

Alcatel-Lucent Group Life Insurance Plans

Summary Plan Description-- Active Represented Employees

January 2011



DISCLAIMER

This is a summary of the benefits offered under the Alcatel-Lucent Group Life Insurance Plan for Active Employees, Alcatel-Lucent Supplementary Accidental Loss Insurance Plan, Alcatel-Lucent Group Term Life Insurance Plan, Alcatel-Lucent Dependent Group Life Insurance Plan, and Alcatel-Lucent Dependent Accidental Loss Insurance Plan (collectively, the "Life Insurance Plans" or the "Plans" and individually, the "Plan"). This summary applies to eligible active represented employees. It is provided for informational purposes and is intended to comply with Department of Labor requirements for a summary plan description (SPD). More detailed information about the Plans is provided in the official Plan documents, a copy of which can be obtained by writing to the Plan Administrator (see Section L. Important Contacts and Section M. Other Important Information).

This summary is based on the Plans' provisions effective January 1, 2011 and replaces all previous SPDs and other descriptions of benefits provided under the Life Insurance Plans. If there is any conflict between the information in this SPD and the Life Insurance Plans, the Plan documents will govern.

Life Insurance Plans May Be Amended or Terminated

The Company expects to continue the Life Insurance Plans but reserves the right to amend or terminate the Plans, in whole or in part, at any time, subject to any applicable collective bargaining agreements, by resolution of the Board of Directors or its properly authorized designee. In addition, the Company does not guarantee the continuation of any life insurance benefits during employment or at or during retirement nor does it guarantee any specific level of benefits or contributions.

Questions regarding your benefits should be addressed as indicated in this document (see Section L. Important Contacts). Because of the many detailed provisions of the Life Insurance Plans, no one other than the personnel or entities identified in this SPD (see Section L. Important Contacts) is authorized to advise you as to your benefits. Neither the Company nor the Plans 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 Life Insurance Plan documents, the Life Insurance Plan documents will govern. Please note that participation in the Plans is neither an offer nor a guarantee of future employment.

January 1, 2011

This information is intended for eligible active represented employees, and, where applicable, their eligible dependents covered under the Alcatel-Lucent Group Life Insurance Plan for Active Employees, Alcatel-Lucent Group Term Life Insurance Plan, Alcatel-Lucent Supplementary Accidental Loss Insurance Plan, Alcatel-Lucent Dependent Group Life Insurance Plan, and Alcatel-Lucent Dependent Accidental Loss Insurance Plan. More detailed information is provided in the official Plan documents, which are controlling.

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INTRODUCTION

The Alcatel-Lucent Group Life Insurance Plan for Active Employees (which includes basic AD&D), Alcatel-Lucent Supplementary Accidental Loss Insurance Plan, Alcatel-Lucent Group Term Life Insurance Plan (which provides supplementary life insurance), Alcatel-Lucent Dependent Group Life Insurance Plan, and Alcatel-Lucent Dependent Accidental Loss Insurance Plan (sometimes referred to together in this summary as the “Life Insurance Plans” or simply as the “Plans”) are designed to provide financial assistance to your family upon your death.

If you are an **eligible employee**, the **Company** pays the full cost to provide you with **basic life** and **basic AD&D** insurance of one times your **total annual pay (TAP)**. You may elect supplementary life insurance of one to ten times your **total annual pay** and/or supplementary accidental loss insurance of one to five times your **total annual pay**.

You also have the option of purchasing dependent life and/or dependent accidental loss insurance for your **eligible dependents**. You pay the full cost of any supplementary or dependent coverage you elect.

Special Note to Beneficiaries

While we encourage you to review this entire document to familiarize yourself with the insured person’s benefits under these **Plans**, the following sections were specifically designed to assist you in quickly and easily filing a claim for benefits:

- Helping your **Beneficiaries** File a Claim; and
- Claims and Appeals.

Section A. Life Insurance Plan Benefits At-A-Glance

Here's a summary of some key features of the Life Insurance Plans.

Plan Feature	Summary
Eligibility	<p>You're eligible for basic life, basic accidental death and dismemberment (AD&D), supplementary life and supplementary accidental loss insurance if you're an eligible employee. If you are an eligible employee, you also may elect dependent life and dependent accidental loss insurance for your eligible dependents.</p>
Enrollment	<p>Your basic life and basic AD&D coverages automatically begin on the first day of the month in which you meet the eligibility requirements. You do not need to enroll for these coverages. However you must enroll:</p> <ul style="list-style-type: none"> • To elect supplementary life insurance and/or supplementary accidental loss insurance for yourself, or • To elect dependent life and/or dependent accidental loss insurance. <p>You also need to submit a beneficiary designation form. Your designated beneficiary(ies) will receive the death benefits on your basic life, supplementary life, basic AD&D, and supplementary accidental loss insurance coverages.</p>
Amount of Coverage	<p>For eligible employees:</p> <p>The Company automatically provides you with basic life and basic AD&D insurance of one times your total annual pay. You also have the option of purchasing supplementary life of one to ten times your total annual pay and/or supplementary accidental loss insurance of one to five times your total annual pay.</p>

Plan Feature	Summary
	<p>For your eligible dependents: Dependent coverage is available in set dollar amounts. Different amounts apply for dependent life insurance and dependent accidental loss insurance.</p>
Cost	<p>The Company pays the full cost to provide eligible employees with basic life and basic AD&D insurance. If you elect supplementary coverage, or if you elect any dependent coverage, you pay the full cost for that coverage.</p>
When Benefits Are Paid	<p>Under employee coverage:</p> <ul style="list-style-type: none"> • Your basic life and supplementary life insurance benefits are paid to your beneficiary(ies) if you die while coverage is in effect. • Your basic AD&D and supplementary accidental loss insurance may pay a benefit if you die or suffer a covered loss as the result of an accident that occurs while coverage is in effect. Accidental death benefits are paid to your beneficiary(ies). Benefits for a covered loss other than death are paid to you. • You may have access to part of your basic life and supplementary life insurance benefits through an Accelerated Benefit Option (ABO) if you become terminally ill. <p>Under dependent coverage:</p> <ul style="list-style-type: none"> • You receive any dependent life or dependent accidental loss insurance benefits if one of your eligible dependents dies or suffers a covered loss while dependent life and/or dependent accidental loss insurance is in effect.
Information about the Life Insurance Plans	<p>Call the insurer or the Alcatel-Lucent Benefits Center (see Section L. Important Contacts).</p>

Section B. Joining the Plans

Who Is Eligible

You're eligible for **basic life**, **basic AD&D**, supplementary life insurance, and supplementary accidental loss insurance under the Life Insurance Plans if you're an **eligible employee**. An **eligible employee** is an individual who is:

- Employed and paid for services by the **Company** or a **participating company** on a **full-time** or **part-time** basis; and
- Classified as a regular bargaining unit or represented employee on the **Company's** or a **participating company's** records with at least six months of **net credited service**.

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 Life Insurance Plans. These exclusions apply even if you are later classified as a common law employee by a court or other entity.

If you're an **eligible employee**, you may also enroll your **eligible dependents** for dependent life insurance and/or dependent accidental loss insurance.

You have an opportunity to change your supplemental coverages or your dependent coverages each year during **open enrollment**. During the year, certain changes may be made to your coverage as discussed in **Section D. When Coverage Begins, Making Coverage Changes, and When Coverage Ends**.

Enrollment

What you need to do to enroll differs depending on whether you're:

- A newly eligible employee;

- An **eligible employee** changing your existing coverage during an annual **open enrollment** period; or
- An **eligible employee** changing your existing coverage during the year (see **Section D. When Coverage Begins, Making Coverage Changes, and When Coverage Ends**).

Newly Eligible Employees

On the first day of the month in which you meet the eligibility requirements (see “Who Is Eligible” in this Section), you’re automatically enrolled for **basic life** and **basic AD&D** insurance equal to one times your **total annual pay**, provided you’re **actively at work** on that day. The **Company** pays the full cost of **basic life** and **basic AD&D** coverage for you. You may purchase supplementary life and/or supplementary accidental loss insurance coverage for yourself. You may also purchase dependent life insurance and/or dependent accidental loss insurance for your **eligible dependents**.

A new employee benefits enrollment package will be sent to your home address. The package will include information about the coverage available for you and your **eligible dependents**, the cost, how to elect coverage for you or your **eligible dependents**, and the date by which you must make your elections, usually within 31 days of receipt of your enrollment package.

After you receive the package, you may:

- Elect to purchase supplementary life insurance and/or supplementary accidental loss insurance for yourself;
- Name a **beneficiary** or **beneficiaries** (see “Name a Beneficiary” in this Section); and
- Enroll your **eligible dependents** for dependent life insurance and/or dependent accidental loss insurance.

Depending on the situation, you may be required to submit proof of insurability for yourself, your **spouse**, or **domestic partner** when you enroll (see “Proof of Insurability” in **Section G. Miscellaneous Coverage Information**). Once coverage begins, your elections remain in effect for as long as you’re eligible or until you make a change (see **Section D. When Coverage Begins, Ends, and Making Coverage Changes**).

Open Enrollment

Open enrollment is held once a year, usually in the Fall. During **open enrollment** you'll have an opportunity to select the benefits that best meet your needs for the coming year.

You'll be provided with an enrollment package which will include information about the coverage options available to you and your **eligible dependents** under the Life Insurance Plans.

As long as you have six full months of **net credited service** by January 31st of the following year, elections made during the annual **open enrollment** are effective on the first day of the following calendar year or when proof of insurability is approved by the **insurer**, whichever is later, provided you're **actively at work** on that day.

In addition to **open enrollment**, you also may make certain changes during the year (see Section D. **When Coverage Begins, Ends, and Making Coverage Changes**).

If You Don't Enroll

*If you were enrolled during the previous year, but you don't elect to make any changes during **open enrollment**, the same coverage options you and your dependents (if applicable) had the previous year will continue. However, if the rates increase, you'll pay the increased amount. If you're a newly **eligible employee** and you don't make any elections by the date specified in your enrollment package, you'll automatically be enrolled for **basic life** and **basic AD&D** insurance equal to *one times* your **total annual pay**. However, you will not be covered for any supplementary life or supplementary accidental loss insurance and your dependents won't have any coverage. This level of coverage will continue until you make a change. For more information, see Section D. **When Coverage Begins, Ends, and Making Coverage Changes**.*

If You and Your Spouse or Domestic Partner Work for a Participating Company

If you and your **spouse** or **domestic partner** work for a **participating company** and are **eligible employees**, each of you shall have **basic life** and **basic AD&D** coverage as **eligible employees**. In addition, you and your **spouse** or **domestic partner** may each choose up to the maximum supplemental life and/or supplemental **AD&D** coverages allowed on your own lives (see Section C. **Types and Amounts of Coverage Under the Plans**).

