

INFORMATION AND ACTION GUIDE

2012 Benefits Enrollment



This package contains everything you need to make your enrollment decisions, including:



This guide;



Your personalized enrollment worksheet;



Benefits At-a-Glance and Resource Contact Information; and



Required legal notices for 2012.

For Inactive Participants in the Active Management Plan Design, including Employees on a Leave of Absence (LOA), Short-Term Disability (STD), Long-Term Disability (LTD) or Workers' Compensation, COBRA Participants and Survivors in the Family Security Program (FSP)

The annual open enrollment information contained in this guide constitutes a Summary of Material Modifications (SMM).

THE ANNUAL OPEN ENROLLMENT PERIOD

The annual open enrollment period begins Monday, October 24, 2011 at 9:00 a.m., Eastern Time (ET), and ends Friday, November 4, 2011 at 5:00 p.m., ET.

During this time, you can enroll in and/or change your 2012 Alcatel-Lucent health and welfare benefits coverage elections.



REMEMBER:

Enrollment Accepted Only During the Annual Open Enrollment Period

You will not be able to enroll or make changes to your coverage elections before the annual open enrollment period begins on October 24, 2011.

While you can change and confirm your elections as often as you want during the annual open enrollment period, your enrollment deadline – Friday, November 4, 2011 at 5:00 p.m., ET – will not be extended.

IMPORTANT:

UnitedHealthcare Will Be the Sole Point of Service (POS) Medical Carrier in 2012

If you and/or your dependent(s) are currently enrolled in an Aetna POS option, you and/or your dependents will default to a UnitedHealthcare POS medical option for 2012. See page 2 for more information.



WHAT'S INSIDE

What You Need to Do1
What's Changing for 20122
Do You Need to Take Action?4

How to Take Action.....5
Important Reminders.....6
Resources for Now, and Later8

WHAT YOU NEED TO DO

Take these two steps to ensure you have the health and welfare benefits coverage you need for 2012.

1 LEARN ABOUT YOUR COVERAGE

- Read **What's Changing for 2012** (pages 2 – 3).
- Review your 2012 “default coverage,” premium costs and covered dependents on your personalized enrollment worksheet.

(This information is also available on the Your Benefits Resources™ [YBR] Web site at <http://resources.hewitt.com/alcatel-lucent>.)

2 TAKE ACTION, IF NEEDED

(You may already be enrolled in the right coverages for 2012.)

- Read **Do You Need to Take Action?** (page 4). Then, determine whether:
 - **You are keeping your default coverage and covering the same dependents listed on the YBR Web site and your personalized enrollment worksheet.** If you are not making any changes, you do not need to take any additional steps during the annual open enrollment period. You will receive your default coverage for 2012 and your personalized enrollment worksheet serves as your confirmation of enrollment statement. You will not need to go online or call the Alcatel-Lucent Benefits Center to request a new confirmation of enrollment statement.

OR

- **You are going to enroll or make changes to your coverage.** If you are going to enroll or make changes, you should:
 - Read **How to Take Action** (page 5).
 - Go to the YBR Web site at <http://resources.hewitt.com/alcatel-lucent> to enroll or make changes to your coverage during the annual open enrollment period.

DON'T FORGET

Check out **Important Reminders** (pages 6 – 7) and **Resources for Now, and Later** (page 8).



IT'S QUICK AND IT'S EASY

The enrollment process on the YBR Web site usually takes 15 minutes or less! (If you do not have Internet access, you can call the Alcatel-Lucent Benefits Center at 1-888-232-4111. Representatives are available Monday through Friday from 9:00 a.m. to 5:00 p.m., ET.)

WHAT'S CHANGING FOR 2012

(This section is a Summary of Material Modifications [SMM] to the Summary Plan Description [SPD].)

The following changes to current Alcatel-Lucent benefits coverage under the Alcatel-Lucent health and welfare benefits plan (the "Plan") will take effect on January 1, 2012.

