

SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Retirement Security Plan

System Name: Associated Electric Cooperative

RUS/Subgroup Number: 26753, 26083

This Summary of Material Modifications (SMM) describes changes to the Retirement Security Plan (“the Plan”) sponsored by the National Rural Electric Cooperative Association (NRECA). This SMM supplements the Plan’s Summary Plan Description (SPD). Read this SMM carefully and keep it with your SPD for future reference. If you have questions about these changes, please see your benefits administrator.

The following changes have been made to the Plan:

I. Required Beginning Date

The Plan has been amended effective January 1, 2023, to conform to recent changes in the law that increase the age on which the required beginning date for required minimum distributions is based. The required beginning date is now April 1 of the calendar year following the later of (a) the year the participant turns 73 or (b) the year in which the participant retires.

If the participant was born between July 1, 1949 and December 31, 1950, the required beginning date is April 1 of the calendar year following the later of (a) the year the participant turns 72 or (b) the year in which the participant retires.

If the participant was born before July 1, 1949, the required beginning date is April 1 of the calendar year following the later of (a) the year the participant turns 70 1/2, or (b) the year in which the participant retires.

Under the terms of the Plan, you may elect to receive your vested benefit as soon as your employment terminates or postpone receiving your benefit until a later date. If you make a one-time irrevocable election to postpone receiving your benefit, the postponed retirement date you choose cannot be later than the January 1 following your Normal Retirement Date, or your postponed retirement date. In no case may benefits under the Plan commence later than your required beginning date.

II. Overpayments

In response to recent law changes, the Plan language regarding overpayments was updated, effective December 29, 2022, to reference inadvertent overpayments. To the extent an overpayment is an “inadvertent benefit overpayment” (as defined in section 206(h) of ERISA) then efforts to recover such an inadvertent overpayment may be limited as required by law.

To the extent this SMM does not modify or clarify language or provisions of the SPD, the language and provisions in the SPD remain the same and control. 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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Plan Sponsor’s Employer Identification Number: 53-0116145

Plan Number: 444