SUMMARY OF MATERIAL MODIFICATIONS FOR THE Consolidated Federal Credit Union 401(k) Profit Sharing Plan ("PLAN")

Due to the enactment of the SECURE 2.0 Act of 2022 (SECURE 2.0 Act), we have made changes that may affect your rights under the Plan. This "Summary of Material Modifications" ("SMM") describes how those changes may affect you. This SMM overrides any inconsistent information included in the Plan's Summary Plan Description (SPD), prior SMMs or other Plan forms.

CHANGES RELATED TO EMPLOYER CONTRIBUTIONS

Top-Heavy Benefits. If the Plan becomes top-heavy in any Plan Year, if you have not completed a minimum of one year of service (12 months with 1,000 hours or more) and attained age 21 or greater, you may receive a top-heavy contribution, if one is made, subject to the Employer's discretion.

CHANGES RELATED TO SALARY DEFERRALS

Long-Term, Part-Time Employees. A long-term, part-time (LTPT) employee generally is a part-time employee who does not meet the regular eligibility requirements under the Plan, but completes at least 500 and no more than 1,000 hours of service with the employer during two consecutive years, starting in the 2025 Plan Year, and who has attained age 21 by the end of a two consecutive-year period. (Three consecutive plan-years for Plan Years beginning on or before December 31, 2024.) [***Note:*** *If you are allowed to enter the plan sooner, these LTPT Employee provisions may not apply to you. See your Plan Administrator if you have any questions regarding your eligibility for the Plan*.]

Special Rules.

- LTPT Employees are not subject to the Plan's automatic enrollment provisions, if otherwise available in the Plan. (Not applicable if the Plan is subject to Mandatory Automatic Enrollment.)
- If the Plan is top-heavy, LTPT Employees will not receive a top-heavy plan allocation.

Eligibility Computation Period (ECP) and Entry Date. Your ECP and Entry Date will be the same as all other Eligible Employees, as described in your Summary Plan Description.

Vesting. LTPT Employees who work at least 500 hours in a Vesting Computation Period will be credited with a Year of Service for vesting purposes. However, hours completed before January 1, 2021 are excluded.

CHANGES RELATED TO DISTRIBUTIONS FROM THE PLAN

Involuntary Cash-Out Distributions. Effective January 1, 2024, if you have a termination of employment and also have a vested account balance of $7,000 or less, your vested account balance will be paid out to you, subject to the Automatic Rollover provisions under the Plan.

In-Service Distribution Options. In addition to the in-service distribution provisions described in your Summary Plan Description, the following in-service distributions have been added:

- **Domestic Abuse Distributions.** Distributions to a Domestic Abuse victim made during the 1-year period beginning on any date on which the Domestic Abuse victim is a victim of Domestic Abuse by a spouse or domestic partner and that meets the following conditions and definitions.

  For this purpose, Domestic Abuse is physical, psychological, sexual, emotional, or economic abuse, including efforts to control, isolate, humiliate, or intimidate the victim, or to undermine the victim's ability to reason independently, including by means of abuse of the victim's child or another family member living in the household.

  - The aggregate amount which may be taken as a Domestic Abuse Distribution shall not exceed an amount equal to the lesser of (1) $10,000 (indexed for inflation), or (2) 50 percent of the value of the nonforfeitable Account Balances of the Domestic Abuse victim under all plans of the Employer.

- If a distribution is treated as a Domestic Abuse Distribution, you may recontribute any portion of the amount distributed at any time during the 3-year period following the distribution.
- The Plan Administrator may generally rely on your written certification that you satisfy the conditions for receiving a Domestic Abuse Distribution. Such a distribution is includible in gross income, but it is not subject to the 10% additional excise tax.
- See your Plan Administrator for additional information.

Domestic Abuse Distributions may be taken from the following, effective January 1, 2024:

- All available sources

However, Domestic Abuse Distributions are not available if you:

- have had a termination of employment
- are less than 100% vested in the source from which the distribution is to taken

- **Qualified Long-Term Care Distributions**. Distributions that may be used to pay for long-term care insurance provided the distribution is the least of the following:
  - the amount paid by or assessed to the Employee receiving the distribution during the taxable year for certified long-term care insurance for the Employee, the Employee's spouse or other family member of the Employee (as provided by the Secretary of the Treasury);
  - an amount equal to 10% of the Employee's vested Account Balance; or
  - $2,500 (adjusted for cost of living adjustments).