What's Changing	What This Means for You
<p>New carrier for those currently enrolled in the Aetna Enhanced and Standard POS options.</p> <p>A UnitedHealthcare POS option will be the default 2012 medical coverage for those who currently have Aetna POS coverage.</p> <p>The consolidation to a single nationwide carrier – UnitedHealthcare – will reduce costs and streamline administration so that Alcatel-Lucent can continue to offer competitive benefits.</p>	<p>If you and/or your dependent(s) are currently enrolled in the Aetna Enhanced or Standard POS option, you and/or your dependent(s) will default to the UnitedHealthcare Enhanced or Standard POS medical option for 2012, both of which offer the same plan design as the current Aetna Enhanced and Standard POS options. UnitedHealthcare is an industry-leading medical carrier with a robust network of healthcare providers. Most of the providers in the Aetna network are also in the UnitedHealthcare network.</p> <p>You should take these steps to ensure you have the best coverage for your needs in 2012:</p> <ul style="list-style-type: none"> • Review your default coverage on your personalized enrollment worksheet or on the YBR Web site. This is the coverage you will have in 2012 if you do not take any action during the annual open enrollment period. • Confirm that your doctor is in the UnitedHealthcare network. You may need to search for a new doctor if you want to continue to receive in-network benefits. Use the provider search tool on the YBR Web site or go to www.myuhc.com to find a doctor in the UnitedHealthcare network. Choose "UnitedHealthcare Choice Plus.*" You may also see a doctor outside of the UnitedHealthcare network and receive out-of-network benefits. • Understand how transition of care will work. Review the Important Reminders section (page 6) for details about when and how transition of care benefits apply. <div data-bbox="954 800 1507 1125" style="border: 1px solid gray; border-radius: 10px; padding: 10px; margin-top: 10px;"> <p>* Do you live in Maine, Massachusetts or New Hampshire?</p> <p>If you will be in a UnitedHealthcare POS option in 2012, and you live in Maine, Massachusetts or New Hampshire, your POS network will be the "Harvard Pilgrim Choice Plus" network. It will not be the "UnitedHealthcare Choice Plus" network.</p> </div>



FIND YOUR PLAN DETAILS ONLINE

Visit the YBR Web site at <http://resources.hewitt.com/alcatel-lucent> to preview your coverage options and costs from October 10, 2011 through October 21, 2011. Then, you can view your coverage options and costs and enroll or make changes from October 24, 2011 through November 4, 2011.

What's Changing	What This Means for You											
<p>Premium costs, including those for HMOs, may be different.</p> <p>The PacifiCare HMOs will have new names.</p>	<p>Review your personalized enrollment worksheet or the YBR Web site for your 2012 premium costs.</p> <p>The names of the PacifiCare HMOs will change as follows:</p> <table border="1" data-bbox="472 705 1511 999"> <thead> <tr> <th data-bbox="472 705 805 825">2011 name</th> <th data-bbox="805 705 1159 825">2012 name</th> <th data-bbox="1159 705 1511 825">How it will appear on your personalized enrollment worksheet</th> </tr> </thead> <tbody> <tr> <td data-bbox="472 825 805 915">PacifiCare of California</td> <td data-bbox="805 825 1159 915">UnitedHealthcare of California</td> <td data-bbox="1159 825 1511 915">UHC of California</td> </tr> <tr> <td data-bbox="472 915 805 999">PacifiCare of Oklahoma</td> <td data-bbox="805 915 1159 999">UnitedHealthcare of Oklahoma</td> <td data-bbox="1159 915 1511 999">UHC of Oklahoma</td> </tr> </tbody> </table>			2011 name	2012 name	How it will appear on your personalized enrollment worksheet	PacifiCare of California	UnitedHealthcare of California	UHC of California	PacifiCare of Oklahoma	UnitedHealthcare of Oklahoma	UHC of Oklahoma
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PacifiCare of Oklahoma	UnitedHealthcare of Oklahoma	UHC of Oklahoma										
<p>Adult children coverage extended to children of same- or opposite-sex domestic or civil union partners or same-sex spouses.</p>	<p>Medical and dental coverage will be extended to adult children of same- or opposite-sex domestic or civil union partners or same-sex spouses, up to the end of the month in which they become age 26, without regard to student or marital status. You may enroll these newly eligible adult children in your Alcatel-Lucent medical and dental coverage during the annual open enrollment period if they meet the new eligibility requirements. Coverage will be effective January 1, 2012.</p> <p>All other eligibility requirements still apply. If you are unsure whether a dependent is eligible for coverage, you can view the full eligibility requirements on the YBR Web site at http://resources.hewitt.com/alcatel-lucent, or the BenefitAnswers Plus Web site at www.benefitanswersplus.com.</p>											