One or both of you also may elect dependent life insurance and/or dependent accidental loss insurance for your **eligible dependents**. If you and your **spouse or domestic partner** elect dependent coverage, each of you may cover the other as a dependent and one or both of you may cover your **eligible dependent children**.

Name a Beneficiary

When you enroll, you'll need to submit a **beneficiary** designation form on which you will choose a **beneficiary(ies)** to receive the death benefits on your **basic life**, supplementary life insurance, **basic AD&D**, and supplementary accidental loss insurance. You may choose one or more individuals, your estate, almost any organization, or a trust as your **beneficiary(ies)**. Your **beneficiary** designation becomes effective upon receipt of the properly completed form, even if you are not alive when the **insurer** receives the form.

If you name more than one **beneficiary**, be sure to indicate the share payable to each one. If you don't indicate this, your **beneficiaries** will share equally.

Generally, death benefits are paid to your **primary beneficiary(ies)**. If one or more **primary beneficiaries** predeceases you, the amount that **primary beneficiary** would have received will be divided among your surviving **primary beneficiaries** unless you have designated otherwise. If none of your **primary beneficiaries** are living when you die, payment will be made to your **contingent beneficiaries** in equal shares unless you indicated otherwise. If none of your **beneficiaries** are living when you die or you did not designate a **beneficiary**, payment will be made to your next surviving relative(s) and considered in this order: your **spouse or domestic partner**, your **children**, your parents, or your brother and sister; provided, however, that the **insurer** may pay all or part of such amount to your estate.

However, if you assigned your benefits, see "Assignment of Benefits" in **Section G. Miscellaneous Coverage Information**.

You are the **beneficiary** for any dependent life insurance, dependent accidental loss insurance and the accidental loss benefits from your **basic AD&D** and supplementary accidental loss insurance (other than death benefits).

How to Change Your Beneficiary(ies)

You may change your **beneficiary(ies)** at any time, unless you assign your benefits (see “Assignment of Benefits” in **Section G. Miscellaneous Coverage Information**).

To change your **beneficiary(ies)**, contact the **insurer** (see **Section L. Important Contacts**) for the appropriate form. After you complete the form, return it to the **insurer**. Your changes take effect on the date you signed the **beneficiary** designation form, even if you are not alive when the **insurer** receives your form(s). However, once the **insurer** makes payment based upon the forms (if any) on file for you, it will not honor any later filed **beneficiary** designation forms.

Section C. Types and Amounts of Coverage Under the Plans

Employee Coverage

Company-Provided Coverage (Basic Life and Basic AD&D)

If you are an eligible employee, the Company automatically provides you with basic life and basic AD&D insurance of one times your total annual pay (TAP) at no cost to you. Basic life pays a benefit to your beneficiary(ies) when you die. Basic AD&D pays a benefit to your beneficiary(ies) if you die, and to you if you experience any other kind of covered loss, as more fully described in "Basic AD&D and Supplementary Accidental Loss Insurance," "Covered Losses - AD&D/Accidental Loss Insurance," and "What's Not Covered - AD&D/Accidental Loss Insurance" in Section F. Payment of Benefits.

Optional Coverage (Supplementary Life and Supplementary Accidental Loss)

You also have the option of purchasing supplementary life and/or supplementary accidental loss insurance coverage on your life. Supplementary life insurance is additional life insurance coverage you elect on your own life. You can elect to have this coverage through the later of: (a) the last day of the month in which you retire from a participating company; or (b) the last day of the month in which you turn age 65. Supplementary accidental loss pays a benefit (in addition to any basic AD&D benefit payable) to your beneficiary(ies) if you die, and to you, if you experience any other kind of covered loss, as more fully described in "Basic AD&D and Supplementary Accidental Loss Insurance," "Covered Losses - AD&D/Accidental Loss Insurance," and "What's Not Covered - AD&D/Accidental Loss Insurance" in Section F. Payment of Benefits.

The supplementary life and supplementary AD&D options are completely independent of each other. This means you can elect supplementary life insurance without also electing supplementary accidental loss insurance. You pay the full cost of each coverage.

Employee Coverage At-A-Glance

Type of Insurance	Who Can Be Covered	Amount of Coverage**	When Benefits Are Paid	Who Receives Benefits	Who Pays the Cost
Basic Life*	You	1 x TAP	Your death	Your beneficiaries	The Company
Supplementary Life	You	10 options, from 1 x TAP to 10 x TAP	Your death	Your beneficiaries	You
Basic AD&D*	You	1 x TAP	Certain accidental losses	You	The Company
			Your accidental death	Your beneficiaries	The Company
Supplementary Accidental Loss	You	5 options, from 1 x TAP to 5 x TAP	Certain accidental losses	You	You
			Your accidental death	Your beneficiaries	You
<p>*If you're working for a participating company on the first of the month after you reach age 66, the amount of your basic life insurance coverage and basic AD&D coverage begins to reduce. For more information, see "What if I Work Beyond Age 66?" in Section H. Frequently Asked Questions.</p> <p>** Your actual TAP is rounded to the next higher \$1,000 for purposes of determining the amount of your coverage.</p>					

Dependent Coverage

Dependent Life Insurance and Dependent Accidental Loss Insurance

You may elect dependent life insurance and/or dependent accidental loss insurance for your eligible dependents. You pay the full cost for these coverages.

These options are completely independent of each other. This means you don't have to choose the same option for dependent life insurance as you do for dependent accidental loss insurance. If you elect dependent life and/or dependent accidental loss insurance for your **eligible dependent children**, all of your **eligible dependent children** will be covered.

Dependent Coverage At-A-Glance

DEPENDENT COVERAGE OPTIONS		
	Dependent Life Insurance	Dependent Accidental Loss Insurance
Your spouse or domestic partner*	<ul style="list-style-type: none"> • No coverage • \$10,000 • \$15,000 • \$20,000 • \$50,000 • \$75,000 • \$100,000 	<ul style="list-style-type: none"> • No coverage • \$25,000 • \$50,000 • \$75,000 • \$100,000
Your eligible dependent children	<ul style="list-style-type: none"> • No coverage • \$5,000 • \$10,000 	<ul style="list-style-type: none"> • No coverage • \$5,000 • \$10,000
*In some cases, your spouse (or domestic partner) may be required to submit satisfactory proof of insurability (see "Proof of Insurability" in Section G. Miscellaneous Coverage Information). Proof of insurability is not required for any coverage of your eligible dependent children.		

Effect of a Pay Change

Even if your **total annual pay** changes during the calendar year, the amount of your coverage and the cost of your coverage remain the same for that calendar year. However, each year, the Company sets **total annual pay** as of a specific date for purposes of determining the amount of coverage and cost of coverage effective January 1 of the following calendar year. The Company selects the date (generally one which falls mid-year) on a uniform and non-discriminatory basis in preparation of the **open enrollment** period.

If your **total annual pay** changes on or before the date the Company sets **total annual pay** for the following year, then the change will be taken into account in calculating **total annual pay** effective the following January 1. If your **total annual pay** changes after the date the Company sets **total annual pay** for coverage and premium purposes during the following calendar year, then the change in **total annual pay** will not be

taken into account until the next time the Company sets **total annual pay**, to be effective the following January 1.

A pay change won't affect any dependent coverage you may have (or the cost of that coverage) since those amounts are not related to your **total annual pay**.

About Pay and Insurance

Your **total annual pay** is used to determine the amount of your **basic life**, **basic AD&D**, supplementary life, and supplementary accidental loss insurance coverage.

If you experience a loss, the amount of **basic life**, **basic AD&D**, supplementary life, and supplementary AD&D insurance coverage is based on the greater of:

- Your **total annual pay** at the time of loss; or
- The **total annual pay** used to determine your premium cost.

For information on how premiums are determined, see "How Premium Costs Are Determined" in Section E. Cost.

Section D. When Coverage Begins, Making Coverage Changes, and When Coverage Ends

This section outlines when coverage begins, how to make coverage changes, and when coverage ends. To enroll in, or make a change to, your coverage, you must contact the Alcatel-Lucent Benefits Center. The Alcatel-Lucent Benefits Center will process the election and advise the **insurer** to update its records. An election will not take effect until the **insurer** receives notice of the election.

When Employee Coverage Begins

Your Basic Life Insurance and AD&D Insurance Coverage

You're automatically enrolled for **basic life** and **basic AD&D** insurance of one times your **total annual pay** on the first day of the month in which you meet the eligibility requirements (see "Who Is Eligible" in Section B. **Joining the Plans**), provided you're **actively at work** on that day.

Your Employee-Paid Insurance Coverage

Any employee-paid insurance coverages you elect become effective as follows, provided you're **actively at work** on the date the coverage is scheduled to begin.

If You Elect Supplementary Life Insurance

- If you elect supplementary life insurance coverage within 31 days of your **eligibility date**, coverage becomes effective on the later of your **eligibility date** (see "Who Is Eligible" in Section B. **Joining the Plans**) or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center.
- If you enroll for coverage more than 31 days after your **eligibility date** and other than during an **open enrollment** period, you'll be required to submit proof of insurability to the **insurer**. In this case, coverage generally becomes effective on the date the **insurer** approves your proof of insurability (see "Proof of Insurability" in Section G. **Miscellaneous Coverage Information**).

- If you did not elect supplementary life insurance coverage within 31 days of your **eligibility date** and later enroll for coverage during an **open enrollment period**, you'll be required to submit proof of insurability to the **insurer**. In this case, coverage generally becomes effective on the later of the January 1st following the **open enrollment period** or the date the **insurer** approves your proof of insurability (see "Proof of Insurability" in Section G. Miscellaneous Coverage Information).

If You Elect Supplementary Accidental Loss Insurance

- If you elect supplementary accidental loss insurance within 31 days of your **eligibility date**, coverage becomes effective on the later of your **eligibility date** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center (see "Who Is Eligible" in Section B. Joining the Plans).
- If you don't enroll within 31 days after your **eligibility date**, you will not be permitted to enroll until the next **open enrollment period** unless you experience a **qualifying event**. For more information, see "Coverage That May Be Changed If You Experience a Qualifying Event" in Section D. When Coverage Begins, Making Coverage Changes, and When Coverage Ends.
- If you enroll within 31 days of a **qualifying event**, coverage becomes effective on the later of the date of the **qualifying event** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center.
- If you enroll during the **open enrollment period**, coverage becomes effective on the January 1st following the **open enrollment period**.
- Proof of insurability for supplementary accidental loss insurance is not required.

