

SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Retirement Security Plan

System Name: ASSOCIATED ELECTRIC CO-OP

RUS/Subgroup Number: 01-26073-001

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, 2025, to conform to recent changes in the law related to required distributions. These changes increase the age on which the required beginning date for required minimum distributions is based. The new age is 72, 73, or 75, depending on the year of the participant’s birth. The required beginning date is now April 1 of the calendar year following the later of (a) the calendar year in which the Participant attains the applicable age or (b) the year in which the participant retires. The applicable age is based on the date of birth as follows: in the case of a participant born on or after January 1, 1960, the applicable age is 75; in the case of a participant born between January 1, 1951 and December 31, 1959, the applicable age 73; in the case of a participant born between July 1, 1949 and December 31, 1950, the applicable age is 72; and in the case of a participant born before July 1, 1949, the applicable age is 70 1/2.

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

II. Lookback Month

The interest rate used to calculate a single cash payment changes for each year and is based on rates mandated by the Internal Revenue Service (IRS) that are published monthly. For annuity starting dates beginning on January 1, 2025, the month used to determine the applicable interest rate will be November or September (released in December and October, respectively) of the preceding calendar year whichever rate provides the greater single cash payment. For calendar years beginning on or after January 1, 2026, the month used to determine the applicable interest rate will be September (released in October) of the preceding calendar year.

III. Alternative Surviving Spouse Benefit

The Plan has been amended effective January 1, 2025 to eliminate the \$50 alternative spouse benefit election. All benefits to be paid to your surviving spouse will now be determined and paid under the standard survivor benefit under the Plan. This change does not apply to any election made by a surviving spouse prior to January 1, 2025 to receive the \$50 monthly payment.

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: 333