your **primary beneficiaries** is living when you, the **eligible employee**, die.

**Covered:** eligible under the terms of the Life Insurance Plans. "Covered" is often used to modify other terms. A covered person is one who is enrolled and eligible for benefits under the Life Insurance Plans.

**Covered dependent:** a **Class I dependent, domestic partner or domestic partnership dependent** who is **covered** as the dependent of an **eligible employee**.

**Domestic Partner:** an individual (same-gender or opposite-gender) is your domestic partner if you both complete and file with the **Avaya Health and Benefits Decision Center** a notarized Domestic Partner Affidavit in which you both attest that you met 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 to the aforementioned requirements, the following criteria must be satisfied if applicable:

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

**Domestic partnership dependent:** is the natural or adopted child of a **domestic partner**, a child whom the **domestic partner** is in the formal, legal process of adopting, or a child living with you for whom the **domestic partner** is the legal guardian. The child must otherwise meet the definition of an eligible child as a **Class I dependent**.

**Eligible dependents:** your eligible **Class I dependents**, **domestic partner** and **domestic partnership dependents**.

**Eligible employee:** a regular, active, full-time or part-time, salaried employee 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 Life Insurance Plans.

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

**Lawful spouse:** a person who is recognized as the lawful husband or lawful wife of an active employee under the laws of the state or jurisdiction of the **eligible employee's** domicile. A lawful spouse who is in the armed forces of any country is not eligible.

**Loss of a foot:** means that the foot is completely severed at or above the ankle joint.

**Loss of a hand:** means that the hand is completely severed at or above the wrist joint.

**Loss of hearing:** means total and irrecoverable loss of hearing in both ears.

**Loss of sight in one eye:** means that the eye is entirely blind and that no sight can be restored in that eye.

**Loss of speech:** means total and irrecoverable loss of speech.

**Loss of the thumb and index finger on the same hand:** means that all of the phalanges of the thumb and index finger are severed.

**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 for Salaried Employees and/or The Avaya Inc. Pension Plan.

**Participating Company:** Avaya and such other companies that have elected to participate in the Life Insurance Plans, with the prior approval of Avaya.

**Pre-tax:** premium payments taken from your pay before federal and most state and local taxes are withheld.

**Primary beneficiary(ies):** the person(s), organization, estate or trust named to receive the death benefits for life insurance and **AD&D** insurance if the covered employee dies.

**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 or your spouse.
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 to no longer meet the Plan's eligibility requirements for coverage. This may include a child reaching the maximum age for coverage, etc.

Avaya Inc. also considers corresponding changes in **domestic partner** and/or **domestic partnership dependents** as a qualified status change.

The Internal Revenue Service 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.

**Tobacco use:** any use of tobacco at any time during the 12-month period before enrollment constitutes tobacco use. This includes cigarettes, cigars, pipes, chewing tobacco, and snuff. The amount of your life insurance benefit will be reduced if it is determined that you misrepresented yourself as a non-tobacco user when you enrolled in the Life Insurance Plans.

**Total annual pay (TAP):** used to determine the amount of life insurance available to you. Your total annual pay is your **annual rate of pay**, plus your target Short-Term Incentive or Sales Incentive, rounded to the next higher \$1,000, frozen as of September 10<sup>th</sup> of the prior Plan Year. For new hires, the total annual pay is calculated as of the date you are hired with the Company. Total annual pay does *not* include differentials, overtime pay, extra payments or allowances that are considered temporary.

## **PARTICIPATING IN THE PLAN**

### ***Who Is Eligible***

You are eligible for basic life, supplementary life, basic **AD&D** and supplementary **AD&D** insurance under the Life Insurance Plans if you are an **eligible employee** (a regular, active, full-time or part-time, salaried employee who works for a **Participating Company**). However, you may be excluded from some life insurance coverage if you are an executive who is eligible for coverage under other Avaya Inc. life insurance programs. You will be notified if this applies to you.

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 Life Insurance Plans.

If you are an **eligible employee**, you also may enroll your **eligible dependents** for dependent life and/or dependent **AD&D** insurance.

You have an opportunity to change supplementary and dependent life insurance coverages at any time during the year. However, certain changes may only be made each year during **annual enrollment** (see “Coverage Changes”).

### ***How to Enroll***

What you need to do to enroll for life insurance depends on whether you are:

- A newly **eligible employee**,
- An employee changing your existing coverage during an **annual enrollment** period,
- An employee changing your existing coverage during the year (see “Changing Your Coverage During the Year”), or
- An employee changing your existing coverage during the year due to a **qualified status change** (see “Coverage Changes if You Have a Qualified Status Change”).

### **Newly Eligible Employees**

On your first day of work as an **eligible employee**, you are automatically enrolled for basic life and basic **AD&D** insurance equal to one times your **total annual pay**, limited to \$1 million each. The Company pays the full cost of basic life and basic **AD&D** insurance coverage to provide you with this valuable protection. You may elect to waive basic life and/or basic **AD&D** insurance and receive cash back. You may purchase

additional levels of supplementary life and/or supplementary **AD&D** insurance coverage for yourself. You may also purchase dependent life and/or dependent **AD&D** insurance for your **eligible dependents**.

An enrollment letter will be sent to your home address. The letter will direct you to the Avaya Healthy Decisions Web site ([www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com)), where you will find information about the coverage available for you and your **eligible dependents**, the cost, how to elect coverage for you or your **eligible dependents** and the date by which you must make your elections (usually within 31 days). You can make your enrollment elections online by logging onto the Avaya Healthy Decisions Web site at [www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com) or by calling the **Avaya Health and Benefits Decision Center**.

After you receive the letter, you may:

- Elect to purchase supplementary life and/or supplementary **AD&D** insurance for yourself,
- Name a beneficiary (see “Name a Beneficiary”), and/or
- Enroll your **eligible dependents** for dependent life and/or dependent **AD&D** insurance.

Depending on the situation, you may be required to submit a Statement of Health for yourself or your **lawful spouse** or **domestic partner** when you enroll (see “Proof of Insurability”). Once coverage begins, your elections remain in effect for as long as you are eligible or until you make a change (see “Coverage Changes”).

## **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, including the coverage options available to you and your **eligible dependents** under the Life Insurance Plans for the following year.

Elections made during the **annual enrollment** are effective on the first day of the following calendar year, or when proof of insurability is approved by the Insurer (see “Important Contacts”), whichever is later.

In addition to **annual enrollment**, you also may make certain changes during the year (see “Coverage Changes”).

### ***If You Do Not Enroll***

If you were enrolled the previous year, but you do not elect to make any changes during **annual enrollment**, the same coverage options you and your dependents (if applicable) had the previous year will continue. However, if the rates increase, you will pay the increased amount. Your cost will also change if your **total annual pay** changes. You should review to ensure all dependents remain eligible for any dependent coverages.

If you are a newly **eligible employee** and you do not make any elections by the date specified in your enrollment letter, you will automatically be enrolled for basic life and basic **AD&D** insurance equal to one times your **total annual pay**, limited to \$1 million each. However, you will not be covered for any supplementary life or supplementary **AD&D** insurance and your dependents will not have any coverage. This level of coverage will continue until you make a change. For more information, see “Changing Your Coverage During the Year” and “Annual Enrollment.”

### ***If You and Your Spouse or Domestic Partner Both Work for Avaya Inc.***

If you and your **lawful spouse** or **domestic partner** work for Avaya Inc. and are eligible for the Life Insurance Plans, both of you may be covered as Avaya Inc. employees up to the maximum coverage allowed (see “Amount of Coverage Available”).

If you and your **lawful spouse** or **domestic partner** elect dependent coverage for your **eligible dependents**, each of you may cover the other as a dependent and one or both of you may cover your **eligible dependent children**.

### ***Name a Beneficiary***

When you enroll, you will need to submit a beneficiary designation form on which you will choose a beneficiary(ies) to receive the death benefits on your basic life, supplementary life, basic **AD&D** and supplementary **AD&D** insurance. You may also update your beneficiaries online at the Avaya Healthy Decisions Web site ([www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com)). You may choose one or more individuals, your estate, almost any organization, or a trust as your beneficiary. You must choose the same beneficiary(ies) for basic life, basic **AD&D** and supplementary **AD&D** insurance. You must complete a separate beneficiary form for supplementary life insurance, and this beneficiary designation may be different. Your beneficiary designation becomes effective upon receipt of the properly completed form. You may change your beneficiary(ies) at any time (see “How to Change Your Beneficiary” below).

