

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information—enter all requested information
1a Name of plan <u>AVAYA INC. PENSION PLAN</u>	1b Three-digit plan number (PN) ▶ <u>002</u> 1c Effective date of plan <u>10/01/2000</u>
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) <u>AVAYA INC.</u> <u>4655 GREAT AMERICA PARKWAY</u> <u>SANTA CLARA, CA 95054-1233</u>	2b Employer Identification Number (EIN) <u>22-3713430</u> 2c Plan Sponsor's telephone number <u>908-953-6000</u> 2d Business code (see instructions) <u>517000</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/05/2015</u>	<u>DENA REGAN</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN	
		3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:		4b EIN	
a Sponsor's name		4c PN	
5 Total number of participants at the beginning of the plan year		5	7161
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).			
a(1) Total number of active participants at the beginning of the plan year		6a(1)	710
a(2) Total number of active participants at the end of the plan year		6a(2)	627
b Retired or separated participants receiving benefits		6b	3869
c Other retired or separated participants entitled to future benefits.....		6c	2323
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d	6819
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e	228
f Total. Add lines 6d and 6e		6f	7047
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply)		9b Plan benefit arrangement (check all that apply)	
(1)	☐	(1)	Insurance
(2)	☐	(2)	Code section 412(e)(3) insurance contracts
(3)	☒	(3)	Trust
(4)	☐	(4)	General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules		b General Schedules	
(1)	☒	(1)	☒
R (Retirement Plan Information)		H (Financial Information)	
(2)	☐	(2)	☐
MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary		I (Financial Information – Small Plan)	
(3)	☒	(3)	☐
SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		A (Insurance Information)	
		(4)	☒
		C (Service Provider Information)	
		(5)	☒
		D (DFE/Participating Plan Information)	
		(6)	☐
		G (Financial Transaction Schedules)	

Part III**Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2014 Form M-1 annual report. If the plan was not required to file the 2014 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ Round off amounts to nearest dollar.
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan AVAYA INC. PENSION PLAN	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF AVAYA INC.	D Employer Identification Number (EIN) 22-3713430

E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B **F** Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month 01 Day 01 Year 2014			
2 Assets:			
a Market value	2a	796742019	
b Actuarial value	2b	808433748	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	4009	777863625	777863625
b For terminated vested participants.....	2442	46285732	46285732
c For active participants.....	710	68695858	80624972
d Total.....	7161	892845215	904774329
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate	5	6.42%	
6 Target normal cost	6	8610986	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		09/24/2015
Signature of actuary		Date
LAWRENCE A. GOLDEN		14-04197
Type or print name of actuary		Most recent enrollment number
AON CONSULTING, INC		732-302-2142
Firm name		Telephone number (including area code)
400 ATRIUM DRIVE 5TH FLOOR SOUTH SOMERSET, NJ 08873-4162		
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

Part II Beginning of Year Carryover and Prefunding Balances		
	(a) Carryover balance	(b) Prefunding balance
7 Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8 Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9 Amount remaining (line 7 minus line 8)	0	0
10 Interest on line 9 using prior year's actual return of <u>2.38</u> %	0	0
11 Prior year's excess contributions to be added to prefunding balance:		
a Present value of excess contributions (line 38a from prior year)		18269003
b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.26</u> %		1143640
b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c Total available at beginning of current plan year to add to prefunding balance		19412643
d Portion of (c) to be added to prefunding balance		19412643
12 Other reductions in balances due to elections or deemed elections	0	0
13 Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	0	19412643

Part III Funding Percentages		
14 Funding target attainment percentage	14	87.20 %
15 Adjusted funding target attainment percentage	15	87.20 %
16 Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.14 %
17 If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/15/2014	4050000				
01/02/2015	7998000				
04/01/2015	13633000				
07/01/2015	7500000				
			Totals ►	18(b)	33181000
				18(c)	0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	30819764
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No		
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No		
c If line 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of quarter of this plan year		
(1) 1st	(2) 2nd	(3) 3rd
0	0	0
		(4) 4th
		0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 55
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....	31a	8610986	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment.....	115753224	27013877	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...	34	35624863	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	19411751	19411751
36 Additional cash requirement (line 34 minus line 35).....	36	16213112	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	30819764	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36)	38a	14606652	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	14606652	
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected	☒ 2 plus 7 years ☐ 15 years		
b Eligible plan year(s) for which the election in line 41a was made	☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011		
42 Amount of acceleration adjustment	42	0	
43 Excess installment acceleration amount to be carried over to future plan years	43	0	

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2014
		This Form is Open to Public Inspection.

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014		
A Name of plan AVAYA INC. PENSION PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 AVAYA INC.	D Employer Identification Number (EIN) 22-3713430	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PACIFIC GLOBAL ADVISORS

80-0717139

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 28 50	NONE	1398891	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

ING

04-3516284

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 15 50	NONE	509728	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

AON

22-2597551

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 50	NONE	77754	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BNY MELLON

13-5160382

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 19 21 25 50	NONE	184770	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

AVAYA INC

22-3713430

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
35 50	EMPLOYER	71197	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

EISNER AMPER

13-1639826

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	39470	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

WILSHIRE

95-2755361

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
17 50	NONE	12376	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>AVAYA INC. PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 <u>AVAYA INC.</u>	D Employer Identification Number (EIN) <u>22-3713430</u>	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)
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a Name of MTIA, CCT, PSA, or 103-12 IE: AVAYA INC. MASTER PENSION TRUST

b Name of sponsor of entity listed in (a): AVAYA INC.

c EIN-PN <u>36-7324179-101</u>	d Entity code <u>M</u>	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) <u>805877400</u>
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
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a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection
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For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>		
A Name of plan <u>AVAYA INC. PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AVAYA INC.</u>	D Employer Identification Number (EIN) <u>22-3713430</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	54279000	21631000
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)	125580	0
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)		
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)		
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)	743384270	805877400
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	797788850	827508400

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h	519620	475114
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	519620	475114

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	797269230	827033286
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	25681000	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		25681000
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		0
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		84387744
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		110068744

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	74712122	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		74712122
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	117224	
(2) Contract administrator fees.....	2i(2)	509728	
(3) Investment advisory and management fees.....	2i(3)	1365600	
(4) Other.....	2i(4)	3600014	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		5592566
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		80304688

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		29764056
l Transfers of assets:			
(1) To this plan.....	2l(1)		
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: EISNERAMPER LLP

(2) EIN: 13-1639826

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

- a** Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....
- b** Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?	X		20000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?.....		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
AVAYA INC. PENSION PLAN FOR SALARIED EMPLOYEES	22-3713430	001

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☒ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2014 This Form is Open to Public Inspection.
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For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

A Name of plan <u>AVAYA INC. PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>AVAYA INC.</u>	D Employer Identification Number (EIN) <u>22-3713430</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>04-3516284</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>108</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☒ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☒ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

- a** Enter the percentage of plan assets held as:

Stock: 8% Investment-Grade Debt: 24% High-Yield Debt: 4% Real Estate: 4% Other: 60%

- b** Provide the average duration of the combined investment-grade and high-yield debt:

☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☒ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

- c** What duration measure was used to calculate line 19(b)?

☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

The Avaya Inc. Pension Plan

Financial Statements

December 31, 2014 and 2013

The Avaya Inc. Pension Plan

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Note: Schedules required by 29 CFR 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended, have been omitted because they are not applicable.

INDEPENDENT AUDITORS' REPORT

To the Plan Administrator and Participants
The Avaya Inc. Pension Plan

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of The Avaya Inc. Pension Plan (the "Plan"), which comprise the statements of net assets available for benefits and statements of accumulated plan benefits as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits and of changes in accumulated plan benefits for the year ended December 31, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

As permitted by 29 CFR 2520.103-8 of the U.S. Department of Labor's ("DOL") Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 ("ERISA"), the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information discussed in Note 4, which was certified by The Bank of New York Mellon/BNY Mellon, N.A., the trustee of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The Plan administrator has obtained a certification from the trustee as of December 31, 2014 and 2013, for the year ended December 31, 2014 that the information provided to the Plan administrator by the trustee is complete and accurate.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.



Report on Form and Content in Compliance with DOL Rules and Regulations

The form and content of the information included in the financial statements other than that derived from the information certified by the trustee have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

EisnerAmper LLP

Iselin, New Jersey
October 2, 2015

EISNERAMPER
LLP

The Avaya Inc. Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2014 and 2013

<i>(dollars in thousands)</i>	2014	2013
Assets		
Investments, at fair value		
Plan interest in Avaya Inc. Master Pension Trust	\$ 805,877	\$ 743,384
Company contribution receivable	21,631	54,279
Mandatory Portability Agreement receivable	-	126
Total assets	<u>827,508</u>	<u>797,789</u>
Liabilities		
Accrued expenses	<u>475</u>	<u>519</u>
Total liabilities	<u>475</u>	<u>519</u>
Net assets available for benefits	<u><u>\$ 827,033</u></u>	<u><u>\$ 797,270</u></u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2014

(dollars in thousands)

Additions to net assets attributable to

Company contributions	\$ 25,681
Plan interest in Avaya Inc. Master Pension Trust net income	<u>84,388</u>
Total additions	<u>110,069</u>

Deductions from net assets attributable to

Benefits paid to participants	74,712
Investment and administrative expenses	<u>5,594</u>
Total deductions	<u>80,306</u>
Net increase	29,763

Net assets available for benefits

Beginning of year	<u>797,270</u>
End of year	<u>\$ 827,033</u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan
Statements of Accumulated Plan Benefits
December 31, 2014 and 2013

(dollars in thousands)

	2014	2013
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants currently receiving payments	\$ 703,853	\$ 679,214
Other participants	<u>81,382</u>	<u>82,688</u>
Sub-total	<u>785,235</u>	<u>761,902</u>
Nonvested benefits	<u>24,236</u>	<u>25,967</u>
Total actuarial present value of accumulated plan benefits	<u><u>\$ 809,471</u></u>	<u><u>\$ 787,869</u></u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan
Statement of Changes in Accumulated Plan Benefits
Year Ended December 31, 2014

(dollars in thousands)

Actuarial present value of accumulated plan benefits at December 31, 2013	\$ 787,869
Increase (decrease) during the year attributable to	
Change in actuarial assumptions	32,063
Benefits accumulated	2,897
Increase in interest due to decrease in the discount period	60,099
Benefits paid	(74,712)
Other	1,255
Net increase	<u>21,602</u>
Actuarial present value of accumulated plan benefits at December 31, 2014	<u><u>\$ 809,471</u></u>

The accompanying notes are an integral part of these financial statements.

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

1. Background and Plan Description

The Avaya Inc. Pension Plan ("APP" or the "Plan") is a defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended. The provisions below are more fully described in the Summary Plan Description distributed to all participants. Specific details are contained in the official Plan document, which may be obtained by participants or beneficiaries by writing to the Pension Plan Administrator.

The Plan is administered by the Pension Plan Administrator who is an employee of Avaya. The Pension Plan Administrator has overall responsibility for the operation and administration of the Plan. The Pension Plan Investment Committee, which is comprised of Avaya employees, determines the appropriateness of the Plan's investments, and monitors investment performance.

The APP covers union represented employees and certain nonrepresented hourly employees who have reached age 21 with one year of service (completion of 1,000 hours of service within one year). Normal retirement age is 65 with five years participation. Service pensions are provided to retired employees when one of the following minimum age and service requirements are met prior to termination of employment.

