

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA VSP Enhanced Vision Plan

EFFECTIVE: January 1, 2024

System name: ASSOCIATED ELECTRIC CO-OP

RUS/Subgroup Number: 01-26073-001

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association (NRECA) VSP Vision Plan (the Plan) and supplements the Plan's Summary Plan Description (SPD), also known as the Benefits Booklet. The effective date of these changes is noted above. You should read this SMM carefully and keep this SMM with your SPD for future reference. If you have any questions about these changes, please see your benefits administrator.

Summary of Changes for your VSP Vision Plan SPD:

Chapter 3: Eligibility and Participation

The subsection titled “Rehired Former Employees and Rehired Retirees” under “Eligibility Waiting Period” has been updated as follows:

A retiree who is rehired into a full-time position is eligible to participate in the Plan on the date of rehire if he or she:

- Has been continuously enrolled in the Plan as a retiree since retirement;
- Has maintained COBRA continuation coverage for the duration of the break in service; or
- Incurred a break in service of less than six months immediately preceding rehire.

A former Employee (or retiree) who is rehired into a full-time position must satisfy the Employer's Eligibility Waiting Period if he or she:

- Has not been continuously enrolled in the Plan as a retiree since retirement;
- Has not maintained COBRA continuation coverage for the entire break in service; or
- Incurred a break in service of six months or longer immediately preceding rehire.

Chapter 4: Your Benefits During a Leave of Absence

The section titled “Annual Benefits Enrollment” has been updated as follows:

When you are on a leave of absence and are eligible to continue to participate in this Plan, you may generally make benefit elections (subject to all Plan enrollment provisions) during the annual benefits enrollment period for the upcoming Plan year. Benefits elected during the annual benefits enrollment period and corresponding costs for coverage (subject to late enrollee requirements where applicable) become effective January 1 of the following year.

Chapter 5: VSP Vision Plan Benefits

The section titled “Benefit Authorization” has been updated as follows:

You must submit claims for services rendered or materials provided by non-VSP providers within 365 days after you receive the services or materials. Your failure to file a claim within that time will not invalidate or reduce your claim if it can be shown that the claim was submitted as soon as reasonably possible following receipt of the services or materials.

Chapter 9: Important Notifications and Disclosures

The Section titled “Changing or Terminating the Plan” has been updated as follows:

This Plan may be amended or terminated at any time, for any reason, by action of the Plan Sponsor or your Employer. This includes the right to change the cost of coverage. These changes may be made with or without advance notice to Plan Participants. However, your rights to claim benefits for the period prior to the termination or amendment will not be affected if such benefit is payable under the Plan as in effect before the Plan is terminated or amended.

The subsection titled “Enforce Your Rights” under “Statement of ERISA Rights” has been updated as follows:

Enforce Your Rights

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps that you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report (Form 5500), if any, from the Plan and do not receive them within 30 days, you may file suit in federal court. In such case, the court may require NRECA, as Plan Administrator, to provide the materials and pay you up to \$184 a day, not to exceed \$1,846 per request (2023 limit, as may be indexed annually) until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored in whole or in part, and if you have exhausted the claims procedures available to you under the Plan, you may file suit in a state or federal court.

Appendix A: Key Terms

The Key Term Actively at Work, Actively Working or Active Work has been updated as follows:

Actively at Work, Actively Working or Active Work

Means that an Employee must be present at work at the business establishment of the Employer or at other locations to which the Employer’s business requires the Employee to travel on a day that is one of the Employer’s scheduled work days and must be performing, in the usual way, all regular duties of the Employee’s job on that day.

An Employee will be deemed to be Actively at Work on a day that is not one of the Employer’s regularly scheduled workdays only if the Employee was Actively at Work on the preceding scheduled workday. An Employee will be deemed to satisfy the Active Work Requirement if he or she is on an Employer-approved leave of absence (e.g., FMLA absence, disability, jury duty, bereavement leave, vacation), but does not include time off as a result of disciplinary suspension.

In no event will an Employee be deemed to be on an Employer-approved leave of absence for any absence that continues longer than 12 weeks, except for an FMLA leave of absence to care for family members who are injured while on active duty in the armed forces,

including the National Guard or Reserves, which provides the Employee with a leave up to 26 weeks.

The following Key Terms have been added:

Copayment

A fixed amount (for example, \$15) that you pay for a covered health care service, usually at the time when you receive the service. The Copayment amount may be different depending on the type of covered health care service.

Medically Necessary, Medical Necessity, or Medically Necessary Services and Supplies

Medically Necessary means vision services and materials that are (i) commonly and customarily recognized as appropriate for proper vision care and treatment, (ii) neither educational nor investigational or experimental in nature, (iii) not furnished mainly for the purpose of vision or other research. For purposes of the insured benefit options, the term “Medically Necessary” shall be determined by the Insurance Contract, and (iv) ordered by a doctor or optician.

No further changes have been made to your Plan’s SPD.

All other rules, provisions, definitions and benefit amounts of the Plan SPD remain the same. If the terms of this SMM and the SPD conflict with any terms of the governing Plan document, then the terms of the governing Plan document will control in all cases.

Plan Sponsor: National Rural Electric Cooperative Association
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