If you name more than one beneficiary, be sure to indicate the share payable to each one. If you do not indicate this, your beneficiaries will share equally.

If you are enrolled in the Supplementary Life Insurance Plan, any balance in your **Cash Accumulation Fund** will be added to your life insurance coverage and paid, tax-free, to your beneficiary(ies).

Generally, death benefits are paid to your **primary beneficiary(ies)**. If none of your **primary beneficiaries** is living when you die, payment will be made to your **contingent beneficiary(ies)** in equal shares unless you indicated otherwise. If none of your beneficiaries is living when you die, payment may be made to your **lawful spouse, domestic partner, children**, parents, siblings or to your estate.

However, if you have assigned your benefits, refer to the section “Benefits Can Be Assigned.”

You are the beneficiary for any dependent life insurance, dependent **AD&D** insurance and the **AD&D** benefits from your basic and supplementary **AD&D** insurance (other than death benefits).

### ***How to Change Your Beneficiary***

You may change your beneficiary at any time, unless you assign your benefits (see “Benefits Can Be Assigned”).

To change your beneficiary, use the online beneficiary designation form at [www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com) or contact the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) for the appropriate form(s). There are separate beneficiary elections for basic life insurance and supplementary life insurance. If you complete a paper form, return it to the Insurer at the address on the form. Your changes take effect on the date your form is received by the Insurer or submitted online. If you have completed a paper form and made beneficiary designations online, the beneficiaries elected most recently will be the beneficiaries of record.

## **WHEN COVERAGE BEGINS**

This section outlines the factors that determine when coverage begins if you enroll when you are first eligible. For information about when coverage begins for enrollments other than when you first become eligible, see “Coverage Changes” and “Annual Enrollment.”

### ***When Employee Coverage Begins***

#### **Your Company-Paid Basic Life and Basic AD&D Insurance**

You are automatically enrolled for your **Company-paid basic coverage** (basic life and basic **AD&D** insurance) of one times your **total annual pay**, limited to \$1 million each, as of your first day of work as an **eligible employee** (see “Who Is Eligible”), provided you are **actively at work** on that day (see “You Must Be Actively at Work”).

You may elect to waive the **Company-paid basic coverage** (basic life and basic **AD&D** insurance) and receive additional cash, which is taxable. Executives may not waive basic life insurance.

#### **Your Employee-Paid Insurance Coverages**

Any employee-paid insurance coverages you elect becomes effective as follows, provided you are **actively at work** on the date the coverage is scheduled to begin (see “You Must Be Actively at Work”).

#### **If You Elect Supplementary Life Insurance**

- If you elect supplementary life insurance within 31 days after you receive your new employee benefits enrollment letter, coverage of up to two times your **total annual pay** becomes effective on the date you elect coverage. If you elect more than two times your **total annual pay**, you will be required to submit proof of insurability to the Insurer (see “Important Contacts”) for the coverage in excess of two times your **total annual pay**, and this additional coverage will become effective on the date the Insurer approves your Statement of Health (see “Proof of Insurability”).
- If you enroll more than 31 days after you receive your new employee benefits enrollment letter, you will be required to submit proof of insurability to the Insurer (see “Important Contacts”). In this case, coverage becomes effective on the date the Insurer approves your Statement of Health (see “Proof of Insurability”).

## **If You Elect Supplementary AD&D Insurance**

- If you elect supplementary **AD&D** insurance within 31 days after you receive your new employee benefits enrollment package, coverage becomes effective on the date you elect coverage.
- If you do not enroll within 31 days after you receive your new employee benefits enrollment package, *no changes* will be permitted until the next **annual enrollment** unless you have **qualified status change**. For more information, see “Coverage Changes if You Have a Qualified Status Change” and “Annual Enrollment.”
- No proof of insurability is required for supplementary **AD&D** insurance.

## ***When Dependent Coverage Begins***

Any dependent insurance coverages you elect for your **lawful spouse** (or **domestic partner**) and/or **eligible dependent** begins as follows, provided you are **actively at work** on the date the coverage is scheduled to begin (see “You Must Be Actively at Work”).

## **If You Elect Dependent Life Insurance**

- Coverage for your **child(ren)** becomes effective on the date you elect coverage. It is not necessary to enroll additional **child(ren)** once you have elected dependent life insurance for your **child(ren)**. Proof of insurability *is not* required for your **child(ren)**, regardless of when you enroll them.
- If you elect a spouse coverage option *under \$50,000* within 31 days after you receive your new employee benefits enrollment package or within 31 days of your marriage, your spouse’s coverage becomes effective on the date you elect coverage. Proof of insurability for your **lawful spouse** or **domestic partner** would not be required.
- If you elect the \$50,000 spouse coverage option, or if you enroll your **lawful spouse** or **domestic partner** more than 31 days after he or she is first eligible, your spouse’s coverage will become effective on the date the Insurer (see “Important Contacts”) approves your spouse’s proof of insurability (see “Proof of Insurability”).

## **If You Elect Dependent AD&D Insurance**

- If you elect dependent **AD&D** insurance for your **eligible dependents** within 31 days after you receive your new employee benefits enrollment letter, coverage becomes effective on the date you elect coverage.

- If you do not elect coverage for your **eligible dependents** within 31 days, *no changes* will be permitted until the next **annual enrollment**, unless you have a **qualified status change**. For more information, see “Coverage Changes if You Have a Qualified Status Change” and “Annual Enrollment.”
- Proof of insurability for dependent **AD&D** insurance is not required for your **eligible dependents** regardless of when you enroll them.

### **You Must Be Actively at Work**

You must be **actively at work** on the date coverage for you or your **eligible dependents** is scheduled to begin or increase. If you are not **actively at work** on that date, coverage will begin or increase when you return to work.

## AMOUNT OF COVERAGE AVAILABLE

### **Your Basic and Supplementary Life and AD&D Insurance**

If you are eligible, the Company automatically provides you with basic life and basic **AD&D** insurance of one times your **total annual pay (TAP)**, limited to \$1 million, at no cost to you. You have the option of waiving basic life and/or basic **AD&D** insurance and receiving additional cash, which is taxable. (Executives may not waive basic life insurance.) You also have the option of purchasing supplementary coverage.

The following coverages are available to you:

Type of Insurance	Who Can Be Covered	Amount of Coverage*	When Benefits Are Paid	Who Receives Benefits	Who Pays the Cost
Basic Life**	You	1 x <b>TAP</b> (limited to \$1 million) or waive	Your death	Your beneficiaries	The Company
Supplementary Life	You	7 options, from 1 x <b>TAP</b> to 7 x <b>TAP</b> (limited to \$2.5 million)	Your death	Your beneficiaries	You
Basic <b>AD&amp;D</b> **	You	1 x <b>TAP</b> (limited to \$1 million) or waive	Certain accidental losses	You	The Company
			Your accidental death	Your beneficiaries	The Company
Supplementary <b>AD&amp;D</b>	You	7 options, from 1 x <b>TAP</b> to 7 x <b>TAP</b> (limited to \$2.5 million)	Certain accidental losses	You	You
			Your accidental death	Your beneficiaries	You
*The benefit amount as of December 31, 2005 will be grandfathered if it is in excess of the applicable limit.					
**If you are still working when you reach age 66, the amount of your <b>Company-paid basic coverage</b> begins to reduce. For more information, see "If You Work Beyond Age 65."					

The employee-paid options are completely independent of each other. This means you do not have to choose the same option for supplementary life insurance as you do for supplementary **AD&D** insurance.

**Cash Accumulation Fund**

If you are a participant in the Supplementary Life Insurance Plan, you have the option of contributing to a **Cash Accumulation Fund**. This is a personal fund in which you make fixed dollar contributions directly to the Insurer (see “Important Contacts”). The maximum amount you may contribute depends on your age and coverage amount.

The **Cash Accumulation Fund** earns a competitive interest rate that is guaranteed never to be lower than 4%. Your **Cash Accumulation Fund** is not taxed unless you withdraw more than you have contributed. You may withdraw or borrow against the money in your fund at any time. The balance in your **Cash Accumulation Fund** may be used to pay for your cost of insurance in retirement or to purchase paid-up insurance. Any balance remaining in your fund at the time of your death will be added to your life insurance amount and paid income tax-free to your beneficiaries.

