

## **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.”