OTHER CHANGES MAY APPLY TO HMO COVERAGE

Unless noted, the changes in this guide do not apply to HMO options. You will need to check the YBR Web site or with the carriers directly for their 2012 plan changes. Carrier contact information is located on the back of your HMO ID card and in the **Benefits At-a-Glance and Resource Contact Information** booklet.

DO YOU NEED TO TAKE ACTION?

“Default coverage” is the Alcatel-Lucent health and welfare benefits coverage you and your covered dependent(s) will be automatically enrolled in for 2012 if you do not take any action during the annual open enrollment period. In most cases, it is the same coverage you had in 2011. In cases where your 2011 coverage option is no longer available, your

default coverage may be different than your current coverage and may not meet your and your family’s health and financial needs.

ENROLLMENT CHECKLIST

You may already be enrolled in the right coverages for you and your family and may not need to take action during the annual open enrollment period.

However, you will need to take action to:

- ✓ Choose coverage other than your default coverage;
- ✓ Add* or remove dependent(s) from coverage; and/or
- ✓ Enroll in a Point of Service (POS) medical option, if a POS option is not shown on your personalized enrollment worksheet or on the YBR Web site during the annual open enrollment period. See page 6 for more information.

If any of these apply to you and you do not take action during the annual open enrollment period, you will receive your 2012 default coverage.

*Make sure your dependents are eligible under Alcatel-Lucent’s eligibility rules before you add them to your coverage. You can view eligibility rules on the YBR Web site at <http://resources.hewitt.com/alcatel-lucent>, or the BenefitAnswers Plus Web site at www.benefitanswersplus.com. You may be asked to verify the eligibility of the dependent(s) you enroll for healthcare coverage.

Where to Find Your Default Coverage

Review your 2012 default coverage, premium costs and covered dependents on your personalized enrollment worksheet. This information is also available to preview on the YBR Web site at <http://resources.hewitt.com/alcatel-lucent> from October 10, 2011 through October 21, 2011 and then again when the annual open enrollment period begins on Monday, October 24, 2011 at 9:00 a.m., ET.

Thinking of Opting Out of Medical Coverage?

If you drop or opt out of medical (which includes prescription drug) coverage, you may be required to complete additional forms, depending on the city and/or state in which you live.

A NOTE FOR SURVIVORS IN THE FAMILY SECURITY PROGRAM (FSP)

Survivors in the FSP are not eligible to add new dependents to medical coverage at any time. Also, if you drop or lose Alcatel-Lucent medical coverage for any reason, you can never re-enroll.

HOW TO TAKE ACTION

If you need to take action during the annual open enrollment period, do it easily through the YBR Web site at <http://resources.hewitt.com/alcatel-lucent>.

You can access the YBR Web site from any computer with Internet access – even at the local library (just do not forget to log off when you are finished to keep your personal information protected). The YBR Web site is available 24 hours a day, except on Sundays between midnight and 1:00 p.m., ET.

Remember: Be sure to take action before Friday, November 4, 2011 at 5:00 p.m., ET. Late enrollments, or enrollments before the annual open enrollment period begins, will not be accepted.

You Will Need Your Password

You will need your password to access the YBR Web site and the Alcatel-Lucent Benefits Center. If you recently requested a new password and do not receive it by the start of the annual open enrollment period, call the Alcatel-Lucent Benefits Center at 1-888-232-4111 to discuss your options.

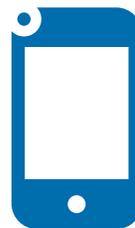
Need Help Using the YBR Web Site?

