

Alcatel-Lucent Sickness and Accident  
Disability Benefit Plan  
**Summary Plan Description —  
Represented Employees**

January 2010

Last Updated October 2010

*With subsequently issued Summary of Material Modifications*



## DISCLAIMER

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This is a summary of the benefits offered under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan (the “Sickness and Accident Disability Benefit Plan” or the “Plan”). 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 Plan is provided in the official Sickness and Accident Disability Benefit Plan document, a copy of which can be obtained by writing to the Plan Administrator (see **Important Contacts**).

This summary is based on Sickness and Accident Disability Benefit Plan provisions effective January 1, 2010 and replaces all previous SPDs and other descriptions of benefits provided under the Plan. If there is any conflict between the information in this SPD and the Sickness and Accident Disability Benefit Plan document, the Sickness and Accident Disability Benefit Plan document will govern.

### ***Plan May Be Amended or Terminated***

***The Company expects to continue the Sickness and Accident Disability Benefit Plan but reserves the right to amend or terminate the 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 agreement(s). In addition, the Company does not guarantee the continuation of any sickness and accident disability benefits during employment or at or during retirement nor does it guarantee any specific level of benefits or contributions, subject to the terms of any applicable bargaining agreement(s).***

Questions regarding your benefits should be addressed as indicated in this SPD (see **Important Contacts**). Because of the many detailed provisions of the 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 Alcatel-Lucent nor the 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 Sickness and Accident Disability Benefit Plan document, the Sickness and Accident Disability Benefit Plan document will govern.

**Please note:** Participation in the Plan is neither an offer of nor a guarantee of continued benefits during future employment.

**Lucent Technologies Inc. Sickness and Accident Disability Plan**

This notice, called a Summary of Material Modifications (“SMM”) with an effective date of January 1, 2015, advises you of changes in the information presented in your Summary Plan Description (sometimes called an “SPD”) for the Lucent Technologies Inc. Sickness and Accident Disability Plan (the “Plan”). Receipt of this SMM does not necessarily mean that you are entitled to benefits under the Plan. In order to be eligible for benefits under the Plan, you must meet the eligibility requirements of the applicable Plan. Please read this notice and retain a copy for your records.

1. Effective as of December 31, 2014 at 11:59 P.M. Eastern Standard Time, the Lucent Technologies Inc. Sickness and Accident Disability Plan was frozen to any new benefit claims by any employee or individual.
2. In order to potentially receive benefits under the Lucent Technologies Inc. Sickness and Accident Disability Plan as it was in existence prior to December 31, 2014 at 11:59 P.M. Eastern Standard Time, as of December 31, 2014 you must have been receiving benefits under the Lucent Technologies Inc. Sickness and Accident Disability Plan or, you must have had six months or more of net credited service and had a properly documented health condition pursuant to the terms and operation of Lucent Technologies Inc. Sickness and Accident Disability Plan, that could potentially, upon proper determination by the Claims Administrator, entitle you to benefits under Lucent Technologies Inc. Sickness and Accident Disability Plan.
3. Effective December 31, 2014 at 11:59 P.M. Eastern Standard Time, the Lucent Technologies Inc. Sickness and Accident Disability Plan is merged into the Alcatel-Lucent Long-Term Disability Plan for Management Employees with the Alcatel-Lucent Long Term Disability Plan for Management Employees being the surviving plan and subsequently renamed the Alcatel-Lucent Long Term Disability Plan.
4. Effective January 1, 2015, any references in the SPD to the “Lucent Technologies Inc. Sickness and Accident Disability Plan”, the “Sickness and Accident Disability Plan” or the “Plan” shall be replaced with the “Lucent Technologies Inc. Sickness and Accident Disability arrangement as provided under the Alcatel-Lucent Long-Term Disability Plan”.

§This SMM describes changes to the Lucent Technologies Inc. Sickness and Accident Disability Plan that are effective as provided herein. In the case of a discrepancy between this SMM and the official plan document, which is the Alcatel-Lucent Long-Term Disability Plan, the official plan document shall control.