Age		Minimum Years of Service
65	and	10
55	and	20
50	and	25
Any age	and	30

Unless the employee has at least 30 years of service, is age 55 or older with at least 20 or more years of service, or is granted a pension for reasons of disability, the service pension amount is reduced by one-half percent (0.5%) for each full or partial month by which the employee's age when benefit payments start is less than age 55. If the employee has at least 30 years of service, is age 55 or older with at least 20 or more years of service, or is granted a pension because of disability, the service pension amount is not reduced for age.

An employee, who is not eligible for a service or disability pension when they terminate employment, is eligible for a deferred vested pension if they terminate employment after becoming vested. Vesting typically occurs upon the earlier of completing five years of vesting service, or reaching normal retirement age while a participant in the Plan on the active roll, or the date of termination of employment due to divestiture. A deferred vested pension begins at the later of age 65, or the date of termination of employment.

Employee monthly pension benefits under the Plan are calculated as a flat dollar amount per year of service. The flat dollar amount varies depending on the pension band assigned to the employee's job classification. The bands in effect for participants retiring on or after July 1, 2009 are as follows:

Pension Band Number	On or After 7/1/2009
103	37.84
104	39.28
105	40.77
106	42.24
107	43.75

The Avaya Inc. Pension Plan
Notes to Financial Statements
December 31, 2014 and 2013

Pension Band Number	On or After 7/1/2009
108	45.20
109	46.69
110	48.15
111	49.63
112	51.08
113	52.58
114	54.02
115	55.49
116	56.98
117	58.45
118	59.91
119	61.40
120	62.85
121	64.33
122	65.80
123	67.27
124	68.72
125	70.23
126	71.65
127	73.15
128	74.61
129	76.11
130	77.55
131	79.05
132	80.51
133	81.97
134	83.50
135	84.91

Transfers and the Mandatory Portability Agreement (“MPA”)

The MPA of 1984 is an agreement effective January 1, 1985 between AT&T Corp. (“AT&T”), and the interchange companies, which includes Avaya. The agreement provides for mutual recognition of service credit and transfers of benefit obligations and plan assets for certain employees who leave one interchange company and are later employed by another interchange company. In accordance with the MPA, assets may be transferred to and from the Plan on behalf of these participants. As of December 31, 2013, the Plan had a receivable for the amount of \$126,000 from another interchange company's plan in accordance with the MPA. No such transfers to or from the Plan were processed during 2014.

In addition to the above, when participants transfer from a position covered by The Avaya Inc. Pension Plan for Salaried Employees (“APPSE”) to one covered by the Plan, their benefits under the APPSE are transferred to the Plan, and their pension benefits are calculated under the terms of the Plan. No such transfers were processed during 2014.

Plan Amendment

Avaya entered into a two year extension of the previously extended 2009 collective bargaining agreement with the Communications Workers of America and the International Brotherhood of Electrical Workers on November 25, 2013 and January 31, 2014, respectively. Under the terms of the 2009 collective bargaining agreement, as extended, the pension bands for participants retiring

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

on or after July 1, 2009 remain unchanged for the duration of the extension, which ends on June 13, 2016.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Plan have been prepared on the accrual basis of accounting.

Funding Policy

The general funding policy of Avaya Inc. ("Avaya") is to contribute amounts in accordance with the Internal Revenue Code ("IRC") and minimum funding requirements under ERISA. Contributions to the Plan are determined by an actuarial cost method known as the Accrued Benefit (Unit Credit) Cost Method. The projected benefit for each future event is allocated to each of the participant's years of service. The normal cost is equal to the actuarial present value of the benefits allocated to the current year and the actuarial accrued liability is equal to the actuarial present value of the total benefits allocated to years prior to the current year. Actuarial accrued liability for inactive participants was determined as the actuarial present value for the benefits expected to be paid in the future. No normal costs are now payable with respect to these participants. The minimum required contribution and the maximum tax deductible contribution are then determined as the sum of the normal cost of all employees, plus amortization, if any, on the initial unfunded liability, change in liability due to the Plan amendments, assumption changes and experience gain or loss. Under the provisions of the Pension Protection Act, the minimum funding requirements have been increased, therefore Plan sponsors may be required to make larger contributions in the future if Plan obligations are less than 100% funded.

In compliance with the minimum funding requirements under ERISA, Avaya made contributions totaling \$25,681,000 for the Plan year ended December 31, 2014, of which \$21,631,000 was reflected as a receivable as of December 31, 2014.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service which employees have rendered through the valuation date.

Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable upon retirement, death, disability or withdrawal are included to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant assumptions used to determine the actuarial present values of accumulated plan benefits at December 31, 2014 and 2013 included: rates of separation, retirement and disability based on actual employee experience; life expectancy of participants based on the RP2014 Table with projection scale MP2014 for 2014 and the RP2000 Table with projection for 2013; and an interest rate of 8.00% for 2014 and 8.00% for 2013. Rates of retirement are assumed to begin at first eligibility, with 100% of participants retired by age 70.

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

During 2014, the primary cause of a \$32,063,000 increase in the actuarial present value of accumulated plan benefits was due to an increase in life expectancy assumptions as a result of replacing the RP2000 mortality table in favor of the more current RP2014 mortality table.

Other changes in the actuarial present value of accumulated plan benefits in the amount of \$1,255,000 are primarily due to a net loss resulting from actual experience differing from assumptions made.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other facts might be applicable in determining the actuarial present value of accumulated plan benefits.

Use of Estimates

The preparation of the Plan's financial statements in conformity with generally accepted accounting principles requires the plan administrator to make significant estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein, and when applicable, disclosures of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

Valuation of Investments and Net Income

The Plan's investment is an undivided interest in the Avaya Inc. Master Pension Trust (the "Master Trust") and its interest is stated at fair value (Note 5). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The fair value of the Plan's interest in the Master Trust is calculated by BNY Mellon, the Trustee. The net income of the Master Trust, which includes realized gains and losses, unrealized appreciation/depreciation, dividends and interest income from investments, net of expenses, is allocated to the Plan based upon average monthly balances invested by each participating plan. The Plan's interest in the Master Trust represents more than 5% of the Plan's net assets at December 31, 2014 and 2013.

Administration Costs

Administration costs incurred by Avaya, to the extent directly related to the Plan, are generally charged back to the Plan. These costs include recordkeeping, investment management, investment consulting, trustee fees, audit fees, and salaries and benefits of Avaya investment management employees associated with work related to the Plan. All other expenses are paid by Avaya.

Benefit Payments

Benefit payments are recorded when paid.

Recent Accounting Pronouncements

In May 2015 the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-07 ("ASU 2015-07"), *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*, an amendment to Fair Value Measurement Topic 820. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. For non-public business entities, ASU 2015-07 is effective for fiscal years beginning after December 15, 2016, and interim periods within those fiscal years. Early adoption is permitted. The Plan has not early adopted ASU 2015-07.

In July 2015 the FASB issued Accounting Standards Update No. 2015-12 ("ASU 2015-12"), *(Part I) Fully Benefit-Responsive Investment Contracts, (Part II) Plan Investment Disclosures, and (Part III) Measurement Date Practical Expedient*, amendments to Plan Accounting: Defined Benefit Pension

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965). ASU 2015-12 (i) designates contract value as the only required measure for fully benefit-responsive investment contracts, (ii) simplifies investment disclosure requirements, and (iii) allows an employee benefit plan with a fiscal year end that does not coincide with the end of a calendar month to measure its investments using the month end closest to its fiscal year end. The amendments are effective for fiscal years beginning after December 15, 2015. Earlier application is permitted. The Plan has not early adopted ASU 2015-12.

3. Risks and Uncertainties

The Master Trust invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the statements of net assets available for benefits. Users of these financial statements should be aware that the financial markets' volatility may significantly impact the subsequent valuation of the Master Trust's investments. Accordingly, the valuation of investments at December 31, 2014 may not necessarily be indicative of amounts that could be realized in a current market exchange.

Plan contributions and the actuarial present value of accumulated plan benefits are calculated based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimates and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

4. Information Certified by the Trustee

The Plan administrator has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, The Bank of New York Mellon/BNY Mellon N.A. (the "Trustee") of the Plan has certified the completeness and accuracy of all investments and related investment activity in the accompanying statements of net assets available for benefits as of December 31, 2014 and 2013, and the statement of changes in net assets available for benefits as of December 31, 2014.

5. Interest in Master Pension Trust

The Plan's investment assets are held in the Master Trust, which was established for the investment of assets of the Plan and The Avaya Inc. Pension Plan for Salaried Employees (collectively, the "participating plans"). The Master Trust records purchases and sales of investments on the trade date. Interest income and expenses are recorded on an accrual basis. Dividend income is recorded on the ex-dividend date. Net appreciation includes gains and losses on investments bought and sold as well as held during the year. The participating plans in the Master Trust have an undivided interest in Master Trust assets. Investments and the income and related administrative expenses therefrom are allocated to the participating plans based on each plan's participation in the investment options within the Master Trust. Accordingly, the Plan's investment gain for the year ended December 31, 2014 includes its allocable share of the Master Trust's interest and dividend income and net appreciation (depreciation) in the fair value of investments. The Plan's interest in the Master Trust was 34.4% and 34.0% as of December 31, 2014 and 2013, respectively.

The Avaya Inc. Pension Plan
Notes to Financial Statements
December 31, 2014 and 2013

A detail by general type of the assets in the Master Trust as of December 31, 2014 and 2013 at fair value is as follows:

<i>(dollars in thousands)</i>	2014	2013
Investments at fair value		
Cash and cash equivalents	\$ 2,245	\$ 627
U.S. Government securities	259,346	245,666
Corporate debt	398,163	351,987
Corporate stock	192,082	182,679
Partnerships/joint ventures	207,651	246,584
Common/collective trusts	782,907	706,828
103-12 investment entities	349,417	355,022
Registered investment companies	45,879	44,860
Pooled separate accounts	8,773	7,790
Other	104,152	42,828
Total Master Trust investments	2,350,615	2,184,871
Receivables (dividends, interest, securities sold)	10,235	79,300
Total Master Trust assets	2,360,850	2,264,171
Liabilities (dividends, interest, securities purchased)	16,339	79,383
Net assets in Master Trust	<u>\$ 2,344,511</u>	<u>\$ 2,184,788</u>

Investment income for the Master Trust for the year ended December 31, 2014 is as follows:

(dollars in thousands)

Investment income

Net appreciation (depreciation) in fair value of investments

Cash and cash equivalents	\$ (31)
U.S. Government securities	46,618
Corporate debt	24,591
Corporate stock	6,134
Partnerships/joint ventures	(1,854)
Common/collective trusts	77,847
103-12 investment entities	(5,707)
Pooled separate accounts	982
Registered investment entities	(1,905)
Other investments	
Derivative instruments	57,442
Other	4,891
Total Other investments	<u>62,333</u>
Total net appreciation in fair value of investments	<u>209,008</u>
Interest	30,757
Dividends	8,443
	<u>\$ 248,208</u>

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Derivative Financial Instruments

The Master Trust enters into derivative financial instruments in support of its investment strategy, principally to:

- limit or minimize exposure to certain risks,
- gain exposures to a market more rapidly or less expensively than could be accomplished through the use of the cash markets, and
- increase investment returns by reducing the cost of structuring the portfolio or by capturing value disparities between financial instruments.

