

EMPLOYMENT-RELATED EVENTS

If You Are Planning to Retire

If you are planning to retire, you should request a commencement package from the Avaya Pension Service Center up to 90 days before your desired retirement date (see “When ABP Benefits Are Payable”).

If You Take a Leave of Absence

If you take an approved unpaid leave of absence and are reinstated by the end of your leave, your ABP account will be credited with pay credits for your first 30 days of leave in a 12-month period. The pay credit will be based on your base rate of pay in effect immediately before the start of your leave. The maximum pay credit you can receive in a 12-month period for any approved leave(s) of absence is 30 days. In addition, your ABP account will continue to be credited with interest credits while you are on leave.

If you take an approved paid leave, your ABP account will be credited with pay credits for your leave based on the eligible compensation paid to you during your leave. In addition, your ABP account will continue to be credited with interest credits while you are on leave.

If You Are Rehired After You Begin Receiving Your ABP benefit as an Annuity

Your pension payments under the Plan may be suspended if you return to work for Avaya or an interchange company after beginning to receive annuity payments of your vested ABP benefit. If this situation applies to you, contact the Avaya Pension Service Center for more information on the applicable rules.

If You Are Rehired After Receiving a Lump Sum Payment

If you received a lump sum payment of your vested ABP benefit, and are rehired by a participating company into a position covered by the Account Balance Program, you will not be permitted to repay your lump sum. Your prior Avaya service will be recognized, subject to applicable bridging rules, for all purposes under the Plan except pension accrual.

In the event that you are hired by an interchange company and you are covered by the interchange agreement, you can repay your lump sum with interest, solely for purposes of transferring your pension benefit and related assets to the interchange company's pension plan of the hiring former affiliate.

If You Transfer

If you transfer to another participating company, it will not affect your Plan participation.

If you transfer to a non-participating Avaya subsidiary, either directly or with a break in service, your continuous service with the non-participating Avaya subsidiary will be recognized under the Plan (subject to the applicable service bridging rules) for determining vesting service.

Service with the non-participating Avaya subsidiary will *not* be recognized for:

- Determining the amount of your benefit under the Plan, or
- Bridging prior service that is subject to an interchange agreement.

If you are employed by a non-participating Avaya subsidiary that is less than 80% but more than 50% owned by Avaya, you may elect to begin your vested benefit under the Plan.

If you are employed by a non-participating Avaya subsidiary that is less than 50% owned, your service with that entity will not be recognized for any purpose under the Plan.

If You Transfer From The Avaya Inc. Pension Plan to This Plan Before January 1, 2004

Pension benefits for employees who transfer before January 1, 2004 and whose continuous service date on their date of transfer from The Avaya Inc. Pension Plan to the Plan is on or after January 1, 1999, and who are not service pension eligible under the terms of The Avaya Inc. Pension Plan on their date of transfer, are covered under the Account Balance Program provisions of the Plan. Such an employee's benefit under the Account Balance Program are determined as follows:

For the first year of service following the date of transfer from The Avaya Inc. Pension Plan to the Plan:

If you terminate employment before completing at least one year of service after you transfer, your pension benefit will be determined in accordance with The Avaya Inc. Pension Plan rules in effect on your last day on Avaya's active payroll based on your service before January 1, 2004, with the associated rights and features of The Avaya Inc. Pension Plan. The pension band assigned to your job title/grade level/occupation on the date before the date of your transfer to the Plan, as well as any pension includable supplemental payments for the 36-month period ending on the date before the transfer, will be used in determining the amount of your pension benefit.

After one year of service following the date of transfer from The Avaya Inc. Pension Plan to the Plan:

- For service before your transfer to the Plan, your pension benefit will be determined under the provisions of The Avaya Inc. Pension Plan in effect on your last date of participation in that plan. Your pension benefit will be frozen as of the date of transfer to the Plan and will be subject to the rights and features of The Avaya Inc. Pension Plan.

PLUS

- A benefit computed under the Account Balance Program provisions after your transfer to the Plan.

The rights and features associated with The Avaya Inc. Pension Plan include:

- Eligibility rules,
- Early commencement rules and reduction factors for service pensions,
- Survivor annuity options and cost factors, and
- Distribution options.

If You Transfer From the Avaya Inc. Pension Plan to This Plan On or After January 1, 2004

If you transfer on or after January 1, 2004 from The Avaya Inc. Pension Plan to the Plan and you are not service pension eligible under the terms of The Avaya Inc. Pension Plan on your transfer date, you are covered under the Account Balance Program provisions of the Plan. In that case, your benefit is determined in accordance with The Avaya Inc. Pension Plan rules in effect on your transfer date, with the associated rights and features of The Avaya Inc. Pension Plan. The amount of your pension benefit is determined based on the pension band assigned to your job title/grade level/occupation on the day before your transfer to the Plan (and its associated value), as well as any pension includable supplemental payments for the 36-month period ending on the day before the transfer. Your additional net credited service after your transfer will only count for purposes of determining the early commencement rules and reduction factors that apply to your benefit.

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- Eligibility rules,
- Early commencement rules and reduction factors for service pensions,
- Survivor annuity options and cost factors, and

- Distribution options.

If You Work Beyond Age 70½

If you continue to work beyond age 70½, you will not receive your ABP benefit while you are still working. Your vested ABP benefit will begin after your termination.