5. On page 18 of the SPD, the heading “Sickness and Accident Disability Benefit Plan Identification” and the chart below are replaced as follows:

**Plan Identification for the Lucent Technologies Inc. Sickness and Accident Disability Arrangement**

<b>Plan Name</b>	The official Plan Name is the Alcatel-Lucent Long-Term Disability Plan
<b>Plan Sponsor</b>	The Plan Sponsor is Alcatel-Lucent USA Inc.
<b>Plan Administrator</b>	Alcatel-Lucent c/o Secretary, Benefit Claim and Appeal Committee 600-700 Mountain Avenue, Room 6D-401A Murray Hill, NJ 07974
<b>Plan Records and Plan Year</b>	The Alcatel-Lucent Long-Term Disability Plan and all its records are maintained on a calendar year basis, beginning on January 1 <sup>st</sup> and ending on December 31 <sup>st</sup> of each year.
<b>Plan Records and Plan Year</b>	The Alcatel-Lucent Long-Term Disability Plan is considered a “welfare plan” under the Employee Retirement Income Security Act of 1974, as amended (ERISA).
<b>Plan Number</b>	The Plan Number is 516.
<b>Employee Identification Number</b>	The Employee Identification Number is 22-3408857

/end

§This SMM describes changes to the Lucent Technologies Inc. Sickness and Accident Disability Plan that are effective as provided herein. In the case of a discrepancy between this SMM and the official plan document, which is the Alcatel-Lucent Long-Term Disability Plan, the official plan document shall control.

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## INTRODUCTION

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Here's your summary of the key features of the Alcatel-Lucent Sickness and Accident Disability Benefit Plan.

The Sickness and Accident Disability Benefit Plan is designed to minimize financial hardship by providing income if you become disabled while actively employed with a **participating company**.

Once you are eligible, coverage is provided automatically by the company at no cost to you.

## THE SICKNESS AND ACCIDENT DISABILITY BENEFIT PLAN – HIGHLIGHTS

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Here's a summary of the key features of the Sickness and Accident Disability Benefit Plan.

Plan Feature	Summary
Eligibility	<p>If you are a represented employee, you are eligible to receive sickness disability benefits for absence due to a certified disability upon completing six months <b>net credited service</b> with a <b>participating company</b>.</p> <p>You may be eligible to receive accident disability benefits for absence resulting from a work-related accident as of your first day of active employment with a <b>participating company</b>.</p> <p>You do not need to enroll in the Plan; coverage is automatic.</p> <p>Full or part-time Communication Services Installers (CSIs) are not eligible to participate in the Sickness and Accident Disability Benefit Plan.</p>
Your Contributions	<p>Coverage under the Sickness and Accident Disability Benefit Plan is provided automatically by the company at no cost to you.</p>
Amount of Coverage	<p>The benefit amount you receive is based on your <b>rate of pay</b> and <b>plan credited service</b> at the time of your disability.</p>
When Coverage Begins	<p>Once you are eligible, sickness disability benefits begin on the eighth consecutive calendar day of absence for a certified disability that is not work-related.</p> <p>Accident disability benefits begin on your first full day of absence due to a work-related accident.</p>



## PARTICIPATING IN THE PLAN

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Coverage under the Sickness and Accident Disability Benefit Plan is provided automatically by the company at no cost to you. You do not need to enroll.

To be eligible for sickness benefits, you must first complete six months of **net credited service** with a **participating company**. Benefits then begin on your eighth consecutive calendar day of absence due to a certified disability.

Note that individuals who are not paid from the U.S. payroll of a **participating company**, and 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 Sickness and Accident Disability Benefit Plan.

There is no waiting period for accident disability benefits. You are eligible to receive accident disability benefits for absence resulting from a work-related accident on your first day of active employment with a **participating company**.

In addition to any accident disability benefits paid, the company may also pay your reasonable and necessary accident-related medical expenses.