Contact the Insurer (see “Important Contacts”) for more information on contributing to a **Cash Accumulation Fund**.

**Dependent Life and Dependent AD&D Insurance**

You may elect dependent life and/or dependent **AD&D** insurance for your **eligible dependents**. You pay the full cost for these coverages. The following coverage options are available.

<b>DEPENDENT LIFE AND DEPENDENT AD&amp;D INSURANCE OPTIONS</b>		
<i>If You Elect to Cover</i>	<i>Dependent Life Insurance</i>	<i>Dependent AD&amp;D Insurance</i>
<i>Your lawful spouse or domestic partner*</i>	<ul style="list-style-type: none"> <li>• No coverage</li> <li>• \$10,000</li> <li>• \$15,000</li> <li>• \$20,000</li> <li>• \$50,000</li> </ul>	<ul style="list-style-type: none"> <li>• No coverage</li> <li>• \$25,000</li> <li>• \$50,000</li> <li>• \$75,000</li> <li>• \$100,000</li> </ul>
<i>Your children</i>	<ul style="list-style-type: none"> <li>• No coverage</li> <li>• \$5,000</li> <li>• \$10,000</li> </ul>	<ul style="list-style-type: none"> <li>• No coverage</li> <li>• \$5,000</li> <li>• \$10,000</li> </ul>
<p>*In some cases, your <b>lawful spouse</b> or <b>domestic partner</b> may be required to submit a satisfactory Statement of Health (see “Proof of Insurability”). Proof of insurability does not apply for dependent <b>AD&amp;D</b> insurance or for any coverage on your <b>children</b>.</p>		

These options are completely independent of each other. This means you do not have to choose the same option for dependent life as you do for dependent **AD&D** insurance. Benefits are payable to you if one of your covered dependents dies or sustains a covered loss.

### ***About Pay and Insurance***

The amount of your basic life, supplementary life, basic **AD&D** and supplementary **AD&D** insurance coverage is based on the **total annual pay** used to determine your premium cost.

### ***How a Pay Change Affects Your Coverage***

Since your **total annual pay** is calculated when you are hired or prior to annual enrollment, the amount of your coverage for basic life, basic **AD&D**, supplementary life and supplementary **AD&D** insurance will not change until the next Plan Year even if your **annual rate of** pay changes during the year.

A pay change will not affect any dependent coverage you may have since those amounts are not related to your **total annual pay**.

## COVERAGE CHANGES

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

You may make changes to your coverage or your **eligible dependent's** coverage during the year, subject to certain restrictions. This section outlines the changes, when they become effective and any restrictions that may apply.

<b>Coverage</b>	<b>Action</b>	<b>Change</b>
Basic Life or Basic <b>AD&amp;D</b>	<ul style="list-style-type: none"> <li>• Elect/cancel coverage</li> </ul>	Only during <b>annual enrollment.</b>
Supplementary or Dependent Life	<ul style="list-style-type: none"> <li>• Increase/decrease coverage, or</li> <li>• Elect/cancel coverage</li> </ul>	At any time, subject to proof of insurability for coverage increases.
Supplementary or Dependent <b>AD&amp;D</b>	<ul style="list-style-type: none"> <li>• Increase/decrease coverage, or</li> <li>• Elect/cancel coverage</li> </ul>	Only within 31 days of a <b>qualified status change</b> or during <b>annual enrollment.</b>

### ***Employee Coverage Changes***

#### **Increasing Your Supplementary Life Insurance**

You may increase the amount of your supplementary life insurance at any time during the year if you submit a satisfactory Statement of Health (see "Proof of Insurability") to the Insurer (see "Important Contacts").

To increase your coverage, call the **Avaya Health and Benefits Decision Center** (see "Important Contacts") and make your new election. They will send you a Statement of Health (see "Proof of Insurability"), which should be completed and returned to the address on the form. Your new coverage takes effect on the date the Insurer (see "Important Contacts") approves your proof of insurability, provided you are **actively at work** on that day (see "You Must Be Actively at Work").

#### **Decreasing Your Supplementary Life Insurance**

You may decrease the amount of your supplementary life insurance at any time during the year.

To make a change, call the **Avaya Health and Benefits Decision Center** (see "Important Contacts"). The new coverage takes effect on the first day of the month after you request the change.

## **Changing Your Supplementary AD&D Insurance**

Changes are permitted during the year *only* within 31 days of a **qualified status change** (see “Coverage Changes if You Have a Qualified Status Change”) or during **annual enrollment**. Call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) to change your coverage.

## ***Dependent Coverage Changes***

### **Increasing Dependent Life Insurance**

You may increase coverage for your **children** at any time by calling the **Avaya Health and Benefits Decision Center** (see “Important Contacts”). The increase takes effect on the date of your election, provided you are **actively at work** on that day.

You may increase coverage for your **lawful spouse** or **domestic partner** by calling the **Avaya Health and Benefits Decision Center**. They will send you a Statement of Health (see “Proof of Insurability”) or you can obtain the form online at [www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com). The Statement of Health must be completed and returned to the address on the form. Your spouse’s new coverage takes effect on the date the Insurer (see “Important Contacts”) approves his or her proof of insurability, provided you are **actively at work** on that day. For more information, see “You Must Be Actively at Work.”

### **Decreasing or Canceling Dependent Life Insurance**

You may decrease or cancel your dependent life insurance at any time during the year.

To make a change, call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”). The new coverage takes effect on the first day of the month after your requested decrease or cancellation.

### **Changing Dependent AD&D Insurance**

Changes are permitted during the year *only* within 31 days of a **qualified status change** (see “Coverage Changes if You Have a Qualified Status Change”) or during **annual enrollment**. Call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) to change your coverage.

## ***Coverage Changes if You Have a Qualified Status Change***

During the year, you may increase or decrease the amount of your supplementary **AD&D** insurance or your dependent **AD&D** insurance *only* if you have a **qualified status change** or during **annual enrollment**. The coverage change must be consistent

with the status change. You must call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) to request any changes within 31 days of the event. The new coverage amount takes effect on the date you make your election or the first of the month following the date of your election, depending on the event, provided you are **actively at work**.

## **PAYMENT OF BENEFITS**

### ***Under Your Basic and Supplementary Life and AD&D Insurance***

Generally, if proceeds are received under a life insurance contract because of the death of the insured person, the benefits are not taxable income and do not have to be reported. Any interest received would be taxable and would need to be reported just like any other interest received.

### **Payment of Your Life Insurance Benefit**

Your basic and supplementary life insurance benefit is paid to your beneficiary(ies) if you die while your coverage is in effect. If you are diagnosed as being terminally ill, you may be eligible to receive a portion of your basic and supplementary life insurance benefit while you are still living (see “Accelerated Benefit Option”).

If you are a participant in the **Cash Accumulation Fund** under the Supplementary Life Insurance Plan, any balance in this account will be added to your life insurance amount and paid, income tax-free, to your beneficiary(ies).

If you assigned your basic and supplementary life insurance coverage, see “Benefits Can Be Assigned.”

For information about how to file a claim, see “Claims.”

### **Accelerated Benefit Option**

The accelerated benefit option allows you to receive a portion of your basic and supplementary life insurance benefit if you are diagnosed as being terminally ill with a life expectancy of six or fewer months. The minimum amount you may request is \$10,000. The maximum amount is the lesser of \$250,000 or 50% of your basic and supplementary life insurance benefit. You may use this money in any way you wish.

Here are some guidelines that may affect your eligibility or decision to apply for this benefit:

- You are not eligible for the accelerated benefit option if you previously assigned your life insurance coverage (see “Benefits Can Be Assigned”), or if your life insurance benefit is to be paid to a former spouse as part of a divorce agreement.
- If your basic life insurance coverage is scheduled to be reduced within six months of the date the accelerated benefit option is approved, the payment will be limited to 50% of the reduced amount of the basic life insurance coverage.

- If your basic or supplementary life insurance coverage is scheduled to fully terminate within six months of the date the accelerated benefit option has been approved, the accelerated benefit option will not apply to the coverage that is terminating.
- Any basic life insurance benefit eligible for conversion will be reduced by any accelerated benefit option amount paid under this provision.
- You may want to ask your professional tax advisor about the taxability of accelerated benefit option benefits before applying for this benefit.
- Accelerated benefit option benefits may affect your eligibility for benefits under state and federal law.
- The life insurance benefit payable to your beneficiary(ies) upon your death will be reduced by any amount paid to you under the accelerated benefit option.

