

December 11, 2008

Charlie Reichold
Avaya Inc.
Senior Manager - Labor Relations
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Charlie,

I wanted to pass along some information that has affected 249 represented retirees enrolled in HMOs and the payments of their retiree health care contributions.

SHPS, the enrollment administrator of our benefit plans, made changes with one of their systems. The December automatic deductions for Avaya's retirees were not collected correctly. Some participants had an incorrect checking/savings indicators and some participants were not set up at JPMorganChase. This did not affect the participant's eligibility for benefits.

SHPS will be taking the following actions for these participants in the next few days: For recurring ACH participants whose December payments were rejected due to any reason ***except non sufficient funds*** and for participants whose recurring payment information was not established at Chase at all, the target date for taking another deduction was **Wednesday, December 10**. For recurring ACH participants whose December payments were rejected due to non sufficient funds, the standard process will be followed to resolve. For any payments that reject from the December 10 deduction file, standard processes will be followed to resolve.

SHPS is in the process of correcting all recurring payment records prior to the next monthly billing cycle.

The Avaya Health and Benefits Decision Center has been provided with scripting to address the questions and concerns of callers affected by this issue.

Rhonda

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