## SICKNESS DISABILITY BENEFIT COVERAGE

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### Who Is Eligible and When

Sickness disability benefits begin on your eighth consecutive calendar day of absence from work due to a certified non-work-related disability. The amount of pay you receive for the first seven consecutive calendar days of your absence depends on your organization's practice or collective bargaining agreement provisions, if applicable.

The amount of your sickness disability benefits depends on:

- Your **rate of pay** as of your first day of absence due to a certified disability,
- Your scheduled hours of work or equivalent work-week classification, not including overtime,
- Your **plan credited service** as of your eighth consecutive calendar day of absence, and

Some payments you receive from another source, such as Worker Compensation or under state disability laws may offset your disability benefits, for a combined total benefit not to exceed the schedule below. However plan benefits are not reduced for any disability benefits you receive for military service or under Social Security.

You may then receive up to a maximum of 52 weeks of full or half pay based on the following schedule:

Years of Plan Credited Service	You Will Receive Full Pay for up to...	Then Half Pay for an Additional...
6 months but less than 2 years	0 weeks	52 weeks
2 years but less than 5 years	4 weeks	48 weeks
5 years but less than 15 years	13 weeks	39 weeks
15 years but less than 20 years	26 weeks	26 weeks
20 years but less than 25 years	39 weeks	13 weeks
25 years or more	52 weeks	0 weeks

## If You Become Disabled Again

The following chart outlines how benefits are paid if you become disabled again, whether due to the same or a different cause as your previous disability.

<b>If Your Return to Work Between Disabilities Lasts:</b>	<b>Your Sickness Disability Benefits Resume on:</b>	<b>Your Benefits Are Based on Your Rate of Pay on:</b>	<b>In Determining the Amount of Benefits (Full or Half Pay):</b>
Less than two weeks	The first day of your subsequent absence due to disability	The first day of your subsequent absence due to disability	The previous absence will be counted
At least two weeks, but less than 13 weeks	The eighth consecutive calendar day of your subsequent absence due to disability	The first day of your subsequent absence due to disability	The previous absence will be counted
At least 13 weeks	The eighth consecutive calendar day of your subsequent absence due to disability	The first day of your subsequent absence due to disability	The previous absence will not be counted. You may be eligible for another 52 weeks of full-pay or half-pay benefits

If you return to work for less than 13 weeks between disabilities, the benefits paid during your previous absence will be counted when determining the amount of full or half pay you will receive during your next period of absence.

For example, if you had eight years of service and collected benefits for six weeks during your first disability, and were actively at work for more than two weeks but less than 13 weeks between disabilities, you would then be eligible for up to seven additional weeks of full pay and 39 weeks of half pay for your second disability.

## If You Remain Disabled After Your Benefits Expire

If you continue to be disabled after you have received 52 weeks of sickness disability benefits, you may be eligible for benefits under the Alcatel-Lucent USA Inc. Long Term Disability Benefit Plan for Represented Employees.

In addition, if you have at least 15 years of service, you may be eligible to receive a disability pension under the Lucent Technologies Inc. Pension Plan.

## **Requirements for Payment**

To qualify for payment of sickness disability benefits, you must:

- Report the disability to your supervisor on your first day of absence. Benefit are not payable for disability absences that are not reported within 60 days,
- Place yourself under a qualified medical practitioner's care and follow the recommended treatment,
- Provide information from your qualified medical practitioner, satisfactory to the Plan Administrator, certifying your disability, including the nature, frequency and projected duration of your treatment,
- Have a medical examination by a qualified medical practitioner designated by the Plan Administrator and/or provide any additional information when requested, and
- Contact the Disability Support Case Manager to obtain written permission if you intend to leave home during your disability. You must receive your qualified medical practitioner's approval and the Plan Administrator's concurrence before leaving home. To receive benefit payments during your time away from home you must continue to furnish satisfactory proof of your disability.

The Plan Administrator will supply all the forms you need to complete for sickness disability benefits.

