AVAYA INC.

PENSION PLAN

SUMMARY PLAN DESCRIPTION

This document is dated January 1, 2016

Helpful search tools:

Table of Contents (TOC): Each item on the TOC is a hyperlink to a corresponding page and section. You can quickly navigate to areas of interest by pressing 'Control' and clicking on a desired topic.

Find Feature: While in a PDF, press 'Control' + 'F' to bring up the find feature and enter the word(s) you're seeking. The find feature will allow you to search the whole document for each reference to your desired topic.

If you received this Summary Plan Description by electronic means, you have the right to receive a written Summary Plan Description and may request a copy of this document on a written paper document at no charge by contacting the Pension Plan Administrator.

This is a Summary Plan Description (SPD) of the benefits available, effective January 1, 2016, to eligible represented employees under The Avaya Inc. Pension Plan (Plan). More detailed information is provided in the official Plan documents. In all instances, the Plan Document will control and govern the operation of the Plan.

The Board of Directors of Avaya Inc. (or its delegate) reserves the right to amend, modify, suspend, change or terminate the Plan at any time, subject to the terms of applicable collective bargaining agreements. Because of the many detailed provisions of the Plan, no one else is authorized to advise you as to your benefits. For this reason, Avaya Inc. cannot be bound by statements made by unauthorized personnel.

Participation in the Plan is neither an offer nor a guarantee of future employment at Avaya Inc.

The receipt of this SPD does not necessarily meant that you are eligible to participate in the Plan. Your rights under the Plan (if any) are governed by the provisions of the official Plan document.

TABLE OF CONTENTS

Page

INTRODUCTION 5

ELIGIBILITY AND PARTICIPATION 6

Eligibility 6

When Participation Begins 6

When Participation Begins If You Are Rehired 7

CALCULATING YOUR PLAN BENEFIT 8

Basic Monthly Benefit Formula 8

Supplemental Monthly Benefit 12

Social Security Supplemental Benefit 13

WHEN PENSION BENEFITS ARE PAYABLE 15

When Your Pension Begins 15

When You Receive Your First Pension Check 15

Service Pension 15

Deferred Vested Pension 16

Disability Pension 18

HOW PENSION BENEFITS ARE PAID 20

SURVIVOR BENEFITS 24

Your Spouse or Domestic Partner 24

If You Die While Actively Employed 25

If You Die After Terminating Employment but Before Beginning Your Service Pension 26

If You Die After Terminating Employment but Before Beginning Your Deferred Vested Pension 26

If You Die After Your Pension Starts 27

SICKNESS DEATH BENEFITS 28

Amount of Sickness Death Benefits 28

Payment of Sickness Death Benefits 28

Beneficiaries 29

EMPLOYMENT-RELATED EVENTS 30

If You Are Planning to Retire 30

If You Transfer 32

IMPORTANT CONTACTS 34

Avaya Pension Service Center 34

OTHER IMPORTANT INFORMATION 36

Claim and Appeal Procedures 36

Your Rights Under ERISA 39

Plan Amendment or Termination 41

ADMINISTRATIVE INFORMATION 43

APPENDIX A: DEFERRED VESTED PENSION EARLY PAYMENT PERCENTAGES 45

APPENDIX B: TRANSITION LEAVE OF ABSENCE 46

APPENDIX C: SPECIAL RULES AND AGREEMENTS AND YOUR PENSION 48

APPENDIX D: PENSION BAND MONTHLY BENEFIT TABLE 52

APPENDIX E: WAGE INCENTIVE REPLACEMENT FACTOR 53

APPENDIX F: PENSION BAND DIFFERENTIALS 55

Example of Pension Band Differential Benefit 56

Example of Pension Calculation for an Employee Who Leaves the Eligible Workgroup Prior to Retirement 56

Example of Pension Calculation for an Employee Eligible for a Pension Band Differential Who Moves Within the Eligible Workgroup 57

INTRODUCTION

The Avaya Inc. Pension Plan (Plan) became effective October 1, 2000, as a successor to The Lucent Technologies Inc. Pension Plan (Lucent Plan). The Plan is responsible for all benefits accrued by participants under the Lucent Plan who became employees of Avaya Inc. on October 1, 2000. The Plan recognizes an employee’s service and compensation under the Lucent Plan as of September 30, 2000. Any date before October 1, 2000 referred to in this SPD refers to that date under the Lucent Plan.

The Plan is an important part of your financial security. It can provide a source of continuing income, along with Social Security, during your retirement years. It may provide survivor benefits to your eligible spouse or other named beneficiary in certain specified instances. The Plan is provided at no cost to you.

This SPD summarizes the key features of the Plan. You can find complete details in the official Plan documents that legally govern the operation of the Plan. All statements made in this SPD are subject to the provisions and terms of those documents.

ELIGIBILITY AND PARTICIPATION

Eligibility

You are eligible to participate in the Plan if you are employed by a participating company and are one of the following:

- An employee in a bargaining unit represented by a union which has agreed to the Plan;
- A non-salaried employee;
- A non-salaried employee temporarily promoted to a salaried position for one year or less; or
- Classified as a business assistant by a participating company and continuously employed by a participating company since before January 1, 1999.

You are not eligible to participate if you are:

- A non-resident alien employed outside the United States, unless you were covered by a predecessor plan on September 30, 1980;
- A person who is not paid from the U.S. payroll of a participating company (except for employees of Avaya of Puerto Rico, Inc.);
- An active participant in any other pension plan generally similar to the Plan and maintained by Avaya Inc., another participating company, any other Avaya Inc. subsidiary or any former affiliate or interchange company;
- A person who provides services to a participating company, but who is not engaged as an employee of a participating company;
- A person who is employed by an independent company (such as an employment agency);
- An individual who renders services pursuant to an agreement excluding participation in the Plan; or
- All business assistants other than those described above.

When Participation Begins

If you were a participant in the Lucent Plan on September 30, 2000, and became an employee of an Avaya Inc. entity on October 1, 2000, you automatically became a participant in the Plan on October 1, 2000.

Otherwise, you become a participant in the Plan on the later of:

- The date you become eligible for the Plan;

- The date you reach age 21; or

- The day after the end of an eligibility year during which you are credited with 1,000 hours of service.

Hours of Service

You are credited with an hour of service for each hour you are paid (or entitled to payment) by a participating company or any other controlled group company, including absences such as vacation, holidays, illness, disability or jury duty. If a record of your actual hours of service is not kept, you are credited with 50 hours of service for any week in which you complete one or more hours of service. In addition, you receive credit to prevent a break in service for two kinds of unpaid leave. You can get credit for up to 501 hours (a) if you are not working because of childbirth, adoption, or infant care (whether you are the father or mother), or (b) you are on leave under the Family and Medical Leave Act of 1993. Although this special credit may prevent you from having a break in service, it will not count towards initial eligibility for the Plan.

Eligibility Year

An eligibility year is a 12-consecutive-month period ending on any anniversary of your date of hire or rehire.

When Participation Begins If You Are Rehired

If your employment terminates and you are rehired by a participating company in a position eligible for the Plan, assuming you are at least age 21, then:

- If you were a Plan participant before your employment ended and you did not have a break in vesting service, you will become a participant on the date you are rehired.

- If you were a Plan participant before your employment ended and you have a break in vesting service of at least one year but less than five years, you will become a participant retroactive to the date you are rehired after you earn 1,000 hours of service in an eligibility year.

- If you were not a Plan participant before your employment ended or if you are rehired after a break in vesting service that is five years or more, you become a participant on the day after the end of an eligibility year during which you earn at least 1,000 hours of service.

For vesting service rules, see “When Pension Benefits are Payable -- Deferred Vested Pension.”

CALCULATING YOUR PLAN BENEFIT

Your pension benefit equals the sum of:

- Your Basic Monthly Benefit ; and
- Your Supplemental Monthly Benefit, if any.

Basic Monthly Benefit Formula

Your basic monthly benefit is calculated by multiplying the monthly benefit for your pension band by your net credited service.

Net Credited Service

Your net credited service is the continuous number of years, months and days you have worked for a participating company or any other controlled group company, beginning with your most recent date of hire and ending with your retirement or other termination of employment. If you were actively employed by Lucent Technologies Inc. on October 1, 1996, were actively employed by a Lucent entity on September 30, 2000, and you became an employee of Avaya Inc. on October 1, 2000, your net credited service also includes your continuous years, months and days recognized under the AT&T Pension Plan or AT&T Management Pension Plan as of September 30, 1996. Your net credited service will also include your continuous years, months and days recognized under the Lucent Plan if you were employed by a Lucent entity on September 30, 2000, and you became an employee of Avaya Inc. on October 1, 2000.

Your net credited service may also include:

- Up to 30 days of an approved leave of absence in any 12-month period, if you are reemployed at or before the end of the leave, and
- Previous periods of employment that have been bridged under the net credited service bridging rules.

If you are employed on a part-time basis by a participating company, your net credited service is prorated as follows.

For Part-time Employment	Your Net Credited Service Will Be Multiplied by
Before January 1, 1981	The fraction of your scheduled part-time hours (excluding overtime) divided by the scheduled hours of a full-time employee (excluding overtime)
On or after January 1, 1981	The fraction of your actual hours worked (excluding overtime) divided by scheduled full-time hours (excluding overtime)

Excluded Service: Net credited service excludes, for business assistants and salaried employees, periods of employment after December 31, 2003 and employment outside the United States.

Break in Net Credited Service

You incur a break in net credited service whenever you terminate employment. When this happens, your net credited service before the break cannot be added to any of your net credited service after the break until it is bridged under the following net credited service bridging rules:

Net Credited Service Bridging Rule	**Requirements**	**When Net Credited Service Is Bridged**
Six Months	You must be rehired within six months.	Immediately.
Two Years (Before January 1, 2004, Three Years)	You must have at least six months of net credited service before the break and the break must be longer than six months	After you return to work for at least two (three before January 1, 2004) continuous years, and if you received a lump sum distribution when you terminated, you must repay the distribution with interest.
Layoff	You are temporarily laid off for six or fewer months and are rehired into a regular position.	Immediately. You will also receive net credited service for the layoff.
	You are temporarily laid off for more than six months but less than three years .	Immediately. You will not receive net credited service for any period of the layoff (including the first six months).
	You are temporarily laid off, rehired into a temporary position six or fewer months after your lay-off date and then later reclassified into a regular position.	Immediately. You will also receive net credited service for the layoff.
	You are temporarily laid off, rehired into a temporary position more than six months but less than three years after your lay-off date and then later reclassified into a regular position.	Immediately. You will not receive net credited service for any period of the layoff (including the first six months).

