

NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

NRECA Long Term Disability Plan

EFFECTIVE: January 1, 2018

System name: OZARK BORDER ELECTRIC COOPERATIVE

RUS/Subgroup Number: 01-26033-003

Employer Tax Identification Number: 43-0445644

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association Long 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 very carefully and retain this SMM with your SPD for future reference. If you have any questions regarding this change, please see your Benefits Administrator.

Summary of Changes for your Long Term Disability Plan SPD:

Chapter 4: Your Benefits During a Leave of Absence

The “General information” section has been updated, as follows:

Your employer offers various types of leaves of absence. A leave of absence means time away from work, as permitted by your employer, for reasons such as military duty, family care or personal needs. Time away from work does not include time off as a result of Injury, Sickness or disciplinary suspension.

Chapter 5: Long-Term Disability Benefits

The “Reduction of Monthly Benefit Due to Other Sources of Income” section has been updated, as follows:

There is no offset for Social Security benefits for Disability (including dependent benefits) or for Social Security benefits for retirement.

The “Social Security Disability and Workers Compensation Benefits” section has been updated, as follows:

Workers' Compensation Benefits

CBA may, in its discretion, advance the full monthly Disability benefit to you without reduction while you are waiting for payment of workers' compensation benefits. However, if CBA advances such benefits, you will be required to promise in writing that you will repay the advance as soon as you receive the other expected benefits. If you do not repay the advance within **30 days** after you receive the other benefits,

CBA reserves the right to suspend your Disability benefit, take legal action to pursue repayment plus interest or both.

The “Exclusions” section has been updated to add the additional exclusion:

- When you are not Actively at Work or have not met the Active Work Requirement;

No further changes have been made to your Long Term Disability 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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Plan Sponsor’s Employer Identification Number: 53-0116145
Plan Number: 501