## ACCIDENT DISABILITY BENEFIT COVERAGE

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### Who Is Eligible and When

There are two types of accident disability coverage: one if you are **totally disabled** and another if you are **partially disabled**.

### Plan Benefits for Total Disability

If you become **totally disabled** because of a work-related accident, accident disability benefits begin on your first full day of absence.

Benefit payments for total disability are based on the following:

- Your **rate of pay** on the first day of your absence due to disability,
- Your scheduled hours of work or equivalent work-week classification, not including overtime, and
- Your **Plan credited service**.

The table below shows the schedule for total disability benefits:

Years of Plan Credited Service	You Will Receive Full Pay for up to...	Then Half Pay...
Less than 15 years	13 weeks	Thereafter, as long as <b>totally disabled</b>
15 years but less 20 years	26 weeks	Thereafter, as long as <b>totally disabled</b>
20 years but less than 25 years	39 weeks	Thereafter, as long as <b>totally disabled</b>
25 years or more	52 weeks	Thereafter, as long as <b>totally disabled</b>

If you are requested by the Claims Administrator to be examined periodically by a qualified medical practitioner of his or her choice and you do not consent or fail to appear at said examination, your benefit payments may be immediately suspended until such examination takes place and the Claims Administrator's physician certifies the disability. If as a result of such examination you are determined no-longer to be totally disabled, your benefits shall be either adjusted to those provided under the

partial disability portion of the Plan or will cease if more than six (6) years have passed since the date of your accident.

### If You Become Disabled Again

If you should become disabled again, after you have returned to work from a previous accident disability and have been continually engaged in the performance of your material and substantial job duties:

If Your Return to Work Between Disabilities Lasts:	Your Total Disability Benefits Resume on:	Your Benefits Are Based on Your Rate of Pay on:	In Determining the Duration of Full-Pay Benefits:
Less than 13 weeks	The first day of your subsequent absence	The first day of your subsequent absence	The previous duration of full pay benefits will be counted
13 weeks or more	The first day of your subsequent absence	The first day of your subsequent absence	The previous duration of full pay benefits will not be counted

If you become totally disabled because of a different work-related accident, no previously received benefits are counted when determining your benefit amount.

### Plan Benefits for Partial Disability

Accident disability benefits are also payable for a certified **partial disability** due to a work-related accident. In this case, accident disability benefits may make up all or part of the difference between:

- Your **rate of pay** as a full-time or part-time employee at the time the Plan Administrator declares you **partially disabled**, and
- The wages the Plan Administrator determines you are capable of earning while partially disabled.

You may receive 100% or 50% of the *difference in loss of pay*, based on your **plan credited service** as follows:

You Will Receive 100% Difference in Loss of Pay for:	You Will Receive 50% Difference in Loss of Pay:
13 weeks	Thereafter, while your certified disability continues, for a maximum of six years

The period listed in the chart above includes any time you received total or partial accident disability benefits for the same work-related accident.

## Requirements for Payment

To qualify for payment of accident disability benefits you must:

- Report any work-related injury immediately to your supervisor. You and your supervisor must then complete the necessary report forms. If the injury is not reported within 60 days of the accident, no benefits are payable. Also, accident disability benefits may not be paid for the period of disability before reporting the injury,
- Be disabled from an injury resulting solely from an accident during and in direct connection with the performance of your assigned duties in the company. There must be a clear and well-established history of the cause and circumstances of the injury, which must be sufficient to have produced the alleged disability,
- Place yourself under a qualified medical practitioner's care and follow the recommended treatment,
- Provide information from your qualified medical practitioner, satisfactory to the Disability Support Case Manager, certifying your disability, including the nature and frequency of your treatment,
- Have a medical examination by a qualified medical practitioner designated by the Disability Support Case Manager and/or provide any additional information when requested, and
- Contact the Disability Support Case Manager to obtain written permission if you intend to leave home during your disability. You must also receive your qualified medical practitioner's approval and the Disability Support Case Manager concurrence before leaving home. To receive benefit payments during your time away from home, you must continue to provide satisfactory proof of your disability otherwise no benefit will be payable.

