

THE AVAYA INC.

**LIFE INSURANCE PLANS
for salaried retirees**

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 retirees** under The Avaya Inc. Life Insurance Plans for salaried retirees (Life Insurance Plans). More detailed information is provided in the 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 nor a guarantee of continued benefits during retirement.

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INTRODUCTION

The Avaya Inc. Life Insurance Plans for salaried retirees (Life Insurance Plans) is designed to provide financial assistance to your family upon your death.

If you retire under the Service-Based Program provision of The Avaya Inc. Pension Plan for Salaried Employees and you are an **eligible retiree**, the company automatically provides you with basic coverage of generally one times your **total annual pay**, limited to \$1 million (see “Who Is Eligible”). This coverage is reduced immediately by 10% at retirement (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program) and then an additional 10% each year thereafter until coverage reaches 50% of your pre-retirement **total annual pay**. Basic life insurance coverage is provided at no cost to you.

You are also eligible for supplementary life insurance coverage if you had supplementary life insurance coverage immediately before your retirement. The Insurer (see “Important Contacts”) will direct bill you for your supplementary life insurance coverage. Supplementary life insurance coverage ends at age 95.

Special Note to Beneficiaries

While we encourage you to review this entire document to familiarize yourself with the insured person’s benefits under the Life Insurance Plans, the following two sections were specially designed to assist you in quickly and easily filing a claim for benefits:

- Claim Procedures for Beneficiaries
- Helping Your Beneficiaries File a Claim

HIGHLIGHTS

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

Plan Feature	Summary
Eligibility	<p>You are eligible for Company-paid basic life insurance coverage under the Life Insurance Plans if you are an eligible retiree.</p> <p>You are eligible for supplementary life insurance coverage if you had supplementary life insurance coverage immediately before your retirement.</p>
Enrollment	<p>If you are an eligible retiree, the Life Insurance Plans automatically provides you with Company-paid basic life insurance coverage when you retire. The Insurer (see "Important Contacts") will direct bill you for your supplementary life insurance coverage.</p>
Coverage Provided	<p>If you are an eligible retiree, the Company provides you with basic life insurance coverage of generally one times your total annual pay (limited to \$1 million). Beginning at retirement (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program), the amount of your Company-paid basic life insurance coverage is subject to reduction.</p> <p>You are eligible for supplementary life insurance coverage up to the amount you had at the time of your retirement until age 95. You may not increase or elect coverage once you have retired. If you cancel or decrease your coverage, you may not reenroll or increase your coverage at any time.</p>
When Benefits Are Paid	<p>Your basic and supplementary life insurance benefit is paid to your beneficiary(ies) if you die while coverage is in effect.</p> <p>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, with a life expectancy of six months or less.</p>
When Coverage Ends	<p>If you are an eligible retiree, your Company-paid basic life insurance coverage continues for life.</p> <p>Your supplementary life insurance coverage continues to age 95 as long as you continue paying for this coverage.</p>

Plan Feature	Summary
Cost	The Company pays the full cost to provide eligible retirees with basic life insurance coverage. If you elect to continue supplementary life insurance coverage, you pay the full cost for that coverage.

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.

Annual rate of pay: if you were paid every week, your annual rate of pay is 52 times your normal weekly adjusted rate of pay (hourly rate times 40) in effect on the day before you retired. If you were paid once a month, your annual rate of pay is 12 times your monthly base pay in effect on the day before you retired.

Avaya Health and Benefits Decision Center: the resource to call to make changes in your beneficiaries for 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%.

Company-paid basic life insurance coverage: the amount of your basic life insurance that the Company provides at no cost to you. Generally, this type of insurance has a benefit of one times your **total annual pay**. The amount of your Company-paid basic life insurance coverage begins to reduce when you retire (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program).

Contingent beneficiary(ies): receives the death benefits under the basic life and/or supplementary life insurance coverage if none of your **primary beneficiaries** are living when you, the **eligible retiree**, die.

Eligible retiree: a former eligible employee of Avaya Inc. who retired from a **Participating Company** and who retired with a service or disability pension under the Service-Based Program provision of the Avaya Inc. Pension Plan for Salaried Employees.

Net credited service: your continuous service at retirement plus all service credited under the service bridging rules (including mandatory portability, if applicable) of The Avaya Inc. Pension Plan for Salaried Employees and 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.

Primary beneficiary(ies): the person(s), organization, estate or trust named to receive the death benefits for life insurance if the covered retiree dies.

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: used to determine the amount of life insurance available to you.