When Dependent Coverage Begins

Any dependent insurance coverage you elect begins as follows, provided you're **actively at work** on the date the coverage is scheduled to begin.

Dependent Life Insurance

Eligible Dependent Children

- If you elect coverage for your **eligible dependent children** within 31 days of your **eligibility date**, the **eligible dependent child's** coverage is effective on the later of your **eligibility date** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center. Proof of insurability *isn't* required for your dependent **children** regardless of when you enroll them.

- If you first elect coverage for your **eligible dependent child** more than 31 days after your **eligibility date** or the date your **eligible dependent child** is first eligible for coverage, such change in coverage becomes effective on the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center.

Spouse/Domestic Partner

- If you elect a **spouse (or domestic partner)** coverage option *under \$50,000* within 31 days of your **eligibility date** or your marriage or entering a domestic partnership, your **spouse's (or domestic partner's)** coverage becomes effective on the later of your **eligibility date** (or the date of the marriage or domestic partnership) or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center. Proof of insurability for your **spouse (or domestic partner)** would not be required.
- If you elect the \$50,000 (or higher) **spouse (or domestic partner)** coverage option, or if you enroll your **spouse (or domestic partner)** more than 31 days after you first become eligible, you'll be required to submit proof of insurability to the **insurer**. Your **spouse's (or domestic partner's)** coverage will become effective on the date the **insurer** approves your **spouse's (or domestic partner's)** proof of insurability (see "Proof of Insurability" in Section G. Miscellaneous Coverage Information).
- If you enroll during the **open enrollment** period which occurs after your **eligibility date** or the date of the marriage or entering the domestic partnership, you'll be required to submit proof of insurability to the **insurer**. Coverage becomes effective on the later of the date the **insurer** approves your **spouse's (or domestic partner's)** proof of insurability (see "Proof of Insurability" in Section G. Miscellaneous Coverage Information) or the January 1st following the **open enrollment** period.

Dependent Accidental Loss Insurance

- If you elect dependent accidental loss insurance within 31 days of your **eligibility date**, coverage becomes effective on the later of your **eligibility date** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center (see "Who Is Eligible" in Section B. Joining the Plans).
- If you don't elect coverage within 31 days after your **eligibility date**, you will not be permitted to enroll until the next **open enrollment** unless you experience a **qualifying event**. For more information, see "Coverage That May Be Changed If You Experience a Qualifying Event" in Section D. When Coverage Begins, Making Coverage Changes, and When Coverage Ends.

- If you enroll within 31 days of a **qualifying event**, coverage becomes effective on the later of the date of the **qualifying event** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center.
- If you enroll during the **open enrollment** period, coverage becomes effective on the January 1st following the **open enrollment** period.
- Proof of insurability for dependent accidental loss insurance is not required for your **eligible dependents** regardless of when you enroll them.

Making Coverage Changes

Coverage That May Be Changed Only If You Experience a Qualifying Event

You may change your supplementary accidental loss or dependent accidental loss insurance coverage during the year only if you experience a qualifying event.

To execute a new enrollment or increase/decrease coverage, you must report your **qualifying event** to the Alcatel-Lucent Benefits Center within 31 days of the event. You may make only those election changes that correspond with the particular qualifying event. For example, if you got married, you could elect dependent accidental loss insurance coverage for your new **spouse**; however, you could not cancel supplementary accidental loss insurance coverage for yourself.

A new enrollment or change in coverage takes effect on the date specified below, provided you are **actively at work** on that date:

- A new enrollment or increase in coverage takes effect on the later of the date of the **qualifying event** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center, provided you're **actively at work** on the applicable date.
- A decrease or cancellation of coverage takes effect on the first day of the month coincident with or next following the later of the date of the **qualifying event** or the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center.

Proof of insurability is not required.

Coverage That May Be Changed at Any Time

You may change your supplementary life or dependent life insurance coverage at any time, subject to certain proof of insurability requirements and provided you are **actively at work** on the date a new enrollment or increase in coverage is scheduled to

take effect. To make a change, contact the Alcatel-Lucent Benefits Center.

Supplementary Life Insurance

For new enrollments (other than within the first 31 days of employment) and increases in coverage, you must submit proof of your insurability (see “Proof of Insurability” in **Section G. Miscellaneous Coverage Information**) which is satisfactory to the **insurer**.

Elections to increase the amount of your supplementary life insurance coverage generally become effective on the date the **insurer** accepts as satisfactory your proof of insurability. However, if you elected the increase during an **open enrollment** period, the increase will take effect on the later of the January 1st following the **open enrollment** period or the date the **insurer** accepts as satisfactory your proof of insurability.

If you are decreasing or cancelling the amount of your supplementary life insurance coverage, the decrease or cancelation will take effect on the first day of the month coincident with or next following the date your request was received by the **insurer** from the Alcatel-Lucent Benefits Center (or, if the request is made during the **open enrollment** period, the decrease or cancelation will take effect on the January 1st following the **open enrollment** period).

Dependent Life Insurance

You may increase coverage for your **eligible dependent children** at any time during the year by calling the Alcatel-Lucent Benefits Center. No proof of insurability is required. Generally, an election to increase coverage will take effect on the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center. However, if you elect to increase coverage during the **open enrollment** period, the increase will take effect on the January 1st following the **open enrollment** period.

You may increase coverage for your **spouse** (or **domestic partner**) if you submit proof of his or her insurability (see “Proof of Insurability” in **Section G. Miscellaneous Coverage Information**). Your **spouse’s** or **domestic partner’s** new coverage takes effect on the date the **insurer** accepts as satisfactory his or her proof of insurability, provided you’re **actively at work** on that day.

You may decrease or cancel coverage for an **eligible dependent** at any time during the year. The decrease or cancelation takes effect on the first of the month coincident with or next following the date the **insurer** is notified of the election by the Alcatel-Lucent Benefits Center (or, if the request is made during the **open enrollment** period, the decrease or cancelation will take effect on the January 1st following the **open enrollment** period).

When Employee Coverage Ends

Basic Life Insurance

Your basic life insurance ends on the last day of the month in which any of the following events occur:

- Your employment terminates with a **participating company** for any reason other than retirement with a service or disability pension from a Company-sponsored pension plan (see “What If I Retire?” in Section H. Frequently Asked Questions);
- The continuation period following sickness or accident disability benefits expires (see “What If I Become Disabled?” in Section H. Frequently Asked Questions);
- The continuation period following layoff expires (see “What If I Am Laid Off?” in Section H. Frequently Asked Questions);
- The company you work for ceases to be a **participating company**; or
- The Plan or benefit is terminated, in whole or in part.

When your coverage ends, you may be able to convert the coverage to an individual policy. See “Converting Your Coverage to an Individual Policy” in Section G. Miscellaneous Coverage Information.

Basic AD&D

Your basic AD&D insurance ends on the last day of the month in which any of the following events occur:

- Your employment terminates with a **participating company** for any reason;
- Sickness or accident disability benefits (under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan) end for any reason other than your return to work (see “What If I Become Disabled?” in Section H. Frequently Asked Questions);
- The continuation period following layoff expires (see “What If I Am Laid Off?” in Section H. Frequently Asked Questions);
- The company you work for ceases to be a **participating company**; or
- The Plan or benefit is terminated, in whole or in part.

Basic AD&D insurance may not be converted to an individual policy.

Supplementary Life Insurance

Your supplementary life insurance ends upon the first to occur of the following events:

- Your **basic life** insurance ends;
- You elect to cancel the insurance;
- You fail to make the required contributions;
- The later of the last day of the month in which you turn age 65 or your retirement from a **participating company** (if you attained age 65 prior to retirement);
- The end of the continuation period following sickness or accident disability benefits expires (see “What If I Become Disabled?” in **Section H. Frequently Asked Questions**);
- The continuation period following layoff expires (see “What If I Am Laid Off?” in **Section H. Frequently Asked Questions**);
- The company you work for ceases to be a **participating company**; or
- The Plan or benefit is terminated, in whole or in part.

When your coverage ends, you may be able to convert the coverage to an individual policy. For more information see “Converting Your Coverage to an Individual Policy” in **Section G. Miscellaneous Coverage Information**.

Supplementary Accidental Loss Insurance

Your supplementary accidental loss insurance ends on the last day of the month in which any of the following events occur:

- Your **basic AD&D** insurance ends;
- You elect to cancel the insurance;
- You fail to make any required contributions;
- Sickness or accident disability benefits (under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan) end for any reason other than your return to

work (see “What If I Become Disabled?” in **Section H. Frequently Asked Questions**);

- The continuation period following layoff expires (see “What If I Am Laid Off?” in **Section H. Frequently Asked Questions**);
- The company you work for ceases to be a **participating company**; or
- The Plan or benefit is terminated, in whole or in part.

Supplementary accidental loss insurance may not be converted to an individual policy.

When Dependent Coverage Ends

Generally, dependent group life insurance and dependent accidental loss insurance end on the last day of the month in which any of the following events occur:

- Your employment terminates with a **participating company** for any reason;
- You elect to cancel the insurance;
- You fail to make the required contributions;
- Sickness or accident disability benefits (under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan) end for any reason other than your return to work (see “What If I Become Disabled?” in **Section H. Frequently Asked Questions**);
- The continuation period following layoff expires (see “What If I Am Laid Off?” in **Section H. Frequently Asked Questions**);
- The company you work for ceases to be a **participating company**;
- You die;
- Your covered dependent is no longer eligible; or
- The Plan or benefit is terminated, in whole or in part.

Conversion to an individual policy may be available for dependent life insurance (see “Converting Coverage to an Individual Policy” in **Section G. Miscellaneous Coverage Information**) when coverage ends. Dependent accidental loss insurance cannot be converted.

Section E. Cost

The participating companies pay the full cost to provide you with basic life and basic AD&D insurance. If the value of your basic life insurance coverage is more than \$50,000, see “Imputed Income” in Section G. Miscellaneous Coverage Information for important tax information.

If you elect supplementary life, supplementary accidental loss, dependent life, or dependent accidental loss insurance coverage, you pay the full cost for that coverage through payroll deductions. The type of insurance you elect determines whether you pay the required premiums on a pre-tax or after-tax basis.

