

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Short-term Disability Plan

EFFECTIVE: January 1, 2024

System name: COASTAL ELEC COOPERATIVE INC

RUS/Subgroup Number: 01-41030-001

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association (NRECA) Short-term Disability Plan (the Plan) and supplements the Plan's Summary Plan Description (SPD), also known as the Benefits Booklet. The effective date of this change is noted above. You should read this SMM carefully and keep this SMM with your SPD for future reference. If you have questions about this change, please see your benefits administrator.

Summary of Changes for your Short-term Disability Plan SPD:

Chapter 3: Eligibility and Participation Information

The last paragraph of subsection "Special Enrollment Opportunity" has been updated as follows:

Late enrollees must satisfy the evidence of insurability requirement. Your benefits administrator will provide you with instructions for satisfying this requirement. You can provide evidence of insurability by completing a Statement of Health (SOH) application **within 60 days** of the effective date of election. Coverage will be approved or denied based on the evidence of insurability that you provide. The effective date of coverage will begin once an approval is made and will not be retroactive to the election date.

Chapter 4: Your Benefits During a Leave of Absence

The section titled "Annual Benefits Enrollment" has been updated as follows:

When you are on a leave of absence and are eligible to continue to participate in this Plan, you may generally make benefit elections (subject to all Plan enrollment provisions) during the annual benefits enrollment period for the upcoming Plan year. Benefits elected during the annual benefits enrollment period and corresponding costs for coverage (subject to late enrollee requirements where applicable) become effective January 1 of the following year. However, if during the annual benefits enrollment period you elect a benefit option with an Actively at Work requirement and then, on the following January 1, you are on a leave of absence, your coverage effective date will be delayed until you return to work in a benefits-eligible position.

Chapter 7: Important Notifications and Disclosures

The section titled “Changing or Terminating the Plan” has been updated as follows:

This Plan may be amended or terminated at any time, for any reason, by action of the Plan Sponsor or your Employer. Your Employer also has the right to change the cost of coverage or change job classifications that are eligible to participate in the Plan. These changes may be made with or without advance notice to you. However, your rights to claim benefits for the period prior to the termination or amendment will not be affected if such benefit is payable under the Plan as in effect before the Plan is terminated or amended.

The subsection titled “Enforce Your Rights” under “Statement of ERISA Rights” has been updated as follows:

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 \$184 a day, not to exceed \$1,846 per request (2023 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 definition “Active Work Requirement or Actively at Work” has been updated as follows:

Means that an Employee must be present at work at the business establishment of the Employer or at other locations to which the Employer’s business requires the Employee to travel on a day that is one of the Employer’s scheduled work days, and must be performing, in the usual way, all regular duties of the Employee’s job on that day.

An Employee will be deemed to be Actively at Work on a day that is not one of the Employer’s regularly scheduled workdays only if the Employee was Actively at Work on the preceding scheduled workday. An Employee will be deemed to satisfy the Active Work Requirement if he or she is on an Employer-approved leave of absence (e.g., FMLA absence, jury duty, bereavement leave, vacation), but does not include time off as a result of Injury or Sickness.

In no event will an Employee be deemed to be on an Employer-approved leave of absence for any absence that continues longer than 12 weeks, except for an FMLA leave of absence to care for family members who are injured while on active duty in the armed forces, including the National Guard or Reserves, which provides the Employee with a leave up to 26 weeks.

If an Employee is confined for medical care or treatment in a Hospital, at any institution, or at home on the date coverage would otherwise become effective, then the effective date of his

or her eligibility to participate in the Plan will be postponed until he or she receives final medical release from the medical confinement and satisfies the Active Work Requirement.

No further changes have been made to your Plan's SPD.

All other rules, provisions, definitions and benefit amounts of the SPD and Plan 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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