

Summary of Material Modifications Nokia Retirement Plan-- Important Contacts

This notice, called a Summary of Material Modifications (“SMM”), advises you of material changes in the information presented in your Summary Plan Description (sometimes called an “SPD”) for the Nokia Retirement Plan (the “Pension Plan”).

Please do two things:

1. Read this notice, and
2. Retain a copy of this notice for your records.

The changes are as follows:

1. NEW WEBSITE ADDRESS FOR PENSION PLAN RECORDKEEPER AND NEW ADDRESS AND TELEPHONE NUMBER FOR QDRO ADMINISTRATOR

The website address for Your Benefits Resources (YBR)[™] has changed. The new website address is <https://digital.alight.com/nokia>. Additionally, the address and phone number for the QDRO Administrator has changed. For your convenience, an updated list of “Important Contacts” for the Pension Plan is attached.

Important Contacts

Here is a list of important contacts for the Pension Plan:

Contact/Service Provided	Address
Nokia Benefits Resource Center— Service center for the Pension Plan; maintains information regarding your Pension Plan benefit; processes Plan-related transactions such as benefit commencement.	Online through the Your Benefits Resources (YBR) [™] website at https://digital.alight.com/nokia , 24 hours a day, seven days a week. By phone through the Nokia Benefits Resource Center, from 9:00 a.m. to 5:00 p.m., ET, Monday through Friday. Call 1-888-232-4111 and select “Retirement and Investments”, then select “Pension”.
Nokia Employee Benefits Committee— Serves as final review committee for Pension Plan benefit appeals.	Employee Benefits Committee Nokia 600-700 Mountain Avenue Room 6C-402A Murray Hill, NJ 07974 USA
Nokia Legal & Compliance Organization— Authorized agent for service of process of all legal papers for the Pension Plan, the Plan Administrator, and the Employee Benefits Committee. Also authorized agent for service of subpoenas.	Legal & Compliance Organization Nokia 600-700 Mountain Avenue Room 6C-412 Murray Hill, NJ 07974 USA
Plan Administrator— Administers the Pension Plan; adjudicates claims for benefits; responsible for certain disclosure to Plan Participants regarding their benefits.	Pension Plan Administrator Nokia 600-700 Mountain Avenue Room 6C-402A Murray Hill, NJ 07974 USA
QDRO Administrator— Handles matters relating to domestic relations orders affecting, or purporting to affect, Pension Plan benefits.	Send all draft or court certified orders to: Nokia QDRO Center P.O. Box 7144 Rantoul, IL 1866-7144 USA Fax: 1-847-883-9313 For information or if you have questions: visit the Qualified Order Center website at www.qocenter.com , email your questions to qocenter@alight.com , or contact the Nokia Benefits Resource Center (see above).

Lucent Technologies Inc. Retirement Plan **Summary Plan Description**

January 1, 2011



Disclaimer

This is a summary of the benefits available to eligible occupational employees under the Lucent Technologies Inc. Retirement Plan (Retirement Plan). This summary applies only to Participants who retire, die, terminate employment or become disabled on or after January 1, 2011. Benefits for Participants who retired, died, terminated employment or became disabled prior to January 1, 2011 are governed by the terms of the Retirement Plan in effect as of the date of their termination of employment, unless a later amendment specifically grants benefits to them.

The Retirement Plan is a spinoff from the Lucent Technologies Inc. Pension Plan (Pension Plan). To the extent that this summary refers to dates, events, agreements, elections or designations before December 31, 2005, such dates, events, agreements, elections or designations shall be recognized as if the Retirement Plan were in existence at the applicable time. Benefits for eligible occupational employees who retired, died, terminated employment or became disabled prior to December 31, 2005, are governed by the terms of the Pension Plan in effect as of their termination of employment.

This summary is provided for informational purposes only and is intended to comply with Department of Labor requirements for Summary Plan Descriptions ("SPDs"). More detailed information about the Retirement Plan is provided in the official Retirement Plan document, a copy of which can be obtained by writing to the Pension Plan Administrator (see "Important Contacts" and "Other Important Information"). This summary is based on Retirement Plan provisions in effect on January 1, 2011 and replaces all previous SPDs and other descriptions of benefits provided under the Retirement Plan. If there is any conflict between the information in this SPD and the Retirement Plan document, the Retirement Plan document will govern.

Retirement Plan May Be Amended or Terminated

The Company expects to continue the Retirement Plan but reserves the right to amend or terminate the Retirement Plan, in whole or in part, at any time by the resolution of the Board of Directors or its properly authorized designee, subject to the terms of applicable collective bargaining agreements.

Questions regarding your benefits should be addressed as indicated in this SPD (see "Important Contacts"). Because of the many detailed provisions of the Retirement Plan, no one other than the personnel or entities identified in this SPD (see "Important Contacts") is authorized to advise you as to your benefits. Neither the Company nor the Retirement Plan can be bound by statements made by unauthorized personnel or entities. In the event of a conflict between any verbal information provided to you by an authorized resource and information in the official Retirement Plan documents, the Retirement Plan documents will govern.

Lucent Technologies Inc. Retirement Plan

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This SPD describes the provisions of the Lucent Technologies Inc. Retirement Plan as of January 1, 2011. More detailed information is provided in the official Retirement Plan documents which are controlling.

INTRODUCTION

Here is your summary of the key features of the Lucent Technologies Inc. Retirement Plan (Retirement Plan). Certain words and phrases have a specific meaning under the Retirement Plan. These terms are capitalized whenever they appear to let you know that they are defined in the Section labeled "Terms You Should Know".

The Retirement Plan is an important part of your financial security. It can provide a source of continuing income during your retirement years, and it may provide survivor benefits to your eligible Lawful Spouse or other named beneficiary in certain specified instances.

The Retirement Plan is provided at no cost to you.

THE LUCENT TECHNOLOGIES INC. RETIREMENT PLAN — HIGHLIGHTS

Here is a summary of the key features of the Retirement Plan.

Retirement Plan Feature	Summary
Eligibility	<p>You are an Eligible Employee under the Retirement Plan if you are employed by a Participating Company and are any of the following:</p> <ul style="list-style-type: none">• An employee in a bargaining unit represented by a union which has agreed to the Retirement Plan, other than as a Communication Services Installer hired on or after March 24, 2005;• A non-salaried employee temporarily promoted to a salaried management position for one year or less; or• A Business and Technical Associate (BTA) continuously employed by a Participating Company since before January 1, 1999.
Participation	<p>You became a Participant in the Retirement Plan effective December 31, 2005 (the day the Retirement Plan was spun off from the Lucent Technologies Inc. Pension Plan) if, on that date, you were on the active payroll of the Company and a participant in the Pension Plan.</p> <p>If you are an Eligible Employee hired on or after December 31, 2005 by a Participating Company and are at least age 21, you automatically become a Participant in the Retirement Plan when you are credited with at least 1,000 Hours of Service in an Eligibility Year — a 12-consecutive-month period ending on any anniversary of your date of hire.</p> <p>If you are an Eligible Employee, you are covered by the sickness and accident death benefit provisions of the Retirement Plan beginning on the first day of employment with a Participating Company. However, if you are an employee of Lucent Technologies Caribbean and Latin American Sales Ltd., you are not eligible to participate in the death benefit provisions of the Retirement Plan.</p>
Cost	<p>Alcatel-Lucent USA Inc. pays the entire cost of the Retirement Plan. There is no cost to you.</p>

Vesting	<p>"Vesting" refers to earning a nonforfeitable right to your Retirement Plan benefit. Generally, you are Vested after you complete five years of Vesting Service. You also are Vested under the Retirement Plan if your benefit under the Retirement Plan became fully Vested by reason of a transfer of excess pension assets (see "Transfer of Excess Pension Assets"). If you were transferred from the Pension Plan to this Retirement Plan on December 31, 2005, all of your Vesting Service under the Pension Plan is treated as Vesting Service under the Retirement Plan.</p>
Retirement Plan Benefits	<p>The Retirement Plan provides three kinds of pensions to Participants:</p> <ul style="list-style-type: none">• A Service Pension if you leave a Controlled Group Company after meeting certain minimum age and Net Credited Service (NCS) requirements,• A Disability Pension if you are unable to work due to disability and have completed at least 15 years of NCS, and• A Deferred Vested Pension, if you leave a Controlled Group Company after you become Vested and you are not eligible to receive a Service or Disability Pension. <p>If you terminate employment with eligibility for a Service Pension or Disability Pension, your pension benefit will immediately be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers) and your pension benefit (as determined under the provisions of this Retirement Plan as of your date of termination) will be paid from the Pension Plan(or the Alcatel-Lucent Retirement Income Plan, as applicable).</p>
Information About Your Retirement Plan	<p>Call the Pension Service Center (PSC) at 1-866-429-5764 for information about the Retirement Plan and to initiate payment of your pension benefits. You can also reach the PSC by regular mail as follows:</p> <p>Alcatel-Lucent Pension Service Center PO Box 57576 Jacksonville, FL 32241-7576</p> <p>You can access the Alcatel-Lucent Pension Service Center website at http://alcatel-lucent.inqplans.com</p>

PARTICIPATING IN THE RETIREMENT PLAN

WHEN PARTICIPATION BEGINS

You became a Participant in the Retirement Plan effective December 31, 2005 (the day the Retirement Plan was spun off from the Pension Plan) if on that date you were on the active payroll of the Company and a participant in the Pension Plan.

If you are hired on or after December 31, 2005, you are a Participant in the Retirement Plan if:

- You are an Eligible Employee of a Participating Company,
- You are age 21 or older, and
- You have been credited with 1,000 Hours of Service in an Eligibility Year.

You automatically become a Participant in the Retirement Plan when you meet the above requirements. You do not need to enroll.

Special rules apply if you are credited with 1,000 Hours of Service in an Eligibility Year, but you are no longer an employee of a Participating Company on the last day of that year. Upon rehire by a Participating Company, when you become a Participant depends on whether or not you had a Break in Service (i.e., you are credited with fewer than 501 hours in the 12-month period). Assuming you are at least age 21, then:

- If you have not had a Break in Service, you will become a Participant in the Retirement Plan when you return to work for a Participating Company.
- If your Break in Service is at least one year but fewer than five years, you will become a Participant in the Retirement Plan retroactive to the date you return to a Participating Company upon being credited with 1,000 Hours of Service in a 12-month period ending on any anniversary of your date of rehire with a Participating Company.

- If your Break in Service is five years or more, you will become a Participant in the Retirement Plan upon the last day of the 12-month period ending on any anniversary of your date of rehire with a Participating Company in which you are credited with at least 1,000 Hours of Service.

If you are a participant in the Lucent Technologies Inc. Pension Plan and are rehired by a Participating Company, you will immediately become a Participant in the Retirement Plan effective with your date of rehire (see "Employment Related Events – If You Leave the Company and Are Rehired" for additional information).

If you are a participant of the Alcatel-Lucent Retirement Income Plan - Lucent Pension Program (LPP) and are rehired by a Participating Company and you are not represented by a union that has agreed to the Retirement Plan, you will remain a participant in the LPP, and will not become a Participant in the Retirement Plan.

If you are an Eligible Employee, you are covered by the sickness and accident death benefit provisions of the Retirement Plan (see "Sickness and Accident Death Benefits") beginning on the first day of employment with a Participating Company. However, if you are an employee of Lucent Technologies Caribbean and Latin American Sales Ltd., you are not eligible to participate in the death benefit provisions of the Retirement Plan.

Note that individuals who are not paid from the U.S. payroll of a Participating Company, who are employed by an independent company (such as an employment agency), or whose services are rendered pursuant to an agreement excluding participation in benefit plans are not eligible to participate in the Retirement Plan.

COST

Alcatel-Lucent USA Inc. pays the full cost of providing your pension. There is no cost to you.

ELIGIBILITY FOR PENSION BENEFITS

The Retirement Plan is designed to help build your future financial security. The Retirement Plan provides three kinds of pensions:

- A Service Pension,
- A Deferred Vested Pension, or
- A Disability Pension.

This section describes the types of pension you might receive and when benefits are paid depending on how and when you terminate employment with the Company. The type of pension for which you qualify will determine the amount of any reduction in your pension payments if you commence your benefits early.

If you terminate employment and are eligible for a Service Pension or Disability Pension, your pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you are not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable).

SERVICE PENSION

You may retire with a Service Pension at any time after you meet the following minimum age and Service requirements:

Your Age Is At Least	AND	Your NCS Is At Least
Any age		30 years
50		25 years
55		20 years
65		10 years

You must meet *both* the age and Service requirements for a Service Pension. The fact that your age and Net Credited Service add up to 75 or more *does not* entitle you to a Service Pension. For example, if you are age 51 and have 24 years of Service, you are *not* eligible for a Service Pension. As noted above, following your termination of employment, your Service Pension will be transferred to the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) and paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable).

If You Retire After Age 55

If you terminate employment (other than because of disability) after attaining age 55 and are entitled to a Service Pension, there is no reduction for early retirement in the amount of your pension.

If You Retire Before Age 55

If you terminate employment (other than because of disability) before age 55 and are entitled to a Service Pension, and you have less than 30 years of Net Credited Service, your pension will be permanently discounted by one-half percent for each full or partial month by which your Benefit Commencement Date precedes the date that you attain age 55. This discount is equal to no more than 6% a year for each year your pension is in effect before age 55. If you have 30 years of Net Credited Service when you terminate employment, there is no reduction for early retirement in the amount of your pension.

DEFERRED VESTED PENSION

You are eligible for a Deferred Vested Pension if you leave the Company after becoming Vested, provided you are not eligible for a Service Pension or Disability Pension. If you are eligible for a Deferred Vested Pension, your pension will be paid from the Retirement Plan.

If you are among the group of Certain Represented and BTA/LBA Employees:

- You may receive your Deferred Vested Pension starting at age 65, in which case, no reduction will be made to your pension because of your age at the time payments start.
- You may receive your Deferred Vested Pension at any time before age 65, but your benefit will be reduced by an actuarial factor that takes into account your age when your payments start. (See "Appendix A: Deferred Vested Pension Early Payment Percentages".)

If you are represented by an Other Union:

- Your Deferred Vested Pension will begin as of the later of the date you attain age 65 or terminate employment, in which case, no reduction will be made to your pension because of your age at the time payments start.
- If you have at least 20 years of NCS, you may elect to receive your Deferred Vested Pension payments before age 65 as shown in the following chart.

If Your Net Credited Service Is	Your Deferred Vested Pension Can Begin On or After [*]
At least 20 years	Age 55
25 years or more	Age 50
[*] If payments begin before age 65, your benefit is reduced by an actuarial factor that takes into account your age when your payments start. (See "Appendix A: Deferred Vested Pension Early Payment Percentages".)	

DISABILITY PENSION

You are eligible to terminate employment with a Disability Pension if:

- You have completed at least 15 years of Net Credited Service, and
- You are Totally Disabled due to an illness or an injury that is not job related (you are considered Totally Disabled if the Retirement Plan determines that your disability prevents you from returning to work for a Participating Company or a non-participating Controlled Group Company), and
- You are terminated from the payroll due to your continued Total Disability (i) after receiving 52 weeks of sickness disability benefits from the Alcatel-Lucent Sickness and Accident Disability Benefit Plan; or (ii) after receiving 26 weeks of disability benefits under the Alcatel-Lucent Short Term Disability Plan if you are a Business and Technical Associate; or (iii) after receiving 26 weeks of disability benefits under the AGCS Short Term Disability Plan if you are a former AGCS employee.

As noted above, your Disability Pension will be transferred to the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) and paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable).

If you meet these requirements and are also eligible to receive a Service Pension, you will receive a Service Pension Due to Disability and not a Disability Pension. Individuals who are employed as Communication Services Installers on or after March 24, 2005 are not eligible to commence a Disability Pension.

You are *not* eligible to receive a Disability Pension while you are receiving accident disability benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan.

If you are eligible for workers' compensation benefits or other payments under a similar law, the amount of the benefit you receive as a Disability Pension under the Retirement Plan will be reduced by the amount of the benefit you receive from those other sources for the same disability.

There is no reduction for early retirement for a Disability Pension or a Service Pension Due to Disability.

PENSION BENEFITS PAYABLE FOLLOWING YOUR DEATH

IF YOU DIE WHILE ACTIVELY EMPLOYED

The Retirement Plan provides an automatic survivor annuity that pays a lifetime income to your eligible Lawful Spouse if you die as an active employee after you become eligible for a Deferred Vested Pension.

If you have at least 15 years of NCS or you are eligible for a Service Pension when you die, your Lawful Spouse will receive 50% of the reduced benefit you would have received payable as a monthly annuity had you retired on the date of your death with a Service Pension. There is no discount for early retirement. The annuity for your Lawful Spouse begins as of the day after your death.

Certain Represented and BTA/LBA Employees: If you are eligible for a Deferred Vested Pension but you have fewer than 15 years of NCS at the time of your death, your Lawful Spouse must have been married to you throughout the one-year period immediately before your death to be eligible for this benefit. If your Lawful Spouse meets the one-year marriage requirement, your Lawful Spouse is entitled to a 50% survivor annuity and has a choice of the following payment options:

- A Lump Sum payment of the present value of the survivor annuity benefit that would have been payable at your age 65 or your date of death, if your date of death is after age 65,
- An immediately payable monthly survivor annuity benefit reduced for each year it starts before you would have reached age 65 as well as for the cost of survivor annuity coverage, or
- Defer commencement of the survivor annuity. Your Lawful Spouse may begin the survivor annuity any time before the date you would have reached age 65. The survivor annuity will be reduced for each year it starts before such date as well as for the cost of survivor annuity coverage.

Employees represented by an Other Union: If you are eligible for a Deferred Vested Pension but you have fewer than 15 years of NCS at the time of your death, your Lawful Spouse must have been married to you throughout the one-year period immediately before your death to be eligible for this benefit. If your Lawful Spouse meets the one-year marriage requirement, your Lawful Spouse will receive 50% of the reduced Vested pension you would have received if you had left the Company on the date you died and elected the survivor annuity at age 65 (or on the date of your death, if the date of your death is after age 65). Payments to your Lawful Spouse begin as of the date you would have reached age 65 (or on the day after your death, if the date of your death is after age 65).

No benefit will be paid if you are not Vested when you die and/or have no Lawful Spouse.

In case of your death, a family member or friend should notify your supervisor or the Pension Service Center as soon as possible.

IF YOU DIE AFTER LEAVING THE COMPANY BUT BEFORE BEGINNING YOUR SERVICE PENSION OR DISABILITY PENSION

If you are entitled to a Service Pension or Disability Pension when you leave the Company and die before your pension begins, your Lawful Spouse is covered by a Preretirement Survivor Annuity. As noted previously, your Service Pension or Disability Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The Preretirement Survivor Annuity provisions of the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) are identical to the Preretirement Survivor Annuity provisions of this Retirement Plan. Although the Preretirement Survivor Annuity will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding the Preretirement Survivor Annuity is included in this summary for your information.

To qualify for this annuity, your Lawful Spouse must be legally married to you on your date of death.

Your eligible Lawful Spouse will receive 50% of the reduced benefit you would have received under the Joint and 50% Survivor Annuity payment method had you begun your pension on the day you died. The benefit amount your Lawful Spouse receives is subject to an early commencement discount based on your age when you die and your NCS on your last day on the active payroll.

No benefits will be paid if you are not legally married at the time of your death.