Pension Bands

Each job title/grade level/occupation covered by the Plan is assigned a pension band by location. Once assigned, the job title, grade level and occupation (by location) remain in that band unless the job title, grade level and occupation (by location) are later reclassified to a different pension band. For the pension band assigned to your job, contact the Avaya Pension Service Center. For the monthly benefit that applies to your pension band, see "Appendix D."

Generally, your pension is calculated based on your assigned pension band when you retire, terminate employment or are no longer covered by the Plan, unless your situation is governed by special rules for promotions, demotions and transfers.

Business Assistants: If you were a participant in the Plan and employed by a participating company on December 31, 2003, your pension will be calculated based on your assigned pension band and the corresponding pension band value on December 31, 2003. After December 31, 2003, your pension band (and the pension band value) will not change if you remain a business assistant.

Example of Basic Monthly Benefit Calculation

The following example shows how a basic monthly benefit is calculated assuming:

- You are in pension band 115.
- You retire with 30 years of net credited service on April 1, 2016.

Monthly benefit for pension band 115 (see "Appendix D")	$ 55.49
Multiplied by 30 years of net credited service	x 30
Basic monthly benefit	$1,664.70

Reclassification

If your job title/classification is reclassified into a new higher pension band, your pension is calculated for all your net credited service based on the new, higher pension band.

Promotions and Transfers

If you are promoted or transferred to a new job title/classification with a higher pension band, the following rules apply:

- If you complete 12 consecutive months of service in the new job/classification before you retire or terminate, your pension is calculated for all your net credited service based on the new, higher pension band.
- If you retire or terminate employment before completing 12 months of service in the new job/classification, your pension benefit is calculated for all your net credited service based on the pension band you held before the promotion.

Demotions and Transfers

If you are demoted or transferred to a new job title/classification with a lower pension band, the following rules apply:

- The monthly benefit amount for your pension band on the day before you are demoted or transferred is "frozen."
- That frozen monthly benefit is used to calculate your basic monthly pension benefit when you retire -- unless the current monthly benefit for your lower pension band is higher when you retire or terminate.

Special Demotion Rule

The Special Demotion Rule applies to you if you are service pension eligible when you are demoted or transferred to a job title with a lower pension band on or after October 1, 1980 solely because of a permanent medical work restriction or a force surplus condition. Under the Special Demotion Rule:

- For your first five years of service after your demotion or transfer to a lower pension band, your pension is calculated using the current value of the secured pension band you held before your demotion or transfer.
- For service after your first five years following your demotion or transfer, your pension is calculated as described in "Demotions and Transfers."

"Green Circle" Employee: If you are a "Green Circle" employee, your pension is determined using the Special Demotion Rule if:

- You were identified in 1983 through collective bargaining as eligible for "Green Circle" treatment,
- You continued to be designated as a "Green Circle" employee until August 10, 1986,
- You were classified effective August 10, 1986, into a job with a lower pension band, and
- You were eligible for a service pension on August 10, 1986.

Transfer Program: If you participate in the Avaya Transfer Program, or you were a participant in the Occupational Utilization of Resources System, the former Lucent Transfer Program or the former AT&T Transfer System, your pension is determined using the Special Demotion Rule if:

- You were placed in a regular position through these systems because of a force surplus condition and your new position has a lower pension band, and
- You are eligible for a service pension when you are placed in the position through the applicable system.

Special Pension Provisions for Designated Titles and Workgroups

Special pension provisions may apply for certain employees in designated titles and workgroups. For more information on:

- Wage Incentive Replacement Factor, see "Appendix E"
- Pension Band Differentials, see "Appendix F"

Supplemental Monthly Benefit

In addition to your basic monthly benefit, you may be entitled to a supplemental monthly benefit. Your supplemental monthly benefit equals 0.1% of the average of your supplemental payments in the 36 consecutive months before you terminated employment multiplied by your net credited service.

Supplemental payments include:

- In-charge allowances
- Extra payments for temporary assignments or temporary promotions of one year or less to higher grades or supervisory positions
- Evening and night differential payments, if your work tour falls completely or partially within the stated differential period
- Night-work coverage
- Seven-day coverage
- Job differentials except those which:
  - Were considered part of basic pay in assignment of a pension band, or which were eliminated and included as part of basic pay as a result of collective bargaining agreements, or
  - Were paid before you were promoted or transferred to a job with a higher pension band in which you stayed for at least 12 months.
- Other pension-includable supplements as provided for in applicable collective bargaining agreements

Example of Supplemental Monthly Benefit Calculation

The following example shows how a supplemental monthly benefit is calculated assuming:

- Your total supplemental payments during the 36 consecutive months before you terminate employment equals $4,500.

- You retire with 30 years of net credited service.

Total supplemental payments	$4,500
Divided by 3	÷ 3
Average annual supplemental payments	$1,500
Multiply by .001	x .001
	$ 1.50
Multiply by 30 years of net credited service	x 30
Supplemental monthly pension benefit	$ 45.00

This amount is added to your basic monthly benefit. Using the basic monthly benefit example (see “Example of Basic Monthly Benefit”), your total monthly benefit would be $1,645.08.

Basic monthly benefit	$1,664.70
Plus supplemental monthly benefit	+ $ 45.00
Total monthly benefit	$1,709.70

Social Security Supplemental Benefit

Your pension benefit will also include a social security supplemental benefit if your pension is subject to an early commencement discount and you meet one of the following requirements:

- You are involuntarily terminated on or before June 7, 2016 under a force adjustment program; or
- You are placed at risk of being involuntarily terminated under a force adjustment plan with a scheduled termination date before June 7, 2016, you are eligible for a service pension on your scheduled termination date, and:
  - You are reassigned to the Avaya Job Match Center under the extended compensation option and you are subsequently involuntarily terminated,
  - You are certified to receive disability benefits under the Sickness and Accident Disability Benefit Plan on or before your scheduled termination date and you are subsequently involuntarily terminated directly after you are certified to return to work, or
  - You are on an approved leave of absence with guaranteed reinstatement rights on your scheduled termination date and you are subsequently involuntarily terminated directly from such leave.

If you are eligible for the social security supplemental benefit, the monthly amount of that benefit equals the monthly amount of any early commencement discount that applies to your pension when it begins. The social security supplemental benefit is paid each month beginning on the date as of which your pension begins and ending on the earlier of:

- The date 12 years of payments have been made,
- The last day of the month during which you reach age 62,
- The last day of the month during which you die, or
- The date your pension payments are suspended.

WHEN PENSION BENEFITS ARE PAYABLE

The Plan is designed to help build your future financial security. Under the Plan, you may become eligible for one of the following kinds of pensions:

- A service pension,
- A deferred vested pension, or
- A disability pension.

When Your Pension Begins

If your employment ends after you satisfy the requirements for a service or disability pension, your benefit payments begin as of the day after your termination of employment if you elect to begin receiving your benefit during:

- The 90-day period immediately before your benefit is to begin, or
- If later, the 90-day period following the date your pension commencement package is mailed to you.

If you do not elect to receive your benefit during either 90-day period, your benefit payments will begin as of the first day after the date you notify the Avaya Pension Service Center that you want to begin receiving your benefit, provided you return your new pension commencement package within 90 days.

If your employment ends after you satisfy the requirements for a deferred vested pension, your benefit payments begin as of the first day of the month after the date you notify the Avaya Pension Service Center that you want to begin receiving your benefit, provided you return your new pension commencement package within 90 days.

When You Receive Your First Pension Check

If you return the necessary paperwork in a timely manner, you should receive your first pension check around the first day of the month that is at least 30 days after your pension begins. Your first pension check will include pension payments retroactive to the date when your pension begins (see "When Your Pension Begins").

Service Pension

You become eligible for a service pension when you meet one of the following minimum age and service requirements before you terminate employment:

Your age is at least	And	Your net credited service is at least
Any age		30 years

50		25 years
55		20 years
65		10 years

You must meet *both* the age and service requirement before you terminate employment to become eligible for a service pension. The fact that your age and net credited service add up to 75 or more *does not* mean you are eligible for a service pension. For example, if you are age 51 and have 24 years of service, you are *not* eligible for a service pension.

Normally, your service pension begins the day after you terminate employment and is paid monthly. You should request a pension commencement package from the Avaya Pension Service Center 90 days before your desired retirement date.

If You Retire Before Age 55

If you are eligible for a service pension when you terminate employment and you have less than 30 years of net credited service or you are less than age 55, an early commencement discount will apply. The amount of the early commencement discount is 1/2% for each full or partial month (6% for each year) that payments start before age 55.

The following example shows the effect the early commencement discount would have on your monthly pension benefit.

This example assumes the following:

- You retire at age 53 and 6 months with 28 years of net credited service.
- Your monthly pension benefit is $1,494.08.

Your pension payments will start 18 months before you reach age 55. As a result, your pension would be subject to a 9% early commencement discount (18 months x 1/2% = 9%).

a.	Monthly benefit payable before early commencement discount		$1,494.08
b.	Minus early commencement discount (.09 x $1,494.08)		- 134.47
C.	Discounted monthly benefit	=	$1,359.61

Deferred Vested Pension

If you are not eligible for a service or disability pension when you terminate employment, you are eligible for a deferred vested pension if you terminate employment after becoming vested.

Vesting

You become vested on the earlier of:

- Completing five years of vesting service,
- Reaching normal retirement age while a participant in the Plan on the active roll,
- The date you terminate employment due to divestiture or sale of your work group, or
- The date you become vested in The Avaya Inc. Pension Plan for Salaried Employees.
- August 1, 2002 if you were a participant in the Plan during 2001 or 2002.

Normal Retirement Age

Your normal retirement age if you were hired by a participating company before age 60 is your 65th birthday. If you were hired on or after your 60th birthday, your normal retirement age is the earlier of (1) the date of your fourth or fifth anniversary of Plan participation (provided you are on the active roll on that date) or (2) the date you complete five years of vesting service.

Vesting Service

In general, you earn a year of vesting service for each calendar year in which you have at least 1,000 hours of service. You do not begin to earn vesting service until the year of your 18th birthday.

See "Appendix C" for special service rules that may apply to you.