- Premiums for supplementary life insurance and dependent life insurance are deducted from your pay on an after-tax basis.
- Premiums for supplementary accidental loss insurance and dependent accidental loss insurance are deducted from your pay on a pre-tax basis.

Your Premium Costs

Your cost for supplementary life, supplementary accidental loss, dependent life, or dependent accidental loss insurance appears on your pay statement. For information about your premiums in addition to what is provided below, please contact the Alcatel-Lucent Benefits Center.

How Premium Costs Are Determined

The cost for supplementary life insurance coverage is determined as follows:

- If you’re newly eligible, your cost for supplementary life insurance coverage is based on the option you elect, your **total annual pay** on the day you become eligible (see “Who Is Eligible” in Section B. **Joining the Plans**), and your age as of December 31st of the calendar year in which you enroll.
- If you enroll during **open enrollment**, your cost is based on the option you elect, your **total annual pay** effective as of the following January 1 (as determined under “Effect of a Pay Change” in Section C. **Types and Amounts of Coverage**

Under the Plans), and your age as of December 31st of the year in which the enrollment will be effective.

- If you make a change during the year, your cost is based on the option you elect, your age as of December 31st of that calendar year, and your **total annual pay** effective as of January 1 of that calendar year (as determined under “Effect of a Pay Change” in Section C. Types and Amounts of Coverage Under the Plans).

The cost for supplementary accidental loss insurance is determined as follows:

- If you’re newly eligible, your cost for supplementary accidental loss insurance coverage is based on the option you elect and your **total annual pay** on the day you become eligible (see “Who Is Eligible” in Section B. Joining the Plans).
- If you enroll during **open enrollment**, your cost is based on the option you elect and your **total annual pay** effective as of the following January 1 (as determined under “Effect of a Pay Change” in Section C. Types and Amounts of Coverage Under the Plans).
- If you make a change during the year, your cost is based on the option you elect and your **total annual pay** effective as of January 1 of that calendar year (as determined under “Effect of a Pay Change” in Section C. Types and Amounts of Coverage Under the Plans).

Your cost for dependent life insurance and dependent accidental loss insurance is based on the amount of insurance you elect for your **eligible dependents**, and, in the case of a **spouse or domestic partner**, his or her age.

Section F. Payment of Benefits

Basic Life and Supplementary Life

Your basic life and supplementary life insurance benefits are paid to your **beneficiary(ies)** when you die while your coverage is in effect. If the amount of each benefit is less than \$5,000, your **beneficiary(ies)** will receive a check. If the amount of each benefit is \$5,000 or greater, the **insurer** will put the proceeds into a money market fund established for your **beneficiary(ies)**. Different rules apply if you assigned your basic life and supplementary life insurance coverage, see "Assignment of Benefits" in Section G. **Miscellaneous Coverage Information**.

If you're diagnosed as being terminally ill, you may be eligible to receive a portion of your basic and supplementary life insurance benefit while you're still living (see "Accelerated Benefit Option" in this Section).

For information about how to file a claim, see Section J. **Claims and Appeals**.

Accelerated Benefit Option

The accelerated benefit option (ABO) allows you to receive a portion of your **basic life** and/or supplementary life insurance benefit if you're diagnosed as being terminally ill with a life expectancy of six or fewer months. You are eligible for the ABO only if your **basic life** or supplementary life insurance coverage is greater than or equal to \$10,000. The maximum amount you may receive with respect to each benefit is the lower of \$250,000 or 50% of the particular benefit. You may use this money in any way you wish.

Here are some guidelines that may affect your eligibility or decision to apply for this benefit:

- You aren't eligible for the ABO if you previously assigned your life insurance coverage (see "Assignment of Benefits" in Section G. **Miscellaneous Coverage Information**) or your life insurance **beneficiary** is determined pursuant to a divorce agreement.

- If your basic or supplementary life insurance coverage is scheduled to be reduced within six months of the date the ABO is approved, the payment will be limited to 50% of the reduced amount of such coverage.
- If your **basic life** or supplementary life insurance coverage is scheduled to fully terminate within 6 months of the date the ABO has been approved, the ABO will not apply to the coverage that is terminating.
- Any basic or supplementary life insurance benefit eligible for conversion will be reduced by any ABO amount paid under this provision.
- ABO benefits may affect your eligibility for benefits under state and federal law.
- The life insurance benefit payable to your **beneficiary(ies)** upon your death will be reduced by any amount paid to you under the ABO.
- You may exercise the ABO only once.

You may want to ask your professional tax advisor about the taxability of ABO benefits before applying for this benefit.

Call the **insurer** to request an ABO form. The **insurer** will review your eligibility for the ABO and decide whether to approve your request for an accelerated benefit. In reviewing your request, the **insurer** may have you examined by doctors of its choice at its expense.

Basic AD&D and Supplementary Accidental Loss

Basic AD&D and supplementary accidental loss insurance pay benefits if you die or suffer a covered loss (see “Covered Losses -- AD&D/Accidental Loss Insurance” and “What’s Not Covered -- AD&D/Accidental Loss Insurance” in this Section) within 90 days of a qualifying accident on or off the job. If the amount of each benefit is less than \$5,000, payment will be made to you or your **beneficiary(ies)**. If the amount of each benefit is \$5,000 or greater, the **insurer** will put the proceeds into a money market fund established for you or your **beneficiary(ies)**.

HOW YOUR BASIC AD&D OR SUPPLEMENTARY ACCIDENTAL LOSS INSURANCE BENEFITS ARE PAID		
<i>Loss of *</i>	<i>Benefit Paid *</i>	<i>Payment Is Made to</i>
Your life	100% of your coverage amount	Your beneficiary(ies)
A hand, a foot or sight in one eye	50% of your coverage amount	You
Two or more of the above accidental losses in one accident	100% of your coverage amount	You
Your speech or hearing	50% of your coverage amount	You
The thumb and index finger on the same hand	25% of your coverage amount	You
*The maximum payment for all losses resulting from one accident is 100% of the your coverage amount.		

If you assigned your accidental loss insurance, see “Assignment of Benefits” in Section G. Miscellaneous Coverage Information.

For information about how to file a claim, see Section J. Claims and Appeals.

Dependent Life Insurance and Dependent Accidental Loss Insurance

Dependent Life Insurance Benefits

Dependent life insurance benefits are paid to you if one of your covered **eligible dependents** dies while dependent life insurance is in effect. If the amount of the benefit is less than \$5,000, payment will be made to you. If the amount of the benefit is \$5,000 or greater, the **insurer** will put the proceeds into a money market fund established for you.

For information about how to file a claim, see “Filing a Claim” in Section J. Claims and Appeals.

Dependent Accidental Loss Insurance Benefits

Dependent accidental loss insurance will pay a benefit to you if, due to an accident, one of your covered dependents dies or suffers a covered loss (see “Covered Losses -- AD&D/Accidental Loss Insurance” and “What’s Not Covered -- AD&D/Accidental Loss Insurance” in this Section) within 90 days of such accident. If the amount of the benefit is less than \$5,000, payment will be made to you. If the amount of the benefit is \$5,000 or greater, the insurer will put the proceeds into a money market fund established for you.

The following chart shows you how benefits are paid.

HOW DEPENDENT ACCIDENTAL LOSS INSURANCE BENEFITS ARE PAID	
Covered Loss*	You Will Receive*
His or her life	100% of his or her coverage amount
A hand, a foot or sight of an eye	50% of his or her coverage amount
Two or more of the above accidental losses in one accident	100% of his or her coverage amount
His or her speech or hearing	50% of his or her coverage amount
The thumb and index finger on the same hand	25% of his or her coverage amount
*The maximum payment for all losses resulting from one accident is 100% of your eligible dependent’s coverage amount.	

For information about how to file a claim, see “Filing a Claim” in Section J. Claims and Appeals.

Covered Losses - AD&D/Accidental Loss Insurance

Basic AD&D, supplementary accidental loss, and dependent accidental loss insurance pay benefits if the death or covered loss:

- Is caused solely as the result of a qualifying accident that occurs while the individual’s coverage is in effect; and

- Occurs within 90 days of the qualifying accident.

What's Not Covered - AD&D/Accidental Loss Insurance

Basic AD&D, supplementary accidental loss, and dependent accidental loss insurance do not pay benefits for accidental death or losses caused by:

- Physical or mental illness;
- Treatment of an illness or surgical procedure;
- An infection (unless it's caused by an external visible wound sustained as a result of an accident);
- Disease, ptomaine or bacterial infections;
- Suicide or attempted suicide;
- Injuring oneself on purpose; or
- War or warlike actions in times of peace

The insurer determines whether benefits will be paid.

Section G. Miscellaneous Coverage Information

Proof of Insurability

Supplementary Life Insurance

You are not required to provide proof of insurability if you elect supplementary life insurance within 31 days of first becoming eligible to participate in the Life Insurance Plans. Proof of your insurability is required for supplementary life insurance if:

- You were previously eligible for supplementary life insurance coverage and are requesting coverage for the first time; or
- You increase your supplementary life insurance after you initially enroll.

If proof of insurability is required, the proof of insurability must be satisfactory to the insurer for coverage (or a change in coverage) to take effect. For more information, see “How to Provide Proof of Insurability” in this Section.

Proof of insurability is never required for supplementary accidental loss insurance.

Dependent Life Insurance

You are not required to provide proof of insurability if you elect dependent group life insurance coverage of less than \$50,000 for your spouse or domestic partner within 31 days of first becoming eligible to participate in the Life Insurance Plans. Proof of your spouse’s or domestic partner’s insurability is required if:

- You were previously eligible for dependent life insurance and are requesting coverage for the first time or are requesting increased coverage on your spouse or domestic partner;
- You enroll for or increase your dependent life insurance coverage on your spouse or domestic partner more than 31 days after your eligibility date; or
- You elect the \$50,000 spousal (domestic partner) coverage option (or a higher coverage option) at any time.

For more information, see “How to Provide Proof of Insurability” in this Section.

Proof of insurability is never required for your eligible dependent children or for dependent accidental loss insurance on your spouse, domestic partner, or children.

How to Provide Proof of Insurability

To provide evidence of good health for insurability, call the Alcatel-Lucent Benefits Center and ask for a Statement of Health form. Complete the form, following the instructions, and return it to the insurer.

After the form is received, you or your spouse (or domestic partner) may be asked to provide additional information or to have a physical examination.

Imputed Income

For Your Coverage

The IRS requires that the Company report the cost of your basic life insurance coverage over \$50,000 on your Form W-2 as “imputed income.” Imputed income is not subject to federal income tax withholding, but the Company must withhold FICA taxes on it.

