

**125 PLAN  
HEALTH FLEXIBLE SPENDING ACCOUNT  
SUMMARY OF MATERIAL MODIFICATIONS**

**System Name/Plan Sponsor: Associated Electric Cooperative, Inc.**

**RUS/Subgroup Numbers: 26073- 001, 002, 005, 006, 007, 008, 009, 010, 011, 012**

**Plan Number: 525**

**EFFECTIVE DATE OF CHANGE: January 1, 2021**

Whenever a material change is made to an employee benefit plan, the law which regulates such plans requires that the sponsoring employer provide eligible participants with information concerning the change(s). The information in this Summary of Material Modifications (SMM) summarizes the change(s) to your Health Flexible Spending Account (Health FSA), which is part of your 125 Plan. To make sure you always refer to the most current information regarding your 125 Plan, you should keep a copy of this SMM with your Summary Plan Description (SPD) for the 125 Plan.

**Pursuant to the Consolidated Appropriations Act, 2021 enacted on December 21, 2020 and IRS Notice 2021-15 released on February 18, 2021, this Plan allows participants to make Health FSA changes as follows:**

- The Plan extends the **grace period** to incur Health FSA expenses to 12-months (rather than a 2-1/2 months) after the end of the 2020 plan year.

Participants enrolled in the general-purpose Health FSA with an extended **grace period** **may not:**

- Make or receive contributions to a Health Savings Account (HSA) during 2021, unless the participant opted-out of this extended grace period feature.

All other rules, provisions, definitions, and benefit amounts of the 125 Plan remain the same.

It is important for you to understand your benefits. If you have any questions regarding this change or your Health FSA Plan, please see your benefits administrator or contact the NRECA Member Contact Center at 1-866-NRECA-99 (1-866-673-2299).