Break in Vesting Service

You will have a break in vesting service in any calendar year in which you are credited with less than 501 hours of service. If you incur a break in vesting service, your vesting service before the break cannot be added to your vesting service after the break until it is bridged as follows:

- *If you have at least five years* of vesting service, you cannot lose credit for those years. If you leave a participating company and are later reemployed, your vesting service before the break will be bridged when you again become a participant in the Plan.
- *If you have fewer than five years of* vesting service, and you terminated employment and are later reemployed, your vesting service before the break will be bridged under the following vesting service bridging rules:

If Your Vesting Service Before the Break Was	Your Vesting Service Before the Break Is Bridged On:
Longer than your break in service, or your break in service is fewer than five years	The day you again become a participant in the Plan
Equal to or shorter than your break in service, and your break in service is five years or more	The second anniversary (before January 1, 2004, third anniversary) of your return to work

Note: If your net credited service before the break is bridged more rapidly under net credited service bridging rules than under the vesting service bridging rules above, your vesting service will be bridged on the date that your net credited service is bridged.

When Your Deferred Vested Pension Begins

Your deferred vested pension normally begins at age 65 or when you terminate employment, if later. However, you may elect to receive your deferred vested pension payments before age 65. If you elect to begin your pension before age 65, your benefit is permanently reduced based on your age when payments begin. If you begin your pension before age 65, the amount of monthly benefit you receive will be determined by multiplying your monthly benefit by the percentage determined under "Appendix A" based on your age when your pension begins.

Disability Pension

You are eligible to retire with a disability pension if:

- You have completed at least 15 years of net credited service prior to the last day of the month in which you attain normal retirement age,
- You are totally disabled, and
- You terminate from the payroll due to your total disability after receiving 52 weeks of sickness disability benefits from the Avaya Inc. Sickness and Accident Disability Benefit Plan.

If you meet these requirements and are also eligible to receive a service pension, you will receive a service pension for disability, not a disability pension. You *are not* eligible to receive a disability pension while you are receiving accident disability benefits under the Avaya Inc. Sickness and Accident Disability Benefit Plan.

If you are eligible for Workers' Compensation benefits or other payments under a similar law, your disability pension under the Plan will be reduced by the amount of the benefit you receive from those other sources for the same disability.

Total Disability

You are totally disabled under the Plan if the Pension Plan Administrator determines that, due to sickness or injury, you cannot return to work for a participating company or any non-participating Avaya subsidiary company. Total disability will not include any accidental injury arising out of or in the course of your employment.

When Your Disability Pension Begins

Normally, your disability pension (or service pension for disability) is paid monthly and will begin the day after you terminate from the payroll after receiving your disability benefits under the Avaya Inc. Sickness and Accident Disability Benefit Plan, if you elect to begin your disability pension during the 90-day period before your benefits stop under the Avaya Inc. Sickness and Accident Disability Benefit Plan. If you do not make an election during that 90-day period, your disability pension will begin as of the first day of the month after the date you notify the Avaya Pension Service Center that you want to begin receiving your benefit, provided you return your new pension commencement package within 90 days.

Regardless of your age when your disability pension begins, your benefit is not reduced for early commencement.

Termination of Disability Pension Benefits

Your disability pension will terminate, if:

- In the judgment of the Plan Administrator or the Employee Benefits Committee, as appropriate, you are no longer totally disabled, or

- You have not yet reached normal retirement age and you return to work for Avaya Inc. or a participating company. (This also applies if you return to work for an interchange company.)

If you reach normal retirement age while receiving a disability pension under the Plan, your disability pension converts to a service pension for disability. In that case, if you return to work for Avaya Inc. or a participating company (or for an interchange company), your service pension can be suspended in accordance with the Plan's rules for suspension of pension benefits (see "Employment-Related Events -- If You Are Rehired After You Begin Your Pension Benefit").

HOW PENSION BENEFITS ARE PAID

How pension benefits are paid depends on the amount of your pension, whether or not you are legally married, and on the option you choose.

General Rules

If the present value of your pension is $1,000 or less when your employment ends, your vested benefit is automatically paid to you as a lump sum. You do not have a choice concerning when this benefit is paid. If you receive a lump sum distribution of your pension, neither you nor your spouse has any further rights to benefits under the Plan.

When your pension is paid as a lump sum, you can select one of the following options for your lump sum:

- A cash payment to you.
- A direct rollover to an IRA or another tax-qualified retirement plan.
- Any combination of the options listed above.

If the present value of your pension exceeds $1,000 when your employment ends, your benefit will be paid in the normal form of payment unless you elect to receive payment in an optional form. After your employment ends, you will receive a commencement package from the Avaya Pension Service Center. The package will include a preliminary benefit calculation and information about your payment options.

Your Spouse

As described in this section, your spouse may have certain rights and be entitled to certain survivor benefits if you die after your benefit begins. For Plan purposes, your spouse is your legal husband or legal wife for federal income tax purposes.

Normal Forms of Payment for Service or Service Pension for Disability

If you are not legally married when your pension begins, your pension is paid as a single life annuity unless you elect an optional form. The single life annuity will provide you with monthly payments for your life, with no payments continued following your death.

If you are legally married when your pension begins, you will receive a reduced benefit payable in the form of a joint and 100% survivor annuity, unless you elect an optional form with the written consent of your spouse. The joint and 100% survivor annuity provides monthly payments to you for your lifetime that are reduced by the actuarial equivalent factor. The "actuarial equivalent factor" is calculated based on your age and the age of your spouse when your pension payments begin. Upon your death, a monthly benefit equal to 100% of the monthly benefit paid to you will be payable to your spouse during your spouse's lifetime. If your spouse dies before you, your monthly benefit will be increased to the single life annuity amount effective the first day of the month following your spouse's date of death, and no further benefits will be payable after your death.

Optional Forms of Payment for Service or Service Pension for Disability

If you are not married when your pension begins, you may elect to receive your pension in one of the optional forms of payment described below instead of a single life annuity.

If you are legally married when your pension begins, in lieu of receiving a joint and 100% survivor annuity, you may, with the written, notarized consent of your spouse, elect to receive your pension in one of the optional forms of payment described below.

The following is a description of the optional forms of payment:

- **Lump sum payment**. Under this option, the entire value of your pension will be paid to you as a single lump sum payment. The amount of your lump sum payment is the present value of your age 63 single life annuity benefit. It is calculated based upon your age and the interest rate in effect on your benefit commencement date. After you receive your lump sum payment, no further benefits will be paid to you from the Plan and no benefits will be payable after your death.

- **Single life annuity**. Under this option, monthly payments are made to you for life with no payments continuing after your death.

- **Joint and 100% survivor annuity with non-spouse beneficiary**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. You may name any living person other than your spouse as your beneficiary under this option. If you elect this option, your benefit will be reduced by the actuarial equivalent factor. The "actuarial equivalent factor" is calculated based on your age and the age of your beneficiary when your pension payments begin. Upon your death, a monthly benefit equal to 100% of the monthly benefit paid to you will be payable during your beneficiary's lifetime. If your beneficiary dies before you, your monthly benefit will be increased to the single life annuity amount effective the first day of the month following your beneficiary's date of death, and no further benefits will be payable after your death. *If you elect a non-spouse beneficiary, depending on the age of your beneficiary, the Joint & 100% Survivor Annuity option may not be available to you.*

- **Ten-year certain annuity**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. Your monthly benefit is reduced by the actuarial equivalent factor. The "actuarial equivalent factor" is calculated based on your age when your pension payments begin. You may designate one or more beneficiaries to receive payments if you die before 120 monthly payments have been made to you. If you die after 120 payments are made, no further benefits will be payable to your beneficiary(ies). If you die before 120 monthly payments have been made, your designated beneficiary(ies) will receive the remaining guaranteed payments. If you do not specify percentages for the beneficiaries when you designate them, any remaining payments after you die will be divided equally among your surviving designated beneficiaries. If you do specify percentages for the beneficiaries and a beneficiary predeceases you, the present value of that beneficiary's specified share of any remaining payments after you die will be paid in one lump sum payment to your estate because the beneficiary did not survive you. If you have not designated a beneficiary(ies) or your designated beneficiary(ies) do not survive you, the present value of any remaining payments will be paid in one lump sum payment to your estate after you die. If payments have begun to your designated beneficiary and that beneficiary dies, the value of the beneficiary's share of any remaining guaranteed payments will be paid in a lump sum to that beneficiary's estate.

- **Joint and 50% survivor annuity**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. Your beneficiary under this option can be your spouse or any other living person. Your benefit will be actuarially reduced based on your age and the age of your designated beneficiary when your pension payments begin. Upon your death, a monthly benefit equal to 50% of the monthly benefit paid to you will be payable during your beneficiary's lifetime. If your beneficiary dies before you, your monthly benefit will be increased to the single life annuity amount effective the first day of the month following your beneficiary's date of death, and no further benefits will be payable after your death.

Optional Forms of Payment for Disability Pension

If you are not married when your pension begins, you may elect to receive your pension in one of the optional forms of payment described below instead of a single life annuity.

If you are legally married when your pension begins, in lieu of receiving a joint and 100% survivor annuity, you may, with the written, notarized consent of your spouse, elect to receive your pension in one of the optional forms of payment described below.

The following is a description of the optional forms of payment:

- **Single life annuity**. Under this option, monthly payments are made to you for life with no payments continuing after your death.

- **Joint and 100% survivor annuity with non-spouse beneficiary**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. You may name any living person other than your spouse as your beneficiary under this option. If you elect this option, your benefit will be reduced by the actuarial equivalent factor. The "actuarial equivalent factor" is calculated based on your age and the age of your beneficiary when your pension payments begin. Upon your death, a monthly benefit equal to 100% of the monthly benefit paid to you will be payable during your beneficiary's lifetime. If your beneficiary dies before you, your monthly benefit will be increased to the single life annuity amount effective the first day of the month following your beneficiary's date of death, and no further benefits will be payable after your death. *If you elect a non-spouse beneficiary, depending on the age of your beneficiary, the Joint & 100% Survivor Annuity option may not be available to you.*

- **Ten-year certain annuity**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. Your monthly benefit is reduced by the actuarial equivalent factor. The "actuarial equivalent factor" is calculated based on your age when your pension payments begin. You may designate one or more beneficiaries to receive payments if you die before 120 monthly payments have been made to you. If you die after 120 payments are made, no further benefits will be payable to your beneficiary(ies). If you die before 120 monthly payments have been made, your designated beneficiary(ies) will receive the remaining guaranteed payments. If you do not specify percentages for the beneficiaries when you designate them, any remaining payments after you die will be divided equally among your surviving designated beneficiaries. If you do specify percentages for the beneficiaries and a beneficiary predeceases you, the present value of that beneficiary's specified share of any remaining payments after you die will be paid in one lump sum payment to your estate because the beneficiary did not survive you. If you have not designated a beneficiary(ies) or your designated beneficiary(ies) do not survive you, the present value of any remaining payments will be paid in one lump sum payment to your estate after you die. If payments have begun to your designated beneficiary and that beneficiary dies, the value of the beneficiary's share of any remaining guaranteed payments will be paid in a lump sum to that beneficiary's estate.