For help enrolling online or just a YBR Web site refresher, visit the BenefitAnswers Plus Web site at www.benefitanswersplus.com to watch a short video. Just select “Management/Non-Represented Employees” on the landing page (no User ID or password is required) and then “Learn About Your Benefits Resources.”



On Hold With the Alcatel-Lucent Benefits Center?

Save yourself some time – the top questions (and answers) that the Alcatel-Lucent Benefits Center receives during the annual open enrollment period are posted on the BenefitAnswers Plus Web site at www.benefitanswersplus.com.



Also, Benefits Center representatives will not be able to answer questions about your 2012 benefits until October 24, 2011. *Please do not call the Alcatel-Lucent Benefits Center with questions about your plan options and pricing until that date.*



ENROLLMENT HINTS

- **SET ASIDE ENOUGH TIME** to complete the enrollment process without interruption (after 15 minutes of inactivity on the YBR Web site, you will be automatically logged off).
- **CLICK “CONFIRM”** when you are done making your elections or if you must log off the YBR Web site before completing your elections – otherwise, your elections made up to that point will not be saved.
- **BE SURE YOU ARE CONNECTED TO A PRINTER** – you will need to print the “Completed Successfully!” page when you are finished (it serves as your confirmation of enrollment statement).
- **LOG OFF THE YBR WEB SITE** when you are finished to prevent others from viewing your information – when “You Have Logged Off” appears on the screen, you will know your information is protected.

DON'T HAVE INTERNET ACCESS?

If you do not have access to the Internet, you may call the Alcatel-Lucent Benefits Center at 1-888-232-4111 (1-212-444-0994 if calling from outside of the United States, Puerto Rico or Canada) to enroll or make changes to your coverage during the annual open enrollment period. Representatives are available Monday through Friday from 9:00 a.m. to 5:00 p.m., ET.

IMPORTANT REMINDERS



Take note of the following for the annual open enrollment period – and all year.

- **Will you need transition of care benefits?** If you are currently an Aetna participant in the middle of a course of treatment on December 31, 2011 and find that your current provider will not be participating in the UnitedHealthcare Choice Plus network (or the Harvard Pilgrim Choice Plus network if you live in Maine, Massachusetts or New Hampshire) on January 1, 2012, you may be eligible to continue your care with your current provider under a “Transition of Care” or “Continuity of Care” program.

These programs allow a member to continue treatment with a non-network healthcare provider. You will still receive in-network POS benefits during a transition period until you complete your current course of treatment. You may then either transfer to a network provider or continue to use your current provider on an out-of-network basis. If you think you may need transition benefits, contact UnitedHealthcare at 1-800-577-8539.

- **Is a POS option not listed as a coverage option on your personalized enrollment worksheet or the YBR Web site? (POS options are not available to survivors in the Family Security Program [FSP].)** You may live in an area with limited access to doctors and hospitals in a POS network. If you are comfortable with the distance between you and POS network doctors and hospitals, you can still enroll in a POS option. Just call the Alcatel-Lucent Benefits Center at 1-888-232-4111 during the annual open enrollment period to enroll.

If you are currently enrolled in an Enhanced or Standard POS option for 2011 under these circumstances, your POS coverage will not automatically carry over to 2012. If you want to continue coverage under the Enhanced or Standard POS option in 2012, you will need to re-enroll by calling the Alcatel-Lucent Benefits Center.

- **Looking for an in-network UnitedHealthcare Enhanced or Standard POS provider?** Use the information below when you are looking for an in-network Enhanced or Standard POS provider on the UnitedHealthcare Web site (remember: you can also find in-network providers using the YBR Web site):
 - On www.myuhc.com, choose “UnitedHealthcare Choice Plus.” If you live in Maine, Massachusetts or New Hampshire, choose “Harvard Pilgrim Choice Plus.”

- **Keep in mind: Changes to your doctor or healthcare provider, or changes to your carrier's network, are not considered qualified status changes.** Medical carriers' contracts with the network providers may expire at any time during the year. You will not be able to make changes to your coverage and/or add/drop dependents outside of the annual open enrollment period due to these types of changes. Visit the BenefitAnswers Plus Web site at www.benefitanswersplus.com and go to the "Changing Coverage" section for more information about qualified status changes.

