

SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA 401(k) Pension Plan

System Name: Associated Electric Cooperative

RUS/Subgroup Number: 26073, 26762, 26752, 26763, 26754, 26765

This Summary of Material Modifications (SMM) describes changes to the 401(k) Pension 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. Roth Elective Contributions

Effective January 1, 2024, Roth elective contributions are available to all participants. You may now elect to make Roth after-tax contributions in addition to pre-tax contributions. Annual contribution limits apply to your combined Roth and pre-tax contributions. Roth salary deferrals are taxed at the time when you make the contribution. Roth contributions and the earnings attributable to them are not taxed when they are distributed to you if certain requirements are met.

The investment options and allocation percentages you choose for your future pre-tax 401(k) contributions will also apply to your Roth contributions. If your employer provides a matching contribution, those contributions will be matched in the same manner. Contributions, withdrawals, earnings, and losses will be separately tracked by NRECA as record keeper.

II. Required Beginning Date

IRS rules state that a minimum benefit (called a required minimum distribution or RMD) from the Plan must begin by a required beginning date. Recent law changes have increased the age on which the required beginning date for required minimum distributions is based. Effective January 1, 2023, the required beginning date is 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 the 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. 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
4301 Wilson Boulevard, Arlington, VA 22203-1860

Plan Sponsor’s Employer Identification Number: 53-0116145

Plan Number: 444