

August 2025

Summary of Material Modifications

The Board of Trustees is providing you this notice with important information about changes in the Alaska Electrical Pension Plan that were approved at the June 2025 meeting. These include:

- A change to the Pension rules that determine who your beneficiary is if you do not designate your beneficiary or your beneficiary dies before you. This rule is effective for deaths on and after January 1, 2026.
- New “required beginning date” rules required by federal law, effective retroactive to January 1, 2020.

These changes affect descriptions in the Summary Plan Description or “SPD” as noted below.

Change to Default Beneficiary Rules

The Pension Plan allows you to designate a beneficiary of your choosing (with your spouse’s consent if you are married); however, if you do not designate a beneficiary, the Pension Plan designates a “default” beneficiary based on a priority list set forth in the plan document. To manage the administrative cost and complexity, the Trustees have shortened the list of default beneficiaries. The change applies for deaths occurring on or after January 1, 2026. The Pension Plan also has been amended to address the unlikely event that no beneficiary is identified or claims the benefit.

Note – If you have completed the enrollment form to designate someone as your beneficiary this does not affect your designation. We strongly encourage you to review your beneficiary designation to ensure that your beneficiary is the person you choose.

If you are married, your spouse is automatically your beneficiary if you die before you retire. When you retire you may designate a beneficiary other than your spouse if, with your spouse’s consent, you elect to receive your benefit in either a Modified Life Annuity or Modified Life Annuity with Social Security Adjustment Option form of payment. Both the Modified Life Annuity and the Modified Life Annuity with Social Security Adjustment Option guarantee at least 60 months of payments. If you die before receiving 60 months of payments, your beneficiary receives the remaining payments.

If you are unmarried, you may designate a beneficiary to receive the Plan’s death benefit if you die before you retire, which is 60 months of your monthly benefit payment. When you retire you may designate a beneficiary for the remaining payments under your chosen form of payment. Both the Modified Life Annuity and the Modified Life Annuity with Social Security Adjustment Option guarantee at least 60 months of payments. If you die before receiving 60 months of payments, your beneficiary receives the remaining payments.

The following paragraph below replaces the beneficiary designation section on pages 42-43 of the SPD:

Designating a Beneficiary

You designate a beneficiary by completing an enrollment form and submitting it to the Administrative Office. You should keep your beneficiary designation current at all times. You may revoke your designation of a beneficiary at any time before your benefit payments begin by filing a new enrollment form with the Administrative Office.

If you are married, your spouse is automatically your beneficiary if you die before you retire. When you retire you may designate a beneficiary other than your spouse with your spouse's consent, however only your spouse can be your joint annuitant under the Plan's Spouse Option Annuity forms of payment.

If you are unmarried, you may designate a beneficiary to receive the pre-retirement death benefit. When you retire you may designate a beneficiary for the remaining payments under your chosen form of payment. Both the Modified Life Annuity and the Modified Life Annuity with Social Security Adjustment Option guarantee at least 60 months of payments.

In addition to living persons, the Plan permits you to designate a trust as your beneficiary. If you designate a trust as your beneficiary, you must complete an Addendum for Trust Beneficiary form to be filed along with your new enrollment form.

If you do not designate a beneficiary or beneficiaries, or your beneficiary has died before you, the Pension Plan will designate a beneficiary for any death benefit payable by the Plan, according to the following priority:

- Your surviving spouse; if none then
- Your child(ren) share and share alike; if none then
- Your parent(s) share and share alike (or the survivor of them)

If after a diligent search, the Administrative Office is unable to locate any of the individuals identified above, or it is determined none survived you no benefit is payable by the Plan.



Scan the QR code to update your beneficiaries online.

Required Minimum Distributions

Federal tax law requires that you begin payment of your Pension Plan benefit when you reach a certain age or retire – whichever occurs last. That target age has been changed in recent years by two laws passed by Congress.

Your payments must begin by your “required beginning date” which is April 1 of the calendar year following the later of the year in which you retire or reach the age noted below:

Born on or After:	And Before:	The required beginning date is April 1 of the calendar year following the year you reach age:
---	July 1, 1949	70½
July 1, 1949	January 1, 1951	72
January 1, 1951	January 1, 1960	73
January 1, 1960	---	75

Regardless, you may begin payment of your monthly benefits even if you work in post-retirement service once you reach April 1 of the calendar year following the year you reach age 70½.

Changes to Board of Trustees

Brea Schmidt is no longer a Management Trustee.

If you have any questions concerning this Notice, contact the Administrative Office at (907) 276-1246 or (800) 478-1246, or at 701 E. Tudor Road, Suite 200, Anchorage, AK 99503. Thank you.

Sincerely,

Laurie Butcher

Executive Plan Administrator