The Disability and Leave Administrator will supply all the forms you need to complete in order to apply for and continue accident disability benefits.

## MISCELLANEOUS COVERAGE INFORMATION

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### Benefit Limits

There are benefit limits under the Sickness and Accident Disability Benefit Plan. For example:

- You cannot receive both accident and sickness disability benefits at the same time.
- If you receive sickness or accident disability benefits under law from another source (e.g., Workers' Compensation or state disability benefit laws) similar to those provided under this Plan, the amount you receive from the Sickness and Accident Disability Benefit Plan is reduced by the amounts you receive from those other sources. However, sickness and accident disability benefit payments are not reduced for disability benefits you receive for military service or under Social Security.
- Accident disability benefits may not be payable under this Plan if you make a claim or bring a suit for damages on account of injury (other than a claim or suit based on discrimination or any right protected by statute), outside the provisions of this Plan, against Alcatel-Lucent USA Inc. or any other company with which arrangements have been made for an interchange of benefit obligations.

### Social Security

Social Security may also provide disability benefits to employees who qualify. Social Security benefits are paid in addition to benefits paid under the Sickness and Accident Disability Benefit Plan.

In order to receive Social Security benefits, you must apply for them. For more information, contact your local Social Security office. You can find the address in the telephone book under United States Government.



## EMPLOYMENT-RELATED EVENTS

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### **If You Terminate Employment**

Once you are a terminated employee, you are no longer covered under the Sickness and Accident Disability Benefit Plan.

### **If You Leave the Company and Return**

If you leave the company and then return as a represented employee after a break in service, your coverage will resume in accordance with the service bridging rules of the Lucent Technologies Inc. Retirement Plan, the Alcatel-Lucent Retirement Income Plan or the rules on Recognition of Prior Service (see Appendix A).

### **If You Transfer**

If you transfer to another **participating company**, it will not affect your participation in the Sickness and Accident Disability Benefit Plan. If you transfer to a non-participating company, you will no longer have coverage under the Sickness and Accident Disability Benefit Plan.

### **If You Change Your Employment Status**

Changes in employment status, other than termination of employment, do not affect your participation in the Sickness and Accident Disability Benefit Plan.

## TERMS YOU SHOULD KNOW

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There are several words and phrases that have a specific meaning under the Sickness and Accident Disability Benefit Plan. This section explains those terms so that you can better understand your benefits. Many of these terms are printed in **boldface** when they appear to let you know they're defined here.

**Net credited service:** your current continuous service plus all service credited under the service bridging rules (including mandatory portability, if applicable) of the Lucent Technologies Inc. Retirement Plan.

**Partially disabled:** for purposes of this Plan, you are considered partially disabled if the Plan Administrator determines based upon medical advice that you are unable to perform fully the substantial and material duties of the job you had at the time of your accident, but you are not precluded from working, just may only work in a restricted or limited capacity.

**Participating company:** one of the companies that participate in the Sickness and Accident Disability Benefit Plan, as listed below. Additional subsidiary Interchange Companies may be added from time to time. MPA rules are effective for employees hired on or after the date a company becomes an Interchange Company.

- Alcatel-Lucent USA Inc.

**Plan credited service:** your **net credited service** plus any service recognized under the rules of "Recognition of Prior Service" (see "Appendix A") that is not included in your net credited service.

**Rate of pay:** base salary (or full salary equivalent if on a reduced salary plan), plus any differentials in effect, on the first day of absence, that are also included in the definition of compensation under the Lucent Technologies Inc. Retirement Plan.

**Totally disabled:** for purposes of this Plan, you are considered totally disabled if the Plan Administrator, upon review of medical reports and/or advice received from a qualified medical practitioner appointed by the Plan Administrator, determines that you cannot perform any of the substantial and material duties of the job you had before your disability, and are unable to be reasonably accommodated at another job within the company.