Call the Insurer (see “Important Contacts”) to request an accelerated benefit option form.

### Payment of Your Basic and Supplementary AD&D Insurance Benefits

Your **AD&D** insurance pays benefits if you die or suffer a covered loss (see “Covered Losses Under Basic, Supplementary and Dependent AD&D Insurance” and “What’s Not Covered”) within 90 days of a qualifying accident on or off the job.

The following chart shows you how benefits are paid for covered losses.

<b>HOW YOUR AD&amp;D INSURANCE BENEFITS ARE PAID</b>		
<b>Loss of*</b>	<b>Benefit Paid*</b>	<b>Payment Is Made to</b>
Your life	100% of your coverage amount	Your beneficiary(ies)
A hand, a foot or sight in one eye	50% of your coverage amount	You
Your speech or hearing	50% of your coverage amount	You
Two or more of the above accidental losses	100% of your coverage amount	You
The thumb and index finger on the same hand	25% of your coverage amount	You
*The maximum payment for all losses resulting from one accident is 100% of your coverage amount.		

Refer to “Terms You Should Know” for definitions of the above losses.

If you assigned your **AD&D** insurance, see “Benefits Can Be Assigned.”

For information about how to file a claim, see “Claims.”

**Under Dependent Life and Dependent AD&D Insurance**

Generally, if proceeds are received under a life insurance contract because of the death of the insured person, the benefits are not taxable income and do not have to be reported. Any interest received would be taxable and would need to be reported just like any other interest received.

**Payment of Dependent Life Insurance Benefits**

Dependent life insurance benefits are paid to you if one of your covered **eligible dependents** dies while dependent life insurance is in effect.

For information about how to file a claim, see “Claims.”

**Payment of Dependent AD&D Insurance Benefits**

Dependent **AD&D** insurance will pay a benefit to you if one of your covered **eligible dependents** dies or suffers a covered loss (see “Covered Losses Under Basic, Supplementary and Dependent AD&D Insurance” and “What’s Not Covered”) within 90 days of a qualifying accident.

The following chart shows you how benefits are paid for covered losses.

<b>HOW DEPENDENT AD&amp;D INSURANCE BENEFITS ARE PAID</b>	
<b>Loss of*</b>	<b>You Will Receive*</b>
His or her life	100% of his or her coverage amount
A hand, a foot or sight in one eye	50% of his or her coverage amount
His or her speech or hearing	50% of his or her coverage amount
Two or more of the above accidental losses	100% of his or her coverage amount
The thumb and index finger on the same hand	25% of his or her coverage amount
*The maximum payment for all losses resulting from one accident is 100% of your dependent’s coverage amount.	

Refer to “Terms You Should Know” for definitions of the above losses.

For information about how to file a claim, see “Claims.”

### ***Covered Losses Under Basic, Supplementary and Dependent AD&D Insurance***

For benefits to be paid, the death or covered loss:

- Must be caused solely as the result of a qualifying accident that occurs while the individual’s coverage is in effect, and
- Must occur within 90 days of the accident.

Not all accidental deaths or losses are covered. For information about accidental deaths or losses for which no benefits will be paid, see “What’s Not Covered.”

### ***What’s Not Covered***

Basic, supplementary and dependent **AD&D** insurance do not pay benefits for accidental death or losses caused by:

- Committing or trying to commit a felony or other serious crime or an assault
- Physical or mental illness
- Treatment of an illness or surgical procedure
- An infection (unless it is caused by an external visible wound as a result of an accident)
- Disease, ptomaine or bacterial infections
- Suicide or attempted suicide
- Driving a vehicle while intoxicated as defined by the laws of the jurisdiction in which the vehicle was being operated
- Injuring oneself on purpose
- War or warlike actions in times of peace

The Insurer (see “Important Contacts”) determines whether benefits will be paid.

***How Benefits Are Paid***

The Insurer (see “Important Contacts”) will process the claim and will make payment when the claim is approved. The amount of the benefit determines how payment is made. A check is issued for payments under \$5,000. If the payment is \$5,000 or more, the proceeds are paid into a money market account established in your or your beneficiary’s name.

## YOUR COSTS

Avaya Inc. pays the full cost to provide you with basic life and basic **AD&D** insurance of one times your **total annual pay**, limited to \$1 million each. If the value of your **Company-paid basic coverage** for life insurance is more than \$50,000, see “Imputed Income” for important tax information.

You may elect to waive basic life and/or basic **AD&D** insurance coverage and receive cash back, which is taxable. (Executives are not eligible to waive basic life insurance.) Your cash back amount will be \$0.119 per \$1,000 of **total annual pay** for basic life insurance and \$0.018 per \$1,000 of **total annual pay** for basic **AD&D** insurance.

If you elect supplementary life, supplementary **AD&D**, dependent life or dependent **AD&D** insurance coverage, you pay the full cost for that coverage through payroll deductions. The type of insurance you elect determines whether you pay the required premiums on a **pre-tax** or **after-tax** basis.

- Premiums for supplementary life and dependent life insurance are deducted from your pay on an **after-tax** basis.
- Premiums for supplementary **AD&D** and dependent **AD&D** insurance are deducted from your pay on a **pre-tax** basis.

Insurance	Deduction	
	Pre-Tax	After-Tax
Supplementary Life		✓
Supplementary <b>AD&amp;D</b>	✓	
Dependent Life		✓
Dependent <b>AD&amp;D</b>	✓	

### **Your Premium Costs**

Your cost for supplementary life, supplementary **AD&D**, dependent life or dependent **AD&D** insurance appears on your pay statement.

The cost to you for your supplementary life insurance is determined by your age as of December 31<sup>st</sup> of the current plan year, whether or not you are a tobacco user (see “How Premium Costs Are Determined”) and your **total annual pay**.

The cost to you for dependent life insurance for your **lawful spouse** or **domestic partner** is determined by their age as of December 31<sup>st</sup> of the current plan year. Your cost for dependent life insurance for your **child(ren)** is based solely on the amount of insurance you elect.

## Supplementary Life Insurance

Insurance Age	Monthly Cost per \$1,000 of Supplementary Coverage if You Are a...	
	<i>Non-Tobacco User</i>	<i>Tobacco User</i>
Under 30	\$ 0.044	\$ 0.06
30 – 34	0.053	0.07
35 – 39	0.053	0.08
40 - 44	0.071	0.13
45 - 49	0.124	0.23
50 - 54	0.203	0.35
55 - 59	0.318	0.47
60 - 64	0.521	0.74
65 - 69	0.910	1.29
70 - 74	1.460	2.06
75 - 79	2.360	3.34
80 – 84	3.830	5.41
85 – 89	6.200	8.76
90 and over	10.040	14.20

## Supplementary AD&D Insurance

The monthly cost for supplementary **AD&D** insurance is \$0.018 per \$1,000 of coverage.

## Dependent Life Insurance

### Lawful Spouse or Domestic Partner

Insurance Age	Monthly Cost per \$1,000 of Coverage
Under 25	\$0.05
25 – 29	0.06
30 – 34	0.08
35 – 39	0.09
40 – 44	0.10
45 – 49	0.15
50 – 54	0.17
55 – 59	0.32
60 – 64	0.50
65 – 69	0.95
70 – 74	1.55
75 and over	2.06

**Children:**

Coverage Amount	Monthly Cost
<b>Children:</b>	
\$ 5,000	\$0.35
\$ 10,000	0.70

**Dependent AD&D Insurance**

Coverage Amount	Monthly Cost
<b>Lawful Spouse or Domestic Partner:</b>	
\$ 25,000	\$0.28
\$ 50,000	0.56
\$ 75,000	0.84
\$100,000	1.12
<b>Children:</b>	
\$ 5,000	\$0.05
\$ 10,000	0.10

**How Premium Costs Are Determined**

The cost for supplementary life insurance coverage is determined as follows:

- If you are newly eligible, your cost for supplementary life insurance coverage is based on the option you elect, your **total annual pay** on your first day of employment with the Company, your age as of December 31st of the current Plan Year, and whether or not you have been a tobacco user during the prior 12-month period.
- If you enroll during **annual enrollment**, your cost is based on the option you elect, your **total annual pay**, your age as of December 31st of the year for which you are enrolling, and whether or not you have been a tobacco user during the prior 12-month period.
- If you make a change during the year, your cost is based on the option you elect, your **total annual pay**, your age as of December 31st of the current Plan Year and whether or not you have been a tobacco user during the prior 12-month period.