You aren’t taxed on the actual amount of your basic life insurance coverage over \$50,000. Instead, the Company reports as income to you an amount the IRS considers an appropriate premium for the portion of your coverage over \$50,000. The IRS publishes these rates in tables based on your age.

Example: Suppose you’re age 35 and your total annual pay is \$55,000 (your basic life is equal to 1 times your total annual pay, or \$55,000). You’ll pay taxes on the cost of \$5,000 of basic life insurance coverage (the amount of coverage in excess of \$50,000). In 2011, the IRS premium rate for someone age 35 is \$0.09 per month for each \$1,000 of coverage in excess of \$50,000. The imputed income for \$5,000 of coverage is \$0.45 per month (5 x \$0.09) or \$5.40 (5 x \$0.09 x 12) per year.

For Your Dependent’s Coverage

If you have elected dependent accidental loss insurance coverage for an eligible domestic partner or an eligible dependent child who does not qualify as a “dependent” under the Internal Revenue Code, you are required to include those dependent accidental loss insurance coverage premiums in your gross income and such amounts may be subject to federal and state income tax. You may also have to include in gross income a portion of the cost of your dependent group life insurance

coverage. Please consult with your tax advisor for more information regarding these tax implications.

Assignment of Benefits

You may assign your **basic life**, **basic AD&D**, supplementary life, and supplementary accidental loss insurance as an irrevocable gift to someone else (or as a viatical assignment) if the **insurer** consents. You may name that person as the owner of your insurance, even though it is your life that is insured. Dependent group life insurance cannot be assigned.

If you make an assignment, you give up all present and future rights to the insurance. You cannot revoke the assignment at a later date. The person to whom you assign your insurance has the right to name **beneficiary(ies)**, to change the level of coverage, or to exercise any other privileges under the insurance that would otherwise have been available to you.

Because of the various legal and tax implications involved, you may wish to consult with a lawyer and/or a tax advisor before making an assignment. If you wish to make an assignment, contact the insurer.

Converting Coverage to an Individual Policy

You may be able to convert all or part of your **basic life**, supplementary life, and dependent life insurance to an individual policy when your coverage ends or is reduced (see **Section D. When Coverage Begins, Making Coverage Changes, and When Coverage Ends** and “What If I Work Beyond Age 66?” or “What If I Retire?” in **Section H. Frequently Asked Questions**).

In addition, if the **Company** terminates the Plan offering **basic life** or supplementary life insurance coverage or amends such Plan to end coverage for your employee classification, you may convert the terminated **basic life** and/or supplementary life insurance coverage to an individual policy if the terminated coverage had been in effect for at least 5 years. If the **Company** terminates the Plan offering dependent group life insurance coverage or amends such Plan to end dependent coverage for your employee classification, you may convert dependent group life insurance coverage to an individual policy only with respect to those dependents for whom such coverage had been in effect for at least 5 years. You cannot convert **basic life**, supplementary life, or dependent group life insurance coverage to an individual policy if such coverage ended because you failed to pay any required premiums.

To convert your coverage, you must request the conversion within 91 days after the date coverage ends or is reduced. During the first 31 days of the conversion period, your coverage continues. However, such coverage does not continue during the

remaining conversion period. No proof of insurability is required during this period. If you are interested in converting your insurance, contact the insurer.

The individual policy will be one customarily issued by the insurer for conversions. It will not include disability or accidental loss benefits.

Conversion is not available for **basic AD&D**, supplementary accidental loss insurance, or dependent accidental loss insurance.

Section H. Frequently Asked Questions

What If I Change My Job Classification?

If your job classification changes from represented to management, you will receive a benefits enrollment package from the Alcatel-Lucent Benefits Center which will enable you to elect life insurance coverage as a management employee.

What If I Terminate My Employment?

Your **basic life**, supplementary life, **basic AD&D**, supplementary accidental loss, dependent life, and dependent accidental loss insurance end on the last day of the month in which your employment ends. If you are disabled when you terminate employment, you may be able to continue certain coverage (see “What If I Become Disabled?” in this Section). You may also be eligible for retiree life insurance coverage (see “What If I Retire?” in this Section).

Conversion to an individual policy may be available for your **basic life**, supplementary life, and dependent group life insurance. For more information, see “Converting Coverage to an Individual Policy” in **Section G. Miscellaneous Coverage Information**.

What If I Am Laid Off?

If you're laid off, your **basic life**, supplementary life, **basic AD&D**, supplementary accidental loss, dependent life and dependent accidental loss insurance can continue for a limited period of time provided that you make any required contributions. Coverage may continue as follows:

- Your **basic life** and **basic AD&D** insurance may continue for *up to six months, at no cost to you*.
- Your supplementary life and supplementary accidental loss insurance can continue for *up to six months, at your expense*.
- Dependent life and dependent accidental loss insurance can continue for *up to 90 days, at your expense*.

To continue coverage, contact the Alcatel-Lucent Benefits Center. When coverage ends, you may be able to convert your **basic life**, supplementary life, and dependent life insurance to an individual policy (see “Converting Coverage to an Individual Policy” in Section G. **Miscellaneous Coverage Information**).

What If I Become Disabled?

Your participation in the Life Insurance Plans may be affected if you become disabled. The duration of your disability determines the duration of your continued coverage under the Life Insurance Plans.

What If I Am Receiving Sickness or Accident Disability Benefits?

If you become disabled, and you’re receiving either accident or sickness disability benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan (formerly the Lucent Technologies Inc. Sickness and Accident Disability Benefit Plan), your **basic life**, supplementary life, **basic AD&D**, supplementary accidental loss, dependent life, and dependent accidental loss insurance will continue, as long as you make any required contributions, for as long as you receive accident disability or sickness disability benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan. When your sickness or accident disability benefits end, your **basic AD&D**, supplementary accidental loss, dependent life, and dependent accidental loss insurance coverage ends if you do not return to active employment with a **participating company**. If, however, at that time, you are eligible to participate in the Alcatel-Lucent Long Term Disability Plan for Occupational Employees (formerly the Lucent Technologies Inc. Long Term Disability Plan for Occupational Employees), you may continue your **basic life** and supplementary life insurance coverage while you are receiving long-term disability benefits. For more information, see “What If I Am Receiving Long Term Disability Benefits?” in this Section.

What If I Am Receiving Long Term Disability Benefits?

While you're receiving benefits from the Alcatel-Lucent Long Term Disability Plan for Occupational Employees, your **basic life** and supplementary life insurance will continue at no cost to you for a limited period of time based on your net credited service. Here's how it works:

CONTINUATION OF BASIC AND SUPPLEMENTARY LIFE INSURANCE WHILE RECEIVING LONG TERM DISABILITY BENEFITS	
<i>If Your Net Credited Service Is</i>	<i>Your Basic and Supplementary* Life Insurance Continues for</i>
Fewer than five years	One year
Five years through nine years	Two years
10 years through 14 years	Three years
*Supplementary life insurance can continue until the later of age 65 or retirement.	

When you stop receiving long-term disability benefits under the Alcatel-Lucent Long Term Disability Plan for Occupational Employees, you may be able to convert your **basic life** and/or supplementary life insurance coverage to an individual policy (see "Converting Coverage to an Individual Policy" in Section G. **Miscellaneous Coverage Information**).

If you are not eligible for long-term disability benefits, you may be able to continue your **basic life** insurance coverage for a limited period of time if you are **fully disabled** (see the next subsection for additional information).

Basic Life Insurance Coverage While You Are Fully Disabled

You may continue your **basic life insurance coverage** if you were **fully disabled** on the last day you were actively employed with a **participating company** (which includes the period during which you receive benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan), until the earliest of: (a) six months after the date you were actively employed by a **participating company** (which includes six months from the date you ceased receiving benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan); (b) the date this Plan is terminated; (c) the date the Plan is amended to terminate **basic life** insurance coverage for your employee classification; or (d) the date you fail to make any required contributions for such coverage. You must elect continuation of **basic life**

insurance coverage while you are **fully disabled** within 31 days of receiving notice of such right.

When your **basic life** insurance coverage ends, you will have the opportunity to convert your coverage to an individual policy (see “Converting Coverage to an Individual Policy” in Section G. **Miscellaneous Coverage Information**).

What If I Take an Approved Leave of Absence?

If you take an approved leave of absence (including a leave under the Family and Medical Leave Act) that provides for continuation of your **basic life**, supplementary life, **basic AD&D**, supplementary accidental loss, dependent life, and dependent accidental loss insurance, you may continue coverage during your leave based on the provisions governing your leave if you make any required contributions.

If you don't continue your coverage during your leave, you must contact the Alcatel-Lucent Benefits Center to reinstate your supplementary life, supplemental AD&D, dependent life, and dependent AD&D coverage upon your return to active work. However, your **basic life** and **basic AD&D** coverage levels in effect immediately before your leave will be reinstated automatically upon your return to active work.

What If I Acquire a New Dependent?

If you acquire a new dependent (for example, through marriage, birth or adoption), you may enroll your new dependents for dependent life insurance and/or dependent accidental loss coverage. For more information, see Section D. **When Coverage Begins, Making Coverage Changes, and When Coverage Ends**.

What If a Dependent Loses Eligibility for Coverage?

If Your Spouse or Domestic Partner Is No Longer Eligible

If your **spouse** or **domestic partner** is no longer eligible for coverage, contact the Alcatel-Lucent Benefits Center (see Section L. **Important Contacts**) to discontinue the coverage.

Coverage ends as of the last day of month in which your **spouse** or **domestic partner** first ceases to satisfy the eligibility requirements.

Conversion to an individual policy is available for dependent life insurance (see “Converting Coverage to an Individual Policy” in Section G. **Miscellaneous Coverage Information**) when such coverage ends. Dependent accidental loss insurance cannot be converted to an individual policy.

If Your Dependent Child Is No Longer Eligible

Your dependent children are covered as long as they continue to meet the eligibility requirements.

If one child loses eligibility, but other covered children are still eligible, no notification is necessary for the discontinuance of coverage on that child. If you have no other covered eligible dependent children, contact the Alcatel-Lucent Benefits Center within 31 days of the date the child ceases to qualify as an eligible dependent to discontinue the coverage. Coverage ends at the end of the month in which your dependent child is no longer an eligible dependent.

Conversion to an individual policy is available for dependent life insurance (see "Converting Coverage to an Individual Policy" in Section G. Miscellaneous Coverage Information) when such coverage ends. Dependent accidental loss insurance cannot be converted to an individual policy.