- **Do you cover a dependent child who does not rely on you for more than half of his or her support?**

If this situation applies to you, notify the Alcatel-Lucent Benefits Center at 1-888-232-4111 so the appropriate tax will be applied. The amount that Alcatel-Lucent pays to cover a dependent child who does not rely on you for more than half of his or her support is known as "imputed income," and is reported as taxable to you. This income is subject to both tax and FICA withholding, and the amount depends on the medical option you elect and whom you elect to cover. You may also want to consult a personal tax advisor about tax implications.



- **Are you dropping a dependent from coverage? (What you should know about COBRA.)** COBRA is not offered to dependents removed from coverage during the annual open enrollment period. If your dependent is experiencing a qualified status change and you remove him or her from your coverage during the annual open enrollment period, your dependent will not be eligible for COBRA continuation coverage. To be eligible for COBRA, dependents experiencing a qualified status change must be removed through the "Life Events" section on the YBR Web site (or by calling the Alcatel-Lucent Benefits Center) within 31 days of the qualified status change.

**POS Participants:
Medical ID Cards for 2012**

If you are currently a UnitedHealthcare member, you will not receive a new ID card. If you are a new UnitedHealthcare member in 2012, you will receive an ID card from UnitedHealthcare in late December.

RESOURCES FOR NOW, AND LATER

Alcatel-Lucent provides these year-round resources to help you conveniently manage your benefits.

Your Benefits Resources (YBR) Web Site	BenefitAnswers Plus Web Site	Alcatel-Lucent Benefits Center
<p>http://resources.hewitt.com/alcatel-lucent</p> <p>(personalized and password-protected)</p> <ul style="list-style-type: none"> • View your current coverage • Review and compare your 2012 healthcare options and premium costs (October 10, 2011 – October 21, 2011) • Enroll in or make changes to your coverage for 2012 (October 24, 2011 – November 4, 2011) • Waive your 2012 coverage • Find a doctor or healthcare provider • Learn more about Alcatel-Lucent's benefits • Review, add or change your dependent(s)' information on file • Understand how a Life Event may change your benefits 	<p>www.benefitanswersplus.com</p> <p>(non-personalized – no password required!)</p> <ul style="list-style-type: none"> • See benefits news and updates, including coverage tips and reminders • Get electronic copies of your enrollment materials • Find carrier contact information during the year • Access a short video about the YBR Web site and how to use it <p>BenefitAnswers Plus has a new look. Visit today!</p>	<p>1-888-232-4111 (1-212-444-0994 if calling from outside of the United States, Puerto Rico or Canada)</p> <ul style="list-style-type: none"> • Resolve a unique benefits issue • Notify Alcatel-Lucent if: <ul style="list-style-type: none"> - Imputed income applies (see page 7) - You or your eligible dependents will become Medicare-eligible due to a disability <p>Or, if you do not have Internet access:</p> <ul style="list-style-type: none"> • Enroll in or make changes to your coverage for 2012 (October 24, 2011 – November 4, 2011) • Waive your 2012 coverage • Review, add or change your dependent(s)' information on file 



THERE'S MORE TO COME

Be sure to check out the BenefitAnswers Plus Web site at www.benefitanswersplus.com in December for important coverage reminders and tips on using your benefits in 2012. You will find information about your medical plan ID cards, what to do when you experience a qualified status change during the year and more!



Unless as specifically stated within, this communication is merely intended to highlight some of the benefits provided by Alcatel-Lucent to its eligible participants. More detailed information is provided in the official plan documents, which are the final authority. In all instances, the relevant plan documents will control and govern the operation of all the benefit plans mentioned or described in this communication. The Board of Directors of Alcatel-Lucent USA Inc. (or its delegate) reserves the right to modify, suspend, change or terminate any of its benefit plans at any time. Participants should make no assumptions about any possible future changes unless a formal announcement is made by the company. The company cannot be bound by statements about the plans made by unauthorized personnel.

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