- **Joint and 50% survivor annuity**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. Your beneficiary under this option can be your spouse or any other living person. Your benefit will be actuarially reduced based on your age and the age of your designated beneficiary when your pension payments begin. Upon your death, a monthly benefit equal to 50% of the monthly benefit paid to you will be payable during your beneficiary's lifetime. If your beneficiary dies before you, your monthly benefit will be increased to the single life annuity amount effective the first day of the month following your beneficiary's date of death, and no further benefits will be payable after your death.

Normal Forms of Payment for Deferred Vested Pension

If you are not legally married when your pension begins, your pension is paid as a single life annuity unless you elect an optional form. Under the single life annuity, you receive monthly payments for your life with no payments after your death.

If you are legally married when your pension begins, you receive a reduced benefit payable in the form of a joint and 100% survivor annuity, unless you elect an optional form with the written, notarized consent of your spouse. Under the joint and 100% survivor annuity, you receive monthly payments for your lifetime that are reduced based on your age and the age of your spouse when your pension begins. If your spouse is still living when you die, your spouse receives continued, lifetime payments equal to 100% of the amount you were receiving. If your spouse dies before you but after your pension has begun, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.

Optional Forms of Payment for Deferred Vested Pension

- **Lump sum payment**. Under this option, the entire value of your pension will be paid to you as a single lump sum payment. If you terminated employment before July 1, 2009, the amount of your lump sum payment is the present value of your age 65 single life annuity benefit. If you terminate employment after June 30, 2009, the amount of your lump sum payment is the present value of your age 63 single life annuity. The lump sum is calculated based upon your age and the interest rate in effect on your benefit commencement date. After you receive your lump sum payment, no further benefits will be paid to you from the Plan and no benefits will be payable after your death.

- **Single life annuity**. Under this option, a monthly benefit will be paid to you during your lifetime. No benefits will be payable after your death.

- **Joint and 100% survivor annuity with non-spouse beneficiary**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. Your beneficiary under this option can be any living person other than your spouse. Your benefit will be actuarially reduced based on your age and the age of your designated beneficiary when your pension payments begin. Upon your death, a monthly benefit equal to 100% of the monthly benefit paid to you will be payable during your beneficiary's lifetime. If your beneficiary dies before you, no further benefits will be payable after your death.

- **Joint and 50% survivor annuity**. Under this option, a reduced monthly benefit will be paid to you during your lifetime. Your beneficiary under this option can be your spouse or any other living person. Your benefit will be actuarially reduced based on your age and the age of your designated beneficiary when your pension payments begin. Upon your death, a monthly benefit equal to 50% of the monthly benefit paid to you will be payable during your beneficiary's lifetime. If your beneficiary dies before you, your monthly benefit will be increased to the single life annuity amount effective the first day of the month following your beneficiary's date of death, and no further benefits will be payable after your death.

SURVIVOR BENEFITS

Your Spouse or Domestic Partner

As described in this section, your spouse or domestic partner may be entitled to certain survivor benefits if you die. For Plan purposes, your spouse is your legal husband or legal wife for federal income tax purposes.

For Plan purposes, an individual (same-gender or opposite-gender) is your domestic partner if you satisfy either the government registration requirement or the affidavit requirement and submit the necessary documentation.

Government Registration. An individual is your domestic partner if you satisfy one of the following requirements and submit a copy of the applicable government registration:

- You have complied with any state or local registration process for domestic partners;

- You reside in a state that recognizes same-gender marriages and you are legally married to your same-gender domestic partner under the laws of that state; or

- You reside in a state that recognizes same—gender civil unions and you have legally entered into such a civil union.

An individual will cease to be your domestic partner when a copy of the applicable government documentation terminating your domestic partnership is filed with the Avaya Pension Service Center.

Affidavit. An individual is your domestic partner if you complete and file with the Avaya Pension Service Center a notarized Domestic Partner Affidavit and any other required documentation, and you both:

- Reside in the same household as a member of that household,
- Are age 18 or older,
- Have mental sufficiency to enter into a valid contract,
- Are not related to each other by blood,
- Are not legally married to any other person,
- Have a close and committed personal relationship with each other and have no such relationship with anyone else, and
- Have joint responsibility for each other's welfare and financial obligations

An individual will cease to be your domestic partner when a notarized Domestic Partner Termination Affidavit is completed and filed with the Avaya Pension Service Center.

If You Die While Actively Employed

If you are not vested when you die, no benefit is paid under the Plan. If you are not married or do not have a domestic partner when you die, no benefit is paid under the Plan, regardless of whether or not you are vested. If you die as an active employee after you are vested and you are married or have a domestic partner, the Plan provides an automatic survivor annuity that pays a lifetime income to your eligible spouse or domestic partner. Instead of receiving an annuity, your spouse or domestic partner may elect to receive payment of the survivor benefit in a single lump sum.

If you have at least 15 years of net credited service when you die, your spouse or domestic partner will receive 100% of the reduced benefit you would have received under the joint and 100% survivor annuity or the joint and 100% survivor annuity with non-spouse beneficiary if you had retired on the date of your death with a service pension. There is no discount for early commencement. The annuity for your spouse or domestic partner begins as of the day after your death.

If you have less than 15 years of net credited service when you die, the survivor benefit is only provided if

- you and your spouse were married throughout the one-year period immediately before your death, or

- you and your domestic partner were in a domestic partnership throughout the one-year period immediately before your death.

If your spouse meets this requirement, your spouse can choose to receive the survivor benefit immediately (or any time on or before your 65 birthday) reduced for each year it starts before the date you would have reached age 65. If your domestic partner meets this requirement, your domestic partner can choose to receive the survivor benefit immediately (or any time on or before the one year anniversary of your death) reduced for each year it starts before the date you would have reached age 65.

For purposes of applying this one-year requirement, the period of your domestic partnership with an opposite-sex domestic partner who you later marry will count toward the one-year period of marriage requirement if you filed a Domestic Partner Affidavit with the Avaya Pension Service Center.

If You Die After Terminating Employment but Before Beginning Your Service Pension

If you are service pension eligible when you terminate employment and die before your pension begins, your spouse or domestic partner receives a pre-retirement survivor annuity.

Under this survivor annuity, your eligible spouse or domestic partner receives 100% of the reduced benefit you would have received under the joint and 100% survivor annuity or the joint and 100% survivor annuity with non-spouse beneficiary if you began your pension on the day you died. (If you die before age 55, the early commencement discount will apply.) Instead of receiving an annuity, your spouse or domestic partner may elect to receive payment of the age 63 survivor benefit in a single lump sum.

If you are not legally married or do not have a domestic partner when you die, no benefits are paid under the Plan when you die.

If You Die After Terminating Employment but Before Beginning Your Deferred Vested Pension

If you are eligible for a deferred vested pension when you terminate employment and die before beginning your pension, your eligible spouse or eligible domestic partner will receive a pre-retirement survivor annuity. To qualify for this annuity, your eligible spouse must be legally married to you (or your domestic partner must be your domestic partner) throughout the one-year period immediately before your death.

Under the pre-retirement survivor annuity, your eligible spouse or eligible domestic partner will receive the reduced benefit you would have received if:

- You lived to the date your deferred vested pension began,
- You elected to receive your deferred vested pension as a joint and 100% survivor annuity, and
- You died the next day.

Your spouse’s survivor benefit can be paid as either a lump sum or single life annuity starting at any time from the earliest date you would have been eligible to begin your deferred vested pension up to the date you would have reached age 65. Your domestic partner’s survivor benefit can be paid as either a lump sum within five years of your death or a single life annuity beginning at any time after your death and before the one year anniversary of your death.

If You Die After Your Pension Starts

If you die while receiving pension benefits, any death benefit is paid in accordance with the terms of the annuity you were receiving at the time of your death.

SICKNESS DEATH BENEFITS

In addition to any survivor annuity benefits that may be paid, the Plan also may provide sickness death benefits to qualified beneficiaries. If you are an active employee on or after July 2, 2006, you are not eligible for these benefits. Employees of Avaya of Puerto Rico, Inc. are not eligible (and never were eligible) for these benefits.

If you terminated employment before July 2, 2006 and are eligible to receive a service or disability pension, your qualified beneficiaries are eligible for the Plan's sickness death benefit when you die.

Amount of Sickness Death Benefits

Under the death benefit provisions, your qualified beneficiary may receive:

- *Sickness death benefit.* The sickness death benefit equals one year's pay excluding overtime. The sickness death benefit is paid if you die due to an illness or off-the-job accident while you are receiving (or eligible to receive) a service or disability pension.

- *Final expenses benefit:* If you die, are eligible for a sickness death benefit and either you do not have a beneficiary who qualifies for those death benefits or the amount of death benefits awarded is less than the maximum, then a final expenses benefit also may be paid for:

  - Necessary expenses relating to your death, and

  - If you die due to sickness, necessary expenses for your burial (not to exceed $500).

Sickness death benefits are reduced by like benefits paid from Workers' Compensation (or similar laws) for the same illness or injury.

Payment of Sickness Death Benefits

Generally, the death benefit is paid to your mandatory beneficiary. If you have more than one mandatory beneficiary (see below) when you die, the BCAC, at its discretion, determines whether to pay the full benefit to one beneficiary or to divide it equally, or in some other proportion, among your mandatory beneficiaries.

If you do not have any mandatory beneficiary when you die, death benefits may be paid to one or more discretionary beneficiaries. The BCAC, at its discretion, determines whether to pay a death benefit to a discretionary beneficiary, and if so, the amount of the benefit to be paid. The BCAC will base its decision on its determination of whether the discretionary beneficiary was dependent on you, and the extent of the discretionary beneficiary's financial need.