If you made a valid election to commence a Joint and 75% Survivor Annuity or Joint and 100% Survivor Annuity and die before your pension begins, the 75% or 100% survivor annuity, as elected, shall be substituted for the 50% survivor annuity.

IF YOU DIE AFTER LEAVING THE COMPANY BUT BEFORE BEGINNING YOUR DEFERRED VESTED PENSION

If you are entitled to a Deferred Vested Pension when you leave the Company, and die before your pension begins, your Lawful Spouse is covered by a Preretirement Survivor Annuity. In this case, the Preretirement Survivor Annuity is paid to your Lawful Spouse from this Retirement Plan.

To qualify for this annuity, your Lawful Spouse must be legally married to you throughout the one-year period immediately before your death.

Your eligible Lawful Spouse will receive 50% of 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 with a Joint and 50% Survivor Annuity, and
- You died the next day.

No benefits will be paid if you are not legally married at the time of your death.

If you made a valid election to commence a Joint and 75% Survivor Annuity

and die before your pension begins, the 75% survivor annuity shall be substituted for the 50% survivor annuity.

Certain Represented and BTA/LBA Employees: Payments to your Lawful Spouse can begin any time after you die up to the date you would have reached age 65.

Employees represented by an Other Union: Payments to your Lawful Spouse can begin 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.

IF YOU DIE AFTER YOUR SERVICE PENSION OR DISABILITY PENSION STARTS

As noted previously, your Service Pension or Disability Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Service Pension or Disability Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The distribution provisions of the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) are identical to the distribution provisions of this Retirement Plan. Although any continuing benefit paid to your Lawful Spouse or designated beneficiary after your death will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding the continuation of such benefits is included in this summary for your information.

If you are receiving pension benefits under the Single Life Annuity, payments end on the last calendar day of the month of your death.

If you are receiving pension benefits under the Joint and 50% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 50% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the Joint and 75% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 75% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the Joint and 100% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 100% of the reduced monthly benefit for life. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the 10-Year Certain Annuity, your designated beneficiary or estate will receive any remaining guaranteed payments after your death. Payment will stop after the last guaranteed payment is made.

IF YOU DIE AFTER YOUR DEFERRED VESTED PENSION STARTS

If you are receiving pension benefits under the Single Life Annuity, payments end on the last calendar day of the month of your death.

If you are receiving pension benefits under the Joint and 50% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 50% of the reduced monthly benefit for life from this Retirement Plan. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

If you are receiving pension benefits under the Joint and 75% Survivor Annuity, upon your death your eligible Lawful Spouse who was married to you on the date your pension began will receive 75% of the reduced monthly benefit for life from this Retirement Plan. Payments to your eligible Lawful Spouse will begin on the first calendar day of the month immediately following your date of death.

SICKNESS AND ACCIDENT DEATH BENEFITS

In addition to any survivor annuity benefits that may be paid under the Retirement Plan, the Retirement Plan also provides sickness and accident death benefits to qualified beneficiaries (see "Payment of Sickness and Accident Death Benefits") if you die while you are:

- An active employee, or
- Eligible to receive a Service Pension or Disability Pension.

Generally, if you are an Eligible Employee, you are covered by the Retirement Plan's sickness and accident death benefit provisions on your first day of employment with a Participating Company. If you die while an active employee, any sickness or accident death benefit payable upon your death will be paid from the Retirement Plan.

If you are retired with eligibility for a Service Pension or Disability Pension, you may be eligible for the sickness death benefit, but you are *not* eligible for the accident death benefit. **If you terminate employment and are eligible for a Service Pension or Disability Pension, your pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). Any sickness death benefit payable upon your death will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The sickness death benefit provisions of the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) are identical to the sickness death benefit provisions of this Retirement Plan. Although the sickness death benefit will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding the sickness death benefit is included in this summary for your information.**

You are *not* eligible for sickness and accident death benefits if you are:

- A former employee (even if you are eligible for a Deferred Vested Pension), or
- An employee of Lucent Technologies Caribbean and Latin American Sales Ltd., or
- An employee who is classified as a Communication Services Installer (CSI) on or after March 24, 2005, unless you became eligible for a Service Pension under the Retirement Plan based solely on Service in a non-CSI position.

AMOUNT OF SICKNESS AND ACCIDENT DEATH BENEFITS

Under the death benefit provisions, your qualified beneficiary (see "Payment of Sickness and Accident Death Benefits") will receive:

- A *sickness death benefit* equal to one year's pay excluding overtime if you die as the result of an illness or off-the-job accident while you are an active employee or while you are receiving a Service Pension or Disability Pension, or
- An *accident death benefit* of up to three years' pay excluding overtime if you die as an active employee as the result of an On-The-Job Accident. There must be evidence, satisfactory to the Benefit Claim and Appeal Committee (BCAC), that the injuries resulting from that accident were the sole cause of death.

Sickness and accident death benefits are reduced by like benefits paid from workers' compensation (or similar laws) for the same illness or injury.

PAYMENT OF SICKNESS AND ACCIDENT DEATH BENEFITS

Generally, payment of the death benefit is made to your Mandatory Beneficiary. If you have more than one Mandatory Beneficiary when you die, the BCAC, at its discretion, will determine whether to pay the full benefit to one beneficiary or to divide it equally, or in some other proportion, among any of your Mandatory Beneficiaries.

If you do not have a Mandatory Beneficiary when you die, death benefits may be paid to one or more Discretionary Beneficiaries. The BCAC, at its discretion, will determine whether to pay a death benefit to a Discretionary Beneficiary, and if so,

the amount of the benefit to be paid. This decision will be based on the BCAC's determination of the prospective Discretionary Beneficiary's dependency and financial need.

If the BCAC does not authorize a death benefit, or if it authorizes a benefit of less than one year's pay, the BCAC may authorize payment of expenses related to your last illness or up to \$500 for funeral expenses — but in no event more than one year's pay.

Payment is made, at the BCAC's discretion, in a lump sum or in installments made over a period of up to five years following your death. If installment payments are made, interest of 5% a year will be credited on the unpaid balance after the first installment payment is made.

A family member or friend should notify your supervisor or the Pension Service Center (PSC) as soon as possible after your death. Claims received more than one year after your death will not be accepted. In addition, no death benefit will be paid if a claim (other than under the Retirement Plan) or a suit for damages because of your death is brought against any Participating Company or a company with an Interchange Agreement with Alcatel-Lucent USA Inc.

HOW PENSION BENEFITS ARE PAID

How your pension benefit is paid to you depends on the amount of your pension, whether or not you are legally married, and on the payment option you choose. However, if the present value of your Service Pension, Disability Pension or Deferred Vested Pension is \$1,000 or less, then payment of your pension benefit will automatically be made in a Lump Sum. If you continue to work beyond age 70½, special rules may apply (see “If You Work Beyond Age 70½”).

If you terminate employment and are eligible for a Service Pension or Disability Pension, your pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable).

The following exceptions apply:

- If you attained eligibility for a Service Pension based in part on Service in a Communication Services Installer position, you will remain a Participant in the Retirement Plan and your pension benefit will be paid from this Retirement Plan.
- If you are a former participant in the AGCS Pension Plan and your benefit accrued under the AGCS Pension Plan is a Service Pension and your benefit accrued under this Retirement Plan is not a Service Pension, you will remain a Participant in the Retirement Plan and your pension benefit will be paid from this Retirement Plan.

If you terminate employment with eligibility for a Deferred Vested Pension, you will remain a Participant in the Retirement Plan and when eligible to receive your pension benefit it will be paid from the Retirement Plan.

SERVICE PENSION OR DISABILITY PENSION

Prior to beginning your Service Pension or Disability Pension, you must request a commencement package from the Pension Service Center (PSC). The package will contain a preliminary pension calculation and information about your pension payment options and costs.

Your Service Pension or Disability Pension will be paid to you as an annuity, as follows:

- If you are legally married on your Benefit Commencement Date, the normal form of payment is the Joint and 50% Survivor Annuity. However, you may decline the Joint and 50% Survivor Annuity and instead elect the Joint and 75% Survivor Annuity, the Joint and 100% Survivor Annuity, the Single Life Annuity or the 10-Year Certain Annuity with your Lawful Spouse's written, notarized consent.
- If you are **not** legally married on your Benefit Commencement Date, your pension will be paid as a Single Life Annuity unless you elect the 10-Year Certain Annuity.
- In addition to the forgoing options, if the present value of your Service Pension or Disability Pension is more than \$1,000 but less than or equal to \$5,000, you may elect to receive payment of your Service Pension or Disability Pension in a Lump Sum.

For more information about the available payment methods, see "Service Pension or Disability Pension Payment Methods."

The payment method elected is effective as of your Benefit Commencement Date. Service Pensions normally begin the day after you leave the Company and are paid monthly. You will receive your first pension check on or about the first day of the month which is at least 60 days after your Benefit Commencement Date. Disability Pensions normally begin the day after your 52 weeks of disability benefits expire under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan, or after your 26 weeks of disability benefits expire under the Alcatel-Lucent Short Term Disability Plan, as applicable. You will receive your first pension check on or about the first day of the month which is at least 60 days after your Benefit Commencement Date.

To elect or change an option, you must notify the PSC in writing:

- Within the 90 days immediately before your pension is to begin, or, if later,
- Within 90 days immediately after the date the PSC mails or personally delivers to you your pension estimates and survivor annuity costs.

Keep in mind that if you are married, and you change your mind one or more times during the election period, your Lawful Spouse's written, notarized consent is required each time you decline the Joint and 50% Survivor Annuity. However, once your Lawful Spouse has given consent to any declination you have made, your Lawful Spouse cannot unilaterally withdraw consent for that declination. Once the 90-day election period is over, you cannot change your choice for any reason, including a change in your marital status.

If you have received a commencement package and are in the process of electing payment of your pension benefit within the 90-day election period, and your Benefit Commencement Date as shown in the commencement package has passed, then you and your Lawful Spouse, if applicable, will need to consent to a retroactive Benefit Commencement Date.

If you elect the Joint and 50% Survivor Annuity, the Joint and 75% Survivor Annuity or the Joint and 100% Survivor Annuity and your Lawful Spouse dies before you, your pension benefit will be increased by the amount of the original reduction. This increased amount will become effective the month after your Lawful Spouse's death.

If you commence your pension with a Joint and 50% Survivor Annuity, a Joint and 75% Survivor Annuity or a Joint and 100% Survivor Annuity, your eligible Lawful Spouse to whom you are legally married on your Benefit Commencement Date remains entitled to the annuity if you are later separated or divorced, even if one or both of you remarry.

If you decline the Joint and 50% Survivor Annuity and elect the Single Life Annuity with your Lawful Spouse's written, notarized consent, you will receive your full pension for life. Following your death, all payments will stop.

DEFERRED VESTED PENSION

If the present value of your Deferred Vested Pension exceeds \$1,000 when your employment ends, your Deferred Vested Pension will be paid as an annuity starting at age 65 (or when you terminate employment, if you terminate employment after age 65). In this case, no reduction will be made to your pension because of your age at the time payments start.

If the present value of your Deferred Vested Pension is more than \$1,000 but less than or equal to \$5,000, you may elect to take a Lump Sum or an immediate Single Life Annuity if you are single, or an immediate Joint and 50% Survivor Annuity if you are married. If you select an annuity, your pension will be reduced by an actuarial factor that takes into account your age when payments begin.

If you are among the group of Certain Represented and BTA/LBA Employees and the present value of your Deferred Vested Pension exceeds \$5,000, you have the following additional options:

- You may begin receiving your Deferred Vested Pension payable as an annuity at any time before age 65. In this case, your pension will be reduced by an actuarial factor that takes into account your age when payments begin; or
- You may receive your Deferred Vested Pension as a Lump Sum (if you are legally married, you must obtain your Lawful Spouse's written, notarized consent).

If you are represented by an Other Union and the present value of your Deferred Vested Pension exceeds \$5,000, you have the following additional option:

- If you have at least 20 years of NCS, you may begin receiving your Deferred Vested Pension payable as an annuity before age 65 as shown in the following chart.

If Your Net Credited Service Is	Your Deferred Vested Pension Can Begin On or After *
At least 20 years	Age 55
25 years or more	Age 50
* If payments begin before age 65, your benefit is reduced by an actuarial factor that takes into account your age when your payments start. (See "Appendix A: Deferred Vested Pension Early Payment Percentages.")	

After your employment ends, the Pension Service Center (PSC) will send you a Deferred Vested Pension calculation and an information package. If you are eligible to immediately commence payment of your Deferred Vested Pension, you will have a 90-day election period during which you may elect to have your Deferred Vested Pension paid immediately or to have payment deferred until a later date.

If you decide to defer payment, or are not yet eligible to commence payment, you must apply in writing to the PSC no earlier than 90 days before the date you wish your pension payments to begin. They will send you the appropriate information, along with the forms to be completed and returned before your pension can commence.

Otherwise, the PSC will contact you approximately three months before your 65th birthday.

Note: It is important that you notify the PSC of any change in your address.

Your Deferred Vested Pension will be paid to you as an annuity, as follows:

- If you are legally married on your Benefit Commencement Date, your pension will be paid to you as a Joint and 50% Survivor Annuity. However, you may decline the Joint and 50% Survivor Annuity and elect the Single Life Annuity or the Joint and 75% Survivor Annuity with the written, notarized consent of your Lawful Spouse.
- If you are **not** legally married on your Benefit Commencement Date, your pension will be paid to you as a Single Life Annuity with no payments continuing after your death.

If your Deferred Vested Pension is paid as an annuity, you will receive your first check on or about the first day of the month which is at least 60 days after your Benefit Commencement Date.

If you are among the group of Certain Represented and BTA/LBA Employees, and elect to receive your Deferred Vested Pension as a Lump Sum, with the written, notarized consent of your Lawful Spouse, you must select one or more of the following distribution options:

- A single Lump Sum payment to you, and/or
- Direct Rollover to a traditional IRA, and/or
- Direct Rollover to a Roth IRA, and/or

- Direct Rollover to another employer's qualified retirement plan, including the Lucent Technologies Inc. Long Term Savings and Security Plan, if you have an account under that plan.

If you receive a Lump Sum Distribution of your Deferred Vested Pension, your rights and entitlements, and those of your Lawful Spouse, if any, under the Retirement Plan cease upon payment of a Lump Sum Distribution.

If you are legally married, you may decline or re-elect the Joint and 50% Survivor Annuity by notifying the PSC in writing:

- Within the 90 days immediately before your Deferred Vested Pension is to begin, or, if later,
- Within 90 days immediately after the date the PSC mails or personally delivers to you your pension estimates and survivor annuity costs.

If you change your mind one or more times during the election period, your Lawful Spouse's written, notarized consent is required each time you decline the Joint and 50% Survivor Annuity. However, once your Lawful Spouse has given consent to any declination you have made, your Lawful Spouse cannot unilaterally withdraw consent for that declination. Once the 90-day election period is over, you cannot change your choice for any reason, including a change in your marital status.

If you have received a commencement package and are in the process of electing payment of your pension benefit within the 90-day election period, and your Benefit Commencement Date as shown in the commencement package has passed, then you and your Lawful Spouse, if applicable, will need to consent to a retroactive Benefit Commencement Date.

If you commence your Deferred Vested Pension with a Joint and 50% Survivor Annuity or a Joint and 75% Survivor Annuity, your eligible Lawful Spouse to whom you are legally married on the day your pension begins remains entitled to the annuity if you are later separated or divorced, even if one or both of you remarry.

If your Deferred Vested Pension is payable as a Joint and 50% Survivor Annuity or a Joint and 75% Survivor Annuity and your Lawful Spouse dies before you, but after your pension begins, you will continue to receive the reduced pension for life. No payments will be made to anyone else after your death.

If you decline the Joint and 50% Survivor Annuity and elect a Single Life Annuity with your Lawful Spouse's written, notarized consent, you will receive your full pension for life. Following your death, all payments will stop.

If you elect to defer payment of your Deferred Vested Pension to a later date, your Lawful Spouse will be covered by a Preretirement Survivor Annuity. If you defer payment of your Deferred Vested Pension to a later date, you may elect to commence your Deferred Vested Pension in the future by contacting the PSC in writing. The PSC will send you the appropriate information, along with the forms to be completed and returned before your pension can commence.

If you elect to defer payment of your Deferred Vested Pension and do not contact the PSC to commence your Deferred Vested Pension, the PSC will contact you approximately three months before your 65th birthday.

Note: It is important that you notify the PSC of any change in your address after you leave the active payroll (see “Important Contacts”).

PAYMENT METHODS FOR PENSION BENEFITS

If you terminate employment and are eligible for a Service Pension or Disability Pension, your pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The payment provisions under the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) for Service Pensions and Disability Pensions are identical to the payment provisions under this Retirement Plan. Although payment will be made from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding the payment methods for Service Pensions and Disability Pensions is included in this summary since you may elect how to have your pension benefits paid to you while a Participant under this Retirement Plan.

SERVICE PENSION OR DISABILITY PENSION PAYMENT METHODS

There are a total of seven payment methods available for a Service Pension or Disability Pension. They include:

- **Automatic Lump Sum.** If the present value of your pension benefit is *\$1,000 or less* when your employment ends, your benefit is automatically paid to you as a Lump Sum — you will have no choice concerning the payment of this benefit. If you receive such a Lump Sum Distribution of your pension benefit, neither you nor your Lawful Spouse has any further rights to benefits under the Retirement Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.

- **Optional Cash-Out Lump Sum.** If the present value of your pension benefit is more than \$1,000 but less than or equal to \$5,000 when your employment ends, you can choose to have your benefit paid immediately as a Lump Sum. If you elect a Lump Sum Distribution of your pension benefit, neither you nor your Lawful Spouse has any further rights to benefits under the Retirement Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.
- **Single Life Annuity.** This is the automatic payment method if you are not legally married when pension payments begin. It is also available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse). Under this option, monthly payments are made to you for life with no payments continuing upon your death. This payment method produces the greatest monthly benefit of any payment method because only one lifetime is covered.
- **Joint and 50% Survivor Annuity.** This is the automatic payment method if you are legally married when pension payments begin. It provides you with monthly payments for life. With this option, an 8% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive one-half (50%) of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. If you are legally married, you must obtain your Lawful Spouse’s written, notarized consent to elect any other payment method.

If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, your payments will be increased by the amount of the original reduction.

- **Joint and 75% Survivor Annuity.** This payment method is an option if you are legally married when your pension payments begin (provided you obtain the written, notarized consent of your Lawful Spouse). It provides you with monthly payments for life. With this option, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. The reduction under this method is greater than the reduction under a Joint and 50% Survivor Annuity because this method provides a greater survivor benefit for your Lawful Spouse.

If you elect this option and your Lawful Spouse dies before you, but after

your pension has begun, your payments will be increased by the amount of the original reduction.

- **Joint and 100% Survivor Annuity.** This payment method is an option if you are legally married when your pension payments begin (provided you obtain the written, notarized consent of your Lawful Spouse). It provides you with monthly payments for life. With this option, a 15% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 100% of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse's. The reduction under this method is greater than the reduction under a Joint and 50% Survivor Annuity because this method provides a greater survivor benefit for your Lawful Spouse.

If you elect this option and your Lawful Spouse dies before you, but after your pension has begun, your payments will be increased by the amount of the original reduction.