The Master Trust primarily enters into swap, future and option type derivative instruments. The following is a summary of the significant accounting policies associated with the Master Trust's use of derivatives.

Futures

When entering into a futures contract, the Master Trust is required to pledge to the broker an amount of cash and/or liquid securities equal to the minimum "initial margin" requirements of the exchange. Pursuant to the futures contract, the Master Trust receives from or pays to the broker an amount of cash equal to the daily fluctuation in the value of the futures contract. Such receipts or payments are known as "variation margin" which is settled daily and is included in realized gains (losses).

Options

The Master Trust may buy or write put and call options through listed exchanges and in the over-the-counter market. Buying or writing an option, requires an amount equal to the premium paid or received by the Master Trust to be recorded as an asset or liability and is subsequently adjusted to the current market value of the option purchased or written. The premiums paid or received from buying or writing options are recorded as realized gains or losses upon the expiration of the options. The difference between the premium and the amount paid or received when closing a purchase or sale transaction is also treated as a realized gain or loss. If an option is exercised, the premium paid or received is recorded as a realized gain or loss if sold, or an adjustment to cost if acquired.

Swap Agreements

The Master Trust may enter into swap agreements, as part of its overall investment strategy, such as interest rate, credit default and total return swap agreements. A swap is an agreement to exchange the return generated by one instrument for the return generated by another instrument. Swaps are marked to market daily based upon quotations from counterparties and the change, if any, is recorded as unrealized appreciation or depreciation in the Statement of Changes in Net Assets Available for Benefits. Payments received or made during the swap contract and at the termination of the swap are recorded as realized gain or loss in the Statement of Changes in Net Assets Available for Benefits.

Interest rate swaps are agreements to exchange cash flows periodically based on a notional principal amount, for example, the exchange of fixed rate interest payments for floating rate interest payments. The primary risk associated with interest rate swaps is that unfavorable changes in fluctuation of interest rates could adversely impact the Master Trust.

Credit default swaps involve the exchange of a fixed rate premium for protection against the loss in value of an underlying debt instrument in the event of a defined credit event (such as payment default or bankruptcy). Under the terms of the swap, one party acts as a "guarantor" receiving a

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

periodic premium payment that is a fixed percentage applied to a notional amount of the underlying instrument. If a credit event occurs, the premium payment stops and the guarantor pays the counterparty the par value of the underlying instrument. The Master Trust may enter into credit default swaps in which either it or its counterparty act as guarantors. By acting as the guarantor of a swap, the Master Trust assumes the market and credit risk of the underlying instrument including liquidity and loss of value.

These derivative financial instruments involve, to varying degrees, elements of credit and market risk in excess of amounts recognized in the Statements of Net Assets Available for Benefits. The contract or notional amounts of these instruments, which are not included in the financial statements, are indicators of the Master Trust's activities in such financial instruments, but are not indicative of the associated risk which is generally a smaller percentage of the notional amount. Swaps agreements may involve, to varying degrees, elements of market, counterparty and credit risk and exposure to loss in excess of the related amounts reflected on the Statements of Net Assets Available for Benefits. If there is a default by the counterparty to a swap contract, the Master Trust will be limited to contractual remedies pursuant to the agreements related to the transactions.

The measurement of market risk is meaningful only when all related and offsetting transactions are taken into consideration. The Master Trust investment managers are responsible for monitoring the financial condition of the firms used for derivative financial instruments trading in order to minimize the risk of loss. Exposure limits are placed on firms relative to their credit worthiness. Credit risk is the possibility that a loss may occur from a counterparty's failure to perform according to the terms of the contract. Market risk arises due to market price, interest rate and foreign exchange rate fluctuations that may result in a decrease in the market value of the financial instrument and/or an increase in its funding costs. Exposure to market risk is managed through position limits and other controls and by entering into counterbalancing positions. Credit risk is controlled through credit approval, limits, and monitoring procedures.

The notional amount and fair value of derivative instruments held by the Master Trust at December 31, 2014 and 2013 are presented in the tables below:

(dollars in thousands) As of December 31	Asset Derivatives				Liability Derivatives			
	2014		2013		2014		2013	
	Notional Amount	Fair Value Amount	Notional Amount	Fair Value Amount	Notional Amount	Fair Value Amount	Notional Amount	Fair Value Amount
Derivatives not designated as hedging instruments under ASC 815								
Interest rate contracts	\$ 5,400	\$ 28,171	\$ 1,257,800	\$ 6,317	\$ (13,300)	\$ (2,516)	\$ (1,315,400)	\$ (36,935)
Equity contracts	-	-	-	-	(200)	-	(200)	-
Credit contracts	12,900	141	2,700	58	(16,300)	(1)	(2,700)	-
Futures contracts	1	574	-	-	(1)	(789)	-	-
Other contracts	-	11	-	486	-	-	-	(311)
Total derivatives not designated as hedging instruments under ASC 815	\$ 18,301	\$ 28,897	\$ 1,260,500	\$ 6,861	\$ (29,801)	\$ (3,306)	\$ (1,318,300)	\$ (37,246)

The Plan's allocable fair value of the Trust's derivative instruments is included in the Plan interest in Avaya Inc. Master Pension Trust line on the Statement of Net Assets Available for Benefits.

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

The effect of derivative instruments held by the Master Trust on investment income for the year ended December 31, 2014 is as follows:

<i>(dollars in thousands)</i>	
Derivatives not designated as hedging instruments under ASC 815	Amount of Gain (Loss) Recognized in Income
Interest rate contracts	\$ 57,253
Credit contracts	161
Futures contracts	17
Other contracts	11
	<u>\$ 57,442</u>

The Plan's allocable interest in the Trust's gain/(loss) recognized from derivatives instruments is included in the Plan interest in Avaya Inc. Master Pension Trust investment income line on the Statement of Changes in Net Assets Available for Benefits.

Commitments

At December 31, 2014 and 2013, the Master Trust was committed to provide approximately \$21 million and \$26 million, respectively, of additional capital to certain investments, primarily through limited partnerships.

6. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1), and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that are accessible at the measurement date.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices for the asset or liability that are observable; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used by the Trustee for the Master Trust investment assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

Cash equivalents: Includes commercial paper, certificates of deposit, and securities issued or guaranteed by the U.S. government or its agencies, which are valued at cost plus accrued interest.

U.S. Government Debt Securities: U.S. government bonds, including T-Bills and inflation linked bonds are generally valued using institutional bid evaluations from various contracted pricing vendors such as Interactive Data Corporation (primary vendor), Standard & Poor's, and Barclays Capital. Institutional bid evaluations are estimated prices that represent the price a dealer would pay for a security. Pricing inputs to the institutional bid evaluation vary by security, and include benchmark yields, reported trades, unadjusted broker/dealer quotes, issuer spreads, bids, offers or other observable market data. If pricing is not available through one of the contracted vendors, then pricing is obtained from another source such as Reuters.

Corporate Debt Instruments: Corporate bonds, including high yield corporate bonds, are generally valued using institutional bid evaluations from various contracted pricing vendors such as Interactive Data Corporation (primary vendor), Standard & Poor's, and Barclays Capital. Institutional bid evaluations are estimated prices that represent the price a dealer would pay for a security. Pricing inputs to the institutional bid evaluation vary by security, and include benchmark yields, reported trades, unadjusted broker/dealer quotes, issuer spreads, bids, offers or other observable market data. If pricing is not available through one of the contracted vendors, then pricing is obtained from another source such as Reuters.

Corporate Stock – common and preferred: Securities listed on exchanges (e.g. New York Stock Exchange) are valued using the composite close price. The composite close price is the last trade of the day and can come from any exchange on which the security trades. Generally, the last trade of the day comes from the primary exchange; therefore, the composite close and the primary close price are generally the same. If a security is not actively traded, then pricing may be obtained from another source such as Reuters.

Partnerships/joint venture interests: This category consists of limited partner interests in various limited partnerships (LPs) that own equity interests in both private equity funds and direct co-investments, including venture capital, leveraged buyouts, distressed opportunities and real estate, and an LP that invests in commodities. The fair value of the net assets of the LPs and of the capital accounts of each limited partner is determined by the General Partner (GP) of each partnership. The fair value of investments is the capital account value as determined by the GP. Marketable securities held by the LPs are valued based on the closing price on the valuation date on the exchange where they are principally traded and may be adjusted for legal restrictions, if any. Investments without a public market are valued based on assumptions made and valuation techniques used by the GP or the Investment Manager consisting of unobservable inputs. Such valuation techniques may include discounted cash flow analysis, analysis of recent comparable sales transactions, actual sale negotiations and bona fide purchase offers received from third parties. Investments in the LPs represent illiquid investments that typically have commitment periods during which investors are required to make capital contributions. Also, typically an investor cannot transfer their interest in a partnership or withdraw from the partnership without the consent of the GP.

Common/collective trusts, 103-12 investment entities, registered investment companies, pooled separate accounts, REITs and hedge funds: These investments consist of open-ended funds, unit investment trusts, insurance company separate accounts, and private placement real estate investment trusts (REITs) that invest in various asset classes, including U.S. equity, international equity, fixed income securities, real estate and hedge funds. These investments account for their portfolio of assets at fair value and calculate the net asset value per share (NAV) of the fund on either a daily or monthly basis. Some investments, primarily hedge funds and REITs, limit redemptions to monthly, quarterly or semi-annually to manage liquidity and protect the

The Avaya Inc. Pension Plan

Notes to Financial Statements

December 31, 2014 and 2013

interests of the fund and its shareholders. However, since trades (purchases and redemptions) are executed using the NAV as calculated on the trade date, the undiscounted NAV as reported by the fund is used as the fair value measurement.

Derivative instruments: Include futures, options and swap agreements. Futures and options are generally valued using the last trade price at which a specific contract/security was last traded on the primary exchange, which is provided by a contracted vendor. If pricing is not available from the contracted vendor, then pricing is obtained from other sources such as Bloomberg, broker bid, ask/offer quotes or the investment manager. Swaps and Swaptions are generally valued by one of several contracted pricing vendors who use inputs such as interdealer broker rates and benchmark yields to create a swap yield curve and determine price based on the terms of the swap. If pricing is not available through one of the contracted vendors, then pricing is obtained from another source such as the investment manager, who obtains the mark-to-market value from the counterparty (i.e. UBS, Deutsche Bank, Goldman Sachs and Citigroup) and applies this value to the current face of the trade to determine price.

Other: Includes primarily taxable municipal bonds and non-U.S. government bonds, which are valued by Barclays Capital, Standard & Poor's or IDSI based on reported trades, unadjusted broker/dealer quotes, issuer spreads, bids, offers or other observable market data.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Master Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Avaya Inc. Pension Plan
Notes to Financial Statements
December 31, 2014 and 2013

The following tables set forth by level, within the fair value hierarchy, the Master Trust's investments at fair value as of December 31, 2014 and 2013.