## IMPORTANT CONTACTS

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As explained in “Requirements for Payment,” you must report any disability to your supervisor on your first day of absence. If you have questions about disability benefits, your supervisor can provide you with the name and phone number of a Disability and Leave Administrator. During a period of disability, you may be contacted by the Disability and Leave Administration Team.

## OTHER IMPORTANT INFORMATION

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

### **Claim Review and Appeal Procedures**

#### **Claim Review Procedures**

Employees and their beneficiaries (if applicable) eligible for a benefit under the Sickness and Accident Disability Benefit Plan, or any individual duly authorized by them, have the right under ERISA and the Plan to file a claim for benefits. Send all claims for Plan matters to the Claims Administrator (see Administrative Information). All claims for benefits under the Plan must be brought within 60 days of the date on which the claim accrued. The procedure for filing a claim is described below.

If a claim is denied, in whole or in part, you will receive a written notice of the Claims Administrator's decision, including the specific reason(s) for the decision, reference to the Plan provisions on which the decision is based, a description of any additional information necessary to perfect the claim and a description of the Plan's review procedures, along with a statement of your rights under Section 502(a) of ERISA, within 45 days after the Claims Administrator receives the claim.

If the Claims Administrator needs more than 45 days to make a decision, a representative will notify you in writing within the initial 45-day period and explain why more time is required. An additional 30 days may be taken if the Claims Administrator sends this notice. This period may be extended for an additional 30 days if the Claims Administrator notifies the employee of the need for additional time to determine the claim before the first 30 day extension has expired. The extension notice will show the date by which the Claims Administrator's decision will be sent.

If you do not hear from the Claims Administrator within any of the appropriate time frames as described above, your claim will be deemed to have been denied.

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

#### **Appeal Procedures**

If your claim for benefits is denied, in whole or in part, an appeal process is available to you. You or your authorized representative may appeal in writing within 180 days after the denial is received or if you did not receive notification, within 180 days after the 45-day period (plus any extensions) has lapsed. Send the appeal directly to

the Alcatel-Lucent Benefits Claim and Appeals Committee (BCAC), Alcatel-Lucent., Room 7C-415, 600-700 Mountain Avenue, Murray Hill, NJ 07974.

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

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

The BCAC will conduct a review and make a final decision within 45 days after receiving the written request for review.

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

The decision will be in writing and will include the specific reasons for the decision, reference to specific 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 the BCAC does not respond within 45 (or 90) days, your claim will be deemed to have been denied, and you will be considered to have exhausted your administrative remedies under the Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.

The BCAC will serve as the final review committee under the Plan. Decisions by the BCAC will be conclusive and binding on all parties and not subject to further review. Also, please note that applicable law and the Plan's provisions require you to pursue all your claim and appeal rights on a timely basis before seeking any other legal recourse regarding claims for benefits. If you do not hear from the Claims Administrator or the BCAC within any of the appropriate time frames as described above, you will be considered to have exhausted your administrative remedies under the Plan and will be entitled to pursue a remedy under Section 502(a) of ERISA.

### **Your Rights Under ERISA**

You are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974, as amended (ERISA). These rights are described in this section.

It's your right to know about your benefits. Therefore, in addition to this summary plan description describing your benefits under the Sickness and Accident Disability Benefit Plan, you automatically receive a summary of the Plan's annual financial

report. You also may examine all Plan documents. These documents are available for you to examine without charge in the Plan Administrator's office.

You can receive a copy of any of these documents, for a reasonable charge, by making a written request to the Plan Administrator. If you don't receive the requested documents within 30 days (unless the delay is beyond the control of the Plan Administrator), you have a right to file suit in a federal court. The Plan Administrator may be required to pay a fine—as much as \$110 per day—for each day's delay, in addition to furnishing the requested documents to you.

You also have the right to expect the fiduciaries—the people responsible for the operation of the Plan—to act prudently and in the best interest of those who participate as a whole. The Plan's fiduciaries must act in the best interest of all Plan participants.