The cost for supplementary **AD&D** insurance is determined as follows:

- If you are newly eligible, your cost for supplementary **AD&D** insurance coverage is based on the option you elect and your **total annual pay**.
- If you enroll during **annual enrollment**, your cost is based on the option you elect and your **total annual pay**.

- If you make a change during the year, your cost is based on the option you elect and your **total annual pay**.

Your cost for dependent life insurance for your **lawful spouse** or **domestic partner** is based on their age as of December 31<sup>st</sup> of the year for which you are enrolling. Your cost for dependent life insurance for your **child(ren)** is based solely on the amount of insurance you elect.

Your cost for dependent **AD&D** insurance is based solely on the amount of insurance you elect for your **eligible dependents**. It is not related to age or your **total annual pay**.

### ***How a Pay Change Affects Cost***

If you elect supplementary life and **AD&D** insurance (see “Amount of Coverage Available”), the cost for that coverage is based on the option you elect, your **total annual pay** and your age (for supplementary life insurance). Your cost will remain the same for the rest of that year even if your **annual rate of pay** changes during the year.

### ***How a Change in Tobacco Status Affects Cost***

If you elect supplementary life insurance (see “Amount of Coverage Available”) and your tobacco status changes, call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”). **Tobacco use** constitutes any use of tobacco at any time during the prior 12-month period. A cost adjustment will become effective as early as the first of the month following the change of tobacco status.

## **WHEN COVERAGE ENDS**

### ***When Employee Coverage Ends***

#### **Basic Life Insurance**

Your basic life insurance coverage ends on the last day of the month in which any of the following events occur:

- You terminate your employment with a **Participating Company** for any reason other than retirement on a service or disability pension (see “If You Retire”).
- The continuation period following short-term disability benefits expires (see “If You Become Disabled”).
- The continuation period following layoff expires (see “If You Are Laid Off”).
- The Company you work for ceases to be a **Participating Company**.
- The Plan or benefit is terminated.

When your coverage ends, you may be able to convert the coverage to an individual policy. For more information see “Converting Coverage to an Individual Policy.”

#### **Supplementary Life Insurance**

Your supplementary life insurance coverage can be continued after you leave the Company for any reason (see “Employment-Related Events Affecting Coverage” and “If You Retire”). You may:

- Continue coverage up to the Plan maximums by continuing to pay the contributions to the Insurer (see “Important Contacts”),
- Purchase a paid-up life insurance policy which would provide death benefit coverage for the remainder of your lifetime with no further premium payments, or
- Receive the cash value, if you have a balance in your **Cash Accumulation Fund**.

Coverage will end if you elect to cancel the insurance or turn age 95. Contact the Insurer (see “Important Contacts”) for the cancellation form. Coverage will continue through the end of the month in which you make your election to discontinue coverage. Any balance in your **Cash Accumulation Fund**, after satisfaction of any unpaid premiums or loan balances, will be returned to you.

Supplementary life insurance is generally not converted to an individual policy since it may be continued.

### **Basic and Supplementary AD&D Insurance**

Your basic and supplementary **AD&D** insurance ends on the last day of the month in which any of the following events occur:

- You terminate your employment with a **Participating Company** for any reason.
- You fail to make any required contributions.
- Short-term disability benefits end for any reason other than your return to work (see “If You Become Disabled”).
- The continuation period following layoff expires (see “If You Are Laid Off”).
- The Company you work for ceases to be a **Participating Company**.
- The Plan or benefit is terminated.

Basic and supplementary **AD&D** insurance cannot be converted to an individual policy.

### ***When Dependent Coverage Ends***

Dependent life and dependent **AD&D** insurance end on the last day of the month in which any of the following events occur:

- You terminate your employment with a **Participating Company** for any reason.
- You fail to make the required contributions.
- Short-term disability benefits end for any reason other than your return to work (see “If You Become Disabled”).
- The continuation period following layoff expires (see “If You Are Laid Off”).
- The Company you work for ceases to be a **Participating Company**.
- Your covered dependent is no longer eligible.
- The Plan or benefit is terminated.

Refer to “If a Dependent Loses Eligibility” for more information.

Conversion to an individual policy may be available for dependent life insurance (see “Converting Coverage to an Individual Policy”) when coverage ends. Dependent **AD&D** insurance cannot be converted.

### ***Other Reasons Your Coverage Will End***

In addition, when any of the following happens, you will receive written notice that your coverage (and coverage for your **covered dependents**) has ended on the date identified in the notice:

- Fraud or misrepresentation, or because you (or one of your **covered dependents**) knowingly gave the Plan Administrator, Insurer (see “Important Contacts”) or **Avaya Health and Benefits Decision Center** false, material information. Examples include false information relating to a person’s eligibility or status as a **covered dependent**.
- You (or one of your **covered dependents**) in any other way materially violates the terms of the Life Insurance Plans.

### ***Converting Coverage to an Individual Policy***

You may be able to convert all or part of your basic and dependent life insurance to an individual policy when your coverage ends or is reduced (see “When Coverage Ends,” “If You Work Beyond Age 65” and “If You Retire”).

To convert your coverage, you must request the conversion within 90 days after the date coverage ends or is reduced. During the first 31 days of the conversion period, your coverage continues. However, such coverage does not continue during the remaining conversion period. No proof of insurability is required during this period. If you are interested in converting your insurance, call the Insurer (see “Important Contacts”).

The individual policy will be one customarily issued by the Insurer for conversions. It will not include disability or **AD&D** benefits.

Conversion is not available for basic, supplementary or dependent **AD&D** insurance. You also may not convert your supplementary life insurance because it may be continued by paying your premiums directly to the Insurer (see “Important Contacts”).

## **CLAIMS**

### ***Filing a Claim***

To report a death, your beneficiary should call the Pension Service Center (see “Important Contacts”). To report another loss, you should call the Insurer (see “Important Contacts”).

The Insurer (see “Important Contacts”) will send all the necessary claim forms to complete. The Insurer can answer questions about benefits and can help complete the forms.

To file a claim:

- Call to report the death or loss.
- Follow the instructions on the claim form carefully and answer all questions completely.
- Attach the death certificate, if a claim is filed for death benefits.
- Submit the required paperwork to the address printed on the form.

In addition, the following applies for **AD&D** claims:

- While a claim for accidental dismemberment benefits is pending, the Insurer (see “Important Contacts”) has the right to appoint a physician to examine you or your covered dependent as often as it may reasonably require.
- For accidental death claims, the Insurer also has the right to have an autopsy made or receive a copy of an autopsy report, where it is not forbidden by law.

The Insurer (see “Important Contacts”) evaluates all claims to determine if any benefits will be paid. If the claim is approved, payment will be made (see “How Benefits Are Paid”). If any benefits are denied, a written explanation will be sent to the claimant. If there is a question about a claim payment, you or your beneficiary(ies) may request an explanation from the Insurer.

If a claim is denied, you or your beneficiary(ies) may appeal the decision. For more information, see “Claim Procedures.”

### ***Filing Deadlines***

Generally, claims should be submitted for death benefits as soon as possible after the death occurs.

If you are filing a claim form for accidental dismemberment, you must provide the Insurer (see "Important Contacts") with:

- Written notice of the loss within 20 days after the accident causing the loss, and
- Proof of the loss within 90 days after the date of the loss.

If it is not reasonably possible to provide proof within these time frames, an extension may be granted if you (or your beneficiary) can prove you furnished the proof as soon as reasonably possible.

## **EMPLOYMENT-RELATED EVENTS AFFECTING COVERAGE**

### ***If You Change Your Job Classification***

If your job classification is changed to represented, your life insurance coverage levels will remain the same, except instead of participating in the Supplementary Life Insurance Plan for salaried employees, you will participate in the Supplementary Life Insurance Plan for represented employees. You will receive a benefits enrollment letter from the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) with information about your represented benefits. A Statement of Health may be required if you elect to increase your level of life insurance coverage.

