

# **SUMMARY OF MATERIAL MODIFICATIONS (SMM)**

## **For NRECA 401(k) Pension Plan**

**System Name:**

**RUS/Subgroup Number:**

This Summary of Material Modifications (SMM) describes changes to the National Rural Electric Cooperative Association (NRECA) sponsored 401(k) Pension Plan (the Plan) and supplements the Plan's Summary Plan Description (SPD). The effective date of these changes is noted below. Read this SMM carefully and keep this SMM with your SPD for future reference. If you have any questions about this change, please see your benefits administrator.

### **Summary of Changes for your SPD:**

#### **1. Periodic withdrawals for small account balances effective January 1, 2021**

**As a Participant you can take periodic payments from your account. Your account balance must be at least \$5,000 at the time you select a series of equal withdrawals.**

#### **2. Coronavirus Related Distributions effective January 1, 2020**

**A Participant that qualified for a Coronavirus distribution made on or after January 1, 2020 and before December 31, 2020 could receive up to \$100,000 without incurring a 10% additional tax. The Coronavirus distribution can be included in your income proportionally over three years. You may repay this Coronavirus distribution back to your Plan account within three years from the distribution date. The repayment can be made as a single payment or in multiple payments not to exceed one payment per year. The repayment will be treated as a direct rollover into an eligible retirement plan. This distribution is not available to Participants whose cooperative opted out of this provision.**

#### **3. Waiver of Required Minimum Distributions effective January 1, 2020**

**If, as a participant or beneficiary, you would have been required to take a required minimum distribution for 2020 ("2020 RMD"), you were able to elect whether to receive the 2020 RMD.**

#### **4. Hardship withdrawals effective January 1, 2020**

**A hardship withdrawal request may be approved for the cost of repairing damage to the Participant's primary residence that would qualify for the casualty deduction under Section 165 of the Code (determined without regard to the new limitation under Section 165 of the Code for tax years 2018 through 2025).**

**No further changes have been made to the Plan.**

All other rules, provisions, definitions, and benefit amounts of the SPD remain the same. To the extent that this SMM does not modify or clarify language or provisions of your most recent SPD, the language and provisions in your current SPD remain the same and control. 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