If a fiduciary misused funds, if you improperly are denied a benefit or if you are discriminated against for asserting your rights under ERISA, you have the right to ask the U.S. Department of Labor for help or to file suit in a federal or state court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you sued to pay the costs and fees. If you lose, the court may order you to pay the costs and fees—for example, if the court finds your claim is frivolous.

The company will not (and cannot) dismiss you or discriminate against you to prevent you from obtaining benefits or exercising any of your rights under ERISA.

For answers to questions about the Sickness and Accident Disability Benefit Plan, contact the Insurer (see "Important Contacts"). If you have any questions about this statement of your rights under ERISA, contact the nearest 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.

### **Benefits Cannot Be Assigned**

Generally, you cannot assign or transfer benefits received under the Sickness and Accident Disability Benefit Plan. However, the Plan is required to comply with qualified federal tax levies.

### **Sickness and Accident Disability Benefit Plan Funding and Payment of Benefits**

Benefits provided by the Sickness and Accident Disability Benefit Plan are unfunded and are paid directly by the company.

## **Plan Document Governs**

This summary plan description was designed to describe the Sickness and Accident Disability Benefit Plan in easy-to-understand terms. It is shorter and less technical than the legal Sickness and Accident Disability Benefit Plan document. However, it is the Plan document that determines your rights and the rights of your beneficiaries under the Plan. In all instances, the Plan document will govern.

## **Union Agreement**

The benefits described in this summary plan description reflect the provisions of the Sickness and Accident Disability Benefit Plan as outlined in various bargaining agreements between the company and the unions representing employees of the company. Copies of these agreements are distributed or made available to those employees covered by the agreements and to any other employee who submits a written request for a copy to the Plan Administrator. A reasonable duplication charge may be made for copies furnished in response to such written request.

## **Sickness and Accident Disability Benefit Plan May Be Amended or Terminated**

The company expects to continue the Sickness and Accident Disability Benefit Plan indefinitely, but reserves the right to amend or terminate the Plan at any time by the resolution of the Board of Directors or properly authorized designee, subject to the terms of applicable collective bargaining agreement(s). In addition, the company doesn't guarantee the continuation of any sickness and accident disability benefits during employment or at or during retirement nor does it guarantee any specific level of benefits or contributions.

## **Sickness and Accident Disability Benefit Plan Sponsor and Administrator**

The Employee Benefits Committee, the Benefit Claim and Appeal Committee and the Plan Administrator have the full discretionary authority and power to control and manage all aspects of the Sickness and Accident Disability Benefit Plan, to determine eligibility for Sickness and Accident Disability Benefit Plan benefits, to interpret and construe the terms and provisions of the Sickness and Accident Disability Benefit Plan, to determine questions of fact and law, to direct disbursements, and to adopt rules for the administration of the Sickness and Accident Disability Benefit Plan as they may deem appropriate in accordance with the terms of the Sickness and Accident Disability Benefit Plan, applicable collective bargaining agreement(s) and all applicable laws.

## **Sickness and Accident Disability Benefit Plan Administrator**

The Plan Administrator may allocate or delegate its responsibilities for the administration of the Sickness and Accident Disability Benefit Plan to others and employ others to carry out or render advice with respect to its responsibilities under the Plan, including discretionary authority to interpret and construe the terms of the Plan, to direct disbursements, and to determine eligibility for Plan benefits.

## Sickness and Accident Disability Benefit Plan Identification

<b>Plan Name</b>	The official Plan Name is the Alcatel-Lucent Sickness and Accident Disability Benefit Plan
<b>Plan Sponsor</b>	The Plan Sponsor is Alcatel-Lucent USA Inc.
<b>Plan Administrator</b>	Alcatel-Lucent c/o Secretary, Benefit Claim and Appeal Committee 600-700 Mountain Ave., Room 7C-415 Murray Hill, NJ 07974
<b>Plan Records and Plan Year</b>	The Sickness and Accident Disability Benefit Plan and all its records are maintained on a calendar year basis, beginning on January 1st and ending on December 31st of each year.
<b>Type of Plan</b>	The Sickness and Accident Disability Benefit Plan is considered a “welfare plan” under the Employee Retirement Income Security Act of 1974, as amended (ERISA).
<b>Plan Number</b>	The Plan Number is 515.
<b>Employer Identification Number</b>	The Employer Identification Number is 22-3408857.