What If I Work Beyond Age 66?

If you continue to work for a participating company after you reach age 66, the amount of your basic life and basic AD&D insurance will be reduced as follows:

- Adjusted rate of pay changes after age 66 will be recognized in determining the amount of your insurance.
- Coverage on your basic life and basic AD&D insurance will be reduced 10% on the first of the month after you reach age 66.
- Coverage will be reduced an additional 10% on each of the next four anniversaries of that date, until you reach age 70.
- No further reductions will occur after age 70, based on the terms of the Life Insurance Plans and insurance contracts.

Reductions only apply to basic life and basic AD&D insurance. Supplementary life and supplementary accidental loss insurance coverages aren't subject to these age reductions.

For example, if you had \$40,000 of **basic life** and **basic AD&D** insurance coverage at age 66, beginning on the first of the month following your 66th birthday, your coverage would reduce \$4,000 per year as follows:

Age	Amount of Reduction	Your Basic Coverage Amount
66	\$4,000	\$36,000
67	\$4,000	\$32,000
68	\$4,000	\$28,000
69	\$4,000	\$24,000
70	\$4,000	\$20,000

After age 70, the amount of your **basic life insurance coverage** and your **basic AD&D** coverage are each equal to 50% of the coverage you had at age 66.

When your **basic life insurance coverage** is reduced by at least 20%, you may convert the amount that is being reduced, in increments of 20%, to an individual policy. For example, using the above table, you could make conversions at age 67 and again at age 69. In addition, you can convert the 10% reduction at age 70 to an individual policy. For conversion information, see “Converting Coverage to an Individual Policy” in Section G. **Miscellaneous Coverage Information**.

What If I Am Terminally III?

If you’re diagnosed as being terminally ill with a life expectancy of six months or less, you may be eligible to receive a portion of your **basic life** and/or supplementary life insurance benefit while you’re still living. For more information, see “Accelerated Benefit Option” in Section F. **Payment of Benefits**.

What If I Die?

If you die, your **beneficiary(ies)** is entitled to receive any death benefits that may be payable. For more information, see “Filing a Claim.” Different rules apply if you assigned your coverage (see “Assignment of Benefits”) in Section G. **Miscellaneous Coverage Information**.

In addition, any dependent life insurance and dependent accidental loss insurance in effect at that time ends on the last day of the month in which you die.

Conversion to an individual policy may be available for dependent life insurance (see “Converting Coverage to an Individual Policy” in Section G. **Miscellaneous Coverage**

Information) when coverage ends. Dependent accidental loss insurance cannot be converted.

What If I Retire?

If you retire with a service or disability pension from a Company-sponsored pension plan, your **basic life** insurance continues (subject to reduction from age 66 through age 70). If you retire prior to age 65, your supplementary life insurance also will continue during retirement, up until the last day of the month in which you turn age 65, provided that you make the required contributions.

Basic AD&D, supplementary accidental loss, dependent life, and dependent accidental loss insurance end on the last day of the month in which you retire.

If you are not eligible for retiree **basic life** insurance coverage, you may be able to convert your **basic life** insurance coverage to an individual policy. Dependent life insurance may also be converted to an individual policy.

Additional information about your life insurance coverage after you retire may be found in the Company's retiree life insurance summary plan description. You can request a copy of this summary plan description from the Plan Administrator.

Section I. Helping Your Beneficiaries File a Claim

You can help your beneficiaries quickly and easily receive the maximum benefit amount they are due by filling in the following information.

Name of Insured	
Date of Retirement	
Age at Retirement	
Retirement Plan	
Amount of Basic Life Insurance Coverage*	
Amount of Supplementary Life Insurance**	

* *The amount of basic life and basic AD&D insurance coverage is subject to annual reductions beginning on the first day of the month after the month in which you reach age 66. The insured may have converted the basic life reductions to an individual policy. See Section C. Types and Amounts of Coverage Under the Plans for more information.*

** *Supplementary life insurance coverage terminates on the last day of the month in which you reach age 65 or retire, whichever is later. See "Supplementary Life Insurance Coverage" under Section C. Types and Amounts of Coverage Under the Plans for more information.*

Fill in the following information only if applicable.

Amount of Benefits Assigned	
Amount of Benefits Received Under the Accelerated Benefit Option	
Amount of Coverage Converted	
Date Coverage Converted	
Other	

Section J. Claims and Appeals

Participants, their beneficiaries, or any individual duly authorized by them have the right under the Employee Retirement Income Security Act of 1974 (ERISA) to file a written claim for benefits.

Types of Claims

The Life Insurance Plans contemplate two types of claims:

- Eligibility claims; and
- Benefits claims.

Eligibility Claims

An eligibility claim is a claim by you or your authorized representative concerning your right to participate in the Life Insurance Plans.

Benefits Claims

A benefits claim is exactly what it sounds like — it is a claim for benefits under the terms of the Life Insurance Plans.

Eligibility Claims

Filing Deadlines

If you have an eligibility claim, contact the Alcatel-Lucent Benefits Center. If appropriate, a representative will provide you with an eligibility claim form, called a Claim Initiation Form ("CIF").

On the CIF, you will be asked to set forth the nature of the claim, all pertinent facts and the reasons why you believe you are entitled to the relief you are requesting. Also, include with your CIF any documentation supporting your claim.

Where to Send Your Claim Form

Mail your completed CIF and any enclosures to the following address:

Alcatel-Lucent Benefits Review Team
P.O. Box 1407
Lincolnshire, IL 60069-1407

If your eligibility claim is coupled with a claim for benefits, send the benefits claim form to the insurer, but also include a copy of it with your eligibility claim submitted to the Benefits Review Team.

When You Can Expect To Receive a Decision

When you file an eligibility claim, the Benefits Review Team reviews the claim and makes a decision to either approve or deny the claim. Generally, you will be notified of the Benefits Review Team's decision within 90 days after its receipt of your claim. The Benefits Review Team may extend the period for making the claim decision by 90 days if it determines that an extension is necessary and notifies you, before the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which it expects to render a decision.

What You'll Be Told If Your Eligibility Claim Is Denied

If your eligibility claim is denied, you will receive a written notice that contains all of the following:

- The specific reason(s) for the denial;
- The specific Plan provisions on which the denial is based;
- A description of any additional material or information needed and an explanation of why it is necessary;
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the eligibility claim; and
- An explanation of the Life Insurance Plans' claim review procedures, applicable time limits and your rights. If your claim is denied and your appeal is also denied, you have the right to bring a civil action in federal court under ERISA Section 502(a).

Appeal Procedures and Deadline

If your initial eligibility claim is denied by the Benefits Review Team, you or your authorized representative may appeal the denial. Your appeal must be in writing and should be addressed to:

Alcatel-Lucent
Employee Benefits Committee
600-700 Mountain Avenue
Room 1B-435
Murray Hill, New Jersey 07974

You should include a copy of your initial claim denial notification, the reason(s) for the appeal and relevant documentation with your appeal request.

You must file your appeal within 60 days from the date on the claim denial letter. During the 60-day period, you or your authorized representative will be given reasonable access to all documents and information relevant to the claim, and you may request copies free of charge. You can also submit written comments, documents, records and other information relating to the appeal to the Employee Benefits Committee.

Review of your appeal will take into account all comments, documents, records and other information relating to the appeal, without regard to whether the information was submitted to or considered by the Benefits Review Team in connection with the initial claim decision. Your appeal will be reviewed “de novo,” which means you get to “start fresh” with your claim on appeal. In reviewing your appeal, the Employee Benefits Committee will not place deference upon the original decision. Your appeal will be reviewed by an appropriate fiduciary who is not the individual who made the initial decision, who is not subordinate to the initial reviewer and who will give a full and fair review of the claim and the denial.

When You Can Expect To Receive a Decision on Appeal

The Employee Benefits Committee will review your appeal and you will be notified of the decision on appeal within 60 days after receipt of your appeal. The Employee Benefits Committee may extend the period for making the claim decision by 60 days if it determines that an extension is necessary and notifies you, before the expiration of the initial 60-day period, of the circumstances requiring the extension of time and the date by which it expects to render a decision.

What You'll Be Told If Your Eligibility Claim Is Denied on Appeal

If your eligibility claim is denied on appeal, you will receive a written notice that contains all of the following:

- The specific reason(s) for the denial;
- The specific Plan provisions on which the denial is based;
- A statement about the claimant's right to bring an action under section 502(a) of the Employee Retirement Income Security Act (ERISA);
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the eligibility claim; and
- A statement to the effect that "You and the Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor office and your state insurance regulatory agency."

Other Options

If the Employee Benefits Committee denies your eligibility claim on appeal, you have the right to bring a civil action in federal court under ERISA. This option is available to you only after you have exhausted all of the administrative remedies available to you through the Life Insurance Plans' claims and appeals process as described in this section.

Benefits Claims

Filing a Claim

To report a death, you must call the insurer (see Section L. Important Contacts).

To help ensure you receive the maximum benefit the insured was entitled to, please refer to Section I. **Helping Your Beneficiaries File A Claim.** This section may contain information filled out by the insured that will assist you in filing a claim for benefits.

The insurer will send you a claim form. The insurer can also answer questions about the insured person's benefits and can help you complete the claim form.

When you file a claim:

- Follow the instructions on the claim form carefully and answer all questions completely;
- If you are filing a claim for death benefits, attach an original death certificate; and
- Submit the required paperwork to the address printed on the form.

The following additional rules apply for accidental loss claims:

- While a claim for **basic AD&D**, supplementary accidental loss, or dependent accidental loss benefits is pending, the **insurer** has the right to appoint a physician to examine you or your covered dependent as often as it may reasonably require.
- For accidental death claims, the **insurer** also has the right to have an autopsy performed, where it is not forbidden by law.

Your claim will be evaluated to determine if any benefits will be paid. If the claim is approved, payment is made as outlined in **Section F. Payment of Benefits**. If your claim is denied, you will be advised of the reasons for the denial and may appeal the decision (see, respectively, “What You’ll Be Told If Your Benefits Claim Is Denied” and “Appeal Procedures and Deadline” later in this Section).

Filing Deadlines

Generally, you should submit a claim as soon as possible after the death occurs.

However, if you’re filing a claim form for **AD&D**, supplementary accidental loss, or dependent accidental loss, you must provide the **insurer** with:

- Written notice of the loss within 20 days after the accident causing the loss, and
- Written proof of the loss within 90 days after the date of the loss.