- **10-Year Certain Annuity.** This option is available to you, regardless of your marital status when pension payments begin (if you are legally married, you must obtain the written, notarized consent of your Lawful Spouse). Payments under this option are guaranteed for at least 10 years. This option provides you with monthly payments for life. With this option, a 5% reduction is applied to your pension when payments begin.

If you die before all guaranteed payments are made, your designated beneficiary or estate will receive the remaining guaranteed payments. Payments to your designated beneficiary or estate will stop after the last guaranteed payment is made.

If you live longer than 10 years, the reduced payments will continue for the rest of your life and stop upon your death.

If you elect a 10-Year Certain Annuity, you may name as your beneficiary:

- One or more individuals,
- A trust, or
- An estate.

If you are receiving your pension as a 10-Year Certain Annuity and your beneficiary dies during the 10-year certain period, you may name a new beneficiary. If you do not name a beneficiary, or if none of your designated beneficiaries is living when you die, the remaining payments under the

10-year certain period will be paid to your estate.

DEFERRED VESTED PENSION PAYMENT METHODS

There are five payment methods for a Deferred Vested Pension available to all employees. They include:

- **Automatic Lump Sum.** If the present value of your Deferred Vested Pension is *\$1,000 or less* when your employment ends, it will automatically be paid to you as a Lump Sum — you will have no choice concerning the payment of your Vested benefit. If you receive such a Lump Sum Distribution of your Deferred Vested Pension, neither you nor your Lawful Spouse has any further rights under the Retirement Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.
- **Optional Cash-Out Lump Sum.** If the present value of your Deferred Vested Pension is more than \$1,000 but less than or equal to \$5,000 when your employment ends, you can choose to have your benefit paid immediately as a Lump Sum. If you elect a Lump Sum Distribution of your pension benefit, neither you nor your Lawful Spouse has any further rights to benefits under the Retirement Plan. However, see “If You Are Rehired After Receiving a Lump Sum Payment” for exceptions if you return to the Company and repay your Lump Sum.
- **Single Life Annuity.** This is the automatic payment method for employees who are not legally married when their pension begins. It is also available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse). Under this option, monthly payments are made to you for life with no payments continuing upon your death. This payment method produces the greatest monthly benefit of any payment method because only one lifetime is covered.
- **Joint and 50% Survivor Annuity.** This is the automatic payment method if you are legally married when your pension begins. It provides you with monthly payments for life. With this option, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive one-half (50%) of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse’s. If you are legally married, you must obtain your Lawful Spouse’s written, notarized consent to elect any other payment method.

If you elect this option and your Lawful 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.

- **Joint and 75% Survivor Annuity.** This payment method is an option if you are legally married when your pension payments begin (provided you obtain the written, notarized consent of your Lawful Spouse). It provides you with monthly payments for life. With this option, a 17% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of the reduced monthly payments for life.

Payments are reduced under this payment method to cover two lifetimes — yours and your Lawful Spouse's. The reduction under this method is greater than the reduction under a Joint and 50% Survivor Annuity because this method provides a greater survivor benefit for your Lawful Spouse.

If you elect this option and your Lawful 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.

Additionally, if you are among the group of **Certain Represented or BTA/LBA Employees**, you may elect a Lump Sum payment even if the present value of your Deferred Vested Pension exceeds \$5,000. If you are legally married, you must first obtain your Lawful Spouse's written, notarized consent to select this option. If you take a Lump Sum Distribution of your Deferred Vested Pension, neither you nor your Lawful Spouse will have any further rights to benefits under the Retirement Plan. However, see "If You Are Rehired After Receiving a Lump Sum Payment" for exceptions if you return to work for the Company and repay your Lump Sum.

CALCULATING YOUR RETIREMENT PLAN BENEFIT

Your pension benefit is calculated using a formula that takes into account the following:

- Your Net Credited Service,
- The monthly benefit for your Pension Band, and
- Any includable Supplemental Payments.

See “Terms You Should Know” for an explanation of these terms.

All pensions — including Service, Disability and Deferred Vested — are generally determined using the same basic calculation formula. However, certain factors may affect your benefit calculation (see “Factors Affecting Benefit Calculation”).

BASIC MONTHLY PENSION BENEFIT FORMULA

Your basic monthly pension benefit is calculated by multiplying the monthly benefit for your Pension Band (see “Appendix E: Pension Band Monthly Benefit Table”) by your Net Credited Service. In addition to this benefit, you also may be entitled to receive a supplemental monthly pension benefit (see “Supplemental Monthly Pension Benefit”). The amount you actually receive each month will depend in part on whether your pension is discounted for early retirement and/or a survivor annuity.

Pension Bands and the Basic Monthly Pension Benefit

Each covered job title/grade level/occupation is assigned a Pension Band by location. Once assigned, the job title, grade level and occupation, by location, remains in that band. If you are not sure of the Pension Band assigned to your job, contact the Pension Service Center (PSC).

Generally, your pension will be calculated based on your assigned Pension Band in

effect on the date you terminate employment, unless your situation is governed by rules for promotions, demotions and transfers or by the Special Demotion Rule.

If you were a participant in the AGCS Pension Plan and remained an employee at the Genoa facility after December 31, 2004, the applicable Pension Band monthly benefit for your Term of Employment on and after January 1, 2005, is \$36.00. If you became disabled as defined in Appendix D while a participant in the AGCS Pension Plan and continued to be disabled after December 31, 2004, the applicable benefit multiplier for your Term of Employment on and after January 1, 2005, will be frozen in accordance with the benefit multiplier in effect as of the date you became disabled. (See "Summary of Rules Applicable to Former Employees of AG Communication Systems (AGCS)" in Appendix D, for more information on how your pension is calculated.)

For the monthly benefit that applies to your Pension Band, see "Appendix E."

Example of Basic Monthly Pension Benefit Calculation

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

- You are in Pension Band 120.
- You terminate employment with 40 years of Net Credited Service on November 1, 2011.

Monthly benefit for Pension Band 120 (see "Appendix E")	\$ 59.56
Multiplied by 40 years of Net Credited Service	$\times \underline{40}$
Basic monthly pension benefit	\$2,382.40

The above example assumes payments are made under the Single Life Annuity payment method with no early commencement discount.

SUPPLEMENTAL MONTHLY PENSION BENEFIT

In addition to your basic monthly pension benefit, you may be entitled to a supplemental monthly pension benefit based on includable Supplemental Payments you receive before you terminate employment. A four-step process is used to determine the amount of this benefit:

- *Step 1*, add up the includable Supplemental Payments (excluding any payments for overtime) you receive during the 36 consecutive months before you terminate employment.
- *Step 2*, divide the total in Step 1 by three to get an annual average.
- *Step 3*, multiply the annual average in Step 2 by .001.
- *Step 4*, multiply the result in Step 3 by your Net Credited Service.

Example of Supplemental Monthly Pension Benefit Calculation

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

- Your average annual includable Supplemental Payments during the 36 consecutive months before you terminate employment is \$1,500.
- You terminate employment with 40 years of Net Credited Service.

To simplify the example, Steps 1 and 2 are skipped.

Average annual includable Supplemental Payments	\$ 1,500.00
Multiplied by .001	x .001
	\$ 1.50
Multiplied by 40 years of Net Credited Service	x 40
Supplemental monthly pension benefit	\$ 60.00*

* This amount would be added to your basic monthly pension benefit. Using the basic monthly pension benefit example described previously (see "Example of Basic Monthly Pension Benefit"), your total monthly benefit would be \$2,442.40.

Basic monthly pension benefit	\$ 2,382.40
Supplemental monthly pension benefit	+ \$ 60.00
Total monthly pension benefit	\$ 2,442.40

HOW A DISABILITY PENSION IS CALCULATED

If you terminate employment and are eligible for a Disability Pension, your Disability Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Disability Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The provisions under the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) for Disability Pensions are identical to the provisions under this Retirement Plan. Although payment will be made from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding continued eligibility for a Disability Pension is included in this summary for your information.

A Disability Pension is calculated the same way as a Service Pension. However, there is no early commencement discount for a Disability Pension or for a Service Pension Due to Disability paid before age 55.

If you are eligible for workers' compensation benefits or other payments under a similar law, the amount of the benefit you receive under the Pension Plan as a Disability Pension will be reduced by the amount of the benefit you receive from those other sources for the same disability. This reduction does not apply to a Service Pension Due to Disability.

The Pension Plan Administrator for the Pension Plan (or the Alcatel-Lucent Retirement Income Plan, as applicable) or the Alcatel-Lucent Employee Benefits Committee, as appropriate, determines your continuing eligibility to receive Disability Pension benefits.

Termination of Disability Pension Benefits

Your Disability Pension will be terminated, if:

- In the judgment of the Pension Plan Administrator for the Pension Plan (or the Alcatel-Lucent Retirement Income Plan, as applicable) or the Employee Benefits Committee, as appropriate, your disability no longer prevents you from returning to work for the Company, or
- You have not yet reached Normal Retirement Age (NRA) and you return to work for the Company. (This also applies if you return to work for a Former

Affiliate or any other company with which there is an Interchange Agreement, and you are covered by the Interchange Agreement — see “Appendix D: Special Rules and Agreements and Your Pension.”)

If you reach NRA while continuing to receive a Disability Pension under the Pension Plan (or the Alcatel-Lucent Retirement Income Plan, as applicable), your Disability Pension will be converted to a Service Pension Due to Disability. In that case, if you return to work for the Company (or for a Former Affiliate or any other company with which there is an Interchange Agreement and you are covered by the Interchange Agreement), your Service Pension may be suspended. See “Employment Related Events — If You Return to Work After Beginning Your Pension.”

DEFERRED VESTED PENSION CALCULATION

A Deferred Vested Pension is calculated the same way as a Service Pension, except as described below. The pension formula used to calculate your pension is based on the terms of the Retirement Plan in effect when your employment ends.

Your Deferred Vested Pension will normally begin on your 65th birthday. (See “How Pension Benefits Are Paid” for information about the payment of your Deferred Vested Pension.) If you are eligible to and commence payment of your Deferred Vested Pension before age 65, your benefit will be permanently reduced by a percentage that takes into account your age as of your Benefit Commencement Date. The younger you are, the greater the reduction. Your Deferred Vested Pension will be further reduced if you choose the Joint and 50% Survivor Annuity or the Joint and 75% Survivor Annuity at the time your Deferred Vested Pension begins. For factors that apply to determine the percentage of your pension otherwise payable at age 65 that you will receive (without or with a survivor annuity) based on your completed years and months of age when your Deferred Vested Pension begins, contact the Pension Service Center (PSC) (see “Important Contacts”).

FACTORS AFFECTING BENEFIT CALCULATION

Certain factors like part-time employment, promotions, demotions or transfers may affect the amount of your benefit calculation. In addition, special pension provisions may apply for certain employees in designated titles and workgroups.

Part-time Employment

If you have a period of part-time employment with a Participating Company, your pension will be prorated as follows:

For Part-time Employment	Your Benefit Will Be Prorated Based On
Before January 1, 1981	Your scheduled part-time hours compared to the scheduled hours of a full-time employee
On or after January 1, 1981	Your actual hours worked (excluding overtime) compared to scheduled full-time hours

Promotions and Transfers

If you are promoted or transferred to a new job title/classification with a higher Pension Band, the following provisions will apply:

- If you complete 12 consecutive months of Service in the new job/classification before you retire or terminate your employment with eligibility for a Deferred Vested Pension, you will secure the new, higher Pension Band and your pension will be computed for all years and months of Service at the value of the new, higher Pension Band.

For example, suppose you spent 20 years in Pension Band 120. Also suppose that a full 12 consecutive months before you chose to terminate employment, you were promoted to Pension Band 123. Your basic monthly pension benefit would equal 21 years multiplied by the monthly benefit in effect for Pension Band 123 at the time you terminate employment.

- If you terminate employment within the 12 months following the promotion, your pension benefit will be calculated based on the last secured Pension Band you held immediately before the promotion.

For example, suppose you were in Pension Band 120 for 20 years and you were promoted to Pension Band 123 where you remained for 10 months before you decided to terminate employment. Your basic monthly pension benefit would be the monthly benefit (in effect at termination) for Pension Band 120 multiplied by 20 years and 10 months.

Note: A temporary transfer to a job in a higher Pension Band will not be treated as a promotion for pension purposes until you have been in that temporary position for more than one year. You must then complete 12 consecutive months of Service

following the one-year anniversary of the temporary promotion in order to secure the new higher Pension Band. Otherwise, your pension benefit will be calculated based on the last secured Pension Band you held immediately before the temporary promotion.

The amount you actually receive each month will depend in part on whether your pension is discounted for early retirement and/or a survivor annuity.

Demotions and Transfers

If you are demoted or transferred to a new job title/classification with a lower Pension Band, the following provisions will apply:

- The monthly benefit amount of your former secured^{*} Pension Band from which you were demoted or transferred is “frozen” on the last day that Pension Band applies.
- The frozen monthly benefit of your former secured^{*} Pension Band will be used to compute your basic monthly pension benefit at the time you terminate employment — unless the monthly benefit of your current Pension Band is higher when you terminate employment.

^{*} Note: You secure a Pension Band after you have completed 12 consecutive months of Service in that Pension Band.

Example of Demotion to Lower Pension Band

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

- Your Pension Band changes from 108 to 105 on November 1, 2001,
- On October 31, 2001 the monthly benefit of Pension Band 108 was \$37.13,
- You terminate employment on February 1, 2011 with 25 years of Net Credited Service, and
- The monthly benefit for Pension Band 105 is \$38.63 when you terminate employment on February 1, 2011.

In this example, since the monthly benefit for Pension Band 105 is \$38.63 when you terminate employment on February 1, 2011, your pension would be calculated using that monthly benefit since it is the greater amount.

However, if the frozen monthly benefit of \$37.13 was the greater amount when you terminated employment, it would apply to all your Net Credited Service (including Net Credited Service on or after November 1, 2001).

Special Demotion Rule

Pensions are computed in a special way for employees who are Service Pension eligible on the date they are demoted or transferred to job titles with lower Pension Bands 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 years of Service up to the fifth anniversary of your demotion or transfer to a lower Pension Band, your pension is calculated using the current value of the higher secured Pension Band you held before your demotion or transfer.
- For Service after the fifth anniversary of your demotion or transfer, your pension is calculated as described in "Demotions and Transfers."

This means that if you terminate employment within five years, your pension is calculated using the monthly benefit in effect for the higher secured Pension Band when you terminate employment.

If you are *not eligible for a Service Pension* on the date of demotion or transfer, your pension is calculated as described in "Demotions and Transfers."

If you were a participant in the Lucent Transfer Program (LTP), your pension will be determined using the Special Demotion Rule if:

- You participated in LTP, were placed in a regular position through LTP because of a force surplus condition and the position in which you were placed is assigned to a lower Pension Band than the one applicable before you accepted the position through LTP, and
- You are eligible for a Service Pension on the date you are placed in the position through LTP.

Special Pension Provisions for Designated Titles and Workgroups

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

- Special rules which affect certain transferred employees, including rules under the MPA and rules applicable to Participants who were participants in the AGCS Pension Plan, see "Appendix D"

- Wage Incentive Replacement Factor, see “Appendix F”
- Pension Band Differentials, see “Appendix G”.

Example of a Discounted Service Pension

If you terminate employment and are eligible for a Service Pension, your Service Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Service Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The early commencement discount provisions of the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) are identical to the early commencement discount provisions of this Retirement Plan. Although payment will be made from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding the calculation of the discount is included in this summary since you may elect when to have your pension benefits paid to you while a Participant under this Retirement Plan.

The pension calculations in the previous examples show how your pension would be calculated if you retired with an unreduced Service Pension, and you selected the Single Life Annuity.

If you qualify for a Service Pension when you stop working for the Company, and you are under age 55 with less than 30 years of NCS at that time, an early commencement discount will apply if payments start before you reach age 55. The amount of the early commencement discount is 1/2% for each full and partial month that payments start before age 55. This discount is equal to no more than 6% a year for each year your pension is in effect before you reach age 55.

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

- You terminate employment exactly at age 53 with exactly 28 years of NCS.
- Your monthly pension benefit is \$1,093.40.
- Your pension would be subject to a 12% early commencement discount (24 months x 1/2% = 12%).

Example:

a.	Monthly pension payable before early commencement discount	\$1,093.40
b.	Minus early commencement discount (24 months x 1/2% discount per month = 12% x \$1,093.40 = \$131.20 early commencement discount)	- \$ 131.20
c.	Equals discounted monthly pension amount (\$1,093.40 - \$131.20 = \$962.20)	= \$ 962.20

HOW SURVIVOR ANNUITIES ARE CALCULATED FOR SERVICE PENSIONS, DISABILITY PENSIONS AND DEFERRED VESTED PENSIONS

If you terminate employment and are eligible for a Service Pension or Disability Pension, your Service Pension or Disability Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Service Pension or Disability Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). The survivor annuity discount provisions of the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) are identical to the survivor annuity discount provisions of this Retirement Plan. Although payment will be made from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable), information regarding the calculation of the discount is included in this summary since you may elect when to have your pension benefits paid to you while a Participant under this Retirement Plan.

Service Pension or Disability Pension Example: Joint and 50% Survivor Annuity

If you are legally married on the day your pension begins, the normal form of payment is the Joint and 50% Survivor Annuity.

Under the Joint and 50% Survivor Annuity, an 8% reduction is applied to your pension

when payments begin. Upon your death, your Lawful Spouse will receive 50% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, your monthly pension benefit will be increased by the amount of the original reduction.

Following is an example of a Service Pension or Disability Pension under the Joint and 50% Survivor Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is \$1,093.40 before the Joint and 50% Survivor Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a.	Monthly pension payable before reduction for Joint and 50% Survivor Annuity	\$1,093.40
b.	Less 8% reduction to cover cost of Joint and 50% Survivor Annuity ($\$1,093.40 \times .08$ (8%) = \$87.47)	- \$ 87.47
c.	Amount of your reduced monthly pension	= \$1,005.93
d.	Lawful Spouse's lifetime benefit following your death (50% of your reduced monthly pension benefit)	\$ 502.97

Service Pension or Disability Pension Example: Joint and 75% Survivor Annuity

The Joint and 75% Survivor Annuity payment method is available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse).

Under the Joint and 75% Survivor Annuity, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, your monthly pension benefit will be increased by the amount of the original reduction.

Following is an example of a Service Pension or Disability Pension under the Joint and 75% Survivor Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is \$1,093.40 before the Joint and 75% Survivor Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a.	Monthly pension benefit before reduction for Joint and 75% Survivor Annuity	\$1,093.40
b.	Less 12% reduction to cover cost of Joint and 75% Survivor Annuity ($\$1,093.40 \times .12$ (12%) = \$131.20)	<u>- \$ 131.20</u>
c.	Amount of your reduced monthly pension	= \$ 962.20
d.	Lawful Spouse's lifetime benefit following your death (75% of your reduced monthly pension benefit)	\$ 721.65

The reduction under this method is greater than the reduction under the Joint and 50% Survivor Annuity because it provides a greater survivor benefit for your spouse.

Service Pension or Disability Pension Example: Joint and 100% Survivor Annuity

The Joint and 100% Survivor Annuity payment method is available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse).

Under the Joint and 100% Survivor Annuity, a 15% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 100% of your reduced monthly pension benefit for life. If your Lawful Spouse dies before you, your monthly pension benefit will be increased by the amount of the original reduction.

