

## **PARTICIPATING IN THE PLAN**

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

You are eligible to enroll if you are 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 Long-Term Care Plan.

If you are an Avaya Inc. employee who was assigned from Lucent Technologies Inc., and you had coverage under the prior plan on December 31, 2000, the Long-Term Care Plan will count benefits provided under the corresponding Lucent Plan toward the **total lifetime benefit** limitation under the Long-Term Care Plan.

### ***Your Eligible Family Members***

If you are eligible for the Long-Term Care Plan, some of your family members may also be eligible for coverage. Your **eligible family members** may enroll even if you do not. **Eligible family members** are:

- Your **lawful spouse** or **domestic partner**, and
- Your parents, parents-in-law, stepparents, stepparents-in-law, grandparents, grandparents-in-law, step-grandparents and step-grandparents-in-law.

An Avaya Inc. employee cannot cover another Avaya Inc. employee as a dependent under the Long-Term Care Plan.

### ***When You Enroll***

You and your **eligible family members** may enroll in the Long-Term Care Plan as soon as you are eligible or any time thereafter as long as you remain eligible. However, depending on when you enroll, you may or may not need to provide a Statement of Health as proof of insurability (See "Proof of Insurability").

When you enroll, you select the type of coverage, the **daily benefit**, and the optional **nonforfeiture coverage** (see "How the Plan Works").

### ***Proof of Insurability***

If you are an **eligible employee**, proof of insurability is not required if you enroll for coverage within the first 90 days following your eligibility date, provided you are **actively at work** on your effective date. However, proof of insurability is always required for **eligible family members**.

If you are an employee and you do not enroll when first eligible, within the first 90 days, you must provide the Insurer (see "Important Contacts") with satisfactory proof of insurability before you can begin to receive long-term care coverage. The proof of insurability includes a Statement of Health, and may require other evidence, such as medical records. If a physical exam is required, you will need to obtain it at your own expense.

You must provide proof of insurability to increase your type of coverage, unless you increase your **daily benefit** during the special opportunity given at least once every five years (see "Special Plan Features").

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

If you are newly eligible and enroll within 90 days of your eligibility date, your coverage becomes effective on the first day of the month following the date the Insurer (see "Important Contacts") receives your completed enrollment form, provided you are **actively at work** on that date. If your form is received on the first day of the month, your coverage is effective that day, provided you are eligible and **actively at work**. The eligibility date is your hire date.

If you do not enroll during your first opportunity, or if your **eligible family members** enroll, proof of insurability needs to be provided. Coverage becomes effective on the first day of the month on which or following the date the Insurer (see "Important Contacts") approves the request for coverage. For example, if your request is approved January 1, your coverage becomes effective that day. However, if your request is approved January 2, your coverage becomes effective February 1.

You must be **actively at work** on your effective date for coverage to begin. If the effective date is a regularly scheduled day off, a scheduled vacation or a paid holiday, you must have been **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.

If you are not **actively at work** when coverage is supposed to begin, coverage will begin on the first day of the month after you are **actively at work**, and you will be required to provide proof of insurability.

### ***The Cost of Coverage***

You pay the full cost of coverage under the Long-Term Care Plan. The costs are based on:

- The age of the person being covered at the time coverage becomes effective,
- The type of coverage chosen (Nursing Home Coverage or Comprehensive Coverage),
- The **daily benefit** chosen, and
- Election of the optional **nonforfeiture coverage**.

As an employee, you pay your costs through after-tax payroll deductions. Payroll deductions will stop when you retire and you will be able to pay your costs directly to the Insurer (see “Important Contacts”). Retired employees and **eligible family members** can pay monthly, quarterly, semiannually or annually directly to the Insurer. Monthly payments must be automatically deducted from a checking account.

Each payment not made by payroll deductions has a grace period of 31 days. If you fail to pay the Insurer (see “Important Contacts”) within the grace period, your coverage under this Long-Term Care Plan will end on the last day of the month for which the Insurer has received full payment.

Costs may only be raised as a result of an increase made on a class-wide basis. Your costs cannot be adjusted because of the change in your age or your health status.

If your coverage became effective before January 1, 1993, under the corresponding plan offered by AT&T Corp., and continued through Lucent Technologies Inc. and then Avaya Inc., the cost for your initial coverage is based on your age on December 31, 1992. If you change your coverage, your cost may change (see “Changing Your Coverage”).

### ***Terminating Your Coverage***

You and your **eligible family members** can cancel your Long-Term Care Plan coverage at any time. This cancellation will be effective at the end of the month in which you request cancellation.

### **When Coverage Ends**

The following chart shows the circumstances under which your Long-Term Care Plan coverage will end.

<b>Circumstance Causing Coverage to End</b>	<b>When Coverage Ends</b>
You cancel your coverage	At the end of the month in which you notify the Insurer (see "Important Contacts")
This coverage is replaced by another substantially equivalent group plan, and you become eligible for that coverage	On that date
You die	On that date
You do not pay your costs for coverage or Avaya Inc. does not forward costs to the Insurer	On the last day of the month for which a required payment is made to the Insurer
You reach your <b>total lifetime benefit</b>	On that date

If the Long-Term Care Plan ends, you will be able to continue your coverage directly with the Insurer (see "Important Contacts") if:

- The Long-Term Care Plan is not being replaced with a substantially equivalent plan,
- The Long-Term Care Plan is being replaced with a substantially equivalent group plan, but you are not eligible under the new plan, or
- You are no longer an **eligible employee** or **eligible family member** under the Long-Term Care Plan.

### **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 **eligible family members**) has ended on the date identified in the notice:

- Fraud or misrepresentation, or because you (or one of your **eligible family member**) knowingly gave the Plan Administrator or Insurer false, material information. Examples include false information relating to a person's eligibility or status as an **eligible family member**.

- You (or one of your **eligible family members**) commit acts of physical or verbal abuse that pose a threat to the staff of the Plan Administrator or Insurer.
- You (or one of your **eligible dependents**) in any other way materially violates the terms of the Long-Term Care Plan.

To continue your coverage after the Long-Term Care Plan ends, you must *pay the required premiums directly to the Insurer* (see “Important Contacts”).