If it’s not reasonably possible to provide notice or proof within these time frames, an extension may be granted if you (or your **beneficiary**) can prove you furnished the notice or proof as soon as reasonably possible.

The following applies for **AD&D**, supplementary accidental loss, or dependent accidental loss claims:

- No lawsuit may be started to obtain benefits until sixty (60) days after proof is given.
- No lawsuit may be started more than three (3) years after the time proof must be given.

When You Can Expect To Receive a Decision

When you file a benefits claim, the insurer reviews the claim and makes a decision to either approve or deny the claim. Generally, you will be notified of the insurer's decision with respect to a claim within 90 days after the insurer's receipt of your claim. The insurer may extend the period for making the claim decision by 90 days, if it determines that an extension is necessary and notifies you, before the expiration of the initial 90-day period, of the circumstances requiring the extension of time and the date by which it expects to render a decision.

What You'll Be Told If Your Claim Is Denied

If your benefits claim is denied, you will receive a written notice that contains all of the following:

- The specific reason(s) for the denial;
- The specific Plan provisions on which the denial is based;
- A description of any additional material or information needed and an explanation of why it is necessary; and
- An explanation of the Plan's claim review procedures, applicable time limits and your rights to bring a civil action under ERISA Section 502(a) following exhaustion of these procedures.

Appeal Procedures and Deadline

If your initial claim for benefits is denied, you or your authorized representative may appeal that denial. Your appeal must be in writing and should be addressed to:

Regular Mail:

MetLife
Group Life Claims
P.O. Box 6100
Scranton, PA 18505

Overnight Mail:

MetLife
Group Life Claims
123 Wyoming Ave
Scranton, PA 18505

You should include a copy of your initial claim denial notification, the reason(s) for the appeal and relevant documentation with your appeal request.

You must file your appeal within 60 days of the date you receive notice of the denied claim. During the 60-day period, you or your authorized representative will be given reasonable access to all documents and information relevant to the claim, and you may request copies free of charge. You can also submit written comments, documents, records and other information relating to the appeal to the insurer.

Review of your appeal will take into account all comments, documents, records and other information relating to the appeal, without regard to whether the information was submitted or considered in the initial claim decision. Your appeal will be reviewed “de novo.” That means you get to “start fresh,” and an independent fiduciary at the insurer will review your appeal. In reviewing your appeal, the independent fiduciary will not place deference upon the original decision. Your appeal will be reviewed by an appropriate fiduciary who is not the individual who made the initial decision, who is not subordinate to the initial reviewer and who will give a full and fair review of the claim and the denial.

When You Can Expect To Receive a Decision on Appeal

The insurer will review your appeal and you will be notified of the appeal decision within 60 days after receipt of your appeal.

What You’ll Be Told If Your Benefits Claim Is Denied on Appeal

If your benefits claim is denied on appeal, you will receive a written notice that contains all of the following:

- The specific reason(s) for the denial;
- The specific Plan provisions on which the denial is based;
- A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the benefits claim; and
- A statement to the effect that “You and the Plan may have other voluntary alternative dispute resolution options, such as mediation. One way to find out what may be available is to contact your local U.S. Department of Labor office and your state insurance regulatory agency.”

Other Options

If the insurer denies your benefits claim on appeal, you have the right to bring a civil action in federal court under Section 502(a) of ERISA. This option is available to you only after you have exhausted all of the administrative remedies available to you through the Life Insurance Plans' claims and appeals process as described in this section.

Section K. Terms to Know

There are several words and phrases that have a specific meaning under the Life Insurance Plans. This section explains those terms so you can better understand your benefits. These terms are printed in **boldface** whenever they appear to let you know they're defined here.

AD&D: accidental death and dismemberment insurance. **Basic AD&D** is your **Company-paid** accidental death and dismemberment insurance equal to one times your **total annual pay**.

Actively at work: you're considered to be actively at work under the Life Insurance Plans if:

- You're actually present on the job, or
- It's a regularly scheduled day off, a scheduled vacation day or a paid holiday, as long as you were actively at work on the most recent prior day which was a regularly scheduled work day for you and which was not a scheduled vacation day or paid holiday.

If you're not actively at work on the date coverage is scheduled to begin or increase, that coverage will begin or increase when you return to active work.

For dependent life insurance and dependent accidental loss insurance, you're considered to be actively at work if:

- You satisfy one of the above conditions, or
- You're receiving benefits under the Alcatel-Lucent Sickness and Accident Disability Benefit Plan (formerly the Lucent Technologies Inc. Sickness and Accident Disability Benefits Plan).

After-tax: after-tax premium payments are taken from your pay after applicable federal, state and local taxes are withheld.

Annual rate of pay: your annual rate of pay is 52 times your normal weekly adjusted rate of pay (hourly rate times 40).

Basic life/basic life insurance coverage: the amount of your **basic life** insurance and **AD&D** insurance that the **Company** provides at no cost to you. Each coverage equals one times your **total annual pay**. The amount of your **basic life insurance coverage** begins to reduce on the first of the month after you reach age 66.

Beneficiary(ies): either your **primary beneficiary(ies)** or your **contingent beneficiary(ies)**.

Child/Children: your biological children (excluding stillborn children) and your legally adopted children, including any child in the formal legal adoption process, regardless of residence; stepchildren living with you; children living with you for whom you or your **spouse** (or **domestic partner**) is the legal guardian (excluding "wards of the state" or "foster children"); and a child for whom benefits must be provided by court order (provided such court order has been supplied to and approved by the **insurer**).

Company: Alcatel-Lucent USA Inc.

Contingent beneficiary(ies): receives the death benefits for **basic life**, **supplementary life**, **basic AD&D** and **supplementary accidental loss insurance** only if none of your **primary beneficiaries** are living when you die.

Domestic partner: means each of two people, one of whom is an **eligible employee**, who:

- Have registered as each other's **domestic partner**, **civil union partner** or **reciprocal beneficiary** with a government agency where such registration is available; or
- If they reside in a state which does not register **domestic partners**, **civil union partners**, or **reciprocal beneficiaries**, the two people are of the same or opposite sex and have a mutually dependent relationship so that each has an insurable interest in the life of the other. Each person must be:
 - 18 years of age or older;
 - unmarried;
 - the sole **domestic partner** of the other;
 - sharing a **primary residence** with the other; and
 - unrelated to the other in a manner that would bar their marriage in the jurisdiction in which they reside.

A Declaration of Domestic Partnership attesting that you and your **domestic partner** have an insurable interest in one another's lives is required by the **insurer**. Contact the **insurer** to request a Declaration of Domestic Partnership.

Eligibility date: Your eligibility date is the first day of the month in which an **eligible employee** attains six months of **net credited service**. An **eligible dependent's** eligibility date is the later of your eligibility date or the date on which such individual first becomes your **eligible dependent**.

Eligible dependents: include your **spouse, domestic partner**, and each unmarried **child** (including **children** of your **domestic partner**) until December 31st of the year in which each **child** reaches age 23.

Eligible dependents also include each unmarried **child** of any age who is determined to be eligible by the applicable **health care company** of a **Company-sponsored** group medical plan and who meets all of the following:

- Incapable of self support;
- Physically or mentally handicapped; and
- Fully dependent on you for support.

If your physically or mentally handicapped **child** is incapable of self support after age 23, coverage may be continued if the **child** is fully dependent on you for support. You must apply for dependent certification from your **Company-sponsored** group medical plan for coverage to continue (see the number printed on your medical ID card). It's not automatic.

Note: this does not include **children** who are incapacitated due to illness or accident where they are incapacitated for a short time (e.g., a broken leg).

Eligible employee: an individual who is:

- Employed and paid for services by the **Company** or a **participating company** on a **full-time** or **part-time** basis; and
- Classified as a regular bargaining unit or represented employee on the **Company's** or a **participating company's** records with at least six months of **net credited service**.

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 Life Insurance Plans. These exclusions apply even if you are later classified as a common law employee by a court or other entity.

Full disability or fully disabled: because of a sickness or an injury, you cannot do your job.

Health care company: any company authorized to provide services under a Company sponsored group medical plan.

Insurer: Metropolitan Life Insurance Company.

Loss of a foot: means that the foot is completely severed at or above the ankle joint.

Loss of a hand: means the hand is completely severed at or above the wrist joint.

Loss of hearing: means total and irrecoverable loss of hearing in both ears.

Loss of sight in one eye: means that the eye is entirely blind and that no sight can be restored in that eye.

Loss of speech: means total and irrecoverable loss of speech.

Loss of the thumb and index finger on the same hand: means that all of the phalanges of the thumb and index finger are severed.

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. Pension Plan or the Lucent Technologies Inc. Retirement Plan.

Open enrollment: the period of time each year designated by the Company in which you can generally make changes in your benefits for reasons other than a **qualifying event**. Elections made during annual open enrollment are effective on the first day of the following calendar year or when proof of insurability (if applicable) is approved by the insurer, whichever is later.

Participating company: one of the companies that participates in the Life Insurance Plans, 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. As of January 1, 2011, the participating companies are:

- Alcatel-Lucent Investment Management Corporation
- Alcatel-Lucent Managed Solutions LLC
- Alcatel-Lucent Management Services Inc.

- Alcatel-Lucent USA Inc.
- LGS Innovations International Inc.
- LGS Innovations LLC
- Alcatel-Lucent Caribbean, Inc.
- Lucent Technologies GRL LLC

Plans: the Alcatel-Lucent Group Life Insurance Plan for Active Employees, Alcatel-Lucent Supplementary Accidental Loss Insurance Plan, Alcatel-Lucent Group Term Life Insurance Plan, Alcatel-Lucent Dependent Group Life Insurance Plan, and Alcatel-Lucent Dependent Accidental Loss Insurance Plan.

Pre-tax: pre-tax premium payments are taken from your pay before federal and most state and local taxes are withheld.

Primary beneficiary(ies): the person(s), organization, estate or trust named to receive the death benefits if the covered employee dies.

