

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA VSP Standard Vision Plan

EFFECTIVE: January 1, 2023

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) 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 Information

The subsection titled “Eligibility Requirements for Incapacitated Adult Children” under “Coverage for Your Dependents” has been updated as follows:

Coverage for a child may continue past the age limit if the child is incapable of self-sustaining employment because of a mental or physical disability, and if your child:

- Is at least 26 years of age;
- Is unmarried;
- Qualifies as your tax dependent on an annual basis because he or she is permanently and totally disabled (as defined by the Internal Revenue Service [IRS] in Publication 501); **and**
- Has been continually covered as your eligible dependent under the NRECA Vision Plan on the date just prior to the date participation would have ended due to age or another insurer prior to attaining age 26.

The section titled “When Coverage Ends” has been updated as follows:

Dependent coverage also ends:

- For a spouse, upon divorce at 11:59 pm the last day before your divorce is official. Your official divorce date is your first day without coverage under the Plan;

Chapter 5: VSP Vision Plan Benefits

The subsection titled “Reasonable and Customary (R&C) Rates” under “How the Plan Works” has been updated to remove the following:

The R&C Rate for any service or supply is the usual charge for the service or supply in the absence of insurance, but not more than the prevailing charge for a like service or supply in the geographic area.

A **like service** is a service of the same nature and duration that requires the same skill and is performed by a provider of similar training and experience.

A **like supply** is a supply that is identical or substantially equivalent.

Area means the municipality (or, in the case of a large city, the subdivision of it) in which the service or supply is actually provided or such greater area as is necessary to obtain a representative cross-section of charges for a like service or supply.

The subsection titled “Benefit Authorization” under “How the Plan Works” has been updated as follows:

If you are eligible for and obtain covered services or materials from a **VSP network doctor**, VSP will pay the VSP network doctor directly according to its agreement with the doctor at the VSP negotiated rate for covered services. You must pay the Copayment (if any) amounts that exceed the Plan allowances and any amounts for noncovered services or materials.

The section titled “General Exclusions” has been updated as follows:

The Plan does not provide benefits for services or supplies that are:

- Higher than VSP negotiated rates;

Chapter 9: Important Notifications and Disclosures

The section titled “Statement of ERISA Rights” has been updated adding a new subsection as follows:

Continue Group Health Plan Coverage

Continue health care coverage for yourself, spouse or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review this summary plan description and the documents governing the plan on the rules governing your COBRA continuation coverage rights.

Reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

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 \$171 a day, not to exceed \$1,713 per request (2022 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 to remove the following:

Reasonable and Customary (R&C) Rates

R&C means “Reasonable and Customary,” which is the current, most common fee charged in a geographic area for a particular treatment or service. The R&C Rate for any service or supply is the usual charge for the service or supply in the absence of insurance, but not more than the prevailing charge for a like service or supply in the geographic area.

A **like service** is a service of the same nature and duration that requires the same skill and is performed by a provider of similar training and experience.

A **like supply** is a supply that is identical or substantially equivalent.

Area means the municipality (or, in the case of a large city, the subdivision of it) in which the service or supply is actually provided or such greater area as is necessary to obtain a representative cross section of charges for a like service or supply.

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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