Generally, the death benefit will be paid at the discretion of the BCAC in a lump sum or in installments over a period of up to five years after your death. If the death benefit is paid as installments, the unpaid balance after the first installment payment is credited with interest of 5%

a year. If the Plan is subject to partial restrictions based on the Plan's funding level (as described in the "Potential Limits Based on Plan's Funding Level") and the death benefit is required to restricted, the restricted benefit will be paid as an annuity. If this situation applies, your beneficiaries will be notified.

A claim for death benefits received more than one year after your death will not be accepted. In addition, no death benefit will be paid if a claim (or suit) for damages based on your death is brought against any participating company or interchange company.

Beneficiaries

A mandatory beneficiary for purposes of the sickness and accident death benefits is your:

- Spouse who is living with you when you die,
- Unmarried dependent children up to age 23 (or over age 22 if the child is disabled and incapable of self-support), or
- Dependent parents living with you or in a separate household provided in the vicinity of your home.

A discretionary beneficiary for purposes of the sickness death benefit is your relatives (other than your mandatory beneficiaries) who the BCAC determines were dependent on you for financial support before your death and who demonstrate an acceptable financial need after your death.

EMPLOYMENT-RELATED EVENTS

If You Are Planning to Retire

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

If You Are Rehired After You Begin Your Pension Benefit

Your pension payments under this Plan may be suspended if you return to work after beginning your service or deferred vested pension, and you are employed by:

- A participating company,
- A non-participating Avaya subsidiary company, 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 period of 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.

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 deferred vested pension, the amount of your deferred vested pension may be adjusted to (a) reflect any period of suspension after you returned to the active payroll, and (b) additional service if you bridge.

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 Roll, Your Pension Based on Net Credited Service Recognized Under the Plan is:
Less than normal retirement age (regardless of whether or not your net credited service from the Plan is bridged)	Suspended
Normal retirement age or older and your net credited service from the *Plan is not bridged*	Paid by the Plan*
Normal retirement age or older and your net credited service from the Plan is *bridged*	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 that was recognized under this Plan*)
*Even if you had not begun to receive 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 Inc.'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 were hired by a participating company and your net credited service with an interchange company is bridged, your benefit under the interchange company's plan will be transferred in the Plan. Your benefit under the Plan will be suspended, including the portion based on your interchange company service.

If You Are Rehired After Receiving a Lump Sum Payment

If you received a lump sum payment of your pension benefit and are rehired into a position covered by the Plan, you may be able to 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. You have until 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, whichever is later, to repay the lump sum with interest.

If you repay the lump sum with interest within the required period, your old net credited service will apply (subject to applicable bridging rules) for all purposes including calculation of future pension benefits. If you do not repay the lump sum with interest before the deadline, your old net credited service will not count for calculating the amount of your future pension.

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 company, either directly or after a break in service, your continuous service with the non-participating Avaya subsidiary company will be recognized under the Plan (subject to the applicable service bridging rules) for the following purposes:

- Vesting
- Eligibility for a service 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
- Bridging prior service, subject to the applicable service bridging rules.

Service with a non-participating Avaya subsidiary company 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 company that is less than 80% but more than 50% owned by Avaya Inc., you may elect to begin your benefit under the Plan. If you elect to begin your pension benefit, service with the nonparticipating Avaya subsidiary company, beginning on the date your benefit payments start, will not be recognized for any purpose under the Plan.

If you are employed by a non-participating Avaya subsidiary company that is less than 50% owned by Avaya Inc., your service with that entity will not be recognized for any purpose under the Plan. In addition, if you are eligible to begin receiving your benefit, you may elect to begin your pension at any time.

If You Transfer From the Plan to The Avaya Inc. Pension Plan for Salaried Employees

If you have been continuously employed by a participating company since December 31 1998 and you transfer from a position covered by the Plan to one covered by The Avaya Inc. Pension Plan for Salaried Employees before January 1, 2010, your benefits under the Plan are transferred to The Avaya, Inc. Pension Plan for Salaried Employees. After December 31 2009, there are no plan transfers to The Avaya Inc. Pension Plan for Salaried Employees and your pension benefit remains in The Avaya Inc. Pension Plan.

If You Transfer From The Avaya Inc. Pension Plan for Salaried Employees to the Plan

If you transfer from a position covered by Avaya Inc. Pension Plan for Salaried Employees to a position covered by the Plan, your benefits under The Avaya Pension Plan for Salaried Employees will be transferred to the Plan and your benefit will be determined as follows:

For the first three years following the date of transfer from The Avaya Inc. Pension Plan for Salaried Employees to the Plan:

- For net credited service up to the date of your transfer, your pension will be based on the rules under the Service Based Program or Account Balance Program, as the case may be, in effect on your transfer date.

- For net credited service from the date of your transfer, your pension will be determined by the provisions of this Plan.

After you complete three years of net credited service following your transfer from The Avaya Inc. Pension Plan for Salaried Employees to the Plan, you will be entitled to a pension benefit that is the greater of:

- The pension benefit described above, or

- A benefit under the provisions of the Plan based on all your years of net credited service before and after the transfer from The Avaya Inc. Pension Plan for Salaried Employees (APPSE) to the Plan. In this case, your net credited service under the APPSE after December 31 2003 will not be included in your net credited service for purposes of calculating your Plan benefit.

Service with both plans will be counted in determining your eligibility for a pension.

If You Terminate Employment Due to Layoff

If you are laid off and are later rehired in a regular position, your service before the period of layoff may be bridged to your service following the layoff under the bridging rules described in the “Break in Net Credited Service” section.

If You Work Beyond Age 70½

If you continue to work beyond age 70½, you will be given a one-time chance to begin receiving your pension when you reach age 70½ even though you are still working. If you so elect, your pension payments will start on April 1 of the year following the year in which you reach age 70¼. If you do not elect to begin receiving your pension at that time, you must wait until you retire for your pension to begin.

If you elect to begin receiving your pension, the amount of the pension will initially be calculated as of the February 28 (February 29 in a leap year) immediately before the April 1 payment date. On December 31 of each year following the initial April 1 pension payment date (or on your actual termination date, if earlier), your pension will be recalculated based on your additional service, your pension band, and the Plan rules in effect at that time. If this recalculation results in a higher monthly pension, the higher monthly pension will be paid beginning on February 1 of the following year (or on the day following your actual termination of employment, if earlier).

Form of Payment

If you elect to begin receiving your pension and are not legally married when that first April 1 pension payment is made, your pension will be paid as a single life annuity, unless you elect an optional form of payment.

If you elect to begin receiving your pension and are legally married when that first April 1 pension payment is made, your pension will be paid as a joint and 100% survivor annuity, unless you elect an optional form of payment with the written, notarized consent of your spouse.

See "How Pension Benefits Are Paid" for additional information on distribution options.

Your distribution option election when that first April 1 payment is made will continue through the rest of your employment and after your retirement or termination. Because your pension payments have begun, you will no longer be covered by the automatic survivor annuity while actively employed.

IMPORTANT CONTACTS

Here are some ways to have your Plan questions answered.

Avaya Pension Service Center

The Avaya Pension Service Center is the official center for all pension and pension-related services for eligible represented employees.

By Phone

You can reach the Avaya Pension Service Center on any business day from 9:00 a.m. to 6:00 p.m., Eastern time, as follows:

Domestic Employees	**International and Hearing Impaired Employees**
Call 1-844-868-6236 to speak with a service representative.	To contact the Avaya Pension Service Center you can use the web chat feature at www.upointhr.com/Avaya.

By Mail

You may send written correspondence to the Avaya Pension Service Center by regular or express mail at the following address:

The Avaya Pension Service Center
4 Overlook Point
P.O. Box 1430
Lincolnshire, IL 60069

If you are writing to appeal a benefit claim determination, send your written appeal to:

Pension Plan Administrator
Avaya, Inc.
4655 Great America Parkway
Santa Clara, CA 95054

Other Resources

The following sources have specific responsibilities, as explained below:

Contact/Service Provided	**Address**
Domestic Relations Matters Group: Handles matters relating to Qualified Domestic Relations Orders (QDROs) and subpoenas and interrogatories regarding Plan information.	Domestic Relations Matters Group Aon Hewitt P.O. Box 1433 Lincolnshire, IL 60069-1433 1-866-310-8042
Employee Benefits Committee: Serves as final review Committee for Pension Plan benefit claims.	Employee Benefits Committee Avaya Inc. 4655 Great America Parkway Santa Clara, CA 95054
Pension Plan Administrator: Assists the Employee Benefits Committee in the administration of the pension provisions of the Plan, including granting and denial of claims for pension benefits.	Pension Plan Administrator Avaya Inc. 4655 Great America Parkway Santa Clara, CA 95054

Benefit Claim and Appeal Committee (BCAC): Serves as the initial review committee for claims under the death benefit provisions of the Plan.	Benefit Claim and Appeal Committee Avaya Inc. 4655 Great America Parkway Santa Clara, CA 95054
Investment Committee Invests the Plan's assets.	Investment Committee Avaya Inc. 4655 Great America Parkway Santa Clara, CA 95054

OTHER IMPORTANT INFORMATION

This section contains administrative information about the Plan and other details required under the terms of a federal law, the Employee Retirement Income Security Act of 1974, as amended (ERISA).

Claim and Appeal Procedures

Claim Procedures

Participants, their beneficiaries (if applicable) or any individual duly authorized by them have the right under ERISA and the Plan to file a written claim for benefits with the Pension Plan Administrator (see "Important Contacts"). Claims for pension matters (other than sickness and accident death benefits) should be sent to the Pension Plan Administrator. Claims regarding sickness and accident death benefits should be sent to the Benefit Claim and Appeal Committee (BCAC).

If a claim for benefits is denied in whole or in part, the claimant will receive a written notice of the decision from the Pension Plan Administrator or BCAC, as applicable, within 90 days (45 days in the case of a disability pension claim) after the Pension Plan Administrator or BCAC received the claim. The written notice will include:

- The specific reason(s) for the denial,
- Reference to the specific Plan provisions on which the denial was based,
- A description of any additional material or information necessary for the claimant to complete the claim and an explanation of why the material or information is necessary,
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim,
- Information about the steps to be taken if you, your dependent, or an authorized representative wishes to submit the claim for review, and
- A statement regarding your right to bring an action under Section 502(a) of ERISA, 29 U.S.C. 1132(a) after you have exhausted the claims appeal procedures.