(dollars in thousands)

Investments at Fair Value as of December 31, 2014

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 797	\$ 1,448	\$ -	\$ 2,245
U.S. Government securities	91	259,255	-	259,346
Corporate debt instruments				
Investment grade	-	312,728	303	313,031
High-yield	-	85,131	1	85,132
Total corporate debt instruments	-	397,859	304	398,163
Corporate stock - common				
U.S. large/mid-cap	85,871	-	-	85,871
U.S. small cap	32,430	-	149	32,579
Non-U.S. EAFE	73,632	-	-	73,632
Total corporate stock - common	191,933	-	149	192,082
Partnership/joint venture interests				
Real estate	-	-	32,803	32,803
Private equity	-	51,339	73,692	125,031
Commodities	-	49,817	-	49,817
Total partnership/joint venture interests	-	101,156	106,495	207,651
Common/collective trusts				
U.S. equity	-	197,153	-	197,153
Investment grade debt	-	344,672	-	344,672
Emerging market debt	-	118,349	-	118,349
Real estate	-	-	27,849	27,849
Cash and cash equivalents	-	94,884	-	94,884
Total common/collective trusts	-	755,058	27,849	782,907
103-12 investment entities				
U.S. equity	-	30,812	-	30,812
Non-U.S. equity	-	147,716	-	147,716
Emerging market equity	-	91,638	-	91,638
Multi-strategy hedge funds	-	79,251	-	79,251
Total 103-12 investment entities	-	349,417	-	349,417
Registered investment company - High-yield	45,879	-	-	45,879
Pooled separate accounts	-	8,773	-	8,773
Other investments				
Multi-strategy hedge funds	-	43,819	9,312	53,131
Derivative instruments	(215)	25,806	-	25,591
Real estate	-	-	17,294	17,294
Other	-	8,136	-	8,136
Total other investments	(215)	77,761	26,606	104,152
Total investments at fair value	\$ 238,485	\$ 1,950,727	\$ 161,403	\$ 2,350,615

The Avaya Inc. Pension Plan
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(dollars in thousands)

Investments at Fair Value as of December 31, 2013

	Level 1	Level 2	Level 3	Total
Cash equivalents	\$ 627	\$ -	\$ -	\$ 627
U.S. Government securities	2,290	243,376	-	245,666
Corporate debt instruments				
Investment grade	-	268,859	324	269,183
High-yield	-	82,802	2	82,804
Total corporate debt instruments	-	351,661	326	351,987
Corporate stock - preferred	544	-	-	544
Corporate stock - common				
U.S. large/mid-cap	77,368	-	-	77,368
U.S. small cap	29,981	-	157	30,138
Non-U.S. EAFE	74,629	-	-	74,629
Total corporate stock - common	181,978	-	157	182,135
Partnership/joint venture interests				
Real estate	-	-	37,698	37,698
Private equity	-	48,524	100,841	149,365
Commodities	-	59,521	-	59,521
Total partnership/joint venture interests	-	108,045	138,539	246,584
Common/collective trusts				
U.S. equity	-	176,206	-	176,206
Investment grade debt	-	294,174	-	294,174
Emerging market debt	-	114,793	-	114,793
Real estate	-	-	24,959	24,959
Cash and cash equivalents	-	96,696	-	96,696
Total common/collective trusts	-	681,869	24,959	706,828
103-12 investment entities				
U.S. equity	-	29,312	-	29,312
Non-U.S. equity	-	155,892	-	155,892
Emerging market equity	-	93,140	-	93,140
Multi-strategy hedge funds	-	76,678	-	76,678
Total 103-12 investment entities	-	355,022	-	355,022
Registered investment company - High-yield	44,860	-	-	44,860
Pooled separate accounts	-	7,790	-	7,790
Other investments				
Multi-strategy hedge funds	-	42,468	11,323	53,791
Derivative instruments	70	(30,455)	-	(30,385)
Real estate	-	-	15,151	15,151
Other	-	4,271	-	4,271
Total other investments	70	16,284	26,474	42,828
Total investments at fair value	<u>\$ 230,369</u>	<u>\$ 1,764,047</u>	<u>\$ 190,455</u>	<u>\$ 2,184,871</u>

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The following sets forth a summary of changes in the fair value of the Master Trust's level 3 investments for the year ended December 31, 2014.

(dollars in thousands)

	Level 3 Assets						Total
	Corporate Debt Instruments	Corporate Stock - Preferred	Corporate Stock - Common	Partnership/ Joint Venture	Common/ Collective Trusts	Other	
Beginning balance 1/1/14	\$ 326	\$ -	\$ 157	\$ 138,539	\$ 24,959	\$ 26,474	\$ 190,455
Transfers into Level 3	-	-	-	-	-	-	-
Transfers out of Level 3	-	-	-	-	-	-	-
Realized gains/(losses)	(1)	-	5	(9,851)	12	479	(9,356)
Unrealized gains/(losses) relating to investments still held at the end of the period	(348)	-	(8)	15,938	3,133	2,269	20,984
Purchases	374	-	-	5,897	-	621	6,892
Sales	(47)	-	(5)	(44,028)	(255)	(3,237)	(47,572)
Ending balance 12/31/14	\$ 304	\$ -	\$ 149	\$ 106,495	\$ 27,849	\$ 26,606	\$ 161,403

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

During the year ended December 31, 2014, no securities were transferred into or out of Level 3.

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The quantitative unobservable inputs used by partnerships, common/collective trusts, commingled funds and 103-12 investment entities are not developed by the Plan, and the Plan uses the unadjusted NAV reported by these entities as the fair value, therefore, the Plan is exempt from providing the quantitative disclosure for its investment in these entities.

For the Plan's Level 3 corporate debt and corporate stock-preferred instruments, the valuation techniques used to measure fair value as of December 31, 2014 are presented in the table below:

Instrument	Fair Value (\$ in thousands)	Valuation Technique	Unobservable Input	Range (Weighted Average)
Corporate debt	\$ 303	Broker quote adjusted based on change in value of like-duration Treasury note.	Lack of transparency to initial broker quote.	N/A
Corporate debt	\$ 1	Investment manager evaluation of similar companies discounted for illiquidity.	Enterprise value/revenue, EBITDA multiple, discount applied.	N/A
Common stock	\$ 149	Private transaction sector multiple applied to adjusted EBITDA estimate.	Adjusted EBITDA estimate and private transaction sector multiple.	N/A

For investment funds and partnership interests whose fair value is based on the net asset value of the investment (or its equivalent), as provided by the general partner (or equivalent), the Sponsor's investment team and investment advisor monitor their performance and may challenge a valuation

The Avaya Inc. Pension Plan

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if it appears to be unreasonable. The investment team also reviews the audited financial statements of the funds or partnerships to confirm that they are valuing the fair value of their net assets as prescribed by Financial Accounting Standards Board Accounting Standard Codification 820. The attributes of these investments, such as the investment strategies of the investee, and any unfunded commitments and any restrictions on the Plan's ability to redeem its investments at December 31, 2014, are presented below:

(dollars in thousands)

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Cash equivalent investment funds ^[a]	\$ 94,884	\$ -	daily	1 day
U.S. equity investment funds ^[b]	227,965	-	daily, monthly	3 - 15 days
Non-U.S. equity investment funds ^[c]	239,354	-	daily, monthly	3 - 120 days
Debt investment funds ^[d]	463,021	-	monthly	7 days
Real estate investment funds ^[e]	45,143	-	quarterly	45 - 90 days
Real estate partnerships/joint ventures ^[f]	32,803	4,989		
Private equity partnerships ^[g]	125,031	15,949		
Commodities partnerships ^[h]	49,817		monthly	5 days
Pooled separate accounts ^[i]	8,773	-	quarterly monthly, quarterly, semi-annually and annually	3 months
Multi-strategy hedge funds ^[j]	132,382	-		5 - 120 days
Total	<u>\$ 1,419,173</u>	<u>\$ 20,938</u>		

- This category consists of commingled funds which invest in short-term securities including: U.S. commercial paper and securities issued or guaranteed by the U.S. government or its agencies.
- This category includes investments in commingled funds that invest in the stocks of U.S. companies ranging in size from small to large market capitalization.
- This category includes investments in commingled funds that invest in the stocks of companies ranging in size from small to large market capitalization in both developed and emerging markets outside the U.S.
- This category includes investments in commingled funds that invest in a diversified portfolio of investment grade corporate debt securities and emerging markets debt securities.
- This category includes investments in commingled trust funds, which invest in a diversified portfolio of real estate throughout the world, and an investment in shares of a private placement REIT fund that invests in U.S. office, multifamily lodging, warehouse, and retail real estate.
- This category includes investments in real estate limited partnerships that invest primarily in U.S. office, lodging, retail and residential real estate. The fair value of the limited partnerships has been estimated using the Trust's capital account value as determined by the GP. Distributions from each partnership will be received as the underlying investments of the partnerships are liquidated. The initial closing date for one investment, valued at \$2.0 million, was October 20, 2010. This limited partnership has an eight year term from the initial closing date, with up to two 1-year extensions. The final closing date for a second investment, valued at \$1.2 million was June 4, 2010. The term of this limited partnership is seven years from its final closing date and may be extended up to a maximum of two consecutive 1-year periods. The initial closing date for a third investment, valued at \$1.0 million, was May 28, 2010. The term of this limited partnership is eight years from its initial closing date with up to two 1-year

The Avaya Inc. Pension Plan

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extensions. The final closing date for a fourth investment, valued at \$2.6 million was July 18, 2013. The term of this limited partnership is 10 years from its final closing date and may be extended up to two 1-year periods. The initial closing date for a fifth investment, valued at \$0.8 million, was March 30, 2011. The term of this limited partnership is eight years from its initial closing date with up to two 1-year extensions. The initial offering period for a sixth investment, valued at \$4.6 million, ended on July 31, 2013. For this investment, an LP may not request redemption of their LP interest attributable to any capital contribution prior to the quarter ending two years after the date the capital contribution was made. The duration of the partnership is perpetual and the GP may dissolve the partnership at any time in its discretion. The closing date for a seventh investment, valued at \$1.2M, was December 16, 2013. There is a three-year redemption lock-up period from the later of the closing date or the date the investor funded the entire amount of its capital commitment. An eighth investment, valued at \$7.7 million, is an open-ended commingled fund structured as a limited partnership. Investors may make partial or full redemptions on a quarterly basis with 60 days written notice subject to the liquidity of the fund and the consent of the GP. The remaining partnerships in this category are currently in the process of liquidating their assets. It is unknown when the investments will be fully liquidated, but it is anticipated that the liquidation process will take several years.

- g. This category includes several private equity limited partnerships that invest primarily in U.S. and non-U.S. investments either directly or through other partnerships or funds with a focus on venture capital, buyouts, expansion capital, or companies undergoing financial distress or significant restructuring. The fair values of the investments in this category have been estimated using the Trust's capital account value as determined by the GP. Distributions from each partnership will be received as the underlying investments of the partnerships are liquidated. Since some partnerships are not yet in the liquidation phase, a reliable estimate cannot be provided as to when full liquidation of all existing partnerships is expected to be completed.
- h. This category consists of a limited partnership interest in a company that invests in a long-only, unleveraged portfolio of exchange traded, U.S. dollar-denominated futures and forward contracts in tangible commodities. The Trust's capital account value is determined at the end of each month and is equal to its pro rata share of the NAV of the company. Redemptions can be made at any time upon receipt of five business days' notice.
- i. This category consists of an investment in the Prudential Property Investment Separate Account ("PRISA"). PRISA accounts for its portfolio of assets at fair value and calculates the NAV per unit on a quarterly basis. The fair value of the Plan's investment in the trust is calculated by multiplying the unit NAV by the number of units held.
- j. This category includes hedge fund of funds that pursue multiple strategies to diversify risks and reduce volatility. The fair values of the investments in this category have been estimated using the net asset value per share of the investments. For one investment valued at \$2.3 million, the Trust initiated a full redemption effective March 30, 2009. As of December 31, 2014, the Trust's remaining investment in the fund is comprised solely of its interest in an illiquid side pocket series and a reserve. The GP cannot confirm when the holding will be fully liquidated. For another investment valued at \$1.2 million, the hedge fund manager initiated a compulsory redemption effective March 28, 2008. The Trust has been receiving distributions from the fund, but the fund manager cannot provide an estimate as to when the fund will be fully liquidated. Two other investments, with a combined value of \$5.8 million, are in the process of being liquidated, and the managers cannot confirm when the holdings will be fully liquidated.

