

TERMS YOU SHOULD KNOW

There are several words and phrases that have a specific meaning under the Reimbursement Account 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.

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**. If you want to continue participating in the **HCRA** and/or the **CECRA** for any year after the year of your initial enrollment, you *must re-enroll each year* during annual enrollment. Your elections do *not* automatically continue from one year to the next. Elections made during annual enrollment are effective on the first day of the following calendar year.

Avaya Health and Benefits Decision Center: the resource to call to enroll, make changes in your coverage or ask questions about the Reimbursement Account Plans. See “Important Contacts.”

CECRA: an acronym for the Child/Elder Care Reimbursement Account. Money in this account may be used to pay for eligible child/elder care expenses that allow you to work, or if you are married, that allow both you and your **lawful spouse** to work, or your **lawful spouse** to attend school full-time.

CECRA dependent: a person who is:

- A child under the age of 13 who is a “qualifying child” under Internal Revenue Code Section 152(a)(1); or
- A dependent of any age who is physically or mentally incapable of self-care (e.g., your child, parent, domestic partner, domestic partner’s child) who qualifies as your dependent under Internal Revenue Code Section 152 and lives with you for more than one-half of the calendar year; or
- Your **lawful spouse** if he or she is physically or mentally incapable of self-care and lives with you for more than one-half of the calendar year.

Generally, to satisfy the definition of “qualifying child” under Internal Revenue Code Section 152(a)(1), a child must: (i) be your child, brother, sister, stepbrother, or stepsister or a descendant of any such relative; (ii) live with you for more than one-half of the calendar year; (iii) be under age 19 (age 24 if a student) or disabled; and (iv) not provide more than one-half of his or her own support.

Generally, to be a “qualifying relative” under Internal Revenue Code Section 152, the individual must: (i) bear a specified relation to you or be an individual who has the same principal residence as you and is a member of your household; (ii) receive more

than one-half of his or her support from you; and (iii) not be a qualifying child of you or anyone else.

COBRA: an acronym for the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. This refers to federal legislation that governs the offer of temporary continued medical coverage to participants who otherwise would lose coverage due to certain reasons, such as a loss of employment.

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 Reimbursement Account Plans.

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

HCRA: an acronym for the Health Care Reimbursement Account. Money in this account may be used to pay for eligible health care expenses for you and your **HCRA dependents**.

HCRA dependent: a person who is your **lawful spouse** or dependent under Internal Revenue Code Section 152. To be a Section 152 dependent, the person must be either a “qualifying child” or a “qualifying relative.”

Generally, to satisfy the definition of “qualifying child”, a child must: (i) be your child, brother, sister, stepbrother, or stepsister or a descendant of any such relative; (ii) live with you for more than one-half of the calendar year; (iii) be under age 19 (age 24 if a student) or disabled; and (iv) not provide more than one-half of his or her own support.

Generally, to be a “qualifying relative,” the individual must: (i) bear a specified relation to you or be an individual who has the same principal residence as you and is a member of your household; (ii) receive more than one-half of his or her support from you; and (iii) not be a qualifying child of you or anyone else.

Lawful spouse: a person who is the lawful husband or lawful wife for federal income tax purposes. An **eligible employee** residing in a state that recognizes common law marriage must satisfy the specific minimum state requirements to be married under common law.

Participating Company: Avaya and such other companies that have elected to participate in the Reimbursement Account Plan, with the prior approval of Avaya.

Pre-tax: pre-tax contributions are the type of contributions you make to your **HCRA** and/or your **CECRA**. Pre-tax contributions are made before Federal, Social Security (FICA) and most state and local taxes are withheld.

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, your spouse or child.
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 no longer meet the Plan's eligibility requirements for coverage. This may include a child reaching the maximum age for coverage.
Residence or Worksite	A change in the place of residence or worksite of you, your spouse or a child.

The Internal Revenue Service (IRS) 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.