If the Pension Plan Administrator or BCAC, as applicable, needs more than 90 days to make a decision, you will receive a notice in writing within the initial 90-day period explaining why more time is required. An additional 90 days (for a total of 180 days) may be taken if the Pension Plan Administrator or BCAC, as applicable, sends this notice. The extension notice will show the date by which the decision of the Pension Plan Administrator or BCAC will be sent.

If a claim for benefits is denied in whole or in part, an appeal process is available to you. You, your dependents or your authorized representative may appeal in writing within 60 days (180 days in the case of a disability pension claim) after the denial is received.

Appeal Procedures

A claimant can appeal a denied claim. If you wish to file an appeal, you must do so in writing within 60 days (180 days in the case of a disability pension claim) of receiving notification of the decision from the Pension Plan Administrator or BCAC, as applicable. In connection with preparing your appeal, you or your representative can request, free of charge, copies of all documents, records, and other information relevant to your claim. If you believe an error has occurred, you can support your request by giving the reason you think there is an error. Also, whenever possible, send copies of any documents or records that support your appeal. Whether or not you can provide such additional information, your claim will be reconsidered after your request is received. Send a written request for review of any denied claim (including sickness and death benefit claims) directly to the Secretary of the Employee Benefits Committee (see "Important Contacts").

The Employee Benefits Committee will conduct a review and make a final decision within 60 days (45 days in the case of a disability pension claim) after receiving the written request for review.

If special circumstances cause the Employee Benefits Committee to need more than 60 days (45 days in the case of a disability pension claim) to make a decision, a representative will notify you in writing within the initial 60 day (45 days in the case of a disability pension claim) period and explain why more time is required. An additional 60 days (for a total of 120 days) (additional 45 days in the case of a disability pension claim, for a total of 90 days) may be taken if the Employee Benefits Committee sends this notice.

The decision will be in writing and will include:

- The specific reason(s) for the denial,
- Reference to the specific Plan provisions on which the denial was based,
- A statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim, and
- A statement regarding your right to bring an action under Section 502(a) of ERISA, 29 U.S.C. 1132(a) after you have exhausted the claims appeal procedures.

The Employee Benefits Committee shall serve as the final review committee under the Plan. However, you or your beneficiary may have additional rights under ERISA. Applicable law and the Plan’s provisions require you to pursue all your claim and appeal rights on a timely basis *before* seeking any other legal recourse regarding claims for benefits.

The Employee Benefits Committee, Pension Plan Administrator and BCAC have the full discretionary authority and power to control and manage all aspects of the Plan, to determine eligibility for benefits, to interpret and construe all terms and provisions of the Plan, to determine questions of fact and law, and to adopt rules for the administration of the Plan as they may deem appropriate in accordance with the terms of the Plan and all applicable laws.

Your Rights Under ERISA

As a participant in the Plan, you are entitled to certain rights and protections under ERISA. ERISA provides that all Plan participants shall be entitled to:

Receive Information About Your Plan and Benefits

Examine, without charge, at the Pension Plan Administrator's office and at other specified locations, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Pension Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Pension Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual funding notice. The Pension Plan Administrator is generally required by law to furnish each participant with a copy of this annual funding notice no later than 120 days after the close of each plan year.

Obtain a statement telling you whether you have a right to receive a benefit at normal retirement age (age 65) and, if so, what your benefits would be at normal retirement age if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every twelve months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a Plan 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 the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Pension 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 because of reasons beyond the control of the Pension Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees; for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about your Plan, you should contact the Pension Service Center. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Pension Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 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 Employee Benefits Security Administration Brochure Request Line at 1-866-444-3272, on the Internet at http://www.dol.gov/ebsa/publications/main.html, or by contacting the Employee Benefits Security Administration field office nearest you.

Potential Limits Based on Plan's Funding Level

The Internal Revenue Code imposes certain limits on new benefit accruals and benefit payment forms if the Plan's funding drops below certain levels. For example:

- If the Plan's funding drops below 80 percent, you will not be able to receive a lump sum payment of your entire Plan benefit.

- If the Plan's funding drops below 60%, you will no longer earn additional benefits under the Plan and you will not be able to receive a lump sum payment of your Plan benefit.

If any of these restrictions apply to the Plan, you will be notified.

Union Agreement

The benefits described in this Summary Plan Description reflect the provisions of the Plan as outlined in various bargaining agreements between the company and the unions representing employees of the company. Copies of these agreements are distributed or made available to those employees covered by the agreements and to any other employee who submits a written request for a copy to the Avaya Pension Service Center. A reasonable duplication charge may be made for copies furnished in response to such written request.

Plan Amendment or Termination

The Board of Directors of Avaya Inc. (or its delegate) reserves the right to modify, suspend, change or terminate the Plan at any time, subject to the terms of applicable collective bargaining agreements. If the Plan were terminated, you could still have rights to future benefit payments, but you would not earn any further pension rights under the Plan regardless of continuing employment with a participating company. Participants may also have certain rights to benefits insured by the Pension Benefit Guaranty Corporation.

If the Plan were terminated, the rights of all affected participants and beneficiaries to pension benefits computed as of the date of termination would become nonforfeitable to the extent that there are sufficient assets in the pension trust fund to cover those benefits.

In the event of a Plan termination, Plan assets will be allocated to benefit categories in a particular order. Beginning with the benefit category that has first claim on Plan assets, payment will be made for:

- benefits for retirees or beneficiaries that are or could be in effect as of the beginning of the three-year period ending with the Plan's termination.
- benefits generally guaranteed by the Pension Benefit Guaranty Corporation (PBGC);
- benefits that are nonforfeitable (vested) under the Plan;
- all other benefits under the Plan.

Assets will be allocated to the categories in this order until assets run out.

Following termination of the Plan, any remaining assets, after satisfaction of all liabilities for disability pensions under the Plan, may be used to provide other permissible benefits to eligible employees.

Benefits Cannot Be Assigned

Generally, you or your beneficiary cannot assign or transfer amounts payable under the Plan, nor can amounts payable to you under the Plan be used to pay debts or obligations of any nature. However, the Plan is required to comply with court-issued Qualified Domestic Relations Orders ("QDRO") and qualified tax levies. See the Domestic Relations Matters Group under "Important Contacts" for details on who to contact if your pension benefit is subject to a QDRO, or to obtain (without charge) a copy of the Plan's procedures governing QDROs.

No Contract of Employment

The Plan does not constitute a contract of employment. Participation in the Plan will not give you the right to remain employed by a participating company or any affiliated company.

Benefit Limitations

Federal regulations under Internal Revenue Code Section 415 limit the amount of benefits that can be paid to any individual from a pension plan's trust fund. These limitations normally affect only the higher paid employees (or, in some cases, employees retiring at an early age) and are subject to periodic change by the IRS.

Additionally, federal regulations under Internal Revenue Code Section 401(a)(17) currently limit the annual amount of compensation used in computing the amount of benefit payable under the Plan.

Pension Benefit Guaranty Corporation

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people will receive all of the pension benefits they would have received under the Plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by the law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for Avaya Inc.; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask the Pension Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 1-800-400-7242 or 202-326-4000 (not a toll-free number). TTY/ASC11 users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 1-800-400-7242. Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at http://www.pbgc.gov.

ADMINISTRATIVE INFORMATION

Plan Name	The official Plan name is The Avaya Inc. Pension Plan.
Plan Sponsor	Avaya Inc. 4655 Great America Parkway Santa Clara, CA 95054
Participating Employers	Subsidiaries and affiliates for Avaya Inc. that have adopted the Plan are participating employers. You may find out if an employer is a participating employer or request a list of the participating employers by writing to the Pension Plan Administrator.
Type of Administrator	The pension provisions of the Plan are administered by the Employee Benefits Committee (the "EBC") and the Plan Administrator appointed by the EBC to assist in the day-to-day administration. The Investment Committee is responsible for investing the Plan's assets.
Pension Plan Administrator and Agent for Service of Legal Process	The Pension Plan Administrator is the agent for service of legal process. The address of the Pension Plan Administrator is: Avaya Inc. Pension Plan Administrator 4655 Great America Parkway Santa Clara, CA 95054 Legal process may also be served on the Trustee.
Plan Records and Plan Year	The Plan and all its records are maintained on a calendar year, basis beginning on January 1st and ending on December 31st of each year.
Type of Plan	The Plan is both a "defined benefit pension plan" and a "welfare plan" under ERISA. It is a defined benefit pension plan for service and deferred vested pension purposes and for payment of certain sickness death benefits upon the death of a participant under the pension provisions of the Plan. The Plan is a welfare plan for purposes of providing disability pension payments and certain other death benefit payments.
Employer Identification Number	The Employer Identification Number assigned by the IRS to Avaya Inc. is 22-3713430.
Plan Number	The Plan numbers assigned by Avaya are: • 002 for pensions paid from the pension trust fund and certain death benefits.

Source of Payments	Service and deferred vested pensions are paid from the pension trust fund. The trustee of the pension trust fund is: The Bank of New York Mellon 135 Santilli Highway Everett, MA 02149 Disability pensions are paid from the general assets of the participating companies. Certain death benefits under the Plan are paid from the general assets of the participating companies. Accident death benefits in excess of $50,000, or one year's pay, if greater, are paid under an accidental death policy underwritten by Unum Life Insurance Company of America.

APPENDIX A: DEFERRED VESTED PENSION EARLY PAYMENT PERCENTAGES

If you elect to begin your deferred vested pension early, your monthly benefit will be multiplied by the applicable percentage from the following charts. The applicable percentage (without or with a survivor annuity) is based on your completed years and months of age when your deferred vested pension begins.