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7. Termination Priorities

Although it has not expressed any intention to do so, Avaya has the right under the Plan to terminate the Plan subject to the provisions set forth under ERISA. In the event the Plan terminates:

- a. the Plan provides that the net assets available for benefits shall be allocated among the participants and beneficiaries of the Plan in the order provided for in ERISA,
- b. to the extent unfunded vested benefits then exist, ERISA provides that such benefits are payable by the Pension Benefit Guaranty Corporation ("PBGC") to participants, up to specified limitations, as described in ERISA, and
- c. to the extent that the net assets available for benefits exceed the amounts to be allocated pursuant to the priorities provided for in ERISA, such amounts will be allocated among participants pursuant to the priorities set forth in the Plan.

Whether all participants receive their full benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

8. Related Party and Party-In-Interest Transactions

Transactions with the Trustee, The Bank of New York/BNY Mellon N.A., qualify as party-in-interest transactions. For the year ended December 31, 2014, trustee expenses incurred by the Master Trust and allocated to the Plan amounted to \$184,770.

Transactions with Avaya Inc., qualify as party-in-interest transactions. The Master Trust reimburses Avaya Inc. for salaries and expenses of certain Avaya employees who perform investment management services on behalf of the Master Trust. For the year ended December 31, 2014, the amount of these expenses reimbursed by the Master Trust and allocated to the Plan amounted to \$71,197.

Transactions with the investment advisor, Pacific Global Advisors ("PGA"), qualify as party-in-interest transactions. PGA provides consulting services and manages the interest rate risk hedging strategy for the Master Trust. For the year ended December 31, 2014, the expenses for those services incurred by the Master Trust and allocated to the Plan amounted to \$1,398,891.

9. Funded Status

The Pension Protection Act (the "Act") included many provisions and numerous revisions to rules surrounding defined benefit plans including rules that govern Plan funding. The Act established minimum funding standards for defined benefit plans and limits benefit increases and accruals for underfunded plans. Pursuant to the Act, each year actuaries are required to certify to a plan's funded percentage. The Plan received such certification for the 2014 plan year for the Adjusted Funding Target Attainment Percentage ("AFTAP"), which is one way of measuring the funded status of a plan using actuarial assumptions mandated by the IRS. The actuary determined that the 2014 AFTAP for the Plan is 87.20%.

10. Tax Status

The Plan, as established, is designed in accordance with the Internal Revenue Code ("IRC") section 401(a). On October 25, 2012, the IRS issued its latest favorable determination letter

The Avaya Inc. Pension Plan

Notes to Financial Statements

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indicating that the Plan, as then designed, was in compliance with the requirements of IRC section 401(a) and is exempt from federal income tax. The Plan's administrator and legal counsel believe that the Plan is designed and is currently operating in compliance with applicable requirements of the IRC and that; therefore, no provision for income taxes has been included in the Plan's financial statements.

The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

11. Subsequent Events

Effective January 1, 2015, Russell Trust Company ("RTC") replaced PGA as the investment advisor for the assets in the Master Trust. In addition, RTC will also provide discretionary investment management services and manage a derivatives overlay.

Subsequent events have been evaluated as of October 2, 2015, the date the financial statements were available to be issued.

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2014**This Form is Open to Public
Inspection**

For calendar plan year 2014 or fiscal plan year beginning 01/01/2014 and ending 12/31/2014

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Avaya Inc. Pension Plan	B Three-digit plan number (PN) ▶ 002
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Avaya Inc. Pension Plan	D Employer Identification Number (EIN) 22-3713430
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2014</u>			
2 Assets:			
a Market value	2a	796,742,019	
b Actuarial value	2b	808,433,748	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	4,009	777,863,625	777,863,625
b For terminated vested participants.....	2,442	46,285,732	46,285,732
c For active participants.....	710	68,695,858	80,624,972
d Total.....	7,161	892,845,215	904,774,329
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... ☐			
a Funding target disregarding prescribed at-risk assumptions	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5 Effective interest rate	5	6.42%	
6 Target normal cost	6	8,610,986	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Lawrence A. Golden L.A.G.</u>	<u>09/24/2015</u>
	Signature of actuary	Date
<u>LAWRENCE A. GOLDEN</u>	Type or print name of actuary	<u>14-04197</u>
		Most recent enrollment number
<u>AON CONSULTING, INC</u>	Firm name	<u>(732) 302-2142</u>
		Telephone number (including area code)
<u>400 ATRIUM DRIVE</u>		
<u>5TH FLOOR SOUTH</u>		
<u>SOMERSET</u>	<u>NJ 08873-4162</u>	
	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2014
v. 140124

Part II		Beginning of Year Carryover and Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	0
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	0
9	Amount remaining (line 7 minus line 8)	0	0
10	Interest on line 9 using prior year's actual return of <u>2.38%</u>	0	0
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		18269003
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>6.20%</u>		1143640
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
c	Total available at beginning of current plan year to add to prefunding balance		19412643
d	Portion of (c) to be added to prefunding balance		19412643
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	19412643

Part III		Funding Percentages	
14	Funding target attainment percentage	14	87.20 %
15	Adjusted funding target attainment percentage	15	87.20 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	80.14 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV		Contributions and Liquidity Shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
10/15/2014	4,050,000				
01/02/2015	7,998,000				
04/01/2015	13,633,000				
07/01/2015	7,500,000				
Totals ▶			18(b)	33,181,000	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:	
a Contributions allocated toward unpaid minimum required contributions from prior years.	19a 0
b Contributions made to avoid restrictions adjusted to valuation date	19b 0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c 30,819,764
20 Quarterly contributions and liquidity shortfalls:	
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No
b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No
c If line 20a is "Yes," see instructions and complete the following table as applicable:	
Liquidity shortfall as of end of quarter of this plan year	
(1) 1st	(2) 2nd
0	0
(3) 3rd	(4) 4th
0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:			
a Segment rates:	1st segment: 4.99 %	2nd segment: 6.32 %	3rd segment: 6.99 %
			☐ N/A, full yield curve used
b Applicable month (enter code).....			21b 4
22 Weighted average retirement age.....			22 55
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute			

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....		☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....		☐ Yes ☒ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....		☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....		27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years.....	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6).....		31a	8,610,986
b Excess assets, if applicable, but not greater than line 31a.....		31b	0
32 Amortization installments:		Outstanding Balance	Installment
a Net shortfall amortization installment.....		115,753,224	27,013,877
b Waiver amortization installment.....		0	0
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount.....		33	
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...		34	35,624,863
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	19,411,751	19,411,751
36 Additional cash requirement (line 34 minus line 35).....	36		16,213,112
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37		30,819,764
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36).....		38a	14,606,652
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances.....		38b	14,606,652
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39		0
40 Unpaid minimum required contributions for all years.....	40		0

Part IX Pension Funding Relief Under Pension Relief Act of 2010 (See Instructions)

41 If an election was made to use PRA 2010 funding relief for this plan:			
a Schedule elected.....		☒ 2 plus 7 years	☐ 15 years
b Eligible plan year(s) for which the election in line 41a was made.....		☐ 2008 ☐ 2009 ☒ 2010 ☒ 2011	
42 Amount of acceleration adjustment.....	42		0
43 Excess installment acceleration amount to be carried over to future plan years.....	43		0

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

EIN: 22-3713430 PN: 002

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2014

Date	Amount	Days to Discount to 1/1/2014 at 6.42%	Interest Adjusted Contribution
October 15, 2014	\$ 4,050,000	287	\$ 3,856,618
January 2, 2015	7,998,000	366	7,514,224
April 1, 2015	13,633,000	455	12,615,513
July 1, 2015	<u>7,500,000</u>	546	<u>6,833,409</u>
Total Contribution	\$ 33,181,000		\$ 30,819,764

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

Retirement Rates : Males			(d)
(a)	(b)	(c)	Product
Age	Rate	Weight	(a) × (b) × (c)
45.5	6.56%	1.0000	2.98
46.5	6.56%	0.9344	2.85
47.5	5.63%	0.8731	2.33
48.5	4.69%	0.8239	1.87
49.5	4.69%	0.7853	1.82
50.5	4.69%	0.7485	1.77
51.5	5.63%	0.7134	2.07
52.5	5.63%	0.6732	1.99
53.5	7.50%	0.6353	2.55
54.5	9.38%	0.5877	3.00
55.5	11.25%	0.5325	3.33
56.5	14.06%	0.4726	3.75
57.5	15.94%	0.4062	3.72
58.5	18.75%	0.3414	3.75
59.5	21.56%	0.2774	3.56
60.5	18.98%	0.2176	2.50
61.5	23.91%	0.1763	2.59
62.5	30.23%	0.1341	2.53
63.5	28.13%	0.0936	1.67
64.5	30.94%	0.0673	1.34
65.5	38.67%	0.0465	1.18
66.5	26.72%	0.0285	0.51
67.5	23.20%	0.0209	0.33
68.5	23.20%	0.0160	0.25
69.5	33.75%	0.0123	0.29
70	100.00%	0.0082	0.57
Weighted Average			55.10

Retirement Rates : Females			(d)
(a)	(b)	(c)	Product
Age	Rate	Weight	(a) × (b) × (c)
45.5	13.13%	1.0000	5.97
46.5	11.25%	0.8687	4.54
47.5	10.31%	0.7710	3.78
48.5	9.38%	0.6915	3.15
49.5	8.44%	0.6266	2.62
50.5	8.44%	0.5737	2.45
51.5	8.44%	0.5253	2.28
52.5	8.44%	0.4810	2.13
53.5	8.44%	0.4404	1.99
54.5	9.38%	0.4032	2.06
55.5	10.31%	0.3654	2.09
56.5	11.25%	0.3277	2.08
57.5	12.19%	0.2909	2.04
58.5	15.00%	0.2554	2.24
59.5	16.88%	0.2171	2.18
60.5	14.77%	0.1804	1.61
61.5	19.69%	0.1538	1.86
62.5	25.31%	0.1235	1.95
63.5	25.31%	0.0922	1.48
64.5	27.42%	0.0689	1.22
65.5	30.23%	0.0500	0.99
66.5	26.72%	0.0349	0.62
67.5	24.61%	0.0256	0.42
68.5	24.61%	0.0193	0.32
69.5	35.16%	0.0145	0.36
70	100.00%	0.0094	0.66
Weighted Average			53.09

Weighted Average Retirement		Average Age	Counts
Male		55.10	519
Female		53.09	191
Weighted Average Retirement		55	710

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

EIN: 22-3713430 PN: 002

Schedule SB, Part V—Statement of Actuarial Assumptions/Methods

For ERISA Requirements

Interest Rates for Minimum Funding Purposes

Based on segment rates with a four-month lookback (as of September 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21/HATFA

1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%

Interest Rates for Maximum Tax Purposes

Based on segment rates with a four-month lookback (as of September 2013), without regard to the MAP-21/HATFA interest rate corridor

1st Segment Rate	1.37%
2nd Segment Rate	4.05%
3rd Segment Rate	5.06%

Optional Payment Form Election Percentage

For terminations before retirement, 90% of participants are assumed to elect lump sums.