  To be treated as a Qualified Long-Term Care Distribution, you must file a long-term care premium statement with the Plan. Such statement is provided by the issuer of the longer-term care coverage, which includes, but is not limited to:
  - the name and taxpayer identification number of such issuer;
  - a statement that the coverage is certified long-term care insurance;
  - identification of the Employee as the owner of such coverage;
  - identification of the individual covered and such individual's relationship to the Employee; and
  - the premiums owed for the coverage for the calendar year.

  The Plan will accept a long-term care premium statement only if the issuer has completed a disclosure to the Secretary of the Treasury for the specific coverage product to which the statement relates. See your Plan Administrator for additional information.

  Qualified Long-Term Care Distributions may be taken from the following, effective January 1, 2024:
  - All available sources, except Roth and After-Tax accounts, if provided for in the Plan

  Qualified Long-Term Care Distributions may not be taken from Roth or After-Tax accounts, if provided for in the Plan.

  However, Qualified Long-Term Care Distributions are not available if you:
  - have had a termination of employment
  - are less than 100% vested in the source from which the distribution is to taken
- **Terminally Ill Individual Distributions.** Distributions to a terminally ill Participant made on or after the date on which the Participant has been certified by a physician as having a terminal illness. [***Note:*** *These distributions are not available with respect to Salary Deferrals, Safe Harbor Contributions, QNECs and QMACs, if provided for in the Plan, unless legislation amends Code §72(t)(2)(L) to allow a Terminally Ill Individual Distribution as a permissible distribution event under Code §401(k).]*

  A terminally ill individual means an individual who has been certified by a physician as having an illness or physical condition that can reasonably be expected to result in death in 84 months or less after the date of the certification.

A certification of terminal illness from a physician must include the following:

1. A statement that the individual's illness or physical condition can be reasonably expected to result in death in 84 months or less after the date of certification;
2. A narrative description of the evidence that was used to support the statement of illness or physical condition;
3. The name and contact information of the physician making the statement;
4. The date the physician examined the individual or reviewed the evidence provided by the individual, and the date that the certification is signed by the physician; and
5. The signature of the physician making the statement, and an attestation from the physician that, by signing the form, the physician confirms that the physician composed the narrative description based on the physician's examination of the individual or the physician's review of the evidence provided by the individual.

If a distribution is treated as a Terminal Illness Distribution, you may recontribute any portion of the amount distributed at any time during the 3-year period following the distribution.

Terminal Illness Distributions may be taken from the following, effective January 1, 2024:

- All available sources *(except Salary Deferrals, Safe Harbor Contributions, QNECs and QMACs, if provided for in the plan, are available only if legislation amends Code §72(t)(2)(L) to allow a Terminally Ill Individual Distribution as a permissible distribution event under Code §401(k).)*

However, Terminal Illness Distributions are not available if you:

- have had a termination of employment
- are less than 100% vested in the source from which the distribution is to taken

Required Minimum Distributions (RMDs).

If you have not begun taking distributions before you attain your Required Beginning Date, the Plan generally must commence distributions to you as of such date. For this purpose, your Required Beginning Date is based on your date of birth as follows:

Birthdate	Required Beginning Date Age
Before July 1, 1949	70 ½
July 1, 1949 - December 31, 1950	72
January 1, 1951 – December 31, 1959	73
January 1, 1960 or later	75

- If you die prior to your Required Beginning Date, RMDs under the Plan shall be made as follows: (1) if you have no Designated Beneficiary, distributions must satisfy the 5-year rule; (2) if you have a Designated Beneficiary, RMDs must satisfy the 10-year rule.

ADDITIONAL INFORMATION

If you have any questions about the changes described in this SMM or about the Plan in general, contact your Plan Administrator:

Consolidated Federal Credit Union
1033 NE 6th Ave.
Portland, OR 97232
503-238-5897