

# NRECA GROUP BENEFITS PROGRAM SUMMARY OF MATERIAL MODIFICATIONS

For

## NRECA Long Term Disability Plan

EFFECTIVE: January 1, 2017

**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 3: Eligibility and Participation Information

The “Additional Eligibility Requirements” section has been updated for cooperatives that offer coverage to part-time employees, as follows:

#### **Additional Eligibility Requirements**

In addition to meeting the Eligibility Waiting Period requirements, **full-time** Employees must also:

- Be expected to work at least 1,000 hours for your Employer as an active Employee during your first 12 months of employment;
- Have worked at least 1,000 hours for your Employer each subsequent calendar year; or
- Have worked at another co-op within the past six months and met the hours of service criteria noted in the bullets above. A **co-op** means:
  - Your Employer;
  - Any member co-op of NRECA (even if the co-op does not participate in NRECA plans);
  - An Employer that is an affiliate of a member co-op;
  - An Employer that has since become a member co-op of NRECA; or
  - An Employer that has since merged with, been consolidated with or been liquidated into a current member co-op of NRECA.

As a **part-time active employee**, you must be classified as eligible for benefits and:

- Must work 1,000 hours in the first calendar year following your hire date; or
- At the time of annual enrollment, you have worked at least 1,000 hours for your employer in the preceding calendar year.

Benefits will begin on the date you complete 1,000 hour or at the end of the waiting period, whichever is later.

**Full-time and Part-Time Employees** must also satisfy the “Active Work” requirement, also called the “Actively at Work” requirement. This 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 of the regular duties of the Employee’s job on a full-time basis on that day.

## **Chapter 5: Long-Term Disability Benefits**

**The “Maximum Benefit” section is revised as follows:**

### **Maximum Benefit**

Due to the compensation limit imposed by the IRC, effective January 1, 1994, no more than \$270,000 (in 2017 and adjusted periodically for inflation) of annual Earnings may be considered when the Plan calculates your benefit. However, a supplemental insurance policy outside the NRECA Group Benefits Trust has been established to provide benefits to the extent an Employee’s salary exceeds the compensation limit. This supplemental insurance policy is provided under the NRECA Excess Long-Term Disability Plan.

The combined monthly benefit maximum from this Plan and the supplemental insurance policy (under the NRECA Excess Long-Term Disability Plan) is \$15,000.

**The “Rehabilitation Provision” section has been updated as follows:**

### **Rehabilitation Provision**

To help you return to work, your coverage has a Mandatory Rehabilitation provision. For a particular Disability, CBA may determine that rehabilitation is within the ability of a Disabled Employee who is entitled to benefits under this Plan. This means that your Disability is not so severe that you are not able to learn new productive skills and become self-supporting.

**We will review your Disability to see if certain services are likely to help you return to work. When our review is complete, we may offer you a rehabilitation program. The rehabilitation program will start when a written rehabilitation agreement is signed by: (1) you; (2) us; and (3) your vocational case manager.**

**The “Workplace Accommodation” section has been changed to “Workplace Modification Benefit” and has been updated as follows:**

### **Workplace Modification Benefit**

If you return to work as a result of a Workplace Modification made by the Employer, the Plan may reimburse your Employer for certain related expenses.

Your participation by returning to work is mandatory if CBA deems the Workplace Modification necessary to ensure your return to work and the Employer supports it. Failure to participate may result in the termination of Disability benefits.

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

- Caused by, contributed to, or resulting from intoxication

**The “Appendix A: Key Terms” has been updated to add the following definition:**

**Accommodation** means any change or modification to a job, the work environment, or a work process that would allow an Employee to perform job functions with the Employer.

**The “Appendix A: Key Terms” has been updated to modify the following definition:**

**Own Occupation** means any similar job that involves Material and Substantial Duties of the same general nature as your regular job at the Employer when your Disability begins. It does **not** mean the specific job you are performing for a specific Employer or at a specific location. **Any Workplace Modification provided to you by your Employer, for a period lasting more than 12 consecutive months preceding your last day worked (your date of Disability), will be considered your regular job for purposes of evaluating your claim for disability benefits.**

**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