For retirement-eligible terminations, the lump sum election assumptions are as follows: 5% at age 58 and below, 10% at age 59, 20% at age 60, 30% at age 61, 50% at age 62, and 90% at age 63 and over.

For those taking an annuity, 55% of males (and 10% of females) are assumed to elect a 50% joint and survivor benefit with the remainder electing a life annuity.

Optional Payment Form Conversion Interest Rate

Same as funding interest rates above for lump sums

Optional Payment Form Conversion Mortality

Current IRC section 417(e) table for lump sums

Retirement Age

Active Participants	See Table 1
Terminated Vested Participants	Age 62

Mortality Rates

Healthy and Disabled	2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)
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Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

EIN: 22-3713430 PN: 002

Withdrawal Rates	See Table 2
Disability Rates	See Table 3
Decrement Timing	Middle of year decrements, with 100% retirement occurring at beginning of year
Surviving Spouse Age	It is assumed that males are three years older than their spouses.
Qualified Beneficiaries	See Table 4
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$210,000.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value. A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).
Expected Return on Assets	
2012 Plan Year	8.50%, limited to 7.52%
2013 Plan Year	8.00%, limited to 6.76%
Trust Expenses Included in Target Normal Cost	\$ 5,511,101
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2014

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

Table 1

Annual Rates of Retirement on Service Pension

Age x	Rates of Retirement During Year of Age x to x + 1	
	Male	Female
45	0.0656	0.1313
46	0.0656	0.1125
47	0.0563	0.1031
48	0.0469	0.0938
49	0.0469	0.0844
50	0.0469	0.0844
51	0.0563	0.0844
52	0.0563	0.0844
53	0.0750	0.0844
54	0.0938	0.0938
55	0.1125	0.1031
56	0.1406	0.1125
57	0.1594	0.1219
58	0.1875	0.1500
59	0.2156	0.1688
60	0.1898	0.1477
61	0.2391	0.1969
62	0.3023	0.2531
63	0.2813	0.2531
64	0.3094	0.2742
65	0.3867	0.3023
66	0.2672	0.2672
67	0.2320	0.2461
68	0.2320	0.2461
69	0.3375	0.3516
70	1.0000	1.0000

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

EIN: 22-3713430 PN: 002

Table 2

Annual Rates of Employee Separation From Service Before Eligibility for Service Retirement

Service in Years t	Rates of Separation During Year t to t + 1	
	Male	Female
0	0.1100	0.1000
1	0.0900	0.1000
2	0.0800	0.1000
3	0.0700	0.1000
4	0.0600	0.1050
5	0.0550	0.1050
6	0.0550	0.1100
7	0.0550	0.1100
8	0.0550	0.1150
9	0.0550	0.1150
10	0.0550	0.1150
11	0.0550	0.1150
12	0.0550	0.1150
13	0.0550	0.1150
14	0.0550	0.1100
15	0.0550	0.1050
16	0.0550	0.1000
17	0.0500	0.0950
18	0.0500	0.0850
19	0.0450	0.0800
20	0.0400	0.0700
21	0.0350	0.0650
22	0.0300	0.0550
23	0.0250	0.0500
24	0.0200	0.0450
25	0.0150	0.0400
26	0.0150	0.0350
27	0.0100	0.0350
28	0.0100	0.0350
29	0.0100	0.0350

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

Table 3

Annual Rates of Retirement on Disability Pension

Age x	Rates of Retirement During Year of Age x to x + 1	
	Male	Female
29	0.0000	0.0001
30	0.0001	0.0003
31	0.0001	0.0005
32	0.0002	0.0006
33	0.0002	0.0007
34	0.0003	0.0010
35	0.0003	0.0013
36	0.0004	0.0015
37	0.0005	0.0017
38	0.0006	0.0019
39	0.0008	0.0022
40	0.0009	0.0024
41	0.0010	0.0026
42	0.0011	0.0027
43	0.0012	0.0029
44	0.0013	0.0031
45	0.0015	0.0033
46	0.0018	0.0035
47	0.0021	0.0038
48	0.0024	0.0042
49	0.0028	0.0046
50	0.0032	0.0050
51	0.0037	0.0055
52	0.0043	0.0061
53	0.0050	0.0067
54	0.0057	0.0072
55	0.0061	0.0077
56	0.0064	0.0081
57	0.0070	0.0085
58	0.0081	0.0093
59	0.0099	0.0107
60	0.0125	0.0126
61	0.0161	0.0150
62	0.0210	0.0180
63	0.0271	0.0217
64	0.0346	0.0260

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

Table 4

Percentage of Active and Retired Employees Dying Who Have Qualified Beneficiaries

Att. Age at Start of Year of Death	% Qualified Beneficiary		Att. Age at Start of Year of Death	% Qualified Beneficiary		Att. Age at Start of Year of Death	% Qualified Beneficiary	
	Male	Female		Male	Female		Male	Female
15	40%	2%	49	89%	63%	83	66%	16%
16	40%	2%	50	90%	63%	84	64%	15%
17	40%	2%	51	89%	63%	85	62%	14%
18	40%	11%	52	88%	63%	86	60%	13%
19	40%	19%	53	87%	63%	87	58%	12%
20	40%	26%	54	86%	63%	88	56%	11%
21	40%	32%	55	85%	60%	89	54%	10%
22	40%	37%	56	85%	57%	90	52%	9%
23	40%	41%	57	85%	54%	91	50%	8%
24	40%	44%	58	85%	51%	92	48%	7%
25	40%	46%	59	85%	48%	93	46%	6%
26	40%	48%	60	85%	45%	94	44%	5%
27	40%	50%	61	84%	42%	95	42%	4%
28	40%	52%	62	83%	40%	96	40%	3%
29	40%	54%	63	82%	38%	97	38%	2%
30	40%	56%	64	81%	36%	98	36%	1%
31	40%	58%	65	80%	36%	99	34%	0%
32	43%	60%	66	79%	36%	100	32%	0%
33	47%	61%	67	79%	36%	101	30%	0%
34	51%	62%	68	79%	36%	102	28%	0%
35	56%	63%	69	78%	36%	103	26%	0%
36	61%	64%	70	78%	36%	104	24%	0%
37	66%	65%	71	78%	36%	105	22%	0%
38	71%	66%	72	77%	31%	106	20%	0%
39	75%	67%	73	77%	27%	107	18%	0%
40	78%	67%	74	77%	24%	108	16%	0%
41	79%	67%	75	76%	22%	109	14%	0%
42	81%	67%	76	75%	20%	110	12%	0%
43	83%	66%	77	74%	19%			
44	84%	65%	78	73%	18%			
45	85%	64%	79	72%	18%			
46	86%	63%	80	71%	17%			
47	87%	63%	81	70%	17%			
48	88%	63%	82	68%	16%			

Sources: Combined Avaya, Lucent and AT&T experience 1985 – 1987

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

EIN: 22-3713430 PN: 002

Schedule SB, Part V—Summary of Plan Provisions

History

Effective October 1, 2000, Avaya Inc. spun-off from Lucent Technologies Inc. As required under the Employee Benefits Agreement, Avaya has adopted the Avaya Inc. Pension Plan (APP), which mirrors the Lucent Technologies Inc. Pension Plan (LTPP). Assets and liabilities were transferred from the LTPP for Avaya employees as of September 30, 2000. All inactive participants as of September 30, 2000 were assigned to Lucent.

The provisions below are applicable to the APP as of January 1, 2014.

Summary of Plan

The Avaya Inc. Pension Plan is a noncontributory defined benefit plan. Most domestic “Bargained-For” employees and other occupational employees in equivalent job titles and classifications who have reached age 21 and completed one year of service participate in the plan.

The normal retirement age (“NRA”) is the later of (a) age 65 or (b) the earliest to occur of (i) the fourth or fifth anniversary of plan participation while an active participant or (ii) completion of five years of vesting service. A pension is provided to an employee at retirement when one of the following conditions is met:

		Minimum
Age		Years of Service
65	and	10
55	and	20
50	and	25
Any Age	and	30

Unless otherwise selected by a married employee, the normal form of the service pension is a reduced amount with 50% of such reduced amount payable to a surviving spouse. If the spouse predeceases the employee, the pension is increased by the amount of the original reduction made to provide the survivor annuity. An actuarially reduced 10-year certain and life option as well as a 100% joint and survivor option with pop-up are available as well.

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

EIN: 22-3713430 PN: 002

This monthly service pension amount is discounted for each full or partial month by which the employee's age at retirement is less than 55 years unless the employee has 30 or more years of service or is granted a pension for reasons of disability. The discount is 0.5% per month. The entire monthly pension is paid at the end of each month of retirement.

An employee who separates from service and who is not eligible to receive a service or disability pension will receive a 100% vested pension if, at the date of separation, (a) he has five or more years of vesting service after age 18 or (b) he has achieved his NRA or (c) his benefit under the plan has become fully vested by reason of a partial plan termination (i.e., all participants who were active as of August 1, 2002). The vested pension is payable at NRA (or immediately if separation is after NRA).

The surviving spouse of a vested active employee who dies with a term of employment of less than 15 years is awarded an automatic annuitant's pension equal to 50% of the amount the employee would have received at age 65 had the employee terminated on the date of death with a deferred vested pension and elected a joint and survivor annuity. Payments to the surviving spouse begin at the time the deceased employee would have attained age 65. In the case of an active employee with a term of employment at the time of death of at least 15 years, the automatic annuitant's pension commences immediately and is equal to 50% of the amount the employee would have received had such employee retired with a service pension, having elected a survivor annuity, and without any discount for early retirement.

Certain qualified beneficiaries of active employees and retired employees receiving service or disability pensions are eligible for death benefits. For eligible beneficiaries of active employees, the benefit is equal to one year's pay at the date of death. For eligible beneficiaries of retired employees, the benefit is generally equal to one year's pay at retirement. This one year's pay death benefit has been eliminated for all employees not retired by July 1, 2006.

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

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Generally, the monthly pension amount payable for retirement under the plan is determined as the sum of the following:

- a) The dollar amount corresponding to the appropriate pension band assigned to an employee (See Pension Band Table on page 20) multiplied by the employee's years and months of service at retirement, or termination, if earlier.
- b) The product of (1) 0.001, (2) the employee's average annual amount of differentials and other special payments paid over the last 36 months of service and (3) the employee's years and months of service.

Employees who are promoted or transferred to a new job title/classification with a higher flat dollar pension band amount will have the pension computed for all years and months of service at the value of the increased pension band, but only upon completion of 12 consecutive months of service in the new job title/classification. If the participant retires or terminates within the 12 months following the promotion, the pension benefit will be calculated based on the pension band related to the job title/classification prior to the promotion.