Following is an example of a Service Pension or Disability Pension under the Joint and 100% Survivor Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is \$1,093.40 before the Joint and 100% Survivor Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a.	Monthly pension benefit before reduction for Joint and 100% Survivor Annuity	\$1,093.40
b.	Less 15% reduction to cover cost of Joint and 100% Survivor Annuity ($\$1,093.40 \times .15$ (15%) = \$164.01)	<u>- \$ 164.01</u>
c.	Amount of your reduced monthly pension	= \$ 962.39
d.	Lawful Spouse's lifetime benefit following your death (100% of your reduced monthly pension benefit)	\$ 929.39

The reduction under this method is greater than the reduction under the Joint and 50% Survivor Annuity because it provides a greater survivor benefit for your spouse.

Service Pension or Disability Pension Example: 10-Year Certain Annuity

The 10-Year Certain Annuity option is available to both single and married employees. However, if you are married, you must obtain the written, notarized consent of your Lawful Spouse to select this payment method.

Under the 10-Year Certain Annuity payment method, a 5% reduction is applied to your pension when payments begin. If you die before payments are made for the entire 10-year "certain" period, your designated beneficiary or estate will receive payments until the 10-year certain period is over. If you live beyond the 10-year certain period, you will continue to receive the same reduced benefit for life (see "Payment Methods for Pension Benefits"). In this case, all payments will stop after your death.

Following is an example of a Service Pension or Disability Pension under the 10-Year Certain Annuity payment method. This example assumes:

- Your monthly Service Pension or Disability Pension benefit is \$1,093.40 before the 10-Year Certain Annuity reduction is applied, and
- Your Service Pension or Disability Pension is not reduced for early commencement.

Example:

a.	Monthly pension benefit before reduction for 10-Year Certain Annuity	\$1,093.40
b.	Less 5% reduction to cover cost of guaranteed payments for 10 years ($\$1,093.40 \times .05$ (5%) = \$54.67)	- \$ 54.67
c.	Amount of your reduced monthly pension	= \$1,038.73

Deferred Vested Pension Example: Joint and 50% Survivor Annuity

If you are legally married on the day your Deferred Vested Pension begins, the normal form of payment is the Joint and 50% Survivor Annuity.

Under the Joint and 50% Survivor Annuity, a 12% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 50% of your reduced monthly pension benefit for life. If your Lawful 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.

Following is an example of a Deferred Vested Pension under the Joint and 50% Survivor Annuity. This example assumes you begin your pension payments at age 65.

Example:

a.	Monthly pension benefit before reduction for 50% Survivor Annuity	\$1,093.40
b.	Less 12% reduction to cover cost of Joint and 50% Survivor Annuity ($\$1,093.40 \times .12$ (12%) = \$131.20)	- \$ 131.20
c.	Amount of Your Reduced Monthly Pension beginning at age 65	= \$ 962.20
d.	Lawful Spouse's lifetime benefit following your death (50%)	\$ 481.10

Deferred Vested Pension Example: Joint and 75% Survivor Annuity

The Joint and 75% Survivor Annuity payment method is available as an option if you are legally married (provided you obtain the written, notarized consent of your Lawful Spouse).

Under the Joint and 75% Survivor Annuity, a 17% reduction is applied to your pension when payments begin. Upon your death, your Lawful Spouse will receive 75% of your reduced monthly pension benefit for life. If your Lawful 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.

Following is an example of a Deferred Vested Pension under the Joint and 75% Survivor Annuity. This example assumes you begin your pension payments at age 65.

Example:

a.	Monthly pension benefit before reduction for Joint and 75% Survivor Annuity	\$1,093.40
b.	Less 17% reduction to cover cost of Joint and 75% Survivor Annuity ($\$1,093.40 \times .17$ (17%) = \$185.87)	<u>- \$ 185.87</u>
c.	Amount of Your Reduced Monthly Pension beginning at age 65	= \$ 907.53
d.	Lawful Spouse's lifetime benefit following your death (75% of your reduced monthly pension benefit beginning at age 65)	\$ 680.65

EMPLOYMENT-RELATED EVENTS

IF YOU TERMINATE YOUR EMPLOYMENT

If you have five or more years of Vesting Service when you terminate employment, or if you are Vested as a result of a transfer of excess pension assets, or if you are a Business and Technical Associate terminated under the provisions of an Alcatel-Lucent force management program, you are eligible for a Deferred Vested Pension. You will receive information about the amount of your Deferred Vested Pension and payment options after you leave the Participating Company. If you meet certain minimum age and Service requirements when you terminate employment, you are eligible for a Service Pension. You must request a Service Pension commencement package from the Pension Service Center (PSC).

If you terminate employment and are eligible for a Service Pension or Disability Pension, your Service Pension or Disability Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Service Pension or Disability Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable).

If You Terminate Employment Due To Layoff

If you are laid off and are later rehired on a permanent basis, your Net Credited Service before the period of layoff may be bridged to your Net Credited Service following your rehire under the layoff bridging rules. (see "Terms You Should Know: Break in Net Credited Service.")

If You Terminate Employment Due To a Permanent Disability

If you have *at least* 15 years of Net Credited Service, and you terminate employment after receiving 52 weeks of sickness disability benefits from the

Sickness and Accident Disability Benefit Plan (or after receiving 26 weeks of disability benefits from the Short Term Disability Plan if you are a Business and Technical Associate, or after receiving 26 weeks of disability benefits from the AGCS Short Term Disability Plan if you are a former AGCS employee), and you remain Totally Disabled, you may be eligible for a Disability Pension. If you are also Service Pension eligible at the time of your separation from service, you will receive a Service Pension Due to Disability, not a Disability Pension.

If you exhaust 52 weeks of sickness disability benefits from the Sickness and Accident Disability Benefit Plan (or 26 weeks of benefits from the Short Term Disability Plan, if applicable) and you have *less than* 15 years of Net Credited Service, you may be eligible for a Deferred Vested Pension payable at Normal Retirement Age.

IF YOU LEAVE THE COMPANY AND ARE REHIRED

If you are an Eligible Employee upon your rehire, and you were Vested in the Retirement Plan or the Pension Plan when your previous employment ended, your prior period of Vesting Service will be restored when you become a Participant in the Retirement Plan.

If you are an Eligible Employee upon your rehire, and you were not Vested in the Retirement Plan or the Pension Plan when your previous employment ended, your prior period of Service may be restored. The date when your prior Vesting Service is restored depends on the length of your Break in Service. (see "Terms You Should Know: Break in Vesting Service.")

If you are an Eligible Employee, your prior period of Net Credited Service may be bridged to your Net Credited Service following your rehire. When your Net Credited Service is bridged depends on how long your Break in Service was and how long you remain actively employed with a Participating Company upon your rehire. (see "Terms You Should Know: Break in Net Credited Service.")

If you were eligible for a Service Pension or Disability Pension and you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers when you terminated employment, your Service Pension or Disability Pension was transferred to the Alcatel-Lucent Retirement Income Plan. If upon rehire, you are not an employee in a bargaining unit represented by a union which has agreed to the Retirement Plan, you are not an Eligible Employee. You will remain a participant in the Alcatel-Lucent Retirement Income Plan and your Service Pension or Disability Pension will be subject to the terms of the Alcatel-Lucent Retirement Income Plan.

If You Are Rehired After Being Laid Off

If you were laid off and are later rehired on a permanent basis, your Net Credited Service before the period of layoff may be bridged to your Net Credited Service following your rehire under the layoff bridging rules. (See "Terms You Should Know: Break in Net Credited Service.")

If You Are Rehired After You Commence Your Pension Benefit

Your pension payments under this Retirement Plan (or your pension payments under the Pension Plan or Alcatel-Lucent Retirement Income Plan if you are receiving a pension from the Pension Plan or Alcatel-Lucent Retirement Income Plan) may be suspended if you return to work after beginning your Service Pension or Deferred Vested Pension and you are employed by:

- A Participating Company,
- An Alcatel-Lucent USA Inc. company that is not a Participating Company,
- A Former Affiliate or another company at which you are covered by an Interchange Agreement, such as the MPA.

If you are receiving a pension from the Pension Plan, your pension will be transferred to this Retirement Plan immediately upon your rehire and it may be suspended.

If you are receiving a pension from the Alcatel-Lucent Retirement Income Plan, your pension may be suspended. If upon rehire, you are an employee in a bargaining unit represented by a union which has agreed to the Retirement Plan, your pension will be transferred to this Retirement Plan immediately upon your rehire. Otherwise, you will remain a participant in the Alcatel-Lucent Retirement Income Plan and your Service Pension or Disability Pension will be subject to the terms of the Alcatel-Lucent Retirement Income Plan.

If your pension is suspended during your period of reemployment, you will never receive the suspended amounts. However, under Retirement Plan rules, your prior Service may be bridged.

The suspension rules are based in part on whether you have reached Normal Retirement Age (NRA), which is generally age 65. The following rules apply:

Return to Work for a Participating Company or a Controlled Group Company

If you return to work for a Participating Company or Controlled Group Company after beginning your pension, and:

You Are:	While You Are on the Active Payroll, Your Pension From the Retirement Plan is:
Less than NRA, regardless of the number of hours worked in the month	Suspended
NRA or older and paid for fewer than 40 hours in a calendar month	Paid for that month
NRA or older and paid for 40 or more hours in a calendar month	Suspended for that month

Return to Work Under the Mandatory Portability Agreement

If you return to work for a Former Affiliate and you are covered by the MPA and:

You Are:	While You Are on the Active Payroll, Your Pension Based on NCS Recognized Under the Retirement Plan is:
Less than NRA	Suspended
NRA or older and your Net Credited Service from the Retirement Plan is <i>not bridged</i>	Paid by the Retirement Plan [*]
NRA or older and your Net Credited Service from the Retirement Plan is <i>bridged</i>	Paid by the Former Affiliate plan (based on your Net Credited Service that was recognized under this Retirement Plan)
[*] Even if you had not begun to receive your pension from this Retirement Plan or the Pension Plan, these rules will apply when you reach NRA.	

If you are hired by a Former Affiliate *and* your Net Credited Service is bridged by the Former Affiliate, you will no longer be considered a Participant under this Retirement Plan and you will have no further rights under Alcatel-Lucent's pension plans.

If you return to work for a Former Affiliate and you are not covered by the MPA, your pension payments from this Retirement Plan or the Pension Plan will continue to be made.

If you were hired by a Participating Company and your Net Credited Service with a Former Affiliate is bridged, this Retirement Plan will pay your pension, if you are eligible, including the portion based on Former Affiliate service.

Note that if you are eligible for a Service Pension or Disability Pension when you terminate employment, your Service Pension or Disability Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Service Pension or Disability Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable).

Continue to Work After NRA

If you continue to work after reaching your NRA, you will not begin to receive your pension benefit until you terminate employment; as long as you are working at least 40 hours per month your pension benefit will be suspended.

If You Are Rehired After Receiving a Lump Sum Payment

If you received a Lump Sum payment of your Retirement Plan or Pension Plan benefit, and are rehired by a Participating Company into a position covered by the Retirement Plan, this section applies to you. In order to restore your Net Credited Service for purposes of calculating future pension benefits, you must repay the Lump Sum with interest and the repayment must be made in a single payment. For Lump Sum payments that were \$5,000 or less, repayment may be made no later than the close of the 5th calendar year following the year in which the Lump Sum is distributed or six months after your date of rehire, whichever is later. For Lump Sum payments that were more than \$5,000, repayment must be made no later than six months after the later of the date you are notified of your right to repay the Lump Sum or your date of rehire.

If you repay the Lump Sum with interest within the required period, your prior 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 as specified, your prior Net Credited Service will count for all purposes except for purposes of calculating the amount of your future pension.

PROMOTIONS, DEMOTIONS AND TRANSFERS

If you are promoted, demoted or transferred to a new job title/classification with a higher or lower Pension Band, it may have an impact on the way your pension is calculated. For specific information about how it may affect the calculation of your benefit, see "Factors Affecting Benefit Calculation."

If You Transfer To Another Participating Company

If you transfer to another Participating Company, it will not affect your Retirement Plan participation.

If You Are Hired as a Communication Services Installer on or After March 24, 2005

If you are hired as a Communication Services Installer on or after March 24, 2005, you will be excluded from participation unless you previously were a Participant. If you were previously a Participant, or are later rehired by a Participating Company in a position other than a Communication Services Installer, either directly or with a Break in Service, your continuous Service with the Company will be recognized under the Retirement Plan, subject to the applicable Service bridging rules, for the following purposes:

- Eligibility to participate
- Eligibility for a Deferred Vested Pension
- Eligibility to terminate employment with a Service Pension or Disability Pension
- Attainment of the 15-year requirement for an immediately payable automatic survivor annuity
- Determination of the amount of any early commencement discount
- Bridging prior Alcatel-Lucent Service, subject to the applicable Service bridging rules.

Service as a Communication Services Installer will *not* be recognized for:

- Determining the amount of the benefit under the Retirement Plan, or
- Bridging prior Service that is subject to the MPA.

Additionally, since you are not covered by the Sickness and Accident Disability Benefit (SADB) Plan, you will not be eligible to commence a Disability Pension if you are a Communication Services Installer. If you attain eligibility for a Service Pension based in part on Service in a Communication Services Installer position, special rules may apply (see "How Pension Benefits Are Paid").

If You Are Absent Due To a Disability Under the Sickness and Accident Disability Benefit (SADB) Plan or Under the Short Term Disability (STD) Plan

If you are absent due to a disability under the SADB Plan or STD Plan, your participation in the Retirement Plan is not affected.

IF YOU TAKE A LEAVE OF ABSENCE

You continue to participate in the Retirement Plan while you are on an approved leave of absence. However, your Net Credited Service will be adjusted for the period of time of the leave of absence.

You will be credited with up to 30 days of Net Credited Service if you are reinstated at or before the end of the leave. The maximum amount of Net Credited Service you can receive in a 12-month period is 30 days. Therefore, if you were to take two or more leaves of absence within a 12-month period you would only receive up to 30 days of Net Credited Service upon your reinstatement at or before the end of the leave.

IF YOU TRANSFER FROM THE SERVICE BASED PROGRAM PROVISIONS OF THE ALCATEL-LUCENT RETIREMENT INCOME PLAN TO THIS RETIREMENT PLAN

Pension benefits for employees who transfer from the Service Based Program provisions of the Alcatel-Lucent Retirement Income Plan to this Retirement Plan will be determined as follows:

For the first three years following the date of transfer from the Alcatel-Lucent Retirement Income Plan to this Retirement Plan

- For Net Credited Service up to the date of your transfer, your pension will be based on the Alcatel-Lucent Retirement Income Plan rules 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 Retirement Plan.

More than three years following the date of transfer from the Service Based Program provisions of the Alcatel-Lucent Retirement Income Plan to this Retirement Plan

- Once you complete more than three years of Net Credited Service after your transfer to this Retirement 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 this Retirement Plan based on all your years of Net Credited Service before and after the transfer from the Alcatel-Lucent Retirement Income Plan to this Retirement Plan.

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

IF YOU TRANSFER FROM THE ACCOUNT BALANCE PROGRAM (ABP) PROVISIONS OF THE ALCATEL-LUCENT RETIREMENT INCOME PLAN TO THIS RETIREMENT PLAN

Pension benefits for employees who transfer from the Account Balance Program to positions covered by this Retirement Plan will be calculated as follows:

- The value of your ABP account as of your date of transfer from the Account Balance Program, plus interest, will be paid from the Alcatel-Lucent Retirement Income Plan

PLUS

- For Net Credited Service following your date of transfer, a pension benefit computed under the provisions of this Retirement Plan with the rights and features of this Retirement Plan will be paid from this Retirement Plan.

IF YOU TRANSFER FROM THIS RETIREMENT PLAN TO THE ALCATEL-LUCENT RETIREMENT INCOME PLAN

Pension benefits for employees who have been continuously employed by the Company since December 31, 1998, or who are Service Pension eligible under the provisions of this Retirement Plan on their date of transfer from this Retirement Plan

to a position covered by the Alcatel-Lucent Retirement Income Plan will be covered by the Service Based Program provisions of the Alcatel-Lucent Retirement Income Plan. Effective December 31, 2009, benefit accruals under the Alcatel-Lucent Retirement Income Plan ceased. Compensation paid after December 31, 2009 will not be taken into account for purposes of determining benefits under the Alcatel-Lucent Retirement Income Plan.

Pension benefits for employees whose continuous service date is on or after January 1, 1999, and who are not Service Pension eligible under the terms of this Retirement Plan on their date of transfer to a position covered by the Alcatel-Lucent Retirement Income Plan, will be covered under the Account Balance Program provisions of the Alcatel-Lucent Retirement Income Plan. Effective December 31, 2009, benefit accruals under the Alcatel-Lucent Retirement Income Plan ceased. Compensation paid after December 31, 2009 will not be taken into account for purposes of determining benefits under the Alcatel-Lucent Retirement Income Plan.

For more information please refer to the applicable Alcatel-Lucent Retirement Income Plan (ALRIP) Summary Plan Description (SPD).

IF YOU WORK BEYOND AGE 70 ½

If you continue to work beyond age 70½, you must start receiving your pension payments even though you are still working.

Pension Payments When Working Beyond Age 70½

If you remain at work, your pension payments will start on April 1 of the year following the year in which you reach age 70 ½. 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 Retirement Plan rules in effect at that time. If this recalculation results in a higher pension, the Pension Service Center (PSC) will notify you and the higher pension amount will be paid beginning on February 1 of the following year (or effective on the day following your actual termination of employment, if earlier).

As long as you continue to work, even if you are eligible for a Service Pension,

your pension payments will be made from this Retirement Plan. Once you terminate employment, your Service Pension will be transferred to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers). You will become a participant in the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable) on the day following your termination of employment and your Service Pension, as determined under the provisions of the Retirement Plan as of your date of termination, will be paid from the Pension Plan (or Alcatel-Lucent Retirement Income Plan, as applicable). If you are eligible for a Deferred Vested Pension when you terminate employment, your pension will continue to be paid from this Retirement Plan.

Survivor Annuity – If You Work Beyond Age 70½

If you are legally married on the initial April 1 pension payment date, the normal form of payment is a reduced pension to you with a Joint and 50% Survivor Annuity payable to your eligible Lawful Spouse after your death. If you are eligible for a Service Pension, you may decline the Joint and 50% Survivor Annuity and elect the Single Life Annuity, Joint and 75% Survivor Annuity, Joint and 100% Survivor Annuity or the 10-Year Certain Annuity with the written, notarized consent of your Lawful Spouse. If you are eligible for a Deferred Vested Pension, you may decline the Joint and 50% Survivor Annuity and elect the Single Life Annuity or the Joint and 75% Survivor Annuity with the written, notarized consent of your Lawful Spouse.

If you are not legally married on the initial April 1 pension payment date, your pension will be paid as a Single Life Annuity. If you are eligible for a Service Pension, you may elect the 10-Year Certain Annuity instead.

The Joint and 50% Survivor Annuity coverage is automatic, unless you decline it by notifying the PSC in writing (see “Important Contacts”) with the written, notarized consent of your Lawful Spouse. (See “How Benefits Are Paid” for additional information on declining survivor annuity coverage.) You will have the 90 days immediately before the initial April 1 payment date to decline or re-elect the survivor annuity coverage.

If you change your mind one or more times during the election period, your Lawful Spouse’s written, notarized consent is required each time you decline the annuity. However, once your Lawful Spouse has given consent to any declination you have made, your Lawful Spouse cannot unilaterally withdraw a consent for that declination. Once the initial 90-day election period is over, you cannot change your choice for any reason, including a change in your marital status.