- If you retired prior to January 1, 2003 and were not paid under the Sales Incentive Plan, your total annual pay is your **annual rate of pay** plus any bonuses, incentives and merit awards paid within the 12 months prior to your date of retirement (if these amounts were considered a part of your compensation for the normal work schedule), rounded to the next higher \$1,000. Total annual pay does *not* include differentials, overtime pay, extra payments or allowances that are considered temporary.
- If you retired prior to January 1, 2003 and were paid under the Sales Incentive Plan, your total annual pay is your **annual rate of pay** plus one-third of the incentive compensation paid to you over the 36 months immediately before retirement. Added to this figure are any bonuses outside the incentive plan paid within the last 12 months when they are considered a part of your compensation for the normal work schedule. The figure is then rounded up to the next higher \$1,000.
- If you retired during Plan Year 2003, your total annual pay is your **annual rate of pay** plus your target Short-Term Incentive or Sales Incentive as of your retirement date, rounded to the next higher \$1,000. Total annual pay does *not* include differentials, overtime pay, extra payments or allowances that are considered temporary.
- If you retired on or after January 1, 2004, your total annual pay is your **annual rate of pay** plus your target Short-Term Incentive or Sales Incentive as of September 10 of the Prior Plan Year, rounded to the next higher \$1,000. Total annual pay does *not* include differentials, overtime pay, extra payments or allowances that are considered temporary.

PARTICIPATING IN THE PLAN

Who Is Eligible

Generally, you are eligible for **Company-paid basic life insurance coverage** if you are an **eligible retiree** (a former eligible employee of Avaya Inc. who retired from a **Participating Company** and who retired with a service or disability pension under the Service-Based Program provision of The Avaya Inc. Pension Plan for Salaried Employees). However, you may be excluded from some life insurance coverage if you were an executive who is eligible for coverage under other Avaya Inc. life insurance programs. You will be notified if this applies to you.

If you are not eligible for **Company-paid basic life insurance coverage**, you may convert the entire **Company-paid basic life insurance coverage** to an individual policy after your employment ends. Avaya Inc. will not provide you with post-employment life insurance coverage.

You may continue supplementary life insurance coverage if you had supplementary life insurance coverage immediately before your retirement and you are an **eligible retiree**.

How to Enroll

If you are eligible, the Life Insurance Plans automatically provides you with **Company-paid basic life insurance coverage** upon retirement. You do not need to enroll.

If you had supplementary life insurance coverage immediately before your retirement, your coverage can continue when you retire. The Insurer (see "Important Contacts") will contact you to continue your supplementary life insurance coverage during retirement through direct billing.

You may cancel or decrease the amount of your supplementary life insurance coverage during retirement by contacting the Insurer (see "Important Contacts") and completing the required form. Reduction or cancellation becomes effective on the first of the month following the month in which the required form has been received by the Insurer.

Once you have canceled or decreased your supplementary life insurance coverage, you cannot re-elect or increase coverage.

Cost

If you are eligible, the Life Insurance Plans provides **Company-paid basic life insurance coverage** at no cost to you.

Your cost for supplementary life insurance coverage depends on your age, your amount of coverage and if you are a **tobacco user**. You will be direct billed by the Insurer (see “Important Contacts”.)

Name a Beneficiary

After your retirement, the beneficiary(ies) for your basic life and supplementary life insurance coverage are the same as those designated while you were actively employed. You may change your beneficiary(ies) at any time (see “How to Change Your Beneficiary” below).

You may name one or more individuals as your beneficiary(ies), or you may designate almost any organization, a trust or your estate.

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** are 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, children, parents, siblings or to your estate.

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

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 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 forms are 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.

AMOUNT OF COVERAGE AVAILABLE

Your Basic Life Insurance Coverage

If you are an **eligible retiree** and retired under the Service-Based Program of the Avaya Inc. Pension Plan for Salaried Employees, the Company automatically provides you with basic life insurance of generally one times your **total annual pay** (limited to \$1 million) at no cost to you.

Beginning at retirement (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program), the amount of your **Company-paid basic life insurance coverage** is subject to reduction. Your basic life insurance coverage is reduced by 10% beginning on the first of the month following your retirement (or 66th birthday if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program). Thereafter, your basic life insurance coverage is reduced annually for the next four years by the same dollar amount of the initial reduction.

For example, if you had \$50,000 of **Company-paid basic life insurance coverage** and retired on January 1, 2004, beginning on the first of the month following your retirement, your coverage would reduce \$5,000 per year as follows:

Years Retired	Amount of Reduction	Your Basic Life Insurance Coverage Amount
0-1	\$5,000	\$45,000
1-2	\$5,000	\$40,000
2-3	\$5,000	\$35,000
3-4	\$5,000	\$30,000
4+	\$5,000	\$25,000

After five reductions, the amount of your basic life insurance coverage is equal to 50% of the **total annual pay** you had immediately prior to retirement. This coverage remains in force for the rest of your life, with no further reductions.

Once your coverage has been reduced at least 20%, you may be able to convert all or part of the **Company-paid basic life insurance** coverage that is lost due to reduction to an individual policy without proof of insurability (see "Converting Coverage to an Individual Policy"). Reductions applied to basic life insurance while you are active continue after you retire.