Years/Month	0	1	2	3	4	5	6	7	8	9	10	11
21	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
22	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
23	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
24	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.04
25	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
26	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
27	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04	0.04
28	0.04	0.04	0.04	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
29	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
30	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.06
31	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
32	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06	0.06
33	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
34	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
35	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
36	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09
37	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
38	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
39	0.10	0.10	0.10	0.10	0.11	0.11	0.11	0.11	0.11	0.11	0.11	0.11
40	0.11	0.11	0.11	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	0.12
41	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.13	0.13	0.13	0.13	0.13
42	0.13	0.13	0.13	0.13	0.13	0.13	0.14	0.14	0.14	0.14	0.14	0.14
43	0.14	0.14	0.14	0.14	0.14	0.15	0.15	0.15	0.15	0.15	0.15	0.15
44	0.15	0.15	0.15	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16
45	0.16	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.17	0.18	0.18	0.18
46	0.18	0.18	0.18	0.18	0.18	0.19	0.19	0.19	0.19	0.19	0.19	0.19
47	0.19	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.21	0.21	0.21
48	0.21	0.21	0.21	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.23	0.23
49	0.23	0.23	0.23	0.23	0.24	0.24	0.24	0.24	0.24	0.24	0.25	0.25
50	0.26	0.26	0.26	0.26	0.26	0.26	0.27	0.27	0.27	0.27	0.27	0.28
51	0.28	0.28	0.28	0.28	0.28	0.29	0.29	0.29	0.29	0.29	0.30	0.30
52	0.30	0.30	0.30	0.31	0.31	0.31	0.31	0.32	0.32	0.32	0.32	0.32
53	0.33	0.33	0.33	0.33	0.34	0.34	0.34	0.34	0.34	0.35	0.35	0.35
54	0.35	0.36	0.36	0.36	0.36	0.37	0.37	0.37	0.37	0.38	0.38	0.38
55	0.38	0.39	0.39	0.39	0.40	0.40	0.40	0.40	0.41	0.41	0.41	0.42
56	0.42	0.42	0.43	0.43	0.43	0.44	0.44	0.44	0.44	0.45	0.45	0.45
57	0.46	0.46	0.46	0.47	0.47	0.48	0.48	0.48	0.49	0.49	0.49	0.50
58	0.50	0.50	0.51	0.51	0.52	0.52	0.52	0.53	0.53	0.54	0.54	0.54
59	0.55	0.55	0.56	0.56	0.57	0.57	0.57	0.58	0.58	0.59	0.59	0.60
60	0.60	0.61	0.61	0.62	0.62	0.63	0.63	0.64	0.64	0.65	0.65	0.66
61	0.66	0.67	0.67	0.68	0.68	0.69	0.70	0.70	0.71	0.71	0.72	0.72
62	0.73	0.74	0.74	0.75	0.76	0.76	0.77	0.78	0.78	0.79	0.80	0.80
63	0.81	0.82	0.82	0.83	0.84	0.85	0.85	0.86	0.87	0.88	0.88	0.89
64	0.90	0.91	0.91	0.92	0.93	0.94	0.95	0.96	0.97	0.97	0.98	0.99
65	1.00											

APPENDIX B: TRANSITION LEAVE OF ABSENCE

A Transition Leave of Absence (TLA) allows a participant to reach service pension eligibility under the Plan by (a) completing the time required to satisfy the age and/or service requirements for service pension eligibility on a TLA, and/or (b) satisfying the net credited service bridging rules that allow you to bridge to service that would satisfy those service requirements. The time on a TLA is *not* counted for any other purpose.

You are eligible for a TLA if you are within one year of the age and/or service requirements for a service pension and:

You terminate from the active payroll (either voluntarily or involuntarily) under an Avaya Inc. force management program, or

- You are included in a group of employees whose workgroup is sold to a non-Avaya Inc. entity and you become employed by the new owner, if no pension assets are transferred in connection with the transaction, and service credit for your employment with Avaya Inc. is not recognized under the new owner's plan pursuant to the terms of the transaction.

You are *not* eligible for a TLA if you are service pension-eligible under the terms of the Plan.

If you are eligible for a TLA, the TLA will begin the day after your termination and will end on the earliest of:

- The first anniversary of your termination date,
- The date you reach the required age and/or service to become service pension-eligible under the Plan,
- The date of your death (in which case you will not reach service pension eligibility), or
- 12 months minus the number of months and days on sickness disability benefits following your termination date or if you are eligible for sickness disability benefits under The Avaya Inc. Sickness and Accident Disability Benefit Plan.

Your TLA will be canceled retroactive to your last day on the active payroll if you are (re)hired by:

- Avaya Inc,
- A participating company,
- A non-participating Avaya subsidiary company, or
- Any interchange company if you are covered under an interchange agreement and, if applicable, you do not elect to waive such coverage.

If your TLA is cancelled, service credit will not be granted for any period of the TLA and you will not attain service pension eligibility based on your TLA.

The period of your TLA is added to your actual age and service on your termination date solely for purposes of determining eligibility for a service pension under the Plan. With a TLA, your service pension will be calculated based on your actual age and service and the Plan provisions in effect on your termination date. Any early commencement discount will be calculated based on your actual age on your benefit commencement date and your service on your last day on the active payroll before the start of your TLA.

APPENDIX C: SPECIAL RULES AND AGREEMENTS AND YOUR PENSION

Interchange Companies

Interchange companies are companies covered by the Mandatory Portability Agreement (MPA), including AT&T Corp., Ameritech Corporation, Bell Atlantic Corporation, Telcordia Technologies (formerly Bell Communications Research, Inc.), BellSouth Corporation, NYNEX Corporation, Pacific Telesis Group, SBC Communications, Inc., US West, Inc., Cincinnati Bell Telephone Company, The Southern New England Telephone Company, AirTouch Cellular, AirTouch International, Lucent Technologies Inc., Avaya Inc., certain but not all of their subsidiaries, and other eligible companies as may be added from time to time. Additional subsidiary interchange companies may be added from time to time.

The Avaya Pension Service Center maintains a list of all companies covered by the MPA.

Divestiture Interchange Agreement

If you had Bell System service before divestiture on January 1, 1984, that service was assigned to the pension plan of the former Bell System company where you were on payroll on January *1*, 1984. This applies even to previous service with a former Bell System company participating in the AT&T pension plans. If you were not employed by a former Bell System company as of divestiture, your previous service was assigned to the pension plan of the former Bell System company where you last worked. Previous service that was not assigned to an AT&T pension plan at divestiture and subsequently assigned to Lucent at the time of Lucent's spin-off from AT&T according to these rules can never be included as service under an Avaya Inc. pension plan unless you are covered by the Mandatory Portability Agreement or the Special Bell System Divestiture Vesting service Credit Rules summarized in this Appendix.

Mandatory Portability Agreement (MPA)

The MPA is an agreement effective January 1, 1985 between AT&T and the interchange companies. The agreement provides for mutual recognition of service credit and transfer of benefit obligations for certain employees who leave one interchange company and are later employed by another interchange company.

The MPA covers many, but not all of these companies' subsidiaries. Additional subsidiary interchange companies may be added from time to time. MPA rules only apply to employees hired on and after the date a company becomes an interchange company. The Avaya Pension Service Center maintains a list of all current and former companies covered by the MPA.

MPA Coverage

Your coverage under the MPA depends on your employment status on:

- December 31, 1983,
- The day you terminate employment from an interchange company, and

- The day you start working for a different interchange company.

To be covered by the MPA, you must meet the following tests:

- As of December 31 1983, you must have been:
  - Employed by a Bell System company in a position covered by the Bell System Pension Plan or the Bell System Management Pension Plan (or on leave of absence or layoff status and reinstated after December 31, 1983, but before expiration of the leave or the period of layoff recall rights), and
  - Employed in a non-supervisory position or, if in a supervisory position, with an annual base rate of pay (as defined below) of $50,000 or less.
- As of your date of termination from an interchange company, you must be:
  - Employed in a position covered by the interchange company's occupational (represented) or management (salaried) pension plan, and
  - Employed in a non-supervisory position, or if in a supervisory position, with an annual base rate of pay as of your termination date of $50,000 or less, as increased to reflect changes in the Consumer Price Index-Wages (CPI-W) since December 31, 1983. The CPI-W reflects changes in the cost-of-living figures between specific dates and is issued monthly by the U.S. Bureau of Labor Statistics.
- As of your date of hire by another interchange company, you must be:
  - Employed in a position covered by the interchange company's occupational or management pension plan, and
  - Employed in a non-supervisory position, or if in a supervisory position, with an annual base rate of pay of $50,000 or less, as increased to reflect changes in the CPI-W since December 31, 1983.

For purposes of the MPA, your annual base rate of pay equals your annual base salary rate as of the relevant point in time. It does not include lump sum merit awards, marketing incentive compensation or similar lump sum payments.

If you are hired by an interchange company and are covered by MPA, meeting the requirements described above:

- Your benefit under your old employer's plan will be transferred to your hiring company's pension plan and you will receive credit for your service and compensation, if you go directly from one interchange company to another.
- If you do not go directly from one interchange company to another, your service with your old interchange company employer may be bridged under the terms of the hiring

interchange company's pension plan. If your service is bridged, your benefit under your old employer's pension plan will be transferred to your hiring company's pension plan and you will receive credit for your service and compensation.

- If your pension benefit is transferred from your old employer's pension plan to the hiring company's pension plan, your pension under the hiring company's plan will equal the greater of:

  - The sum of (a) your benefit under the transferring company's pension plan (based on your service when you left) and (b) your benefit under the hiring company's plan (based on your service after your transfer).

  - Your benefit under the hiring company's pension plan (based on all of your interchange company service).

If you are otherwise eligible for coverage under the MPA and are hired by a company that is not an interchange company, but it:

- Is a parent, subsidiary or affiliate of an interchange company, and

- Is a participating company in an interchange company pension plan or has a separate pension plan and that plan provides for the recognition of pension service credit (credit for participation, vesting eligibility and benefit accrual) with an interchange company pension plan under an agreement generally comparable to the MPA,

then service with that non-interchange company is not recognized and is counted as a break in service for purposes of bridging service under the MPA. However, if you later bridge your prior service with an interchange company (i.e., by going to work for an interchange company and satisfying that company's service bridging rules), service with the above-described non-interchange company will also be recognized, for pension purposes (but not for any other benefit or personnel purposes).

Waiving MPA

You can waive your rights under the MPA. If you meet the eligibility criteria described above, you will be provided with a detailed summary regarding the impact of such a waiver and given a chance to waive portability.

The decision to waive portability is a personal choice that you need to make based on your situation. When making the decision, you should consider the following:

- The waiver is irrevocable and waives all of your future rights under MPA, even if you are hired by another interchange company.

- If you receive pension payments from an old employer that is an interchange company, those pension payments will be suspended if you do not waive coverage under the MPA.

- If you are eligible for retiree health and/or welfare benefits from an old employer that is an interchange company, those benefits could terminate if you do not waive coverage.

- If you waive portability, you will be considered a new employee and not receive credit for your service with other interchange companies except for limited purposes.

Service Recognition Under Certain Corporate Transactions

In certain instances, employees may receive additional service recognition for specific purposes as a condition of certain corporate transactions (e.g., acquisitions). If this applies to you, you will be informed in a separate document.