Your declination or election of survivor annuity coverage in effect on the initial

April 1 payment date 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.

TERMS YOU SHOULD KNOW

Several words and phrases have a specific meaning under the Retirement Plan. This section explains those terms so that you can better understand your benefits. These terms are capitalized whenever they appear to let you know that they are defined here.

Affiliate: an entity required to be aggregated with the Company, under Sections 414(b), (c), (m) or (o) of the Internal Revenue Code of 1986, as amended.

AGCS Pension Plan: refers to AG Communication Systems Corporation Pension Plan for Certain Union Represented Employees which was merged into the Pension Plan on December 31, 2004. Appendix D sets forth special rules applicable to Participants who were participants in the AGCS Pension Plan on December 31, 2004.

Alcatel-Lucent Retirement Income Plan: the pension plan that covers management employees and certain eligible occupational employees. Upon termination of employment for Participants who are not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers on that date, the pensions of such Participants of the Retirement Plan who meet the eligibility requirements for a Service Pension or Disability Pension are transferred to the Alcatel-Lucent Retirement Income Plan and their pension benefits (as determined under the Retirement Plan as of their date of termination) will be paid from the Alcatel-Lucent Retirement Income Plan.

Alcatel-Lucent Retirement Income Plan - Lucent Pension Program (LPP): a retirement program under the Alcatel-Lucent Retirement Income Plan. This program covers inactive participants of the Pension Plan who were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers on their date of termination of employment and were transferred to the Alcatel-Lucent Retirement Income Plan. In addition, upon termination of employment for Participants who are not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers on that date, such Participants of the Retirement Plan who meet the eligibility requirements for a Service Pension or Disability Pension are transferred to the Alcatel-Lucent Retirement Income Plan and their pension benefits (as determined under the

Retirement Plan as of their date of termination) will be paid from the Alcatel-Lucent Retirement Income Plan. Any participant of the LPP who is rehired by a Participating Company and is not represented by a union which has agreed to the Retirement Plan, will remain a participant in the LPP.

Benefit Claim and Appeal Committee (BCAC): assists in the administration of the death benefit provisions of the Retirement Plan, including the granting and denial of claims for death benefits (see "Important Contacts").

Benefit Commencement Date: means the date a Lump Sum payment is made to you or the date on which an annuity benefit becomes payable to you.

Benefit Service: means Net Credited Service (NCS) or Term of Employment when used to determine the amount of your pension benefit.

Break in Net Credited Service (NCS): you incur a Break in NCS whenever you terminate employment with a Participating Company. If you are rehired by Alcatel-Lucent, your NCS before the break will not be included in your NCS until it is bridged. Because each individual's facts and circumstances are unique, they must be reviewed to determine if and when prior NCS will be credited. The general NCS bridging rules follow. This table does not constitute all factors that will be reviewed to determine prior NCS credit.

NCS Bridging Rule	When NCS Bridging Occurs
Six Month	Immediately, if you are rehired within six months.
Two Years	After you return to work for two or more continuous years if you had at least six months of NCS before the break and the break was longer than six months.
Layoff	<p>Immediately, if you are temporarily laid off for <i>six or fewer months</i> and are rehired on a permanent basis. You will receive NCS for the period of the layoff, up to six months.</p> <p>Immediately, if you are temporarily laid off for <i>more than six months but fewer than three years</i> and are rehired on a permanent basis. You will not receive any NCS for the period of layoff, including the first six months.</p>

Break in Vesting Service: you incur a Break in Vesting Service if you are credited with fewer than 501 Hours of Service in a calendar year. 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 Controlled Group Company and are later reemployed, your Vesting Service before the break will be bridged when you again become a Participant in the Retirement Plan.
- ***If you have fewer than five years of Vesting Service*** and are not Vested and you have a Break in Vesting Service and are later reemployed, your Vesting Service before the break will be bridged under the following Vesting Service bridging rules:

If You Were Not Vested Before the Break	Your Vesting Service Before the Break is Bridged On:
And your Break in Vesting Service is less than five years	The day you again become a Participant in the Retirement Plan
And your Break in Vesting Service is five years or more	The second anniversary of your return to work

Note: If your break occurred before January 1, 1976, your Vesting Service before the break will be bridged only if you had completed at least six continuous months of Service before the break. If your NCS before the break is bridged more rapidly under NCS bridging rules than under the Vesting Service bridging rules above, your Vesting Service will be bridged on the date that your NCS is bridged.

Business and Technical Associate (BTA): an employee who is classified as a Business and Technical Associate by the Company. Prior to 2010, such employee was classified as a Lucent Business Assistant (LBA).

Certain Represented and BTA/LBA Employees:

- An employee represented by the Communications Workers of America who terminates employment from a Participating Company on or after June 1, 2001, or
- A Business and Technical Associate (BTA) who terminates employment from a Participating Company on or after May 31, 2001, or
- An employee represented by the International Brotherhood of Electrical Workers who terminates employment from a Participating Company on or after October 19, 2007.

Company: Alcatel-Lucent USA Inc. and each of the Controlled Group Companies.

Controlled Group Company: a company of which Alcatel-Lucent USA Inc. directly or indirectly owns 80% or more of the voting stock, and any other company required to be aggregated with it under Sections 414(b), (c), (m), or (o) of the Internal Revenue Code of 1986, as amended.

Deferred Vested Pension: the pension you are entitled to if you are Vested when you terminate employment and you do not meet the Service Pension eligibility rule or the eligibility requirements for a Disability Pension.

Disability Pension: the pension payable to you if you meet the eligibility requirements for a Disability Pension.

Discretionary Beneficiary: under the sickness and accident death benefit provisions (see "Sickness and Accident Death Benefits"), Discretionary Beneficiaries are relatives (other than your Mandatory Beneficiaries) who the Alcatel-Lucent Benefit Claim and Appeal Committee determines were dependent on you for financial support before your death and who demonstrate a financial need after your death.

Eligibility Year: you will become eligible to participate in the Retirement Plan after completion of an Eligibility Year, which occurs on the earlier of:

- The first 12 consecutive months, beginning on your date of hire or on any anniversary of that date in which you are credited with 1,000 Hours of Service, or
- The first calendar year in which you are credited with 1,000 Hours of Service.

Eligible Employee: you are *eligible* to participate in the Retirement Plan if you are employed by a Participating Company and are any of the following:

- An employee in a bargaining unit represented by a union which has agreed to the Retirement Plan, other than as a Communication Services Installer hired on or after March 24, 2005
- A non-salaried employee temporarily promoted to a salaried management position for one year or less
- A Business and Technical Associate (BTA) 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
- An active participant in any other pension plan generally similar to this Retirement Plan and maintained by Alcatel-Lucent USA Inc., another Participating Company, any other Alcatel-Lucent USA Inc. subsidiary or any Former Affiliate or Interchange Company
- An employee hired or rehired as a Communication Services Installer on or after March 24, 2005
- A person who provides services to a Participating Company, but who is not engaged as an employee of the Participating Company.

Note that individuals who are not paid from the U.S. payroll of a Participating Company (except for employees of Lucent Technologies Caribbean and Latin American Sales Ltd.), who are employed by an independent company (such as an employment agency), or whose services are rendered pursuant to an agreement excluding participation in benefit plans are not eligible to participate in this Retirement Plan.

Former Affiliates:

- The Regional Holding Companies and the Operating Telephone Companies in each region listed in the table in "Appendix C,"
- Any subsidiary of these Regional Holding Companies which participates in a defined benefit pension plan maintained by any of these companies or with respect to which such company has an Interchange Agreement, and
- Telcordia Technologies (formerly Bell Communications Research, Inc. [Bellcore]), Cincinnati Bell Telephone Company and The Southern New England Telephone Company.

Hour of Service: an Hour of Service is each hour you are paid (or are entitled to be paid) by a Controlled Group Company. It includes paid absences such as vacation, holidays, illness, disability or jury duty. A record of your actual hours is not kept. If you complete one or more Hours of Service in any week, you will be credited with 50 Hours of Service for that week.

Interchange Agreement: an agreement between one or more Participating Companies and one or more non-participating companies that provides for the mutual recognition of an employee's Term of Employment solely for the purposes

specified in the agreement for certain employees who are covered by the terms of the Interchange Agreement. An Interchange Agreement is applicable for a period of time as specified in the agreement. Currently, Participants in this Retirement Plan may be covered by one Interchange Agreement: the Mandatory Portability Agreement (MPA).

Interchange Companies: companies covered by the Mandatory Portability Agreement (MPA), including AT&T Corp., Ameritech Corporation, Bell Atlantic Corporation, Telcordia Technologies (formerly Bell Communications Research, Inc. [Bellcore]), 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., Agere Systems, 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. MPA rules are effective for employees hired on or after the date their company becomes an Interchange Company. The Pension Service Center (PSC) maintains a list of all companies covered by the MPA.

Joint and 50% Survivor Annuity: this is the automatic payment method under the Retirement Plan if you are legally married when your pension payments begin. It provides you with monthly payments for your life with survivor protection for your Lawful Spouse. Your benefit at retirement is reduced by 8% for a Service Pension or Disability Pension and by 12% for a Deferred Vested Pension. Upon your death, your Lawful Spouse will receive one-half (50%) of your reduced monthly pension payments for life. If your Service Pension or Disability Pension is being paid under this option and your Lawful Spouse dies before you, your payments will be increased by the amount of the original reduction. If your Deferred Vested Pension is being paid under this option and your Lawful Spouse dies before you, but after your pension begins, you will continue to receive the reduced pension for life.

Joint and 75% Survivor Annuity: this payment method under the Retirement Plan is available as an option if you are eligible for a Service Pension, Disability Pension or a Deferred Vested Pension, you are legally married when your pension begins, and you obtain your Lawful Spouse's written, notarized consent. It provides you with monthly payments for your life with survivor protection for your Lawful Spouse. Your benefit at retirement is reduced by 12% for a Service Pension or Disability Pension and by 17% for a Deferred Vested Pension. Upon your death, your Lawful Spouse will receive 75% of your reduced monthly pension payments for life. If your Service Pension or Disability Pension is being paid under this option and your Lawful Spouse dies before you, your payments will be increased by the amount of the original reduction. If your Deferred Vested

Pension is being paid under this option and your Lawful Spouse dies before you, but after your pension begins, you will continue to receive the reduced pension for life.

Joint and 100% Survivor Annuity: this payment method under the Retirement Plan is available as an option if you are eligible for a Service Pension or Disability Pension, you are legally married when your pension begins and you obtain your Lawful Spouse's written, notarized consent. It provides you with monthly payments for your life with survivor protection for your Lawful Spouse. Your benefit at retirement is reduced by 15%. Upon your death, your Lawful Spouse will receive 100% of your reduced monthly pension payments for life. If your Service Pension or Disability Pension is being paid under this option and your Lawful Spouse dies before you, your payments will be increased by the amount of the original reduction.

Lawful Spouse: a person of the opposite sex who is recognized as your lawful husband or lawful wife under the laws of your state of residence (even if your state of residence grants or recognizes same-sex marriages).

Lucent Business Assistant (LBA): an employee who was classified as a Lucent Business Assistant I, II or III by the Company, prior to 2010.

Lucent Technologies Inc. Pension Plan (Pension Plan): the pension plan that covered active eligible occupational employees prior to December 31, 2005. The Retirement Plan is a spinoff from the Lucent Technologies Inc. Pension Plan. Upon termination of employment for Participants who are represented by the Communications Workers of America or the International Brotherhood of Electrical Workers on that date, the pensions of such Participants of the Retirement Plan who meet the eligibility requirements for a Service Pension or Disability Pension are transferred to the Pension Plan and their pension benefits (as determined under the Retirement Plan as of their date of termination) will be paid from the Pension Plan.

Lump Sum or Lump Sum Distribution: payment of the present value of your pension after you terminate your employment with the Company and all Controlled Group Companies; or payment of the present value of a survivor pension to your Lawful Spouse, under certain conditions, if you die while actively employed or before commencing your Vested pension.

Mandatory Beneficiary: under the sickness and accident death benefit provisions (see "Sickness and Accident Death Benefits"), Mandatory Beneficiaries include your:

- Lawful Spouse who is living with you at the time of your death,

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

Mandatory Portability Agreement (MPA): an Interchange Agreement effective January 1, 1985 among AT&T and its Former Affiliates (called Interchange Companies). The agreement provides for mutual recognition of Service credit and transfer of benefit obligations for certain Eligible Employees who leave one Interchange Company and are later employed by another Interchange Company. (See "Appendix D" for more information about the MPA.)

Mandatory Portability Company: a company other than a Participating Company which is party to the Mandatory Portability Agreement (MPA) (see "Interchange Companies"). It also includes any subsidiary or affiliate identified in the MPA.

Net Credited Service (NCS): determines your eligibility for a Service Pension or Disability Pension. NCS is also referred to as your "Term of Employment" or as "Benefit Service." NCS with a Participating Company is used in calculating the amount of your pension benefit. NCS is the continuous number of years, months and days you have worked for a Participating Company, beginning with your most recent date of hire and ending with your retirement or other termination of employment. If you were on the active roll of Lucent Technologies Inc. on October 1, 1996, your NCS also includes your continuous number of years, months and days recognized under the AT&T Pension Plan or AT&T Management Pension Plan as of September 30, 1996.

Your NCS may also include:

- Up to 30 days of an approved leave of absence, if you are reemployed at or before the end of the leave (additional NCS may be granted for certain types of leaves of absence);
- Previous periods of employment that have been bridged under the NCS bridging rules; and
- If you were a participant in the AGCS Pension Plan, your NCS will include all periods of employment taken into account under the AGCS Pension Plan (subject to any applicable bridging rules) for every purpose other than the determination of the amount of your pension benefit under this Retirement Plan for periods of employment on and after the date you became covered by this Retirement Plan; and

- If you became a Communication Services Installer on or after March 24, 2005, your NCS will exclude any period of employment as a Communication Services Installer with respect to the calculation of the amount of your benefit, although such period will be taken into account to determine eligibility for a Service or Disability Pension.

See "Appendix D" for more information on the following special rules about Service that may apply to you:

- If You Had Bell System Service Before January 1, 1984;
- Summary of the Mandatory Portability Agreement (MPA);
- Service Recognition Under Certain Corporate Transactions; and
- Summary of Rules Applicable to Former Employees of AG Communication Systems (AGCS).

From time to time there may be additional Interchange Agreements between Alcatel-Lucent USA Inc. and one or more Alcatel-Lucent USA Inc. Affiliates or Controlled Group Companies that do not participate in the Retirement Plan. If you are involved in a transfer to or from a company that would make you eligible for coverage under such an Interchange Agreement, you will be informed of the terms of that coverage in a separate document.

Normal Retirement Age (NRA): if you were hired by a Participating Company before age 60, your NRA is your 65th birthday. If you were hired on or after your 60th birthday, and you participate in the Retirement Plan, your NRA is the earlier of (1) your 5th anniversary of participation in the Retirement Plan, provided you are on the active roll on that date or, (2) the date you complete 5 years of Vesting Service.

On-The-Job Accident: under the sickness and accident death benefit provisions (see "Sickness and Accident Death Benefits"), an On-The-Job Accident is one that occurs during, and in direct connection with, your assigned duties.

Other Union: a union other than the Communication Workers of America or the International Brotherhood of Electrical Workers.

Participant: an Eligible Employee who participates in the Retirement Plan.

Participating Company/Companies: a company that participates in this Retirement Plan. For a list of current Participating Companies, see Appendix H. If your employer is not listed as a Participating Company, that means you are not

eligible to participate in the Retirement Plan.

Pension Band: each covered job title, grade level, and occupation is assigned a Pension Band by location. In general, your pension will be computed based on your Pension Band in effect on the date you terminate employment, unless your situation is governed by rules for promotions, demotions and transfers. If you are not sure of the Pension Band assigned to your job, contact the PSC.

Pension Plan: see definition above for Lucent Technologies Inc. Pension Plan.

Pension Service Center (PSC): the PSC is the official center for all pension and pension-related services for eligible employees. (See "Important Contacts").

Preretirement Survivor Annuity: annuity coverage that provides your eligible Lawful Spouse with a survivor annuity benefit if you die after you leave the Company and before your pension begins.

Qualified Domestic Relations Order (QDRO): a court order in a divorce, legal separation, or similar proceeding, that requires part or all of your Vested pension benefit to be paid to meet a property settlement agreement, alimony, child or dependent support payments. See QDRO Administration under "Important Contacts" for details on whom to contact in the event your pension benefit is subject to a QDRO, or to obtain (without charge) a copy of the Retirement Plan's procedures governing QDROs.

Retirement Plan: the Lucent Technologies Inc. Retirement Plan. The Retirement Plan spun off from the Lucent Technologies Inc. Pension Plan (Pension Plan) effective December 31, 2005. Therefore, references to the Retirement Plan related to Service and benefit accruals prior to December 31, 2005 mean the Pension Plan, which covered active eligible occupational employees prior to December 31, 2005.

Rollover: a payment of all or part of a Lump Sum Distribution to a traditional IRA, Roth IRA or another qualified retirement plan that accepts Rollovers.

Service: your Service with the Company or a Controlled Group Company is important in determining your eligibility for Retirement Plan benefits. The Retirement Plan uses two types of Service to determine benefits:

- **Net Credited Service (NCS):** this determines your eligibility for a Service Pension or Disability Pension and is used in calculating the amount of your benefit. Only NCS with a Participating Company is used in calculating the amount of your benefit. (See Net Credited Service (NCS) definition for more information.) If you are hired as a Communication Services Installer on or after

March 24, 2005, any NCS you earn while a Communication Services Installer will not be counted for purposes of determining the amount of your pension.

- **Vesting Service:** this determines your eligibility for a Deferred Vested Pension. Once you are Vested, you have a nonforfeitable right to certain pension benefits. (See Vesting Service definition for more information.)

Service Pension: the pension payable to you if you meet the eligibility requirements for a Service Pension.

Service Pension Due to Disability: the pension payable to you as a Service Pension if you also meet the eligibility requirements for a Disability Pension.

Single Life Annuity: this is the automatic payment method under the Retirement Plan if you are not legally married when your pension begins. It is also an option if you are legally married when your pension begins (provided you obtain the written, notarized consent of your Lawful Spouse). Under this option, monthly payments are made to you for life with no payments continuing after your death.

Supplemental Payments: includable payments as defined by the Retirement Plan (excluding any payments for overtime), including but not limited to any of the following payments that you receive during the 36 consecutive months before you terminate employment:

- 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:
 - Are 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 12 months or more before retiring.

Other pension-includable supplements as provided for in applicable collective bargaining agreements.

Term of Employment: means Net Credited Service (NCS) or Benefit Service.

Totally Disabled: means that the Retirement Plan has determined that, due to disability, a person cannot return to work for the Company.

Transition Leave of Absence (TLA): a Transition Leave of Absence (TLA) allows a Participant to attain Service Pension eligibility under the Retirement Plan by completing the time required to attain Service Pension eligibility on a TLA. (see Appendix B).