Qualifying events: as permitted under federal regulations, qualifying events include the following:

Qualifying Event	Description
Marital or domestic partnership status	Marriage, death of your spouse or domestic partner , divorce, legal separation, commencement or termination of domestic partnership, or annulment.
Number of family members	Events that change the number of eligible family members, including birth, adoption, placement for adoption, or death.
Employment status	A change in your or your spouse's or domestic partner's employment status, due to beginning or ending employment, strike, lockout, taking or ending an unpaid leave of absence, or a change in worksite, or any other change in employment status that causes you, your spouse , or domestic partner to gain or lose eligibility for coverage under the Life Insurance Plans.
Family member meets or no longer meets the eligibility requirements	An event that causes a member of your family to meet or to no longer meet the eligibility requirements for coverage under the Plans. This may include an eligible dependent child reaching the maximum age for coverage.
Significant change in cost or coverage	A significant curtailment in your current option, a significant improvement in an option for which you are not enrolled, a significant increase or decrease in cost for one or more of the options available, or a new benefit option under the Life Insurance Plans.
A judgment, decree, or order resulting from a divorce, legal separation, annulment, or change in legal custody	With respect to supplementary accidental loss and dependent AD&D benefits, a judgment, decree, or order resulting from a divorce, legal separation, annulment, or change in legal custody that requires either you, your spouse , domestic partner , or other individual to provide accident coverage of, for the benefit of, an eligible dependent child .

The IRS states that you may change coverage during the year if you have a qualifying event. A coverage change must correspond with and be made within 31 days of the qualifying event. (See "Coverage That May Be Changed If You Have a Qualifying Event" in Section D. **When Coverage Begins, Making Coverage Changes, and When Coverage Ends.**)

Spouse: means the eligible employee's lawful spouse.

Total annual pay (TAP): is used to determine the amount of your basic life, basic AD&D, supplementary life, and supplementary AD&D insurance coverage. Generally, your total annual pay is your **annual rate of pay** plus any bonuses, incentives, and merit awards (if these amounts are considered a permanent part of your compensation for the normal work schedule) paid within the 12 months prior to the "determination date" (discussed below), and then rounded up to the next higher \$1,000. Total annual pay does *not* include differentials, overtime pay, extra payments, or allowances that are considered temporary. For purposes of coverage and premiums, total annual pay is calculated once a year (generally mid-year in preparation of the **open enrollment** period), as of a date determined by the Company (i.e., the "determination date") on a uniform and non-discriminatory basis, to be effective the following January 1 and to remain in effect for the duration of that calendar year. If you are a new employee, your **total annual pay** will be determined as of your first day of employment.

Section L. Important Contacts

Contact/Service Provided	Address/Telephone Number
<p><i>Alcatel-Lucent Benefits Center</i> <i>General Inquiries:</i> Handles recordkeeping with respect to coverage elections and benefit amounts. Contact to decrease or cancel coverage or obtain a Claim Initiation Form</p> <p>Alcatel-Lucent Benefits Center representatives are available Monday through Friday, from 9:00 a.m. to 5:00 p.m., Eastern Time (ET).</p>	<p>Alcatel-Lucent Benefits Center 2300 Discovery Drive P.O. Box 785029 Orlando, FL 32878-5029 1-888-232-4111</p>
<p><i>To File a Claim Regarding Eligibility to Participate in a Plan:</i></p>	<p>Alcatel-Lucent Benefits Review Team P.O. Box 1407 Lincolnshire, IL 60069-1407</p>
<p><i>To File an Appeal Regarding Eligibility to Participate in a Plan:</i></p>	<p>Alcatel-Lucent Employee Benefits Committee 600-700 Mountain Avenue Room 1B-435 Murray Hill, New Jersey 07974</p>
<p><i>Your Benefits Resources</i></p>	<p>http://resources.hewitt.com/alcatel-lucent</p>

Contact/Service Provided	Address/Telephone Number
<p>MetLife (the insurer): General Inquiries: Contact with questions about the Plans or benefits; to report a death or other covered loss; to request a Notice of Conversion, Assignment Form, Declaration of Domestic Partnership, or Beneficiary Form; or to submit a Power of Attorney/Divorce Decree.</p> <p>To Make a Claim or Appeal for Benefits Under a Plan: Contact the insurer (1-888-201-4612) for a claim form, which must be completed and sent to the address listed on the claim form.</p>	<p>Metlife Recordkeeping Center P.O. Box 14401 Lexington KY 40512-4401 1-888-201-4612</p> <p><u>Regular Mail:</u> MetLife Group Life Claims P.O. Box 6100 Scranton, PA 18505</p> <p><u>Overnight Mail:</u> MetLife Group Life Claims 123 Wyoming Ave Scranton, PA 18505</p>
<p>Plan Administrator Assists Employee Benefits Committee in the administration of the provisions of the Life Insurance Plans including granting and denial of claims for benefits</p>	<p>Alcatel-Lucent USA, Inc. 600 Mountain Avenue Room 1B-435 Murray Hill, NJ 07974</p>

Section M. Other Important Information

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

Your Rights Under ERISA

You are entitled to certain rights and protection under ERISA. These rights are described in this section.

ERISA provides that all Life Insurance Plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, all documents governing the Life Insurance Plans, including insurance contracts, collective bargaining agreements, and copies of the latest annual reports (Form 5500 Series) filed by the Life Insurance Plans with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Life Insurance Plans, including insurance contracts, collective bargaining agreements, copies of the latest annual reports (Form 5500 Series), and updated summary plan descriptions. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Life Insurance Plans' annual financial reports. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

In addition to establishing rights for Plan participants, ERISA imposes duties on the people responsible for the operation of the Life Insurance Plans. The people who operate the Life Insurance Plans, called "fiduciaries," have a duty to do so prudently and in the interest of all Life Insurance Plan participants and beneficiaries. No one, including the Company, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your ERISA rights.

If your claim for a welfare benefit is denied or ignored, in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Life Insurance Plan documents or the latest annual report from the Life Insurance Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, you may also file suit in federal court if you disagree with the Life Insurance Plan's decision or lack thereof concerning the qualified status of a domestic relations order.

If it should happen that Life Insurance Plan fiduciaries misuse the Life Insurance Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions

If you have any questions about the Life Insurance Plans, you should contact the Alcatel-Lucent Benefits Center, the insurer, or the Plan Administrator (see **Section L. Important Contacts**). If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or write to:

Division of Technical Assistance and Inquiries
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue NW
Washington, D.C. 20210

You may also obtain publications about your rights under ERISA by calling the Employee Benefits Security Administration at 1-866-444-3272 or logging on to the Internet at www.dol.gov.ebsa.

Plan Costs

The participating companies pay the costs associated with providing you with basic life insurance and basic AD&D insurance. You pay the full cost for any supplementary life insurance or supplementary accidental loss insurance, dependent life insurance, and/or dependent accidental loss insurance you elect. Any costs you pay for coverage go toward the total premium paid by the Company to the insurer.

Life Insurance Plan Documents

This summary plan description was designed to describe the key features of the Life Insurance Plans available to eligible employees in easy-to-understand terms. However, it is the Life Insurance Plan documents, including applicable insurance contracts and collective bargaining agreements that determine your rights and the rights of your dependents and/or beneficiaries under the Life Insurance Plans. In all instances, even if this summary plan description and the Life Insurance Plan documents are in conflict, the Life Insurance Plan documents will govern.

Life Insurance Plans May Be Amended or Terminated

The Company expects to continue the Life Insurance Plans, but reserves the right to amend or terminate the Life Insurance Plans, in whole or in part, at any time, subject to any applicable collective bargaining agreements, by the resolution of the Board of Directors or a properly authorized designee. In addition, the Company does not guarantee the continuation of any life insurance benefits during employment or at or during retirement nor does it guarantee any specific level of benefits or contributions.

Plan Administrator and the Claims Administrators

The Plan Administrator has the full discretionary authority and power to control and manage all aspects of the Life Insurance Plans, to determine eligibility for Life Insurance Plan benefits, to interpret and construe the terms and provisions of the Life Insurance Plans (subject to any collective bargaining agreements), to determine questions of fact and law, to direct disbursements, and to adopt rules for the administration of the Life Insurance Plans as they may deem appropriate in accordance with the terms of the Life Insurance Plans and all applicable laws.

The Plan Administrator may allocate or delegate its responsibilities for the administration of the Life Insurance Plans to others and employ others to carry out or render advice with respect to its responsibilities under each of the Life Insurance

Plans, including the discretionary authority to interpret and construe the terms of the Life Insurance Plans, to direct disbursements, and to determine eligibility for Life Insurance Plan benefits.

The Plan Administrator has delegated its responsibility to review claims relating to eligibility to participate in the Life Insurance Plans to the Eligibility Review Committee. The Plan Administrator has delegated its responsibility to review appeals of denied claims relating to eligibility to participate in the Life Insurance Plans to the Employee Benefit Committee. The Plan Administrator has delegated its responsibility to review all other claims and appeals relating to benefits under the Life Insurance Plans to the insurer. The Plan Administrator has delegated its other administrative responsibilities under the Life Insurance Parties as described in Section L. Important Contacts.

Administrative Information

Plan Name and Number	Alcatel-Lucent Group Life Insurance Plan for Active Employees (basic life and basic AD&D coverage)	533
	Alcatel-Lucent Supplementary Accidental Loss Insurance Plan (supplementary accidental loss coverage)	512
	Alcatel-Lucent Dependent Group Life Insurance Plan (dependent life coverage)	510
	Alcatel-Lucent Dependent Accidental Loss Insurance Plan (dependent accidental loss coverage)	511
	Alcatel-Lucent Group Term Life Insurance Plan (supplementary life coverage)	509
Plan Sponsor	Alcatel-Lucent USA Inc.	
Type of Administration	Generally, the Plans are underwritten and administered by the Metropolitan Life Insurance Company. However, enrollment and eligibility under the Life Insurance Plans are administered by the Alcatel-Lucent Benefits Center.	
Plan Administrator	Life Insurance Plan Administrator Alcatel-Lucent 600 Mountain Avenue Room 1B-435 Murray Hill, New Jersey 07974 1-908-582-7140	
Agent for Service of Legal Process	See Section L. Important Contacts for the proper agent if the legal action involves a claim or appeal. All other legal actions should be sent to the Plan Administrator.	
Plan Records and Plan Year	The Plans and all of their records are maintained on a calendar year basis, beginning on January 1 and ending on December 31 of each year.	
Type of Plan	The Plans are each considered an "employee welfare benefit plan" under ERISA.	
Employer Identification Number	22-3408857	

January 1, 2011

This information is intended for eligible active represented employees, and, where applicable, their eligible dependents, covered under the Alcatel-Lucent Group Life Insurance Plan for Active Employees, Alcatel-Lucent Group Term Life Insurance Plan, Alcatel-Lucent Supplementary Accidental Loss Insurance Plan, Alcatel-Lucent Dependent Group Life Insurance Plan, and Alcatel-Lucent Dependent Accidental Loss Insurance Plan. More detailed information is provided in the official Plan documents, which are controlling.