

EMPLOYMENT-RELATED EVENTS

If You Are Planning to Retire

If you are eligible for a service pension and 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 Pension Benefits Are Payable”).

If You Are Rehired After You Begin Your Pension Benefit

Your pension payments under the Plan may be suspended, if you return to work after beginning your pension, and you are employed by:

- A participating company,
- A non-participating Avaya subsidiary, or
- An interchange company if you are covered by an interchange agreement and do not waive your rights under that agreement.

If your pension is suspended during your reemployment, you will not receive the suspended amounts. Under Plan rules, however, your prior service may be bridged.

The suspension rules are based in part on whether you have reached normal retirement age, which is generally age 65, when you are reemployed.

If you return to work for a participating company or a non-participating Avaya subsidiary after beginning your pension, and:

You Are:	While you are on the active payroll, your pension benefit is:
Less than normal retirement age, regardless of the number of hours worked in the month	Suspended for that month
Normal retirement age or older and paid for less than 40 hours in a calendar month	Paid for that month
Normal retirement age or older and paid for 40 or more hours in a calendar month	Suspended for that month

If you return to work after beginning your vested pension reduced for early commencement, the amount of your vested pension may be adjusted to reflect any suspension period after you returned to the active payroll.

Return to Work Under the Mandatory Portability Agreement (MPA):

- If you return to work for an interchange company, are covered by the MPA and:

You are:	While you are on the active payroll, your pension benefit based on net credited service recognized under the Plan is:
Less than normal retirement age <i>(regardless of whether or not your net credited service from the Plan is bridged)</i>	Suspended
Normal retirement age or older and your net credited service from the Plan <i>is not bridged</i>	Paid by the Plan*
Normal retirement age or older and your net credited service from the Plan <i>is bridged</i>	Suspended under the Plan. (Remember, your entire benefit will be paid by the interchange company plan, including your benefit based on your net credited service under the Plan*).
* Even if you had not begun receiving your pension from the Plan, these rules will apply when you reach normal retirement age.	

- If you are hired by an interchange company and your net credited service from the Plan is bridged by the interchange company's pension plan, your pension benefit will be transferred to the interchange company's plan, you will no longer be a participant under the Plan and you will have no further rights under Avaya's pension plans.
- If you return to work for an interchange company and you are not covered by the MPA (or you waive coverage), your pension payments from the Plan will continue.
- If you are hired by a participating company and your net credited service under an interchange company's plan is bridged, your benefit under the interchange company's plan will be transferred to the Plan (unless you waive coverage). Your benefit under the Plan will be suspended, including the part based on interchange company service.

If You Are Rehired After Receiving a Lump Sum Payment

If you received a full or partial lump sum payment of your pension benefit and are rehired by a participating company into a position covered by the Service Based Program, you can repay the lump sum with interest and restore your old net credited service for purposes of calculating future pension benefits. Your repayment must be

made in a single payment. Different repayment rules apply, based on the amount of your lump sum and the distribution date.

- If you received a lump sum payment with a present value of *\$5,000 or less*, you must repay the lump sum with interest before the later of six months after your date of rehire or the end of the fifth Plan Year after the year in which you received the lump sum.
- If you received a lump sum payment with a present value of *\$5,000 or more*, you must repay the lump sum with interest during the six months following your rehire.

If you repay the lump sum with interest during the required period, your old net credited service will apply (subject to applicable bridging rules) for all purposes, including calculating your future pension benefits.

If you received a partial lump sum payment, your annuity payment will be suspended while you are actively employed regardless of whether you repay your lump sum payment with interest.

If you are covered by the Account Balance Program when you are rehired and you repay your lump sum with interest, the repaid amount restores your original Service Based Program benefit.

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 after 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 the following purposes:

- Eligibility for a service, immediate vested or disability pension,
- Attainment of the 15-year requirement for an immediately payable automatic pre-retirement survivor annuity,
- Determining the amount of any early commencement discount, and
- Bridging prior service, subject to the applicable service bridging rules.

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

- Calculating your benefit under the Plan, or
- Bridging prior service subject to the MPA.

If you are employed by a non-participating Avaya subsidiary that is less than 80% and more than 50% owned by Avaya, you may elect to begin your benefit under the Plan. If you elect to begin your pension benefit, service with the non-participating Avaya subsidiary after payment of your benefit starts will not be recognized for any purpose 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. In addition, you may elect to begin receiving your pension under the Plan at any time.

If You Transfer From the Service Based Program to The Avaya Inc. Pension Plan

Pension benefits for employees who transfer from the Service Based Program to The Avaya Inc. Pension Plan will be calculated under the terms of The Avaya Inc. Pension Plan.

If You Transfer From The Avaya Inc. Pension Plan to the Service Based Program

Pension benefits for employees who have been continuously employed by a participating company since December 31, 1998 and who transfer from The Avaya Inc. Pension Plan to the Service Based Program before January 1, 2004 will be calculated as follows:

For the first year following the transfer
An employee who does not complete one year of net credited service after his or her transfer will be entitled to a pension benefit for all net credited service before January 1, 2004 based on The Avaya Inc. Pension Plan rules in effect on the earlier of the employee's last day on Avaya's active payroll or December 31, 2003.
The employee's pension benefit will be based on the pension band assigned to the employee's job title/grade level/occupation on the day before his or her transfer, any pension includable supplemental payments paid to the employee during the 36-month period immediately before her or his transfer date, and his or her total net credited service on the earlier of the employee's last day on Avaya's active payroll or December 31, 2003.

More than one year following the transfer		
Once an employee completes more than one year of net credited service after his or her transfer to the Service Based Program, he or she will be entitled to a pension benefit that is the higher of the two listed below:		
The Service Based Program pension benefit based on all net credited service before January 1, 2004.	or	The frozen Avaya Inc. Pension Plan pension benefit.

If You Work Beyond Age 70½

If you continue to work beyond age 70½, you will not receive your pension payments while you are still working. Your service, immediate vested, or vested pension payments will begin after your retirement or termination.