Vested: you are Vested in the Retirement Plan:

- After completing at least five years of Vesting Service, or
- If you are a Participant in the Retirement Plan, and you are on the active roll on the date you attain Normal Retirement Age, or
- If your benefit under the Retirement Plan became fully Vested by reason of a transfer of excess pension assets, or
- If you are a BTA/LBA whose employment is terminated as a result of being covered by a declaration made under the Alcatel-Lucent Force Management Program on or after February 15, 2001, or
- If you were a Participant or former Participant in the Alcatel-Lucent Retirement Income Plan, and
 - Your benefit under that plan became fully Vested by reason of a transfer of excess pension assets, and
 - You subsequently became a Participant in this Retirement Plan.

Once you are Vested in the Retirement Plan you have a nonforfeitable right to a pension benefit.

Vesting Service: this determines your eligibility for a Deferred Vested Pension. A year of Vesting Service is generally a calendar year in which you are credited with at least 1,000 Hours of Service. However, you do not begin to earn Vesting Service

until the year of your 18th birthday. If you became a Participant in the Retirement Plan on December 31, 2005 when it was spun off from the Pension Plan, all your Vesting Service under the Pension Plan is treated as Vesting Service under the Retirement Plan. Similarly, if you became fully Vested in the Pension Plan by reason of a transfer of excess assets from the Pension Plan prior to December 31, 2005, you will be treated as fully Vested under the Retirement Plan as well.

If you are credited with more than 500 but fewer than 1,000 Hours of Service in a calendar year, you will not incur a Break in Vesting Service but you also will not be credited with a year of Vesting Service.

If you are absent for any of the following reasons, you may be credited with up to 501 hours of Vesting Service so that you will not have a Break in Vesting Service. You can receive the credit in either the year your absence begins or in the following year, as necessary to prevent a Break in Vesting Service. You can receive this credit for:

- Pregnancy (yours or your Lawful Spouse's)
- Birth of your child
- Care of your newborn or newly-adopted child
- Placement of a child with you in anticipation of your adopting the child
- Absence under the Family and Medical Leave Act of 1993 (FMLA)

Any hours credited under this rule are used only to prevent a Break in Vesting Service. They are not counted toward Vesting Service, nor are they included in NCS.

10-Year Certain Annuity: this payment option is available under the Retirement Plan if you are eligible for a Service Pension or a Disability Pension, regardless of your marital status. However, if you are legally married when your pension begins, you must obtain the written, notarized consent of your Lawful Spouse to elect this payment option. This option provides you with monthly payments for life, with payments guaranteed for at least 10 years. Your benefit at retirement is reduced by 5%. If you die before all guaranteed payments are made, your designated beneficiary or estate will receive payments for the rest of the 10-year "certain" period.

IMPORTANT CONTACTS

Here is a list of resources for the Retirement Plan.

PENSION SERVICE CENTER (PSC)

The PSC is the official center for all pension and pension-related services for eligible management employees and provides the following services:

- Pension calculations
- Pension-affecting record changes
- Service bridging/adjusting
- Retirement processing
- Deferred Vested Pension administration
- Death case processing
- Annuitant pension administration
- General pension and pension-related information
- Mandatory Portability Agreement information
- Pension check processing and adjustments

By Phone

You can reach the PSC on any business day from 8:00 a.m. to 8:00 p.m., Eastern Time as follows:

U.S.-Based Employees	International Employees
Call 1-866-429-5764 to speak with a service representative.	To contact the PSC from international locations without access to toll-free numbers, call 1-904-791-2147 collect to speak with a service representative.

Hearing impaired employees may call **1-866-429-5765** to reach a telecommunications device for the deaf (TDD).

Online

You can access the Alcatel-Lucent Pension Service Center website at <http://alcatel-lucent.ingplans.com>

By Mail

You may send written correspondence to the PSC by regular mail, as follows:

Alcatel-Lucent Pension Service Center
P.O. Box 57576
Jacksonville, FL 32241-7576

OTHER RESOURCES

The following sources have specific responsibilities, as explained below:

Contact/Service Provided	Address
QDRO Administration: Handles matters relating to Qualified Domestic Relations Orders (QDROs) and interrogatories regarding the Pension Plan.	QDRO Administration P.O. Box 56887 Jacksonville, FL 32241-6887
Subpoenas regarding the Retirement Plan should be served directly to:	Jackson Lewis Attn: V.A. Cino, Esq. 220 Headquarters Plaza East Tower, 7 th Floor Morristown, NJ 07960
Employee Benefits Committee (EBC): Serves as final review committee for Retirement Plan benefit appeals.	Employee Benefits Committee Alcatel-Lucent Room 7C-415 600-700 Mountain Avenue Murray Hill, NJ 07974
Pension Plan Administrator: Assists Employee Benefits Committee in the administration of the pension provisions of the Retirement Plan, including granting and denial of claims for pension benefits.	Pension Plan Administrator Alcatel-Lucent Room 7C-415 600-700 Mountain Avenue Murray Hill, NJ 07974
Benefit Claim and Appeal Committee (BCAC): Serves as the initial review committee for claims under the death benefit provisions of the Retirement Plan, and the final review committee for Disability Pension appeals under the Retirement Plan.	Benefit Claim and Appeal Committee Alcatel-Lucent Room 7C-415 600-700 Mountain Avenue Murray Hill, NJ 07974

OTHER IMPORTANT INFORMATION

This section contains administrative information about the Retirement 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

Employees, retired employees, their beneficiaries (if applicable) and former employees eligible for a benefit under this Retirement Plan, or any individual duly authorized by them, have the right under ERISA and the Retirement Plan to file a written claim for benefits. A claim may also be filed if it is believed that Net Credited Service or Vesting Service has not been computed correctly. Send all written claims for pension matters (other than death benefits) to the Pension Plan Administrator, Alcatel-Lucent, Room 7C-415, 600-700 Mountain Ave., Murray Hill, N.J., 07974. Send written claims regarding death benefits to the Benefit Claim and Appeal Committee (BCAC). See "Important Contacts."

All claims for benefits under the Retirement Plan must be brought within one year of the date on which such claim accrued. All claims brought after the one-year period shall be time barred.

The procedure for filing claims is the same for both pension and death benefit claims.

- If a claim is denied in whole or in part, you will receive a written notice of the Pension Plan Administrator's decision or the BCAC's decision, as applicable, including the specific reason(s) for the decision, reference to the Retirement Plan provisions on which the decision is based, a description of any additional information necessary to perfect the claim and a description of the Retirement Plan's review procedures along with a statement of your rights under Section 502(a) of ERISA, within 90 days after the Pension Plan Administrator or the BCAC, as applicable, receives the claim.

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

With respect to claims for Disability Pensions, if the claim is denied in whole or in part, you will receive written notice of the Pension Plan Administrator's decision including the specific reason(s) for the decision, within 45 days after the Pension Plan Administrator receives the claim. If the Pension Plan Administrator needs more than 45 days to make a decision, you will be notified in writing within the initial 45-day period explaining why more time is required. An additional 30 days may be taken if the Pension Plan Administrator sends this notice. The extension notice will show the date by which the Pension Plan Administrator's decision will be sent. If prior to the end of the first 30-day extension period the Pension Plan Administrator determines that more time is needed to render a decision, you will be notified in writing within the initial 30-day extension period of the circumstances requiring an additional 30-day extension and the date as of which the Pension Plan Administrator's decision will be sent. You will be provided at least 45 days within which to provide additional information in support of your claim in response to any notice of extension.

If your claim for a Disability Pension is denied in whole or in part, you will receive written notice of the Pension Plan Administrator's decision including the specific reason(s) for the decision, reference to the Retirement Plan provisions on which the decision is based, a description of any additional information necessary to perfect the claim, a description of the Retirement Plan's review procedures along with a statement of your rights under Section 502(a) of ERISA and (a) if an internal rule, guideline, protocol or other criteria was relied upon in making the decision, you will be so notified and entitled to request a copy of such rule, guideline or protocol free of charge or (b) if the decision is based on a medical necessity or experimental treatment or similar exclusion or limit, you will be so notified.

If you do not hear from the Pension Plan Administrator or BCAC within any of the appropriate time frames as described above, you will be considered to have exhausted your administrative remedies under the Retirement Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.

The following appeal procedures give the rules for appealing a denied claim.

Appeal Procedures

If your claim for pension benefits, Net Credited Service, Vesting Service or death benefits is denied in whole or in part, or if you or your beneficiaries or authorized representative believe that benefits under the Retirement Plan to which you are entitled have not been provided, an appeal process is available to you. You or your authorized representative may appeal in writing within 60 days after the denial is received. Send the appeal directly to the Alcatel-Lucent Employee Benefits Committee (EBC), Alcatel-Lucent, Room 7C-415, 600-700 Mountain Avenue, Murray Hill, NJ 07974. If your claim for a Disability Pension is denied in whole or part, you or your authorized representative may appeal in writing to the BCAC within 180 days, at the address listed under "Important Contacts."

If you or your representative submits a written request for review of a denied claim, you have the right to:

- Review pertinent Retirement Plan documents, which you can obtain free of charge as described in "Retirement Plan Documents", and
- Send to the EBC or BCAC, if applicable, a written statement of the issues and any other documents in support of the claim for benefits or other matter under review.

The EBC will conduct a review and make a final decision within 60 days after receiving the written request for review, or in the case of a review of a Disability Pension claim by the BCAC, within 45 days.

If special circumstances cause the EBC to need more than 60 days to make a decision, or the BCAC to need more than 45 days for a Disability Pension, a representative will notify you in writing within the initial 60-day period, or 45-day period, as applicable, and explain why more time is required. An additional 60 days, or 45 days for a Disability Pension — for a total of 120 days, or 90 days with respect to a Disability Pension, may be taken if the EBC or BCAC, as applicable, sends this notice.

The decision will be in writing and will include the specific reasons for the decision, reference to specific Retirement Plan provisions on which the decision was based, a statement that you are entitled to receive upon request and free of charge copies of all documents and information relevant to your claim, and a statement of your rights to bring an action under Section 502(a) of ERISA. If your claim was for a Disability Pension, you will also receive an explanation of any internal rules, guidelines or protocols

relied upon in making the determination or an explanation of any medical judgments that were made.

If the EBC does not respond within 60 (or 120) days, or the BCAC does not respond within 45 (or 90 days) for a Disability Pension claim, you will be considered to have exhausted your administrative remedies under the Retirement Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.

In addition to the foregoing, if your claim for a Disability Pension is denied in whole or in part, your claim will be reviewed by the BCAC in a manner that does not provide deference to the initial denial and that is conducted by an appropriate Plan fiduciary who is neither the person who initially denied the claim nor the subordinate of such individual. If the denial is based on a medical judgment, a health care professional shall be consulted to aid in the determination and you will be informed of the health care professional's identity (without regard to whether the advice was relied upon in making the benefit determination). The health care professional that is consulted on an appeal shall not be an individual who was consulted on the initial claim nor the subordinate of such individual.

The EBC or BCAC, as applicable, shall serve as the final review committee under the Retirement Plan. Except as otherwise noted above with respect to a Disability Pension claim, the EBC or BCAC shall have sole and complete discretionary authority to determine conclusively for all parties, and in accordance with the terms of the documents or instruments governing the Retirement Plan, any and all questions arising from administration of the Retirement Plan and interpretation of all Retirement Plan provisions, determination of all questions relating to participation of Eligible Employees and eligibility for benefits, determination of all facts, the amount and type of benefits payable to any Participant and construction of all terms of the Retirement Plan.

Decisions by the EBC or BCAC, as applicable, shall be conclusive and binding on all parties and not subject to further review. Also, please note that applicable law and the Retirement 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, Net Credited Service, Vesting Service or death benefits. If you do not hear from the Pension Plan Administrator, the EBC or the BCAC, as applicable, within any of the appropriate time frames as described above, you will be considered to have exhausted your administrative remedies under the Retirement Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.

RIGHTS OF A PLAN PARTICIPANT OR BENEFICIARY UNDER ERISA

The Retirement Plan is a defined benefit pension plan under ERISA. As a Participant in this Retirement Plan, you have these rights and protections under ERISA:

- You can examine, without charge, at the PSC's office and at other specified locations, such as worksites and union halls, all documents governing the Retirement Plan, including collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Retirement Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- You can obtain copies of documents governing the operation of the Retirement Plan, including collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and an updated summary plan description upon written request to the PSC. You will be charged a reasonable fee for copies of the documents requested unless federal law requires that they be furnished without charge.
- You are entitled to receive a summary of the Retirement Plan's annual financial report, a copy of which is furnished to each Retirement Plan Participant once a year.
- If you are a Participant in the pension provisions of the Retirement Plan, once a year you are entitled to obtain a statement. The statement will tell you whether you have a right to receive a pension at Normal Retirement Age (generally age 65). If you do have the right, the statement will also say what your benefits would be at that age if you stop working now. If you are not yet eligible to receive a pension, the statement will tell you how many more years you have to work to earn a nonforfeitable right to a pension. You must request this statement in writing from the PSC. The Retirement Plan must provide the statement free of charge.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for Retirement Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Retirement Plan. These people, called fiduciaries of the Retirement Plan, have a duty to operate the Retirement Plan prudently and in the interest of Retirement 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 benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for benefits 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 make a written request to the Plan Administrator for a copy of Retirement Plan documents and do not receive them within 30 days, you may file suit in a federal court. In such cases, the court may require the Plan Administrator (see "Retirement Plan Identification") to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent for reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Retirement Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If Retirement Plan fiduciaries misuse the Retirement Plan's money, or if you are discriminated against for asserting your rights under ERISA, you may seek assistance from the U.S. Department of Labor, or you may file suit in federal court. The court will decide who will 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 costs and fees, for example, if it finds your claim to be frivolous.

ASSISTANCE WITH YOUR QUESTIONS

For answers to questions about the Retirement Plan, contact the PSC (see “Important Contacts”). If you have any questions about this statement of your rights, or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory; or contact 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 publications hotline of the Employee Benefits Security Administration.

FAMILY AND MEDICAL LEAVE ACT OF 1993

For important information regarding the provisions of the Family and Medical Leave Act, please refer to [U.S. Family Medical Leave \(FMLA\) Policy](#)

PLAN DOCUMENTS

This summary plan description summarizes the key features of the Lucent Technologies Inc. Retirement Plan. You can find complete details in the official Retirement Plan documents that legally govern the operation of the Retirement Plan. All statements made in this summary plan description are subject to the provisions and terms of those documents. Retirement Plan documents include the official Retirement Plan text, the trust agreement, the annual report and other documents and reports maintained by the Retirement Plan or filed with a federal government agency. Retirement Plan Participants and beneficiaries of deceased Participants can review copies of the documents and a list of Participating Companies any time during normal business hours at the PSC. If you are unable to examine these documents there, you should write to the PSC, specifying the documents you wish to review and at which Company work location. Copies of the requested documents will be made available for examination within ten days after your request is submitted.

You or the beneficiary of a deceased Participant can also request copies of any Retirement Plan documents by writing to the PSC. Copies will be furnished within 30 days at a nominal charge, unless federal law requires that they be furnished without charge.

UNION AGREEMENT

The benefits described in this summary plan description reflect the provisions of the Retirement Plan, including those provisions agreed to in the 2004 national collective bargaining agreement between Lucent Technologies Inc. and the following covered unions:

Union Name and Address	Expiration Date of Agreement
Communication Workers of America, AFL-CIO 501 Third Street, NW Washington, DC 20001	May 26, 2012
International Brotherhood of Electrical Workers, AFL-CIO 900 7th Street, NW Washington, DC 20001	May 26, 2012

In addition, a number of Other Unions representing employees of Participating Companies have agreed to the Retirement Plan. If you are not covered by one of the national agreements listed above, you may be covered by one of these other agreements. To learn more, contact your supervisor or your union representative.

Copies of the national agreements or any other agreements are distributed or made available to those covered by the agreements. The agreements also will be made available to any other Participant or beneficiary who submits a written request for a copy to the PSC.

A reasonable duplication charge may be made for copies furnished in response to each request.

PLAN TERMINATION

Alcatel-Lucent USA Inc. intends to continue the Retirement Plan. The Board of Directors of Alcatel-Lucent USA Inc. (or its delegate) reserves the right to modify, suspend, change or terminate the Retirement Plan at any time, subject to the terms of applicable collective bargaining agreements. Also, benefits are provided at Alcatel-Lucent USA Inc.'s discretion and do not create a contract of employment. Federal law requires a pension plan administrator to describe in a summary plan description relevant information regarding the possibility, however unlikely, of a plan termination. Federal law and most, if not all,

pension plans provide for the right to terminate plans and describe what happens upon a termination. If the Retirement Plan were terminated, you could still have rights to future benefit payments, but you would not earn any further pension rights under this Retirement Plan regardless of continuing employment with a Participating Company. Participants may also have certain rights to benefits insured by the Pension Benefit Guaranty Corporation.

A plan termination may be a total termination or a partial termination. A total termination would apply to all Participants and beneficiaries. A partial termination would apply to the Participants and beneficiaries specified in any such termination.

If the Retirement 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 case of a partial termination, only a portion of the trust fund assets would be available to pay benefits to affected Participants and beneficiaries.

The Retirement Plan and federal law specify the general manner and order that the assets of the pension trust fund will be allocated, for purposes of paying benefits computed as of the date of termination, to Participants and beneficiaries. Essentially, in the event of a Retirement Plan termination, the assets of the pension trust fund would first be allocated to pay benefits to Participants and beneficiaries who are already receiving benefits under the Retirement Plan at the time of termination or who had the right to immediately receive such benefits if they had retired before the termination. There are certain limitations on the amount of assets that can be allocated to this highest priority category. After benefits are provided to Participants and beneficiaries in this highest priority, remaining assets would be allocated to other Participants and beneficiaries in certain other priority categories relating to an employee's Service, and would depend on whether or not an employee's benefit was Vested before the termination, and the amount of the employee's computed pension to the date of the termination.

The benefits that are provided upon and after a plan termination may, at the discretion of Alcatel-Lucent USA Inc., be provided through the purchase of an annuity, the distribution of a Lump Sum cash amount, or in other forms as Alcatel-Lucent USA Inc. determines.

To the extent that there are remaining assets in the pension trust fund after the allocation of amounts sufficient to cover benefits for retired employees or their annuitants, active employees who had the immediate right to retire with a Service Pension, former employees with Deferred Vested Pensions and active

employees with Vested benefits, the Retirement Plan provides that amounts may be allocated for future death benefits that would have been paid from the Retirement Plan had it continued, and to certain former employees who may have had certain pension rights under a predecessor plan. The Retirement Plan provides that amounts may be allocated to certain former employees who may have had certain pension rights under a predecessor plan.

The current termination provisions of the Retirement Plan provide that, if there are any remaining assets after making provisions for the payment of all benefits earned to the date of termination, and after making provisions for future possible death benefits, remaining assets are to be applied solely for pension purposes in an equitable manner consistent with the purposes of the Retirement Plan. Alcatel-Lucent USA Inc. reserves the right to amend this provision relating to any remaining assets in the event of Retirement Plan termination to provide for some other disposition of remaining assets. Alcatel-Lucent USA Inc. also reserves the right to amend, in a manner consistent with required provisions under federal law, Retirement Plan terms regarding the allocation of pension assets upon a Retirement Plan termination. Alcatel-Lucent USA Inc. would notify you of any such amendment.

NON-ASSIGNMENT OF BENEFITS

You or your beneficiary cannot assign or transfer amounts payable under the Retirement Plan. Similarly, amounts payable to you under the Retirement Plan may not be used to pay debts or obligations of any nature, except as follows: the Retirement Plan is required to comply with court-issued Qualified Domestic Relations Orders (QDROs) and IRS tax levies. You and your beneficiaries may obtain, without charge, a copy of the Retirement Plan's QDRO Procedures from the QDRO Administration group (see "Important Contacts").