## Family and Medical Leave Act of 1993

Under the Family and Medical Leave Act of 1993 (FMLA), Alcatel-Lucent provides eligible employees with unpaid leave for up to a total of 12 work weeks within a 12-month period for any of the following reasons:

- Birth of the employee's child, and to care for employee's newborn child.
- Placement of a child with the employee for adoption or foster care, and to care for the newly placed child.
- Care of the employee's spouse, son, daughter, or parent, who has a serious health condition.
- Care for a spouse, son, daughter, parent or next of kin who is a service member recovering from an injury or illness, suffered during service in the Armed Forces, that renders him/her unable to perform his/her duties. In this situation unpaid leave is extended to a total of 26 work weeks in a 12-month period.
- Employee's own serious health condition, as determined under the FMLA, that makes the employee unable to perform the essential functions of his/her own job.
- Exigent circumstances due to an employee's spouse, son, daughter or parent being on active duty or having been notified of an impending call or order to active duty in the Armed Forces.



In addition, Alcatel-Lucent will allow employees to take FMLA to care for an eligible domestic partner and their children, as defined by Alcatel-Lucent's medical plans.

Employees are eligible if they have worked for the company for at least one year and have had at least 1,250 hours of service over the previous 12 months.

The employee may be required to provide advance leave notice and medical certification. Taking of leave may be denied if requirements are not met.

- The employee ordinarily must provide 30 days' advance notice when the leave is "foreseeable."
- In order to determine if the absence qualifies as an FMLA leave, certain information must be supplied to Disability and Leave Administration team by the employee. Alcatel-Lucent USA Inc. may require second or third opinions (at the company's expense) and a fitness for duty report to return to work.
- During the FMLA leave, the company must maintain the employee's health coverage for up to 12 weeks of leave (up to the amount normally paid by the company, under the same terms and conditions that apply to active employees who are not on an FMLA leave). Employees must continue to pay any required employee contributions in order to continue coverage.
- Upon return from an FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits and other terms and conditions of employment.
- The use of an FMLA leave cannot result in the loss of any employment benefit that accrued before the start of any employee's leave.

The FMLA makes it unlawful for an employer to:

- Interfere with, restrain or deny the exercise of any right provided under the FMLA, or
- Discharge or discriminate against any person for opposing any practice made unlawful by the FMLA or for involvement in any proceeding under or relating to the FMLA.

The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

**Note:** FMLA runs concurrent with any other absence covered under this plan.

## APPENDIX A: RECOGNITION OF PRIOR SERVICE

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### Recognition of Prior Service

Your previous service with a former Lucent Technologies Inc. **participating company** (e.g., a company that participates in one of the Alcatel-Lucent Pension Plans), or with a company with which an Interchange Agreement exists, may be recognized after two years of continuous reemployment by a participating company for purposes of establishing eligibility for sickness and accident disability benefits. This recognition of prior service may increase the amount of sickness and accident disability benefits for which you are eligible.

The service bridging rule and the terms of the Interchange Agreement will be used to determine whether your previous service can be recognized for sickness and accident disability benefits. In order for your previous service with an Interchange Company to be recognized, you must be covered under an Interchange Agreement at the time you become covered by the one of the Alcatel-Lucent Pension Plans.

See the various Pension Plan summary plan descriptions for detailed information regarding the service bridging rule and Interchange Agreements.

### How You Receive Recognition of Prior Service

You receive recognition for your previous service with the company as follows:

- As soon as you are rehired, you must complete a prior service employment questionnaire, available from your local benefit office, and
- Return it to your local benefit office.

Once you have completed two years of continuous service following your return to work and if you are eligible for this recognition, you will receive a letter confirming the recognition of your prior service.