Your Supplementary Life Insurance Coverage

If you had supplementary life insurance coverage at the time of your retirement, you will have the same amount of coverage during retirement unless you contact the Insurer (see "Important Contacts") and complete the required form to decrease the amount or to cancel this coverage. If you decrease the amount or cancel coverage, this change will take effect on the first of the month following the month in which your reduction or cancellation request form is received by the Insurer. You cannot increase or elect supplementary life insurance coverage during retirement.

The Insurer (see "Important Contacts") will direct bill you for this coverage during retirement.

The supplementary life insurance coverage continues to age 95 as long as you continue paying for the coverage.

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**.

PAYMENT OF BENEFITS

Payment of Your Life Insurance Benefit

Your basic and supplementary life insurance benefits are payable to your beneficiary(ies) upon your death.

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 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 assigned your basic and supplementary life insurance coverage, see "Benefits Can Be Assigned."

For information about how to file a claim, see "Claim Procedures for Beneficiaries."

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.

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 beneficiary’s name.

YOUR COSTS

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

If you elect to continue supplementary life insurance, you pay the full cost for that coverage through direct billing from the Insurer (see “Important Contacts”).

Your Premium Costs

Your cost for supplementary life insurance appears on your bill.

The cost to you for your supplementary life insurance is determined by your age as of December 31st of the current Plan Year, whether or not you are a tobacco user (see “How Premium Costs Are Determined”) and your amount of supplementary life insurance coverage.

Supplementary Life Insurance

Insurance Age	Monthly Cost per \$1,000 of Supplementary Life Insurance 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

How Premium Costs Are Determined

The cost for supplementary life insurance coverage is determined based on the amount of your supplementary life insurance coverage, 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 reduce your supplementary life insurance coverage during the year, your cost is based on your reduced supplementary life insurance coverage, 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.

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 Insurer (see “Important Contacts”) and request a Tobacco Use Form. **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 receipt of the change of Tobacco Use Form.

WHEN COVERAGE ENDS

Basic Life Insurance

Your **Company-paid basic life insurance coverage** will continue until your death or until the last day of the month in which the Plan or benefit is terminated.

If your coverage ends for reasons other than your death, 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 in retirement until age 95. In retirement, you have a number of options. 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.

Other Reasons Your Coverage Will End

In addition, when any of the following happens, you will receive written notice that your coverage has ended on the date identified in the notice:

- Fraud or misrepresentation, or because you 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.

- You commit acts of physical or verbal abuse that pose a threat to the staff of the Plan Administrator, Insurer or **Avaya Health and Benefits Decision Center**.
- You 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 **Company-paid basic life insurance coverage** to an individual policy without proof of insurability if your coverage ends or is reduced (see “When Coverage Ends”).

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.

You may not convert your supplementary life insurance because it may be continued by paying your premiums directly to the Insurer (see “Important Contacts”).

CLAIM PROCEDURES FOR BENEFICIARIES

Filing a Claim

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

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

To file a claim:

- Call to report the death.
- Follow the instructions on the claim form carefully and answer all questions completely.
- Attach the death certificate, and
- Submit the required paperwork to the address printed on the form.

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. If there is a question about a claim payment, you may request an explanation from the Insurer.

If a claim is denied, you 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.

To help ensure that you, the beneficiary, receive the maximum benefit the insured was entitled to, please see “Helping Your Beneficiaries File a Claim.” This section may contain information filled out by the insured that will assist you, the beneficiary, in filing a claim for benefits.

HELPING YOUR BENEFICIARIES FILE A CLAIM

You can help your beneficiaries quickly and easily receive the maximum benefit amount they are due by printing this page, filling in the following information and filing with your other important paperwork.

Name of Insured	
Date of Retirement	
Age at Retirement	
Retirement Plan	
Amount of Company-Paid Basic Life Insurance Coverage*	
Amount of Supplementary Life Insurance**	
<p>*The amount of Company-paid basic life insurance is subject to annual reductions beginning at retirement (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program). See "Amount of Coverage Available" for more information. ** Supplementary life insurance coverage terminates at age 95. See "Your Supplementary Life Insurance Coverage" for more information.</p>	

Fill in the following information only if applicable.

Amount of Benefits Assigned	
Amount of Benefits Received Under the Accelerated Benefit Option	
Amount of Company-Paid Basic Life Insurance Converted	
Date Coverage Converted	
Balance in Cash Accumulation Fund	
Other	

Note to Beneficiaries: **Company-paid basic life insurance coverage** is subject to an annual reduction beginning at retirement (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program). The insured may have converted these reductions to an individual policy.

PERSONAL EVENTS AFFECTING COVERAGE

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.”