TOP HEAVY RULES

A "top heavy" plan is a plan that provides more than 60% of its benefits to key employees (as defined in the Internal Revenue Code). If the Retirement Plan should ever become top heavy, you will be notified.

MAXIMUM 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) limit the annual amount of compensation used in computing the amount of benefit payable under the Retirement Plan. The limit in 2011 is \$245,000. In any event, any amounts to which you may be entitled that are in excess of these limits are paid from Company operating expenses under the terms of the Alcatel-Lucent Supplemental Pension Plan.

PENSION BENEFIT GUARANTY CORPORATION

Your pension benefits under this Retirement Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Retirement 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 Retirement 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 5 years at the time the plan terminates; (3) benefits that are not Vested because you have not worked long enough for the Company; (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 your plan has and on how much the PBGC collects from employers.

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

PAYMENTS UNDER LAW

Pension benefits will not be reduced by pensions or benefits paid under the Social Security Act or due to military service. However, if any other law currently in effect, such as workers' compensation, or any law enacted in the future should provide payments similar to those provided by the Retirement Plan, the Retirement Plan will limit its payments of pensions and death benefits only to the amount in excess of those paid under the law.

UNCLAIMED BENEFITS

Any unclaimed benefits will remain in the pension trust fund and may be used to offset future Company contributions to that trust fund.

PENSION PLAN ADMINISTRATOR

Alcatel-Lucent administers the Retirement Plan through the Alcatel-Lucent Employee Benefits Committee. Alcatel-Lucent has appointed the Pension Plan Administrator to assist in the day-to-day administration of the Retirement Plan, including the granting and denial of claims for pension benefits. The Pension Plan Administrator shall interpret the Retirement Plan provisions and shall have the responsibility for making all discretionary determinations under the Retirement Plan.

Alcatel-Lucent also has appointed the Benefit Claim and Appeal Committee to assist in the administration of the death benefit provisions of the Retirement Plan, including the granting and denial of claims for death benefits.

RETIREMENT PLAN IDENTIFICATION

Plan Name	The official Plan Name is the <i>Lucent Technologies Inc. Retirement Plan</i> .
Plan Sponsor	The Plan Sponsor is Alcatel-Lucent USA Inc.
Plan Administrator	The Retirement Plan is administered by the Alcatel-Lucent Employee Benefits Committee.
Agent for Service of Legal Process	<p>You can direct any service of legal process related to the Retirement Plan to:</p> <ul style="list-style-type: none"> • The Alcatel-Lucent Employee Benefits Committee at Alcatel-Lucent, Room 7C-415, 600-700 Mountain Avenue, Murray Hill, NJ 07974, or • The trustee of the Retirement Plan (see "Pension Trust Fund").
Pension Trust Fund	<p>Contributions to the pension trust fund are actuarially determined and paid by the Participating Companies into a trust established exclusively for designated Retirement Plan purposes. The trust fund is held by the following trustee who has signed a trust agreement with Alcatel-Lucent USA Inc.:</p> <p>Bank of NY Mellon 135 Santilli Hwy Everett, MA 02149</p>
Source of Payments	<p>Service Pensions, Disability Pensions and Deferred Vested Pensions are payable from the pension trust fund; however, after the Service Pension or Disability Pension is transferred to the Pension Plan, benefit payments will be made from the pension trust fund under the Pension Plan.</p> <p>Certain death benefits under the Retirement Plan are paid from operating expenses of the Company. Accident death benefits in excess of \$50,000, or one year's pay, if greater, are paid under an accidental death insurance policy underwritten by Zurich Life Insurance Company.</p>
Plan Records and Plan Year	The Retirement Plan and all its records are maintained on a plan year basis. The plan year is the calendar year, beginning on January 1st and ending on December 31st of each year.
Type of Plan	The Retirement Plan is classified as both a "defined benefit pension plan" and a "welfare plan" under ERISA. It is a defined benefit pension plan for Service, Disability 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 Retirement Plan. The Retirement Plan is a welfare plan for purposes of providing certain other death benefit payments.
Plan Number	<p>The Plan Numbers assigned by Alcatel-Lucent USA Inc.:</p> <ul style="list-style-type: none"> • 007 for pensions paid from the pension trust fund and certain death benefits • 513 for the Special Accidental Death Insurance Policy
Employer Identification Number	The Employer Identification Number assigned by the IRS is 22-3408857.

APPENDICES

APPENDIX A: DEFERRED VESTED PENSION EARLY PAYMENT PERCENTAGES

For factors that apply to the percentage of your pension otherwise payable at age 65 that you will receive (without or with a survivor annuity) based on your completed years and months of age when your Deferred Vested Pension begins, call the Pension Service Center (PSC) at 1-866-429-5764. To call the PSC from international locations without access to toll free numbers, call 904-791-2147 collect to speak with a service representative. (see "Important Contacts".)

APPENDIX B: TRANSITION LEAVE OF ABSENCE

A Transition Leave of Absence (TLA) allows a Participant to attain Service Pension eligibility under the Retirement Plan by completing the time required to attain Service Pension eligibility on a TLA. The time on a TLA is *not* counted for any other purpose.

You are eligible for a TLA:

- If you terminate from the active payroll (either voluntarily or involuntarily) under the provisions of an Alcatel-Lucent force management program or if you are included in a group of employees whose workgroup is sold to a non-Alcatel-Lucent entity and you become employed by the new owner, provided no pension assets are transferred in connection with the sale, and Service credit is not being provided under the new owner's plan pursuant to the terms of the sale, and
- You are within one year of the age and/or Service requirements for a Service Pension as of your Company-specified separation date under an Alcatel-Lucent force management program or as of the date of sale/divestiture.

You are *not* eligible for a TLA if you are Service Pension eligible under the terms of the Retirement Plan.

If you are eligible for a TLA, the TLA will begin the day after your termination under an Alcatel-Lucent force management program or as the result of the sale of your workgroup and will end on the earliest of:

- The first calendar date anniversary of your termination date,
- The date you attain the required age and/or Service to become Service Pension eligible under the Retirement Plan,
- The date of your death (in which case you will not attain Service Pension eligibility),
- 12 months minus the number of months and days on sickness disability benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan or on short-term disability benefits under the Alcatel-Lucent Short Term Disability Plan, as applicable, following your Company-specified separation date or the date of sale, provided you are eligible for benefits under the applicable plan, or
- The date you are (re)hired by:
 - Alcatel-Lucent USA Inc.,

- An Alcatel-Lucent Controlled Group Company,
- Any Lucent subsidiary,
- Any Company that participates in Alcatel-Lucent USA Inc.'s pension plans,
- Any company covered by the Mandatory Portability Agreement (MPA) if you are covered under that agreement and you do not elect to waive such coverage, or
- Any other company with which there is an agreement for the interchange of benefit obligations and you are covered under the agreement.

Note: If you are rehired, your TLA will be canceled retroactive to your last day on the active payroll before the start of your TLA. Service credit will not be granted for the period of the TLA and you will not attain Service Pension eligibility. You will be subject to any applicable Service bridging rules for bridging of your prior Service (see "Terms You Should Know").

The duration of your TLA will be added to your actual age and Service on your Company-specified separation date or the date of sale/divestiture (i.e., your last day on the active payroll prior to the start of your TLA) solely for purposes of determining eligibility for a Service Pension under the Retirement Plan. With a TLA, a Service Pension under the Retirement Plan will be calculated based on your actual age and Service and the Retirement Plan provisions in effect on your Company-specified separation date or the date of sale/divestiture. The period of the TLA will only be counted for attainment of Service Pension eligibility and will not be considered as Net Credited Service in the calculation of your pension benefits. Any early commencement discount will be calculated based on your actual age and Service on your last day on the active payroll prior to the start of your TLA. Immediately following your attainment of eligibility for a Service Pension at the end of your TLA, you will become a participant in the Pension Plan (or the Alcatel-Lucent Retirement Income Plan if upon termination of employment you were not represented by the Communications Workers of America or the International Brotherhood of Electrical Workers), your pension will be transferred from this Retirement Plan to the Pension Plan (or the Alcatel-Lucent Retirement Income Plan, as applicable) and your pension will be paid from the Pension Plan (or the Alcatel-Lucent Retirement Income Plan, as applicable).

APPENDIX C: FORMER AFFILIATES

Former Affiliates are defined as the Regional Holding Companies, the Operating Telephone Companies in each region that are listed below, Telcordia Technologies (formerly Bell Communications Research, Inc. [Bellcore]), Cincinnati Bell Telephone Company and The Southern New England Telephone Company.

Regional Holding Companies	Operating Telephone Companies
Ameritech Corporation*	Illinois Bell, Indiana Bell, Michigan Bell, Ohio Bell, Wisconsin Bell
Bell Atlantic Corporation*	New Jersey Bell, Bell Telephone Company of Pennsylvania, The C&P Telephone Companies, Diamond State Telephone Company
BellSouth Corporation*	South Central Bell, Southern Bell
NYNEX Corporation*	New York Telephone, New England Telephone, Empire City Subway Company, [Ltd.]
Pacific Telesis Group*	Pacific Bell, Nevada Bell
SBC Communications Inc.*	Southwestern Bell
US West, Inc.*	Mountain Bell, Northwestern Bell, Pacific Northwest Bell, Malheur Home Telephone, Inc.

* Any subsidiary of any of the above companies which participates in a defined benefit pension plan maintained by any of these companies or, with respect to which such company has an Interchange Agreement is also considered a Former Affiliate.

APPENDIX D: SPECIAL RULES AND AGREEMENT AND YOUR PENSION

If You Had Bell System Service Before January 1, 1984

If you had Bell System service before divestiture on January 1, 1984, that service was assigned to the pension plan of the 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 last Bell System company you worked for. 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 spinoff from AT&T according to these rules can never be included as Service under a Alcatel-Lucent USA Inc. pension plan unless you are covered by the Mandatory Portability Agreement (MPA) summarized in this Appendix.

Summary of the Mandatory Portability Agreement (MPA)

The MPA is an agreement effective January 1, 1985 among AT&T and the Former Affiliates (called 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 Interchange Companies are: 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, Alcatel-Lucent USA Inc., Avaya Inc., Agere Systems Inc., certain of their subsidiaries, and other eligible companies as may be added from time to time.

The MPA covers many, but not all of these companies' subsidiaries. Additional subsidiary Interchange Companies may be added from time to time. MPA rules are effective for employees hired on and after the date a company becomes an Interchange Company. The Pension Service Center (PSC) maintains a list of all current and former companies covered by the MPA.

Your coverage under the MPA depends on your employment status as of the following three points in time:

- 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 at each of these points in time:

- As of December 31, 1983:
 - 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, had an annual base rate of pay, as defined below, of \$50,000 or less.
- As of your date of termination from an Interchange Company:
 - Employed in a position covered by the Interchange Company's occupational or management pension plan that is a non-supervisory position, or if in a supervisory position, had 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:
 - Employed in a position covered by the Interchange Company's occupational or management pension plan that is a non-supervisory position, or if in a supervisory position, have 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 each of the three points in time, respectively, noted above. 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 meet the criteria noted above, your previous Net Credited Service and years of service may be bridged under the terms of the hiring Interchange Company's pension plan.

The MPA provides for the Waiver of Portability. If you meet the eligibility criteria described above, you will be given the opportunity to waive portability and will be provided with a detailed summary of information regarding the impact of waiving your portability.

If you meet the above criteria and are hired by a company that is not an Interchange Company, but that company:

- 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 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 bridging rules), service with the above-described non- interchange company will also be recognized, but *only* for pension purposes (and not for any other benefit or personnel 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.

Summary of Rules Applicable to Former Employees of AG Communication Systems (AGCS)

The AGCS Pension Plan was merged with the Pension Plan on December 31, 2004. If you were a participant in the AGCS Pension Plan on December 31, 2004, your benefit under the Retirement Plan is equal to the sum of your AGCS Pension Plan benefit (your "AGCS Pension") as of December 31, 2004, plus the benefit you earn under the Retirement Plan based on your Net Credited Service starting on or after the earlier of (a) the date you transferred employment from AGCS to a Participating Company, or (b) January 1, 2005. Your AGCS Pension is subject to the rules described below.

If you terminated on or before December 31, 2004, your AGCS Pension Plan benefit is determined under the terms of the AGCS Pension Plan in effect as of the date of termination. The pension benefit of a participant in the AGCS Pension Plan who died on or before December 31, 2004 was determined under the terms of the AGCS Pension Plan as of their date of death.

Your AGCS Pension as of December 31, 2004, is based on your accredited service as was defined under the AGCS Pension Plan as of December 31, 2004, and the applicable benefit multiplier as of the earlier of your termination of employment or December 31, 2004. Service credit for any period of employment with a Participating Company or a Controlled Group Company after December 31, 2004, will only be applied to your AGCS Pension for purposes of determining when you are eligible to commence your AGCS Pension.

If you became disabled while a participant in the AGCS Pension Plan and began receiving AGCS-sponsored long-term disability benefits on or before December 31, 2004, as long as you continue to receive long-term disability benefits you will continue to earn Service credit after December 31, 2004, for purposes of earning a benefit under the terms of this Retirement Plan. In that event, your pension under the Retirement Plan for the period after December 31, 2004, will be based on your Net Credited Service after December 31, 2004, and your benefit multiplier under the AGCS Pension Plan in effect as of the date you became disabled.

All participants in the AGCS Pension Plan as of December 31, 2004, who are employed by AGCS, a Participating Company or a Controlled Group Company are fully Vested in their pension benefit.

You have special rights regarding when your AGCS Pension is paid and what benefit options are available to you.

Eligibility for Benefits

Your AGCS Pension will be paid as either a Service Pension, Disability Pension or Deferred Vested Pension.

- **AGCS Service Pension:** You may terminate employment with an AGCS Service Pension at any time after you reach age 55 and have completed at least 15 years of Net Credited Service including accredited service under the AGCS Pension Plan and any Net Credited Service completed under this Retirement Plan. You may elect to begin receiving your AGCS Service Pension immediately following your termination of employment. If you elect to commence your AGCS Pension before your AGCS Normal Retirement Age (normally age 65), your AGCS Pension will be reduced as follows:

Pension Commencing At Age	Percentage
64	100%
63	100%
62	100%
61	99%
60	98%
59	97%
58	96%
57	95%
56	94%
55	93%

In the case of a fractional part of a year in the years 60 through 61 inclusive, the above percentage shall be adjusted upward at a rate of one-twelfthth ($1/12$) of one percent (1%) for each full month.

- **AGCS Disability Pension:** If you become disabled as was defined by the AGCS Pension Plan and have completed at least 15 years of Net Credited Service including accredited service under the AGCS Pension Plan and any Net Credited Service completed under this Retirement Plan, you are entitled to an AGCS Disability Pension (unless you are also eligible for an immediate unreduced AGCS Service Pension). You may elect to begin receiving your AGCS Disability Pension immediately following your termination of employment due to disability. Your AGCS Disability Pension is not reduced for early commencement.
- **AGCS Deferred Vested Pension:** If at your termination of employment you do not qualify for an AGCS Service Pension or an AGCS Disability Pension, you are entitled to an AGCS Deferred Vested Pension commencing on your AGCS normal retirement date. If you have completed at least 15 years of Service including accredited service under the AGCS Pension Plan and any Net Credited Service completed under this Retirement Plan, you may elect to have your AGCS Deferred Vested Pension start as of any date following your attainment of age 55. If you elect to have your AGCS Pension start early, it will be reduced by multiplying your AGCS Pension benefit by the appropriate factor below.

Age at Commencement Date	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
Years												
65	1.0000											
64	0.9330	0.9390	0.9440	0.9500	0.9550	0.9610	0.9670	0.9720	0.9780	0.9830	0.9890	0.9940
63	0.8670	0.8720	0.8780	0.8840	0.8890	0.8950	0.9000	0.9050	0.9110	0.9170	0.9220	0.9280
62	0.8000	0.8060	0.8110	0.8170	0.8220	0.8280	0.8340	0.8390	0.8450	0.8500	0.8560	0.8610
61	0.7330	0.7390	0.7440	0.7500	0.7550	0.7610	0.7670	0.7720	0.7780	0.7830	0.7890	0.7940
60	0.6670	0.6720	0.6780	0.6840	0.6890	0.6950	0.7000	0.7050	0.7110	0.7170	0.7220	0.7280
59	0.6170	0.6210	0.6250	0.6300	0.6340	0.6380	0.6420	0.6460	0.6500	0.6550	0.6590	0.6630
58	0.5670	0.5710	0.5750	0.5800	0.5840	0.5880	0.5920	0.5960	0.6000	0.6050	0.6090	0.6130
57	0.5170	0.5210	0.5250	0.5300	0.5340	0.5380	0.5420	0.5460	0.5500	0.5550	0.5590	0.5630
56	0.4670	0.4710	0.4750	0.4800	0.4840	0.4880	0.4920	0.4960	0.5000	0.5050	0.5090	0.5130
55	0.4170	0.4210	0.4250	0.4300	0.4340	0.4380	0.4420	0.4460	0.4500	0.4550	0.4590	0.4630

If you are entitled to an AGCS Pension, you can elect to defer commencement of your pension payments until the later of the April 1st following your attainment of age 70½, or the date you terminate employment from the Company and any Controlled Group Companies.

How Pension Benefits Are Paid

You have the same benefit distribution options for your AGCS Pension as were available under the AGCS Pension Plan on December 31, 2004. Unless you choose differently, your AGCS Pension will be paid as follows:

- If you are married on your Benefit Commencement Date, your pension will be paid as a joint and 50% spousal survivor annuity (the qualified joint and 50% survivor annuity).
- If you are not married on your Benefit Commencement Date, your pension will be paid as a Single Life Annuity.

In addition, there are several optional forms of payment available to you. However, if you are married and choose any form of payment method other than the qualified joint and 50% survivor annuity, you must obtain the written, notarized consent of your Lawful Spouse. If you, with the consent of your Lawful Spouse if applicable, so elect, you can choose to have your AGCS benefit paid in one of the other AGCS optional forms. Following are descriptions of the available payment forms:

- **Qualified joint and 50% survivor annuity.** This is the automatic payment method if you are legally married when your pension payments begin. It provides you with monthly payments for life, which are actuarially reduced when your pension payments begin. Upon your death, your eligible Lawful Spouse (to whom

you are legally married on the date your pension payments begin) will receive one-half of your reduced monthly payments for life. If you are legally married when your pension payments begin, you must obtain the written, notarized consent of your Lawful Spouse to elect any other payment method. Payments are reduced under the qualified joint and 50% survivor annuity to cover two lifetimes, yours and your Lawful Spouse's.