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

PENSION BAND TABLE

Pension Band	Monthly Pension Amount Effective Dates	
	07/01/2006	07/01/2009
	For Retirement On or After	
	06/30/2006	06/30/2009
103	36.38	37.84
104	37.77	39.28
105	39.20	40.77
106	40.62	42.24
107	42.07	43.75
108	43.46	45.20
109	44.89	46.69
110	46.30	48.15
111	47.72	49.63
112	49.12	51.08
113	50.56	52.58
114	51.94	54.02
115	53.36	55.49
116	54.79	56.98
117	56.20	58.45
118	57.61	59.91
119	59.04	61.40
120	60.43	62.85
121	61.86	64.33
122	63.27	65.80
123	64.68	67.27
124	66.08	68.72
125	67.53	70.23
126	68.89	71.65
127	70.34	73.15
128	71.74	74.61
129	73.18	76.11
130	74.57	77.55
131	76.01	79.05
132	77.41	80.51
133	78.82	81.97
134	80.29	83.50
135	81.64	84.91

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

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Payment of Annuities

The full monthly benefit is paid at the end of each month of retirement up to and including the end of the month in which the annuitant dies.

Form of Payment Options

Employees retiring on a service pension may elect a straight life, joint and 50% survivor, joint and 100% survivor, or a 10-year certain and life annuity. Alternatively, they may elect to receive the entire benefit as a single lump sum form.

Plan Changes Since the Prior Year

The funding and plan reporting valuations do not reflect any plan changes.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2014 Plan Year
Avaya Inc. Pension Plan
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Schedule SB, line 24—Change in Actuarial Assumptions

- A change in the active retirement rates to better reflect experience.

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2014

Attained Age	Number of Participants									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29			3							
30-34			1	2						
35-39			3	4	56					
40-44			4	5	87	24	4			
45-49			1	3	66	21	57	1		
50-54			1	2	60	22	56	16	3	
55-59			3	6	43	6	22	17	11	6
60-64		1	3	7	21	2	3	5	3	28
65-69			2		6			1	1	10
70+										1

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Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

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Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 103,584,909	January 1, 2010	5	\$ 23,236,669
Shortfall	\$ 104,917,019	January 1, 2011	6	\$ 22,508,007
Shortfall	\$ (62,379,725)	January 1, 2012	5	\$ (13,719,556)
Shortfall	\$ 3,249,886	January 1, 2013	6	\$ 615,176
Shortfall	\$ (33,618,865)	January 1, 2014	7	\$ (5,626,419)
Total	\$ 115,753,224			\$ 27,013,877

Schedule SB Attachment (Form 5500)—2014 Plan Year
Avaya Inc. Pension Plan
EIN: 22-3713430 PN: 002

Schedule SB, line 19—Discounted Employer Contributions

Year applied for contributions: 2014

Date	Amount	Days to Discount to 1/1/2014 at 6.42%	Interest Adjusted Contribution
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Total Contribution	\$ 33,181,000		\$ 30,819,764

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

Schedule SB, line 22—Description of Weighted Average Retirement Age

The average retirement age shown in line 22 has been calculated by assuming the following retirement rates and no decrements other than retirement for this calculation. All retirements are assumed to occur at mid-year, except for the 100% retirement age.

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Age	Rate	Weight	(a) × (b) × (c)
45.5	6.56%	1.0000	2.98
46.5	6.56%	0.9344	2.85
47.5	5.63%	0.8731	2.33
48.5	4.69%	0.8239	1.87
49.5	4.69%	0.7853	1.82
50.5	4.69%	0.7485	1.77
51.5	5.63%	0.7134	2.07
52.5	5.63%	0.6732	1.99
53.5	7.50%	0.6353	2.55
54.5	9.38%	0.5877	3.00
55.5	11.25%	0.5325	3.33
56.5	14.06%	0.4726	3.75
57.5	15.94%	0.4062	3.72
58.5	18.75%	0.3414	3.75
59.5	21.56%	0.2774	3.56
60.5	18.98%	0.2176	2.50
61.5	23.91%	0.1763	2.59
62.5	30.23%	0.1341	2.53
63.5	28.13%	0.0936	1.67
64.5	30.94%	0.0673	1.34
65.5	38.67%	0.0465	1.18
66.5	26.72%	0.0285	0.51
67.5	23.20%	0.0209	0.33
68.5	23.20%	0.0160	0.25
69.5	33.75%	0.0123	0.29
70	100.00%	0.0082	0.57
Weighted Average			55.10

Retirement Rates : Females			(d)
(a)	(b)	(c)	Product
Age	Rate	Weight	(a) × (b) × (c)
45.5	13.13%	1.0000	5.97
46.5	11.25%	0.8687	4.54
47.5	10.31%	0.7710	3.78
48.5	9.38%	0.6915	3.15
49.5	8.44%	0.6266	2.62
50.5	8.44%	0.5737	2.45
51.5	8.44%	0.5253	2.28
52.5	8.44%	0.4810	2.13
53.5	8.44%	0.4404	1.99
54.5	9.38%	0.4032	2.06
55.5	10.31%	0.3654	2.09
56.5	11.25%	0.3277	2.08
57.5	12.19%	0.2909	2.04
58.5	15.00%	0.2554	2.24
59.5	16.88%	0.2171	2.18
60.5	14.77%	0.1804	1.61
61.5	19.69%	0.1538	1.86
62.5	25.31%	0.1235	1.95
63.5	25.31%	0.0922	1.48
64.5	27.42%	0.0689	1.22
65.5	30.23%	0.0500	0.99
66.5	26.72%	0.0349	0.62
67.5	24.61%	0.0256	0.42
68.5	24.61%	0.0193	0.32
69.5	35.16%	0.0145	0.36
70	100.00%	0.0094	0.66
Weighted Average			53.09

Weighted Average Retirement		Average Age	Counts
Male		55.10	519
Female		53.09	191
Weighted Average Retirement		55	710

Schedule SB Attachment (Form 5500)—2014 Plan Year
Avaya Inc. Pension Plan
EIN: 22-3713430 PN: 002

Schedule SB, line 24—Change in Actuarial Assumptions

- A change in the active retirement rates to better reflect experience.

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
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Schedule SB, line 26—Schedule of Active Participant Data as of January 1, 2014

Attained Age	Number of Participants									
	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29			3							
30-34			1	2						
35-39			3	4	56					
40-44			4	5	87	24	4			
45-49			1	3	66	21	57	1		
50-54			1	2	60	22	56	16	3	
55-59			3	6	43	6	22	17	11	6
60-64		1	3	7	21	2	3	5	3	28
65-69			2		6			1	1	10
70+										1

N-710

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
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Schedule SB, Part V—Statement of Actuarial Assumptions/Methods
 For ERISA Requirements

Interest Rates for Minimum Funding Purposes	Based on segment rates with a four-month lookback (as of September 2013), each adjusted as needed to fall within the 25-year average interest rate corridor under MAP-21/HATFA
1st Segment Rate	4.99%
2nd Segment Rate	6.32%
3rd Segment Rate	6.99%
Interest Rates for Maximum Tax Purposes	Based on segment rates with a four-month lookback (as of September 2013), without regard to the MAP-21/HATFA interest rate corridor
1st Segment Rate	1.37%
2nd Segment Rate	4.05%
3rd Segment Rate	5.06%
Optional Payment Form Election Percentage	For terminations before retirement, 90% of participants are assumed to elect lump sums. For retirement-eligible terminations, the lump sum election assumptions are as follows: 5% at age 58 and below, 10% at age 59, 20% at age 60, 30% at age 61, 50% at age 62, and 90% at age 63 and over. For those taking an annuity, 55% of males (and 10% of females) are assumed to elect a 50% joint and survivor benefit with the remainder electing a life annuity.
Optional Payment Form Conversion Interest Rate	Same as funding interest rates above for lump sums
Optional Payment Form Conversion Mortality	Current IRC section 417(e) table for lump sums
Retirement Age	
Active Participants	See Table 1
Terminated Vested Participants	Age 62
Mortality Rates	
Healthy and Disabled	2014 static mortality table for annuitants and non-annuitants per §1.430(h)(3)-1(e)

Schedule SB Attachment (Form 5500)—2014 Plan Year
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Withdrawal Rates	See Table 2
Disability Rates	See Table 3
Decrement Timing	Middle of year decrements, with 100% retirement occurring at beginning of year
Surviving Spouse Age	It is assumed that males are three years older than their spouses.
Qualified Beneficiaries	See Table 4
Benefit Limits	Projected benefits are limited by the current IRC section 415 maximum benefit of \$210,000.
Valuation of Plan Assets	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value. A characteristic of this method is that the expected distribution of the value of plan assets is skewed toward understatement relative to the corresponding market values for expected long-term rates of return in excess of the third segment rate under IRC section 430(h)(2)(C)(iii).
Expected Return on Assets	
2012 Plan Year	8.50%, limited to 7.52%
2013 Plan Year	8.00%, limited to 6.76%
Trust Expenses Included in Target Normal Cost	\$ 5,511,101
Actuarial Method	Standard unit credit cost method
Valuation Date	January 1, 2014

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
 EIN: 22-3713430 PN: 002

Table 1

Annual Rates of Retirement on Service Pension

Age x	Rates of Retirement During Year of Age x to x + 1	
	Male	Female
45	0.0656	0.1313
46	0.0656	0.1125
47	0.0563	0.1031
48	0.0469	0.0938
49	0.0469	0.0844
50	0.0469	0.0844
51	0.0563	0.0844
52	0.0563	0.0844
53	0.0750	0.0844
54	0.0938	0.0938
55	0.1125	0.1031
56	0.1406	0.1125
57	0.1594	0.1219
58	0.1875	0.1500
59	0.2156	0.1688
60	0.1898	0.1477
61	0.2391	0.1969
62	0.3023	0.2531
63	0.2813	0.2531
64	0.3094	0.2742
65	0.3867	0.3023
66	0.2672	0.2672
67	0.2320	0.2461
68	0.2320	0.2461
69	0.3375	0.3516
70	1.0000	1.0000

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
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Table 2

Annual Rates of Employee Separation From Service Before Eligibility for Service Retirement

Service in Years t	Rates of Separation During Year t to $t + 1$	
	Male	Female
0	0.1100	0.1000
1	0.0900	0.1000
2	0.0800	0.1000
3	0.0700	0.1000
4	0.0600	0.1050
5	0.0550	0.1050
6	0.0550	0.1100
7	0.0550	0.1100
8	0.0550	0.1150
9	0.0550	0.1150
10	0.0550	0.1150
11	0.0550	0.1150
12	0.0550	0.1150
13	0.0550	0.1150
14	0.0550	0.1100
15	0.0550	0.1050
16	0.0550	0.1000
17	0.0500	0.0950
18	0.0500	0.0850
19	0.0450	0.0800
20	0.0400	0.0700
21	0.0350	0.0650
22	0.0300	0.0550
23	0.0250	0.0500
24	0.0200	0.0450
25	0.0150	0.0400
26	0.0150	0.0350
27	0.0100	0.0350
28	0.0100	0.0350
29	0.0100	0.0350

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
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Table 3