APPENDIX D: PENSION BAND MONTHLY BENEFIT TABLE

Pension band Number	On or After 7/1/2001 and before 7/1/2002	On or After 7/1/2002 and before 7/1/2003	On or After 7/1/2003 and before 7/1/2004	On or After 7/1/2004 and before 7/1/2005	On or After 7/1/2005 and before 7/1/2006	On or After 7/1/2006 and before 7/1/2009	On or after 7/1/2009
102	29.86	30.76	*	*	*	*	*
103	31.08	32.01	32.97	33.96	34.98	36.38	37.84
104	32.27	33.24	34.24	35.26	36.32	37.77	39.28
105	33.49	34.49	35.52	36.59	37.69	39.20	40.77
106	34.71	35.75	36.82	37.93	39.06	40.62	42.24
107	35.94	37.02	38.13	39.27	40.45	42.07	43.75
108	37.13	38.24	39.39	40.57	41.79	43.46	45.20
109	38.35	39.50	40.69	41.91	43.16	44.89	46.69
110	39.55	40.74	41.96	43.22	44.52	46.30	48.15
111	40.77	41.99	43.25	44.55	45.88	47.72	49.63
112	41.96	43.22	44.52	45.85	47.23	49.12	51.08
113	43.19	44.49	45.82	47.20	48.62	50.56	52.58
114	44.37	45.70	47.07	48.48	49.94	51.94	54.02
115	45.59	46.96	48.37	49.82	51.31	53.36	55.49
116	46.81	48.21	49.66	51.15	52.68	54.79	56.98
117	48.01	49.45	50.93	52.46	54.04	56.20	58.45
118	49.21	50.69	52.21	53.78	55.39	57.61	59.91
119	50.44	51.95	53.51	55.11	56.77	59.04	61.40
120	51.63	53.18	54.78	56.42	58.11	60.43	62.85
121	52.84	54.43	56.06	57.74	59.48	61.86	64.33
122	54.06	55.68	57.35	59.07	60.84	63.27	65.80
123	55.25	56.91	58.62	60.38	62.19	64.68	67.27
124	56.46	58.15	59.89	61.69	63.54	66.08	68.72
125	57.69	59.42	61.20	63.04	64.93	67.53	70.23
126	58.85	60.62	62.44	64.31	66.24	68.89	71.65
127	60.09	61.89	63.75	65.66	67.63	70.34	73.15
128	61.29	63.13	65.02	66.97	68.98	71.74	74.61
129	62.52	64.40	66.33	68.32	70.37	73.18	76.11
130	63.71	65.62	67.59	69.62	71.70	74.57	77.55
131	64.94	66.89	68.90	70.96	73.09	76.01	79.05
132	66.13	68.11	70.15	72.26	74.43	77.41	80.51
133	67.34	69.36	71.44	73.58	75.79	78.82	81.97
134	68.59	70.65	72.77	74.95	77.20	80.29	83.50
135	69.75	71.84	74.00	76.22	78.50	81.64	84.91

* After May 31, 2003, an employee previously assigned to Pension Band 102 is reassigned to Pension Band 103.

APPENDIX E: WAGE INCENTIVE REPLACEMENT FACTOR

Your pension benefit will include a wage incentive replacement pension if you satisfy the following requirements:

- You are no longer receiving wage incentive payments,
- You were covered under the Wage Incentive Pay Plan the day before the effective dates of the applicable 1986 union agreement, and
- You were reclassified effective June 1 or June 29, 1986, to a production level job as bargained.

If you are eligible for a wage incentive replacement benefit, your monthly benefit will be the sum of:

- Your basic monthly benefit (see "Basic Monthly Benefit Formula"),
- Your wage incentive replacement factor benefit, and
- Your supplemental monthly benefit, if any (see "Supplemental Monthly Benefit")

Your wage incentive replacement pension will equal the wage incentive replacement factor assigned to your specific location and level, multiplied by your net credited service.

For your wage incentive factor, call the Avaya Pension Service Center. Each factor was assigned by location and grade level at the time of bargaining and does not change. However, the wage incentive replacement factor will be phased out, as described below, if you later transfer out of the eligible workgroup.

Example

If you were an employee at Omaha, formerly receiving wage incentive payments at grade level 33, who was reclassified to Production Level I, effective June 29, 1986, the assigned wage incentive replacement factor is $4.07.

Assuming you retire with 25 years of net credited service, your wage incentive replacement benefit will equal:

Your wage incentive replacement factor	$ 4.07
Multiplied by your net credited service	x 25
Your wage incentive replacement benefit	$ 101.75

Your wage incentive replacement benefit will be reduced if, after you change to a production level job title, you transfer from the eligible workgroup and later retire. In this situation, your wage incentive replacement benefit is reduced by 1/36th for each full month during the period beginning on the date you leave the eligible workgroup and ending on your retirement. The first reduction will be effective the first of the month after you leave the eligible workgroup.

Under the terms of the Plan, however, your monthly benefit when you retire *cannot* be lower -- due to phasing out of the wage incentive replacement benefit -- than your monthly benefit calculated at an earlier time.

Example

Assume you leave the eligible workgroup 12 months before retirement. In this situation, your wage incentive replacement benefit would be reduced by 1/36th for each of these 12 months, or 12/36ths.

Therefore, your wage incentive replacement benefit would be calculated as follows:

Your wage incentive replacement factor	$	4.07
Multiplied by your net credited service	x	25
	$	101.75
Multiplied by the reduction factor (24/36)	x	.6667
Your wage incentive replacement benefit	$	67.84

If you transfer from the eligible workgroup after the above effective date and later transfer back to the workgroup before retirement, the wage incentive replacement factor calculation will be reduced in your pension computation for each full month that you were not part of the eligible workgroup during the 36 months before your retirement or termination of employment.

APPENDIX F: PENSION BAND DIFFERENTIALS

You are eligible for a pension band differential benefit if:

- As bargained in 1986,
  - You were actively employed either in a workgroup covered under the manufacturing grade level consolidation plan or as a service center or field operations employee in the material management services organization, and
  - Your job title was changed and reclassified to a lower pension band on June 1, 1986, June 29, l986 or June 30, 1986.
- As bargained in 1989,
  - You were a salaried graded employee on the 12 level salaried graded classification plan, and
  - Your job title was changed and reclassified to a lower pension band on May 28, 1989, in the company's five-tier plan.

If you are eligible for the pension band differential benefit, your basic monthly pension benefit (see "Basic Monthly Benefit Formula") will include your pension band differential multiplied by all net credited service before the reclassification and for all subsequent periods of service during which you remain in the same eligible workgroup.

The pension band differential equals the difference between the monthly benefit amounts in effect on the date of the reclassification for:

- The pension band for the grade/level to which you were assigned immediately before such reclassification, and
- The pension band for the grade/level to which you are reclassified.

Note: The monthly benefit amounts described above are those that were applicable to such pension bands as of October 1, 1985 for employees reclassified in 1986, and as of October 1, 1988 for employees reclassified in 1989.

The pension band differential benefit will not apply to service after you:

- Leave the bargaining unit,
- Transfer to a different location,
- Transfer to a job at the same location which is outside the eligible workgroup, or
- Move within the eligible workgroup to a job title with a pension band monthly benefit amount, which when added to the pension band differential, is equal to or greater than the

current monthly benefit amount of your pension band before you were reclassified in June 1986 or on May 28, 1989.

Example of Pension Band Differential Benefit

An employee, age 52 with 20 years of net credited service, was reclassified as bargained on May 28, 1989, with an associated change in pension band from 110 to 108:

Monthly benefit for pension band 110 (effective October 1, 1988)	$ 23.63
Monthly benefit for pension band 108 (effective October 1, 1 988)	22.19
Pension band differential =	$ 1.44

If this same employee remained in the same eligible workgroup and retired at age 62 in May 1999 with 30 years of net credited service, the basic monthly pension benefit would be:

Monthly benefit for pension band 108	$	33.65
Multiplied by your net credited service	x	30
Monthly Benefit	$	1,009.50
Pension band differential	$	1.44
Multiplied by net credited service	x	30
Pension Band Differential Benefit	$	43.20
Monthly Benefit	$	1,009.50
Plus Pension Band Differential Benefit	+	4320
Total Basic Monthly Benefit	$	1,052.70

Example of Pension Calculation for an Employee Who Leaves the Eligible Workgroup Prior to Retirement

If the employee in the previous example left the eligible workgroup on May 31 1998 - a year before retirement - with no change in pension band, the pension band differential in the previous example would have been multiplied by 29 years of net credited service.

The basic monthly pension benefit in this case would be:

Monthly benefit for pension band 108*	$	33.65
Multiplied by net credited service of 30 years	x	30
	$	1,009.50

Pension band differential	$	1.44
Multiplied by net credited service of 29 years	x	29
	$	41.76
Total Basic Monthly Benefit	$	1,009.50
	+	41.76
	$	1,051.26

*Note: under the Demotion Rule, since the current monthly benefit ($39.39) for your pension band when you retire was greater than your frozen monthly benefit of $23.63 (based on band 110), it is used for all years of net credited service not subject to the pension band differential.

Example of Pension Calculation for an Employee Eligible for a Pension Band Differential Who Moves Within the Eligible Workgroup

Assume the employee moves within the eligible workgroup and the pension band associated with the new position is:

- Higher than the one to which the employee was reclassified on May 28, 1989, and
- Lower than the one from which the employee was reclassified on May 28, 1989.

Assume the employee was reclassified on May 28, 1989 from pension band 110 to pension band 108, and is subsequently promoted ten months before retirement to a job title in the covered workgroup with pension band 109. The pension of this employee, who retires in March 2004 with 25 years of service, would be computed using:

- The promotion rules that apply for a promotion less than 12 months before retirement, and
- The rules that apply to the pension band differential.

The pension band differential does not apply to service after the employee's move because $40.83 (the sum of the monthly benefit for pension band 108 ($39.39) plus the pension differential ($1.44)) is greater than $35.85 (the monthly benefit amount for pension band 110).

The basic monthly pension benefit in this case would be:

Monthly benefit for pension band 108	$	39.39
Multiplied by net credited service of 25	x	25
	$	984.75
Pension band differential	$	1.44
Multiplied by net credited service of 25 years	x	25

	$	36.00
Total Basic Monthly Benefit	$	984.75
	+	36.00
$1,020.75	$	1,020.75