- **Single Life Annuity.** This is the automatic payment method if you are not legally married when your pension payments begin. It is also available as an option if you are legally married when your pension payments begin (provided you obtain your Lawful Spouse's written, notarized consent to decline the qualified joint and 50% survivor annuity and elect the Single Life Annuity). Under this payment option, monthly payments are made to you for life with no payments continuing upon your death. This payment option produces the greatest monthly benefit of any payment option because only one lifetime is covered.
- **Joint and 33-1/3% survivor annuity.** This payment method is available to you regardless of your marital status when your pension payments begin. It provides you with monthly payments for life, which are actuarially reduced based on your age and the age of your elected beneficiary when your pension payments begin. Upon your death, your elected beneficiary will receive 33-1/3% of your reduced monthly payments for life. Payments are reduced under the joint and 33-1/3% survivor annuity payment option to cover two lifetimes, yours and your elected beneficiary's. The reduction under this option is less than the reduction under the qualified joint and 50% survivor annuity because it provides a smaller survivor benefit for your elected beneficiary.
- **Joint and 50% survivor annuity (with non-spouse beneficiary).** This payment method is available to you regardless of your marital status when your pension payments begin. It provides you with monthly payments for life, which are actuarially reduced based on your age and the age of your elected beneficiary when your pension payments begin. Upon your death, your elected beneficiary will receive 50% of your reduced monthly payments for life. Payments are reduced under the joint and 50% survivor annuity (with non-spouse beneficiary) payment option to cover two lifetimes, yours and your elected beneficiary's.
- **Joint and 66-2/3% survivor annuity.** This payment method is available to you regardless of your marital status when your pension payments begin. It provides you with monthly payments for life, which are actuarially reduced based on your age and the age of your elected beneficiary when your pension payments begin. Upon your death, your elected beneficiary will receive 66-2/3% of your reduced monthly payments for life. Payments are reduced under the joint and 66-2/3% survivor annuity payment option to cover two lifetimes, yours and your elected beneficiary's. The reduction under this option is greater than the reduction

under the qualified joint and 50% survivor annuity because it provides a greater survivor benefit for your elected beneficiary.

- **Joint and 75% survivor annuity.** This payment method is available to you regardless of your marital status when your pension payments begin. It provides you with monthly payments for life, which are actuarially reduced based on your age and the age of your elected beneficiary when your pension payments begin. Upon your death, your elected beneficiary will receive 75% of your reduced monthly payments for life. Payments are reduced under the joint and 75% survivor annuity payment option to cover two lifetimes, yours and your elected beneficiary's. The reduction under this option is greater than the reduction under the qualified joint and 50% survivor annuity because it provides a greater survivor benefit for your elected beneficiary.
- **Joint and 100% survivor annuity.** This payment method is available to you regardless of your marital status when your pension payments begin. It provides you with monthly payments for life, which are actuarially reduced based on your age and the age of your elected beneficiary when your pension payments begin. Upon your death, your elected beneficiary will receive 100% of your reduced monthly payments for life. Payments are reduced under the joint and 100% survivor annuity payment option to cover two lifetimes, yours and your elected beneficiary's. The reduction under this option is greater than the reduction under the qualified joint and 50% survivor annuity because it provides a greater survivor benefit for your elected beneficiary.

If you elect a joint and survivor annuity payment option with a non-spouse beneficiary, depending on the age of your survivor annuitant, the amount continuing to your survivor annuitant might have to be adjusted to comply with IRS regulations. You will be advised if this limitation affects you.

If you elect a joint and survivor annuity payment option and your designated survivor annuitant (your Lawful Spouse or elected beneficiary, as applicable) dies before you, the amount of the monthly payment of your AGCS Pension will be increased after his or her death to equal the monthly benefit you would have received had you elected a Single Life Annuity.

Note that these are the only options available with respect to your AGCS Pension. For example, if you are rehired by or transferred to the Company and become covered by a collective bargaining agreement between the CWA and the Company, you cannot elect a Lump Sum Distribution of your AGCS Pension benefit — even if you may be eligible to elect a Lump Sum payment of your benefit earned under the Retirement Plan following your date of rehire or transfer. However, in the event the total present value of your pension benefit under the Retirement Plan is \$1,000 or less, your entire benefit under

the Retirement Plan will automatically be distributed in a Lump Sum. In that case, for purposes of determining the present value of your AGCS Pension, your AGCS Pension will be valued for a transition period using the prior year's September GATT rate (which was used by the AGCS Pension Plan) instead of the prior year's August GATT rate (used by the Retirement Plan).

If You Die Before Your Pension Begins

If you are married and you die before your Benefit Commencement Date, your Lawful Spouse (without regard to a one-year marriage requirement) will receive a spouse's pension with respect to your AGCS Pension. The spouse's pension shall equal the amount payable to the Lawful Spouse as the beneficiary of the joint and 50% spousal survivor annuity calculated as if you elected the first day of the month after your AGCS normal retirement date (normally age 65) to commence your AGCS Pension, and then died the next day. The spouse's pension shall commence on the later of your date of death or your AGCS Normal Retirement Age. Your Lawful Spouse may instead elect to have the spouse's pension commence on the earliest date on which you could have elected to commence payment of your AGCS Pension benefit if you had not died, subject to all applicable reductions for early commencement.

If you are not married, and die while still employed after reaching your AGCS normal retirement date or after meeting the minimum age and Service requirements for payment of an AGCS Service Pension, your designated beneficiary shall receive survivor's pension coverage. However, no survivor's pension shall be paid if you fail to have in effect a valid designation of a beneficiary at the time of your death. The survivor's pension shall equal the amount payable to the designated beneficiary of the joint and 50% survivor pension. Once eligible, you may designate, or change the designation of, your beneficiary at any time; provided that, if you are married on the date of your death, no survivor pension will be paid to your designated beneficiary and instead the Retirement Plan will pay the spouse's pension to your Lawful Spouse. To designate a beneficiary, contact the Pension Service Center (PSC). (see "Important Contacts.")

If You Are Rehired

If you begin to receive your AGCS Pension and are rehired by a Participating Company or a Controlled Group Company, payment of your AGCS Pension will be suspended during any month that you are credited with 40 or more Hours of Service as a regular or temporary employee (regardless of whether you are rehired before or after attaining age 65). If your pension was suspended during any period after your normal retirement date, when you again terminate employment, the amount of your AGCS Pension benefit shall not be less than the actuarial equivalent of the Single Life Annuity that would have been payable to you (or that you could have elected to receive) beginning on your AGCS normal retirement date, had your pension not been suspended.

If you terminate employment and are subsequently rehired by a Participating Company, your accredited service earned under the AGCS Pension Plan will be bridged upon completion of 1,000 Hours of Service, but only for purposes of determining your eligibility to commence your AGCS Pension as a Service Pension or Deferred Vested Pension. For all other purposes, such as determining the amount of your pension benefit, the Retirement Plan's Net Credited and Vesting Service bridging rules apply. (See "Terms You Should Know: Break in Net Credited Service, and Break in Vesting Service.")

APPENDIX E: PENSION BAND MONTHLY BENEFIT TABLE

Pension Band Number	On or After 5/30/1992 and before 5/28/1995 effective 7/1/1992	On or After 5/28/1995 and before 5/31/98 effective 7/1/1995	On or After 5/31/1998 and before 7/1/1999 effective 7/1/1998	On or After 7/1/1999 and before 7/1/2000 effective 7/1/1998	On or After 7/1/2000 and before 7/1/2001 effective 7/1/1998	On or After 7/1/2001 and before 7/1/2002 effective 7/1/1998	On or After 7/1/2002 and before 11/1/2004 effective 7/1/1998	On or After 11/1/2004 effective 7/1/2005 ¹
101	\$21.66	\$24.26	N/A	N/A	N/A	N/A	N/A	N/A
102 ²	22.59	25.30	27.07	28.15	28.99	29.86	30.76	N/A
103	23.50	26.32	28.16	29.29	30.17	31.08	32.01	35.85
104	24.41	27.34	29.25	30.42	31.33	32.27	33.24	37.23
105	25.32	28.36	30.35	31.56	32.51	33.49	34.49	38.63
106	26.25	29.40	31.46	32.72	33.70	34.71	35.75	40.04
107	27.18	30.44	32.57	33.87	34.89	35.94	37.02	41.46
108	28.08	31.45	33.65	35.00	36.05	37.13	38.24	42.83
109	29.01	32.49	34.76	36.15	37.23	38.35	39.50	44.24
110	29.91	33.50	35.85	37.28	38.40	39.55	40.74	45.63
111	30.83	34.53	36.95	38.43	39.58	40.77	41.99	47.03
112	31.73	35.54	38.03	39.55	40.74	41.96	43.22	48.41
113	32.66	36.58	39.14	40.71	41.93	43.19	44.49	49.83
114	33.56	37.59	40.22	41.83	43.08	44.37	45.70	51.18
115	34.48	38.62	41.32	42.97	44.26	45.59	46.96	52.60
116	35.40	39.65	42.43	44.13	45.45	46.81	48.21	54.00
117	36.30	40.66	43.51	45.25	46.61	48.01	49.45	55.38
118	37.22	41.69	44.61	46.39	47.78	49.21	50.69	56.77
119	38.14	42.72	45.71	47.54	48.97	50.44	51.95	58.18
120	39.05	43.74	46.80	48.67	50.13	51.63	53.18	59.56
121	39.96	44.76	47.89	49.81	51.30	52.84	54.43	60.96
122	40.88	45.79	49.00	50.96	52.49	54.06	55.68	62.36
123	41.79	46.80	50.08	52.08	53.64	55.25	56.91	63.74
124	42.70	47.82	51.17	53.22	54.82	56.46	58.15	65.13
125	43.63	48.87	52.29	54.38	56.01	57.69	59.42	66.55
126	44.52	49.86	53.35	55.48	57.14	58.85	60.62	67.89
127	45.45	50.90	54.46	56.64	58.34	60.09	61.89	69.32
128	46.36	51.92	55.55	57.77	59.50	61.29	63.13	70.71
129	47.28	52.95	56.66	58.93	60.70	62.52	64.40	72.13
130	48.18	53.96	57.74	60.05	61.85	63.71	65.62	73.49
131	49.12	55.01	58.86	61.21	63.05	64.94	66.89	74.92
132	50.01	56.01	59.93	62.33	64.20	66.13	68.11	76.28
133	50.94	57.05	61.04	63.48	65.38	67.34	69.36	77.68
134	51.87	58.09	62.16	64.65	66.59	68.59	70.65	79.13
135	52.75	59.08	63.22	65.75	67.72	69.75	71.84	80.46

¹ If you terminated employment between November 1, 2004, and June 30, 2005, effective as of July 1, 2005, you are entitled to an increase of

Appendices

12% in your otherwise applicable Pension Band. If you are covered by this special rule and your Benefit Commencement Date was prior to

July 1, 2005, you will receive a Lump Sum payment equal to the shortfall in your pension for the period between your Benefit Commencement

Date and July 1, 2005, when your payment amount is adjusted prospectively. This adjustment will also be applied to any Participant who received a Lump Sum Distribution of their pension based on a Benefit Commencement Date between November 1, 2004, and June 30, 2005.

² For retirements on or after 5/1/03, the basic monthly pension benefit of an employee previously assigned Pension Band number 102 shall be computed using Pension Band number 103.

APPENDIX F: WAGE INCENTIVE REPLACEMENT FACTOR

You are no longer receiving wage incentive payments if you were:

- Covered under the Wage Incentive Pay Plan the day before the effective dates of the applicable 1986 union agreement, and
- Reclassified effective June 1 or June 29, 1986, to a production level job as bargained.

Factors included in your pension computation have been assigned at specified locations and levels and are available from the Pension Service Center (PSC).

The appropriate factor, multiplied by your NCS, will be added to the pension amount calculated using the appropriate Pension Band. Each factor was assigned by location and grade level at the time of bargaining and does not change thereafter. 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 the Atlanta Works, formerly receiving wage incentive payments at grade level 33, who was reclassified to Production Level II, effective June 29, 1986, the assigned wage incentive replacement factor is \$3.04.

Assuming you retire with 25 years of NCS, the pension calculation will include, in addition to the normal Retirement Plan provisions, an amount for the wage incentive replacement factor as follows: Wage incentive replacement factor *multiplied by* NCS ($\$3.04 \times 25 = \76).

Your monthly pension benefit will be the sum of:

- Your basic monthly pension benefit (see "Basic Monthly Pension Benefit"),
- The amount of the wage incentive replacement factor calculation, and
- Any supplemental monthly pension benefit which may apply (see "Supplemental Monthly Pension Benefit").

The amount of the wage incentive replacement factor will be reduced if, after the effective date of the change to a production level job title, you transfer from the eligible workgroup and later retire. The reduction will be 1/36th for each full month from the date you leave the eligible workgroup to your retirement. The first reduction will be effective the first of the month after you leave the eligible workgroup.

However, under the terms of the Retirement Plan, your monthly pension benefit amount at the time of your retirement *cannot* be a lower amount — due to phasing out of the wage incentive replacement factor — than your monthly pension benefit amount calculated at an earlier time.

Example

If you were to leave the eligible workgroup 12 months before retirement, the wage incentive replacement factor would be reduced by 1/36th for each of these 12 months, or 12/36ths.

Therefore, the wage incentive replacement factor would be:

24/36ths multiplied by the wage incentive replacement factor multiplied by NCS equals applicable wage incentive replacement factor ($24/36\text{th} \times \$3.04 \times 25 = \50.67).

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.

Example

If you were to leave the eligible workgroup 12 months before your retirement date and return to the eligible work group six months before your retirement date, the computation of the wage incentive replacement factor would include 30/36th of the amount of the wage incentive replacement factor.

30/36ths multiplied by the wage incentive replacement factor multiplied by NCS equals applicable wage incentive replacement factor ($30/36\text{th} \times \$3.04 \times 25 = \63.34).

If you are a CWA represented hourly employee eligible for the wage incentive replacement factor and you transfer to another CWA location, you will continue to be eligible for the wage incentive replacement factor provided:

- You transfer to an hourly job at another CWA location which was formerly on wage incentives,
- Such hourly job is a production level or tester level job at the new location, and
- You remain in the production level or tester level job at the new location.

If you transfer to any non-hourly job, or to any hourly job, other than a job described above, the wage incentive replacement factor will be phased out in accordance with the provisions of the Retirement Plan outlined in the preceding examples.

APPENDIX G: PENSION BAND DIFFERENTIALS

You are eligible for a Pension Band differential 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, 1986, or June 30, 1986, or
- 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.

The Pension Band differential is 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 prior to such reclassification, and
- The Pension Band for the grade/level to which you are reclassified.

Note: The monthly benefit amounts described above are those which 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.

Your basic monthly pension benefit (see "Basic Monthly Pension Benefit") will include the Pension Band differential for all NCS prior to the reclassification and for all subsequent periods of Service during which you remain in the same eligible workgroup.

The Pension Band differential will no longer apply if:

- You leave the bargaining unit,
- You transfer to a different location,
- You transfer to a job at the same location which is outside the eligible workgroup, or
- You 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 the Pension Band from which you were reclassified in June 1986 or on May 28, 1989.

Example of How Pension Band Differentials Are Computed

If, on May 28, 1989, you were reclassified from Pension Band 110 to Pension Band 108, your Pension Band differential would be computed as follows:

Pension Band 110 = \$23.63 (effective October 1, 1988)

Pension Band 108 = \$22.19 (effective October 1, 1988)

Pension Band differential = \$1.44 ($\$23.63 - \$22.19 = \1.44)

Example of Application of Pension Band Differential

An employee, age 52 with 20 years of NCS, 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 = \$23.63 (effective October 1, 1988)

Monthly benefit for Pension Band 108 = \$22.19 (effective October 1, 1988)

Pension Band differential = \$1.44 (\$23.63 - \$22.19 = \$1.44)

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

30 years *multiplied by* monthly benefit of Pension Band 108 (\$33.65 effective July 1, 1998) (30 x \$33.65 = \$1,009.50)

plus

30 years *multiplied by* Pension Band differential (30 x \$1.44 = \$43.20)

Basic monthly pension benefit equals \$1,052.70 (\$1,009.50 + \$43.20 = \$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 a year before retirement on May 31, 1998, with no change in Pension Band, the Pension Band differential in the previous example would have been multiplied by 29 years of NCS.

The basic monthly pension benefit in this case would be:

29 years *multiplied by* monthly benefit of Pension Band 108 (\$33.65 effective July 1, 1998) (29 x \$33.65 = \$975.85)

plus

29 years *multiplied by* Pension Band differential (29 x \$1.44 = \$41.76)

*plus the greater of**

one year *multiplied by* monthly benefit of Pension Band 108 (pension associated with new job title) (\$33.65 effective July 1, 1998) (1 x \$33.65 = \$33.65)

or

one year *multiplied by* monthly benefit of Pension Band 110 (effective October 1, 1988) (1 x \$23.63 = \$23.63)

Basic monthly pension benefit equals \$1,051.26 (\$975.85 + \$41.76 + \$33.65 = \$1,051.26)
As provided by the Demotion Rule.

Example of Pension Calculation for an Employee Eligible for a Pension Band Differential Who:

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.

Let us say an employee was reclassified on May 28, 1989, from Pension Band 110 to Pension Band 108, and is subsequently promoted 10 months prior to retirement to a job title in the covered workgroup with Pension Band 109. The pension of this employee, who retires in March 1999 with 25 years of Service, would be computed using:

- The promotion rules which apply for a promotion less than 12 months before retirement, and
- The rules which apply to the Pension Band differential.

The sum of the monthly benefit amount for Pension Band 109 (\$34.76) and the Pension Band differential (\$1.44) would equal \$36.20. Since \$36.20 is greater than the monthly benefit amount of Pension Band 110 (\$35.85), the monthly benefit amount for Pension Band 110 would be used from the date of the promotion in accordance with the promotion rules (see "Promotions and Transfers").

Therefore, the computation would be:

24 years x monthly benefit of Pension Band 108 — effective 7/1/98
(24 x \$33.65 = \$807.60), *plus*

24 years x Pension Band differential (24 x \$1.44 = \$34.56), *plus*

10 months x monthly benefit of Pension Band 110 — effective 7/1/98
(.8333 x \$35.85 = \$29.88)*

Basic monthly pension benefit = \$872.04 (\$807.60 + \$34.56 + \$29.88 = \$872.04)

* Pension Band 110 applies because, from the date of promotion to Pension Band 109, the sum of the monthly benefit of Pension Band 109 plus the Pension Band differential is greater than the monthly benefit of Pension Band 110. Pension Band 110 is the Pension Band from which the employee was reclassified on May 28, 1989. If more than 12 months had elapsed between the date of promotion and the date of retirement, the monthly benefit amount of Pension Band 110, as of the date of retirement, would have been used for all Net Credited Service.

Had the employee remained in the eligible workgroup and subsequently been demoted or transferred to a Pension Band lower than Pension Band 108, the demotion rule would apply (see "Demotions and Transfers"). The amount of the Pension Band differential would remain at \$1.44.

APPENDIX H: PARTICIPATING COMPANIES

Effective as of January 1, 2011, the following companies are Participating Companies:

- Alcatel-Lucent Investment Management Corporation
- Alcatel-Lucent World Services Inc.
- Alcatel-Lucent USA Inc.
- Ascend Communications, Inc.
- LGS Innovations International Inc.
- LGS Innovations LLC
- LGS Integrated Solutions Inc.
- Lucent Technologies Construction Services, Inc.
- Lucent Technologies GRL LLC
- Lucent Technologies Management Services Inc.
- Lucent Venture Partners Inc.
- Mobilitec, Inc.
- Radio Frequency Systems, Inc.
- Telica Inc.

For additional information regarding Participating Companies, call the Pension Service Center (PSC) at 1-866-429-5764. To call the PSC from international locations without access to toll free numbers, call 904-791-2147 collect to speak with a service representative. (see "Important Contacts".)

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