Annual Rates of Retirement on Disability Pension

Age x	Rates of Retirement During Year of Age x to x + 1	
	Male	Female
29	0.0000	0.0001
30	0.0001	0.0003
31	0.0001	0.0005
32	0.0002	0.0006
33	0.0002	0.0007
34	0.0003	0.0010
35	0.0003	0.0013
36	0.0004	0.0015
37	0.0005	0.0017
38	0.0006	0.0019
39	0.0008	0.0022
40	0.0009	0.0024
41	0.0010	0.0026
42	0.0011	0.0027
43	0.0012	0.0029
44	0.0013	0.0031
45	0.0015	0.0033
46	0.0018	0.0035
47	0.0021	0.0038
48	0.0024	0.0042
49	0.0028	0.0046
50	0.0032	0.0050
51	0.0037	0.0055
52	0.0043	0.0061
53	0.0050	0.0067
54	0.0057	0.0072
55	0.0061	0.0077
56	0.0064	0.0081
57	0.0070	0.0085
58	0.0081	0.0093
59	0.0099	0.0107
60	0.0125	0.0126
61	0.0161	0.0150
62	0.0210	0.0180
63	0.0271	0.0217
64	0.0346	0.0260

Schedule SB Attachment (Form 5500)—2014 Plan Year
Avaya Inc. Pension Plan
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Table 4

Percentage of Active and Retired Employees Dying Who Have Qualified Beneficiaries

Att. Age at Start of Year of Death	% Qualified Beneficiary		Att. Age at Start of Year of Death	% Qualified Beneficiary		Att. Age at Start of Year of Death	% Qualified Beneficiary	
	Male	Female		Male	Female		Male	Female
15	40%	2%	49	89%	63%	83	66%	16%
16	40%	2%	50	90%	63%	84	64%	15%
17	40%	2%	51	89%	63%	85	62%	14%
18	40%	11%	52	88%	63%	86	60%	13%
19	40%	19%	53	87%	63%	87	58%	12%
20	40%	26%	54	86%	63%	88	56%	11%
21	40%	32%	55	85%	60%	89	54%	10%
22	40%	37%	56	85%	57%	90	52%	9%
23	40%	41%	57	85%	54%	91	50%	8%
24	40%	44%	58	85%	51%	92	48%	7%
25	40%	46%	59	85%	48%	93	46%	6%
26	40%	48%	60	85%	45%	94	44%	5%
27	40%	50%	61	84%	42%	95	42%	4%
28	40%	52%	62	83%	40%	96	40%	3%
29	40%	54%	63	82%	38%	97	38%	2%
30	40%	56%	64	81%	36%	98	36%	1%
31	40%	58%	65	80%	36%	99	34%	0%
32	43%	60%	66	79%	36%	100	32%	0%
33	47%	61%	67	79%	36%	101	30%	0%
34	51%	62%	68	79%	36%	102	28%	0%
35	56%	63%	69	78%	36%	103	26%	0%
36	61%	64%	70	78%	36%	104	24%	0%
37	66%	65%	71	78%	36%	105	22%	0%
38	71%	66%	72	77%	31%	106	20%	0%
39	75%	67%	73	77%	27%	107	18%	0%
40	78%	67%	74	77%	24%	108	16%	0%
41	79%	67%	75	76%	22%	109	14%	0%
42	81%	67%	76	75%	20%	110	12%	0%
43	83%	66%	77	74%	19%			
44	84%	65%	78	73%	18%			
45	85%	64%	79	72%	18%			
46	86%	63%	80	71%	17%			
47	87%	63%	81	70%	17%			
48	88%	63%	82	68%	16%			

Sources: Combined Avaya, Lucent and AT&T experience 1985 – 1987

Schedule SB Attachment (Form 5500)—2014 Plan Year
Avaya Inc. Pension Plan
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Schedule SB, Part V—Summary of Plan Provisions

History

Effective October 1, 2000, Avaya Inc. spun-off from Lucent Technologies Inc. As required under the Employee Benefits Agreement, Avaya has adopted the Avaya Inc. Pension Plan (APP), which mirrors the Lucent Technologies Inc. Pension Plan (LTPP). Assets and liabilities were transferred from the LTPP for Avaya employees as of September 30, 2000. All inactive participants as of September 30, 2000 were assigned to Lucent.

The provisions below are applicable to the APP as of January 1, 2014.

Summary of Plan

The Avaya Inc. Pension Plan is a noncontributory defined benefit plan. Most domestic “Bargained-For” employees and other occupational employees in equivalent job titles and classifications who have reached age 21 and completed one year of service participate in the plan.

The normal retirement age (“NRA”) is the later of (a) age 65 or (b) the earliest to occur of (i) the fourth or fifth anniversary of plan participation while an active participant or (ii) completion of five years of vesting service. A pension is provided to an employee at retirement when one of the following conditions is met:

Age		Minimum Years of Service
65	and	10
55	and	20
50	and	25
Any Age	and	30

Unless otherwise selected by a married employee, the normal form of the service pension is a reduced amount with 50% of such reduced amount payable to a surviving spouse. If the spouse predeceases the employee, the pension is increased by the amount of the original reduction made to provide the survivor annuity. An actuarially reduced 10-year certain and life option as well as a 100% joint and survivor option with pop-up are available as well.

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

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This monthly service pension amount is discounted for each full or partial month by which the employee's age at retirement is less than 55 years unless the employee has 30 or more years of service or is granted a pension for reasons of disability. The discount is 0.5% per month. The entire monthly pension is paid at the end of each month of retirement.

An employee who separates from service and who is not eligible to receive a service or disability pension will receive a 100% vested pension if, at the date of separation, (a) he has five or more years of vesting service after age 18 or (b) he has achieved his NRA or (c) his benefit under the plan has become fully vested by reason of a partial plan termination (i.e., all participants who were active as of August 1, 2002). The vested pension is payable at NRA (or immediately if separation is after NRA).

The surviving spouse of a vested active employee who dies with a term of employment of less than 15 years is awarded an automatic annuitant's pension equal to 50% of the amount the employee would have received at age 65 had the employee terminated on the date of death with a deferred vested pension and elected a joint and survivor annuity. Payments to the surviving spouse begin at the time the deceased employee would have attained age 65. In the case of an active employee with a term of employment at the time of death of at least 15 years, the automatic annuitant's pension commences immediately and is equal to 50% of the amount the employee would have received had such employee retired with a service pension, having elected a survivor annuity, and without any discount for early retirement.

Certain qualified beneficiaries of active employees and retired employees receiving service or disability pensions are eligible for death benefits. For eligible beneficiaries of active employees, the benefit is equal to one year's pay at the date of death. For eligible beneficiaries of retired employees, the benefit is generally equal to one year's pay at retirement. This one year's pay death benefit has been eliminated for all employees not retired by July 1, 2006.

Schedule SB Attachment (Form 5500)—2014 Plan Year

Avaya Inc. Pension Plan

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Generally, the monthly pension amount payable for retirement under the plan is determined as the sum of the following:

- a) The dollar amount corresponding to the appropriate pension band assigned to an employee (See Pension Band Table on page 20) multiplied by the employee's years and months of service at retirement, or termination, if earlier.
- b) The product of (1) 0.001, (2) the employee's average annual amount of differentials and other special payments paid over the last 36 months of service and (3) the employee's years and months of service.

Employees who are promoted or transferred to a new job title/classification with a higher flat dollar pension band amount will have the pension computed for all years and months of service at the value of the increased pension band, but only upon completion of 12 consecutive months of service in the new job title/classification. If the participant retires or terminates within the 12 months following the promotion, the pension benefit will be calculated based on the pension band related to the job title/classification prior to the promotion.

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
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PENSION BAND TABLE

Pension Band	Monthly Pension Amount Effective Dates	
	07/01/2006	07/01/2009
	For Retirement On or After	
	06/30/2006	06/30/2009
103	36.38	37.84
104	37.77	39.28
105	39.20	40.77
106	40.62	42.24
107	42.07	43.75
108	43.46	45.20
109	44.89	46.69
110	46.30	48.15
111	47.72	49.63
112	49.12	51.08
113	50.56	52.58
114	51.94	54.02
115	53.36	55.49
116	54.79	56.98
117	56.20	58.45
118	57.61	59.91
119	59.04	61.40
120	60.43	62.85
121	61.86	64.33
122	63.27	65.80
123	64.68	67.27
124	66.08	68.72
125	67.53	70.23
126	68.89	71.65
127	70.34	73.15
128	71.74	74.61
129	73.18	76.11
130	74.57	77.55
131	76.01	79.05
132	77.41	80.51
133	78.82	81.97
134	80.29	83.50
135	81.64	84.91

Schedule SB Attachment (Form 5500)—2014 Plan Year
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Payment of Annuities

The full monthly benefit is paid at the end of each month of retirement up to and including the end of the month in which the annuitant dies.

Form of Payment Options

Employees retiring on a service pension may elect a straight life, joint and 50% survivor, joint and 100% survivor, or a 10-year certain and life annuity. Alternatively, they may elect to receive the entire benefit as a single lump sum form.

Plan Changes Since the Prior Year

The funding and plan reporting valuations do not reflect any plan changes.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan

Due to software limitations with the electronic filing process, information filed electronically cannot be controlled by the Enrolled Actuary. The values on the signed Schedule SB will govern to the extent there are any differences in the entries filed electronically and the actual data contained on the signed Schedule SB.

Schedule SB Attachment (Form 5500)—2014 Plan Year
 Avaya Inc. Pension Plan
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Schedule SB, line 32—Schedule of Amortization Bases

Type of Base	Present Value of Installment	Date Established	Years Remaining	Amortization Installment
Shortfall	\$ 103,584,909	January 1, 2010	5	\$ 23,236,669
Shortfall	\$ 104,917,019	January 1, 2011	6	\$ 22,508,007
Shortfall	\$ (62,379,725)	January 1, 2012	5	\$ (13,719,556)
Shortfall	\$ 3,249,886	January 1, 2013	6	\$ 615,176
Shortfall	\$ (33,618,865)	January 1, 2014	7	\$ (5,626,419)
Total	\$ 115,753,224			\$ 27,013,877

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2014 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2014 or fiscal plan year beginning <u>01/01/2014</u> and ending <u>12/31/2014</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or ☒ a single-employer plan; ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☒
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II Basic Plan Information—enter all requested information											
1a Name of plan Avaya Inc. Pension Plan	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%; padding: 2px;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; padding: 2px; text-align: center;">002</td> </tr> <tr> <td colspan="2" style="padding: 2px;">1c Effective date of plan 10/01/2000</td> </tr> <tr> <td colspan="2" style="padding: 2px;">2b Employer Identification Number (EIN) 22-3713430</td> </tr> <tr> <td colspan="2" style="padding: 2px;">2c Plan Sponsor's telephone number (908) 953-6000</td> </tr> <tr> <td colspan="2" style="padding: 2px;">2d Business code (see instructions) 517000</td> </tr> </table>	1b Three-digit plan number (PN) ▶	002	1c Effective date of plan 10/01/2000		2b Employer Identification Number (EIN) 22-3713430		2c Plan Sponsor's telephone number (908) 953-6000		2d Business code (see instructions) 517000	
1b Three-digit plan number (PN) ▶	002										
1c Effective date of plan 10/01/2000											
2b Employer Identification Number (EIN) 22-3713430											
2c Plan Sponsor's telephone number (908) 953-6000											
2d Business code (see instructions) 517000											
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) Avaya Inc. 4655 Great America Parkway Santa Clara CA 95054-1233											

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE		<u>10/5/2015</u>	Dena Regan
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address (include room or suite number) (optional)			Preparer's telephone number (optional)

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 7,161
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year..... a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits..... d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits..... f Total. Add lines 6d and 6e g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6a(1) 710 6a(2) 627 6b 3,869 6c 2,323 6d 6,819 6e 228 6f 7,047 6g 6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)