When You Die

When 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 and supplementary life insurance (see “Benefits Can Be Assigned”).

If You Turn Age 66 or Older

Reductions to your **Company-paid basic life insurance coverage** begin at retirement (or age 66 if retired prior to October 1, 2001 or retired under the 2001 Voluntary Pension Enhancement Program). Reductions applied to **Company-paid basic life insurance coverage** while you are active continue after you retire (please refer to the Avaya Inc. Life Insurance Plans for salaried employees Summary Plan Description). The amount of **Company-paid basic life insurance coverage** will be reduced 10% each year, beginning at retirement, until the 50% threshold is reached.

When your **Company-paid basic life insurance coverage** 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.”

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 insurance.

Taxes and Imputed Income

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

You are not taxed on the actual amount of your **Company-paid 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 65 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 65 is \$1.27 per month for each \$1,000 of coverage. The imputed income for \$5,000 of coverage would be \$6.35 per month (5 x \$1.27).

BENEFITS CAN BE ASSIGNED

You may assign your basic life and/or supplementary life insurance as an irrevocable gift to someone else if the Insurer (see “Important Contacts”) consents. 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 supplementary life insurance 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>Avaya Health and Benefits Decision Center: Contact to change your beneficiary.</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><i>Web site:</i> www.AvayaHealthyDecisions.com</p>
<p>Insurer, Metropolitan Life Insurance Company: Contact to request a conversion, or decrease your supplementary life insurance amount. Also, maintains beneficiary information, processes claims, decides appeals of denied claims and interprets Life Insurance Plan provisions.</p>	<p>To request a conversion, decrease insurance amount: MetLife Insurance Center P.O. Box 6158 Utica, NY 13504-6158</p> <p><i>Telephone Number</i> 1-888-466-8659; TDD: 1-800-984-8652</p> <p>To file or appeal a claim: Metropolitan Life Insurance Company Group Life Claims P.O. Box 3016 Utica, NY 13504-3016</p> <p>Questions about the Supplementary Life Insurance Plan: <i>Telephone Number</i> 1-800-523-2894</p> <p>All legal actions regarding a claim or questions about the Plan: Metropolitan Life Insurance Company 501 U.S. Highway 22 P.O. Box 6891 Bridgewater, NJ 08807-0891</p>

Contact / Service Provided	Address / Telephone Number
Pension Service Center Contact to report a death.	The Avaya Pension Service Center P.O. Box 56225 Jacksonville, FL 32241-6225 <i>Telephone Number</i> 1-800-750-7300; TDD: 1-877-369-7596
Plan Administrator: Contact to request Plan Documents.	Avaya Inc. Life Insurance Plan Administrator 211 Mount Airy Road Basking Ridge, NJ 07920 E-mail: hwplanadmin@avaya.com

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 ignored – 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. (Addresses and phone numbers of Regional and District EBSA Offices are available through the EBSA Web site.)

Plan Funding and Payment of Benefits

With certain limited exceptions, the Company pays a majority of the costs associated with providing benefits under The Avaya Inc. Life Insurance Plans for Salaried Retirees through the Avaya Inc. Post-Retirement Life Insurance Benefits Trust, which is a trust set up under Section 501(c)(9) of the Internal Revenue Code. The Northern Trust Company is the trustee of this Trust.

Plan Documents Govern

This SPD was designed to describe the key features of the Avaya Inc. Life Insurance Plans for salaried retirees 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/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 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

Plan Name	The official Plan Names for the Life Insurance Plans are the: <ul style="list-style-type: none"> • Avaya Inc. Life Insurance Plan which is a part of The Avaya Inc. Health & Welfare Benefits Plan for Salaried Retirees • Avaya Inc. Supplementary Life Insurance Plan
Plan Sponsor	The Plan Sponsor is Avaya Inc.
Type of Administration	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.
Plan Administrator	The Plan Administrator is: Avaya Inc. Life Insurance Plans Administrator 211 Mount Airy Road Basking Ridge, NJ 07920 E-mail: hwplanadmin@avaya.com
Insurer	The Insurer is Metropolitan Life Insurance Company.
Legal Service	Legal actions regarding a claim should be sent to the Insurer. All other legal actions should be sent to the Plan Administrator.
Plan Records and Plan Year	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.
Type of Plan	The Life Insurance Plans are considered “health & welfare” plans under Employee Retirement Income Security Act of 1974, as amended (ERISA).
Plan Numbers	The Plan Numbers for the Life Insurance Plans are: <ul style="list-style-type: none"> • Life Insurance Plan552 • Supplementary Life Insurance Plan513
Employer Identification Number	The Employer Identification Number is 22-3713430.
Trustee	The Northern Trust Company is the trustee of the Avaya Inc. Post-Retirement Life Insurance Benefits Trust. The Northern Trust Company is located at 50 South LaSalle Street, Chicago, IL 60675.