### ***If You Terminate Your Employment***

Your basic life, basic **AD&D**, supplementary **AD&D**, dependent life and dependent **AD&D** insurance end on the last day of the month in which your employment ends. Different rules may apply if you retire with a service or disability pension (see “If You Retire”) or if you are laid off (see “If You Are Laid Off”). Your supplementary life insurance may be continued up to age 95 by paying the premium set by the Insurer (see “Important Contacts”) directly to the Insurer.

Conversion to an individual policy may be available for your basic life and dependent life insurance. For more information, see “Converting Coverage to an Individual Policy.” Basic, supplementary and dependent **AD&D** insurance cannot be converted.

### ***If You Are Laid Off***

If you are laid off, your basic life, basic **AD&D**, supplementary **AD&D**, dependent life and/or dependent **AD&D** insurance can continue for a limited period of time if you make the required contributions. Coverage may continue as follows:

- Your basic life and basic **AD&D** insurance may continue for *up to six months* at no cost to you.
- Your supplementary **AD&D** insurance may continue for *up to six months*.
- Dependent life and dependent **AD&D** insurance may continue for *up to 90 days*.

To continue coverage, contact the Insurer (see “Important Contacts”) for the appropriate form. When coverage ends, you may be able to convert your basic and dependent life insurance to an individual policy (see “Converting Coverage to an Individual Policy”). You cannot convert your basic, supplementary and/or dependent **AD&D** insurance.

Your supplementary life insurance may be continued up to age 95 by paying the premiums set by the Insurer directly to the Insurer.

### ***If You Become Disabled***

Your participation in the Life Insurance Plans may be affected if you become disabled. The duration of your disability determines what happens to your coverage.

If you become totally disabled, and you are receiving short-term disability benefits under The Avaya Inc. Short-Term Disability Plan for Salaried Employees, your basic life, supplementary life, basic **AD&D**, supplementary **AD&D**, dependent life and dependent **AD&D** insurance will continue for as long as you make any required contributions.

Basic **AD&D**, supplementary **AD&D**, dependent life and dependent **AD&D** insurance will end when your short-term disability benefits stop and you do not return to work. However, your basic life insurance will continue for a limited period of time if you receive benefits under The Avaya Inc. Long-Term Disability Plan for Salaried Employees. For more information, see “Long-Term Disability.”

You may be able to convert your dependent life insurance to an individual policy (see “Converting Coverage to an Individual Policy”) when coverage ends. Basic, supplementary and dependent **AD&D** insurance cannot be converted.

Your supplementary life insurance may be continued up to age 95 by paying the premium set by the Insurer (see “Important Contacts”) directly to the Insurer.

If you are eligible to retire on a disability or service pension, see “If You Retire.”

### **Long-Term Disability**

While you are receiving benefits from The Avaya Inc. Long-Term Disability Plan for Salaried Employees, your basic life insurance will continue at no cost to you for a limited period of time based on your **net credited service**.

Here is how it works:

<b>CONTINUATION OF BASIC LIFE INSURANCE DURING LONG-TERM DISABILITY</b>	
<b><i>If Your Net Credited Service Is</i></b>	<b><i>Your Basic Life Insurance Continues for</i></b>
Fewer than five years	One year
Five years through nine years	Two years
10 years through 14 years	Three years

When your basic life insurance ends, you may be able to convert your coverage to an individual policy (see “Converting Coverage to an Individual Policy”).

Your supplementary life insurance may be continued up to age 95 by paying the premium set by the Insurer (see “Important Contacts”) directly to the Insurer.

If you are eligible to retire on a disability or service pension, see “If You Retire.”

### ***If You Are on an Approved Leave of Absence***

If you are on an approved leave of absence (including a leave under the Family and Medical Leave Act of 1993) that provides for continuation of your basic life, supplementary life, basic **AD&D**, supplementary **AD&D**, dependent life and dependent **AD&D** insurance, you may continue coverage during your leave based on the provisions governing your leave if you make any required contributions.

During your leave of absence, the Company will continue to pay for both your basic life and basic **AD&D** insurance. You will not be eligible for cash back payments as a result of opting out of basic life and/or basic **AD&D** insurance during your leave. You may continue supplementary life, supplementary **AD&D**, dependent life and dependent **AD&D** only if you are presently enrolled for these coverages.

If you are currently enrolled in supplementary life insurance, you will receive a letter from the Insurer (see “Important Contacts”) notifying you of your continuation options for this coverage. For your remaining insurance coverages, if you want to continue coverage, please contact the Insurer for the appropriate form and to initiate direct billing for dependent life, supplementary **AD&D** and dependent **AD&D** insurance. You will then be billed directly on a monthly basis for the duration of your leave.

If you are remitting supplementary life insurance premiums directly to the Insurer (see “Important Contacts”) while on a Family Care leave of absence, and you do not remit premiums within 60 days, any funds in your **Cash Accumulation Fund** will be used to pay for the cost of insurance. When the funds in your **Cash Accumulation Fund** are not sufficient to cover the cost of insurance, the certificate lapses. Upon return to work, you must re-enroll for the coverage in accordance with the Insurer’s guidelines. If you do not continue coverage during your leave of absence, you will need to complete a Statement of Health if you wish to re-enroll upon returning to work.

If you do not continue your coverage during your leave of absence, the coverage level in effect immediately before your leave will not be reinstated automatically upon your return to active employment. You must re-enroll for coverage and submit a Statement of Health where applicable. If you continue your coverage during your leave of absence, the coverage level in effect will be reinstated upon your return to active employment.

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

## **PERSONAL EVENTS AFFECTING COVERAGE**

### ***If You Gain a New Dependent***

If you gain a new dependent (for example, through marriage, birth or adoption), you may enroll your new dependents for coverage. For more information, see “Coverage Changes.”

### ***If a Dependent Loses Eligibility***

#### **If Your Spouse Is No Longer Eligible**

Your enrolled **lawful spouse** is covered as long as he or she continues to meet the eligibility requirements. If the eligibility requirements are not met, your **lawful spouse** is not covered. You must notify the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) to discontinue premiums. No benefits are payable after the end of the month in which your **lawful spouse** is no longer eligible, so it is important to call the **Avaya Health and Benefits Decision Center** in advance or as soon as possible following a loss of eligibility to avoid unnecessary premium payments.

Conversion to an individual policy is available for dependent life insurance (see “Converting Coverage to an Individual Policy”) when coverage ends. Dependent **AD&D** insurance cannot be converted.

#### **If Your Dependent Child Is No Longer Eligible**

Your dependent **children** are covered as long as they continue to meet the eligibility requirements.

If one child loses eligibility, but other covered **children** are still eligible, no notification is necessary for the discontinuance of coverage on that child. If you have no other eligible covered **children**, call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”) to discontinue coverage. No benefits are payable after the end of the month in which your dependent child is no longer eligible, so it is important to call the **Avaya Health and Benefits Decision Center** in advance or as soon as possible following a loss of eligibility to avoid unnecessary premium payments.

Conversion to an individual policy is available for dependent life insurance when coverage ends (see “Converting Coverage to an Individual Policy”). Dependent **AD&D** insurance cannot be converted.

### If Your Physically or Mentally Handicapped Child Reaches Age 23

If your physically or mentally handicapped child is incapable of self-support after age 23, you may continue coverage if the child is fully dependent on you for support. You must apply for this dependent certification from your health care company (see the number printed on your medical ID card). Continued coverage is not automatic.

### If You Work Beyond Age 65

If you continue to work for the Company after you reach age 65, the amount of your basic life and basic **AD&D** insurance will be reduced as follows:

- Salary changes after age 65 will be recognized in determining the amount of your insurance.
- Coverage on your basic life and basic **AD&D** insurance will be reduced 10% on the first of the month after you reach age 66.
- Coverage will be reduced an additional 10% on each of the next four anniversaries of that date, until you reach age 70.
- No further reductions will occur after age 70, based on the terms of the Life Insurance Plans and insurance contracts.

Reductions only apply to basic life and basic **AD&D** insurance. Supplementary life and supplementary **AD&D** insurance coverages are not subject to these age reductions.

The table below shows how the reduction would work on your basic life and basic **AD&D** insurance if you continue to work and your **total annual pay** at age 65 is \$31,000.

First of the Month After You Reach	Your Total Annual Pay*	Reduction	Basic Life and Basic AD&D Coverage
65	\$31,000	0%	\$31,000
66	\$32,000	10%	\$28,800
67	\$33,000	20%	\$26,400
68	\$34,000	30%	\$23,800
69	\$35,000	40%	\$21,000
70	\$37,000	50%	\$18,500
*Includes rounding to the next higher \$1,000.			

