

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Long-term Disability Plan

EFFECTIVE: January 1, 2022

System name: ASSOCIATED ELECTRIC CO-OP

RUS/Subgroup Number: 01-26073-002

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association (NRECA) Long Term Disability 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 questions regarding these changes, please see your benefits administrator.

Summary of Changes for your Long-term Disability Plan SPD:

Chapter 5: Long-Term Disability Benefits

The “Maximum Benefit” section has been updated as follows:

Maximum Benefit

Due to the compensation limit imposed by the IRC, effective January 1, 1994, no more than \$305,000 (in 2022 and adjusted periodically for inflation) of annual Earnings may be considered when the Plan calculates your benefit. However, a supplemental insurance policy outside the NRECA Group Benefits Trust has been established to provide benefits to the extent an Employee's salary exceeds the compensation limit. This supplemental insurance policy is provided under the NRECA Excess Long-term Disability Plan.

The combined monthly benefit maximum from this Plan and the supplemental insurance policy (under the NRECA Excess Long-term Disability Plan) is \$15,000.

Chapter 7: Important Notifications and Disclosures

The Statement of “ERISA Rights” section 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 to \$161 a day, not to exceed \$1,613 per request (2021 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 “Appendix A: Key Terms” has been updated as follows:

The definition of “Accommodation” has been updated as follows:

Accommodation

Any change or modification to a specific job, the work environment, or a work process that would allow an Employee to perform job functions with the Employer. This does not include a new or different accepted position entirely.

The definition of “Substance” has been revised as follows:

Substance means alcohol and those drugs, other than tobacco and caffeine, that are included on the National Institute of Drug Abuse list of addictive drugs.

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

All other rules, provisions, definitions and benefit amounts of the SPD and Plan 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
4301 Wilson Boulevard, Arlington, VA 22203-1860
Plan Sponsor’s Employer Identification Number: 53-0116145
Plan Number: 501