When your basic life insurance coverage is reduced by at least 20%, you may convert the amount that is being reduced, in increments of 20%, to an individual policy. For example, using the table above, you could make conversions at age 67 and again at

age 69. In addition, you may convert the 10% reduction at age 70 to an individual policy. For conversion information, see “Converting Coverage to an Individual Policy.”

Reductions applied to basic life insurance while you are active continue after you retire (see “Reductions to Basic Life Insurance After Retirement”).

### ***If You Are Terminally Ill***

If you are diagnosed as being terminally ill with a life expectancy of six months or less, you may be eligible to receive a portion of your basic life and supplementary life insurance benefit while you are still living. For more information, see “Accelerated Benefit Option.”

### ***If You Die***

If you die, your beneficiary(ies) is(are) entitled to receive any death benefits that may be payable. Generally, since the proceeds are received under a life insurance contract because of the death of the insured person, the benefits are not taxable income and do not have to be reported. Any interest received would be taxable and would need to be reported just like any other interest received. For more information, see “Filing a Claim.” If you are enrolled in the Supplementary Life Insurance Plan, any balance in your **Cash Accumulation Fund** will be added to your life insurance and paid tax-free to your beneficiary(ies). Different rules apply if you assigned your basic life, supplementary life, basic **AD&D** and supplementary **AD&D** insurance (see “Benefits Can Be Assigned”).

In addition, any dependent life and dependent **AD&D** insurance in effect at that time ends on the last day of the month in which you die.

Conversion to an individual policy may be available for dependent life insurance (see “Converting Coverage to an Individual Policy”) when coverage ends. Dependent **AD&D** insurance cannot be converted.

### ***If You Retire***

If you are a Service-Based Program participant and you retire on a service or disability pension, your basic life insurance continues, but is subject to reduction from the time of retirement (see “Reductions to Basic Life Insurance After Retirement”).

If you are not a participant in the Service-Based Program participant, you may convert the entire basic life insurance amount at retirement/termination. Avaya Inc. will not provide postretirement/postemployment life insurance coverage.

You may continue your supplementary life insurance during retirement. Premiums will be billed directly by the Insurer (see “Important Contacts”).

Basic **AD&D**, supplementary **AD&D**, dependent life and dependent **AD&D** insurance end on the last day of the month in which you retire.

Conversion may be available when your basic life insurance reduces or when your dependent life insurance ends. You cannot convert your basic, supplementary and/or dependent **AD&D** insurance.

Additional information about your life insurance coverage after you retire may be found in The Avaya Inc. Life Insurance Plan for retired employees SPD. You may view or print a copy of the SPD online at [www.avaya.com/benefitanswers](http://www.avaya.com/benefitanswers) or request a copy from the **Avaya Health and Benefits Decision Center** (see “Important Contacts”).

### ***Reductions to Basic Life Insurance After Retirement***

Reductions to your basic life insurance amount begin at retirement. Reductions applied to basic life insurance while you are active continue after you retire (see “If You Work Beyond Age 65”). The amount of basic life insurance will be reduced 10% each year, beginning at retirement, until the 50% threshold is reached.

When your basic life insurance is reduced by at least 20%, you may convert the amount of the reduction to an individual policy in the second and fourth years and the final 10% in the fifth year. For more information, see “Converting Coverage to an Individual Policy.”

## **PROOF OF INSURABILITY**

### ***When You Must Provide Proof of Your Insurability***

Proof of your insurability, through a Statement of Health form, is required for supplementary life insurance if:

- You enroll more than 31 days after you receive your new employee benefits enrollment material,
- You increase your supplementary life insurance after you initially enroll, or
- You elect supplementary life insurance above two times your **total annual pay** in the initial enrollment.

For more information, see “How to Provide Proof of Insurability.”

Proof of insurability is never required for supplementary **AD&D** insurance.

### ***When Proof of Insurability Is Required for Dependent Life Insurance***

Proof of your **lawful spouse’s** or **domestic partner’s** insurability is required if:

- You were previously eligible for dependent life insurance and are requesting coverage for the first time or requesting increased coverage on your **lawful spouse** or **domestic partner**,
- You elect or increase dependent life insurance coverage on your **lawful spouse** or **domestic partner** more than 31 days after the later of the date you receive your new employee benefits enrollment material or the date you marry, or
- You elect the \$50,000 spousal coverage option at any time.

For more information, see “How to Provide Proof of Insurability.”

Proof of insurability is never required for your **eligible dependent children** or for dependent **AD&D** insurance on your **lawful spouse, domestic partner or children**.

### ***How to Provide Proof of Insurability***

To provide medical evidence of insurability satisfactory to the Insurer (see “Important Contacts”) for yourself, or your **lawful spouse** or **domestic partner**, call the **Avaya Health and Benefits Decision Center** (see “Important Contacts”). Alternatively, you

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*This information is intended for Avaya Inc. Plan participants.  
More detailed information is provided in the Plan Documents, which are controlling.*

may obtain this form by logging on to the Avaya Healthy Decisions Web site at [www.AvayaHealthyDecisions.com](http://www.AvayaHealthyDecisions.com). Click “Reference Materials & Forms” on the left navigation bar. The Statement of Health form (see “When You Must Provide Proof of Insurability”) should be completed and returned to the address on the form. After the form is received, you, or your **lawful spouse** or **domestic partner** may be asked to provide additional information or to have a physical examination.

The enrollment or increase in coverage takes effect on the date the Insurer approves the evidence as satisfactory, provided you are **actively at work** on that day (see “You Must Be Actively at Work”).

## **IMPUTED INCOME**

The Internal Revenue Service (IRS) requires that the Company report to you the value of any Company-paid basic life insurance coverage over \$50,000 on your W-2. This value is called "imputed income." Imputed income is subject to tax withholding.

### ***When Imputed Income Applies***

Imputed income only applies when your Company-paid basic life insurance coverage is over \$50,000. There is no imputed income on supplementary life, basic **AD&D**, supplementary **AD&D**, dependent life or dependent **AD&D** insurance.

### ***Taxes and Imputed Income***

You may pay federal income tax on the value of a *portion* of your basic life insurance coverage over \$50,000.

You are not taxed on the actual amount of your basic life insurance coverage over \$50,000. Instead, the Company reports as income an amount the IRS considers an appropriate premium for the portion of your Company-paid basic life insurance coverage over \$50,000. The IRS publishes these rates in tables based on your age.

### ***An Example: How Imputed Income Is Taxed***

Suppose you are age 35 and your **total annual pay** is \$55,000. You will pay federal income taxes on the imputed income on \$5,000 (the amount of coverage over \$50,000). Assume the current IRS premium rate for someone age 35 is \$0.09 per month for each \$1,000 of coverage. The imputed income for \$5,000 of coverage would be \$0.45 per month (5 x \$0.09).

## **BENEFITS CAN BE ASSIGNED**

You may assign your basic life, basic **AD&D**, supplementary life and supplementary **AD&D** insurance as an irrevocable gift to someone else if the Insurer (see “Important Contacts”) consents. Basic life, basic **AD&D** and supplementary **AD&D** cannot be separately assigned. This means you cannot assign one coverage without the other, and all coverages must be assigned to the same person (except supplementary life insurance). You may name that person as the owner of your insurance, even though it is your life that is insured. You may assign your supplementary life insurance to a different person.

If you make an assignment, you give up all present and future rights to the insurance. You cannot revoke the assignment at a later date. The person to whom you assign your insurance has the right to name beneficiaries, to change the level of coverage or to exercise any other privileges under the insurance that would otherwise have been available to you.

Because of the various legal and tax implications involved, you may wish to consult with a lawyer and a tax advisor before making an assignment. If you wish to make an assignment, contact the Insurer (see “Important Contacts”).

## IMPORTANT CONTACTS

Contact / Service Provided	Address / Telephone Number
<p><b>Avaya Health and Benefits Decision Center:</b> Contact to enroll or change your coverage, or to request a Statement of Health form.</p>	<p>Avaya Health and Benefits Decision Center 11405 Bluegrass Parkway Louisville, KY 40299</p> <p><i>Telephone Number</i> 1-800-526-8056 (option 1); TDD: 1-800-952-0450</p> <p>Web site: <a href="http://www.AvayaHealthyDecisions.com">www.AvayaHealthyDecisions.com</a></p>

Contact / Service Provided	Address / Telephone Number
<p><b>Insurer, Metropolitan Life Insurance Company:</b>            Contact to request a conversion or report a death or other covered loss. Also, maintains beneficiary information, processes claims, reviews Statement of Health forms, decides appeals of denied claims and interprets Life Insurance Plan provisions.</p>	<p><b>To request a conversion, report a death or other covered loss:</b>            MetLife Insurance Center            P.O. Box 6158            Utica, NY 13504-6158</p> <p><i>Telephone Number (request a conversion, report a death)</i>            1-888-466-8659;            TDD: 1-800-984-8652</p> <p><b>To return the Statement of Health form:</b>            MetLife Insurance Center            P.O. Box 14069            Lexington, KY 40512-4069</p> <p><i>Telephone Number (for Statement of Health questions)</i>            1-800-638-6420</p> <p><b>To file or appeal a claim:</b>            Metropolitan Life Insurance Company            Group Life Claims            P.O. Box 3016            Utica, NY 13504-3016</p> <p><b>Questions about the Supplementary Life Insurance Plan:</b>  <i>Telephone Number</i>            1-800-523-2894</p> <p><b>All legal actions regarding a claim or questions about the Plan:</b>            Metropolitan Life Insurance Company            501 U.S. Highway 22            P.O. Box 6891            Bridgewater, NJ 08807-0891</p>
<p><b>Pension Service Center</b>            Contact to report a death.</p>	<p>The Avaya Pension Service Center            P.O. Box 56225            Jacksonville, FL 32241-6225</p> <p><i>Telephone Number:</i>            1-800-750-7300;            TDD 1-877-369-7596</p>

<b>Contact / Service Provided</b>	<b>Address / Telephone Number</b>
<b>Plan Administrator:</b> Contact to request Plan Documents.	Avaya Inc. Life Insurance Plan Administrator 211 Mount Airy Road Basking Ridge, NJ 07920  E-mail: <a href="mailto:hwplanadmin@avaya.com">hwplanadmin@avaya.com</a>

## **OTHER IMPORTANT INFORMATION**

This section contains administrative information about the Life Insurance Plans and other details required under the terms of a federal law, the Employee Retirement Income Security Act of 1974, as amended (ERISA).

### ***Claim Procedures***

Participants, their beneficiaries or dependents (if applicable) or any individual duly authorized by them have the right under ERISA and the Life Insurance Plans to file a written claim for benefits with the Insurer (see "Important Contacts").

### **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 90 days after the Insurer (see "Important Contacts") receives the claim.

If the Insurer needs more than 90 days to make a decision, a representative will notify you in writing within the initial 90-day period and explain why more time is required. An additional 90 days (for a total of 180 days) may be taken if the Insurer sends this notice. The extension notice will include the date by which the Insurer's decision will be sent.

### **Appeal Procedures**

If a claim for benefits is denied in whole or in part, or if you, your beneficiary or your dependents believe that benefits under the Life Insurance Plans to which you are entitled have not been provided, an appeal process is available to you. You, your dependents or your authorized representative must submit a written request for review within 60 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 Life Insurance Plan's administrative procedures or safeguards; or

- State the Life Insurance Plan's policy or guidelines regarding the benefits, whether or not it was relied upon.

If you want to appeal a decision on eligibility for benefits, send your appeal to the Plan Administrator (see "Important Contacts"). All other appeals should be sent to the Insurer (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.

After a decision by the Insurer or the Plan Administrator, as the case may be, 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.

If special circumstances cause the Insurer to need more than 60 days to make a decision, a representative will notify you in writing within the initial 60-day period and explain why more time is required. An additional 60 days (for a total of 120 days) may be taken if the Insurer sends this notice.

If you submit your request for a written review according to the procedures described in this section and you do not hear from the Insurer within the time limits given here, your appeal is considered denied.

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 Life Insurance 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;

- 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 Life Insurance Plans. You are entitled to certain rights and protection under ERISA. These rights are described in this section.

#### **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 Life Insurance Plans, you will have the opportunity to obtain a summary of the Life Insurance Plans' annual financial reports. You also may examine all Life Insurance Plan documents governing the Life Insurance 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.

#### **Prudent Action by Plan Fiduciaries**

You also have the right to expect the fiduciaries -- the people responsible for the operation of the Life Insurance Plans -- to act prudently and in the best interest of those who participate as a whole. The Plan's fiduciaries must act in the best interest of all Life Insurance 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 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 Life Insurance 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 Life Insurance Plans, contact the Insurer (see “Important Contacts”). If you have any questions about this statement, or about your rights under ERISA, contact the nearest Regional or District Office of the U.S. Department of Labor’s 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 EBSA or visit the EBSA Web site at [www.dol.gov/ebsa](http://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**

Avaya Inc. pays the costs associated with providing you with basic life and basic **AD&D** insurance. You pay the full cost for any supplementary life insurance, supplementary **AD&D** insurance, dependent life insurance and/or dependent **AD&D** insurance you elect. Any costs you pay for coverage go toward the total premium paid by Avaya Inc. to the Insurer (see “Important Contacts”).

### **Plan Documents Govern**

This SPD was designed to describe the key features of the Avaya Inc. Life Insurance Plans for salaried employees in easy-to-understand terms. It is less technical than the Life Insurance Plan Documents. However, it is the Plan Documents and contracts that determine your rights and the rights of your **eligible dependents** and/or beneficiaries

under the Life Insurance Plans. In all instances, the Life Insurance Plan Documents and contracts will govern.

***Plans May Be Amended or Terminated***

The Company expects to continue the Life Insurance Plans, but reserves the right to amend or terminate the Life Insurance Plans at any time by the resolution of the Board of Directors or a properly authorized designee. In addition, the Company does not guarantee the continuation of any life insurance benefits during employment or during retirement nor does it guarantee any specific level of benefits or contributions.

***Plan Administrator***

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

***Plan Sponsor***

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

## ADMINISTRATIVE INFORMATION

<b>Plan Name</b>	The official Plan Names for the Life Insurance Plans are: <ul style="list-style-type: none"> <li>• The Avaya Inc. Life Insurance Plan which is a part of The Avaya Inc. Health &amp; Welfare Benefits Plan for Salaried Employees</li> <li>• The Avaya Inc. Supplementary Life Insurance Plan</li> <li>• The Avaya Inc. Supplementary AD&amp;D Insurance Plan</li> <li>• The Avaya Inc. Dependent Life Insurance Plan</li> <li>• The Avaya Inc. Dependent AD&amp;D Insurance Plan</li> </ul>
<b>Plan Sponsor</b>	The Plan Sponsor is Avaya Inc.
<b>Type of Administration</b>	The Life Insurance Plans are underwritten by Metropolitan Life Insurance Company (the Insurer). The master group life insurance contracts between Avaya Inc. and the Insurer govern the operation of the Life Insurance Plans at all times.
<b>Plan Administrator</b>	The Plan Administrator is:  Avaya Inc. Life Insurance Plans Administrator 211 Mount Airy Road Basking Ridge, NJ 07920  E-mail: <a href="mailto:hwplanadmin@avaya.com">hwplanadmin@avaya.com</a>
<b>Insurer</b>	The Insurer is Metropolitan Life Insurance Company.
<b>Legal Service</b>	Legal actions regarding a claim should be sent to the Insurer. All other legal actions should be sent to the Plan Administrator.
<b>Plan Records and Plan Year</b>	The Life Insurance Plans and all their records are maintained on a calendar year basis, beginning on January 1st and ending on December 31st of each year.
<b>Type of Plan</b>	The Life Insurance Plans are considered “health & welfare” plans under Employee Retirement Income Security Act of 1974, as amended (ERISA).
<b>Plan Numbers</b>	The Plan Numbers for the Life Insurance Plans are: <ul style="list-style-type: none"> <li>• Life Insurance Plan* ..... 550</li> <li>• Supplementary Life Insurance Plan ..... 513</li> <li>• Supplementary AD&amp;D Insurance Plan ..... 514</li> <li>• Dependent Life Insurance Plan ..... 515</li> <li>• Dependent AD&amp;D Insurance Plan ..... 516</li> </ul> <p>*Includes basic <b>AD&amp;D</b> insurance.</p>
<b>Employer Identification Number</b>	The Employer Identification Number is 22-3713430.