Northwestern University

Voluntary Savings Plan and Retirement Plan

Summary Plan Description

As of January 1, 2021

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Introduction

Northwestern University (the “University”) sponsors two 403(b) retirement plans:

- Northwestern University Voluntary Savings Plan (the “Voluntary Savings Plan”)
- Northwestern University Retirement Plan (the “Retirement Plan”).

This Summary Plan Description (“SPD”) summarizes the key terms and features of both the Voluntary Savings Plan and the Retirement Plan, as in effect on January 1, 2021. The Voluntary Savings Plan and the Retirement Plan are sometimes together referred to in this SPD as the “Plans,” and reference to the “Plan” is a reference to either plan or both plans, depending on the context.

This Summary Plan Description is not intended as a substitute for the legal Plan documents. The legal Plan documents govern your rights and benefits under the Plans. If there is any ambiguity or inconsistency between the Summary Plan Description and the legal Plan documents, the terms of the Plan documents will govern.

If you have questions about the Plans, please look for information on the University’s ***Benefits website.*** You may also call the Benefits Division of the Office of Human Resources at (847) 491-4700, 9:00am to 4:00pm, Monday through Friday, or send an email to benefits@northwestern.edu.

Plan Highlights for Eligible Employees

Voluntary Savings Plan

***Employee Contributions**.* Eligible employees may contribute up to 75% of eligible earnings to the Voluntary Savings Plan. Contributions are not subject to federal (or state, where applicable) income tax, but amounts are subject to Social Security and Medicare taxes.

University Contributions. The University does not make any contributions to the Voluntary Savings Plan.

Eligibility. All employees are eligible on their date of hire.

Retirement Plan

***Employee Contributions**.* Eligible employees may contribute up to 5% of eligible earnings to the Retirement Plan. Contributions are not subject to federal (or state, where applicable) income tax, but amounts are subject to Social Security and Medicare taxes.

University Matching Contributions. The University will make a contribution to participants' Retirement Plan accounts equal to their employee contribution (up to 5% of eligible earnings).

***University Contributions**.* The University may make a discretionary automatic contribution to participants' Retirement Plan accounts, based on a percentage of eligible earnings.

Eligibility. Eligible employees become participants after a two-year waiting period. The waiting period may be waived for employees with eligible participation credit under a similar plan prior to hire by the University.

Both Plans

Catch-Up Contributions. If you are at least age 50 (or will turn 50 during the calendar year), you may contribute an additional portion of your eligible earnings to the Plans.

Rollover Contributions. You may roll over amounts distributed from another eligible retirement plan into the Plans.

Plan-to-Plan Transfers. Transfers between the Plans are not permitted.

***Vesting**.* You are 100% vested in all contributions to the Plans.

***Distributions**.* You may take a distribution from the Plans when your employment with the University ends, when you attain age 59½, or if you experience an eligible hardship. You also may be entitled to a distribution under certain circumstances if you enter into a written agreement with the University for a phased retirement.

Eligibility – Voluntary Savings Plan

Who is eligible to participate in the Voluntary Savings Plan?

You are eligible to participate in the Voluntary Savings Plan if you are an employee on the payroll of the University (paid W-2 wages) and ***are not*** classified by the University as any of the following:

- Independent contractor
- Consultant
- Leased employee
- Non-resident alien with no U.S. source income or no income subject to U.S. income tax

You are eligible to participate in the Voluntary Savings Plan if you are an employee of the University and a student, graduate student, or temporary employee. If you are a not a U.S. citizen and pay no U.S. income tax, you are not eligible to participate in the Voluntary Savings Plan.

When can I begin participating in the Voluntary Savings Plan?

If you are an eligible employee under the Voluntary Savings Plan, you can participate in the Plan beginning upon your date of hire.

Eligibility – Retirement Plan

Who is eligible to participate in the Retirement Plan?

You are eligible to participate in the Retirement Plan if you are an employee on the payroll of the University (paid W-2 wages) and you are classified as any of the following:

- A faculty member who holds a full-time appointment with the University for at least half of the full academic year.
- A faculty member who holds a half-time appointment with the University for the entire academic year.
- A regular status staff member who is paid by the University on a monthly basis and who is scheduled to work at least ½ full-time equivalent or greater.
- A regular status staff member who is paid by the University on a bi-weekly basis and scheduled to work at least 18.75 hours per week.
- An employee covered by a collective bargaining agreement that provides for participation in the Retirement Plan.

Even if you are described above, you ***are not*** eligible to participate in the Retirement Plan if you are classified by the University as any of the following:

- Independent contractor
- Consultant
- Leased employee
- Non-resident alien with no U.S. source income or no income subject to U.S. income tax
- Temporary Allen Center instructor
- Temporary athletic coach, instructor, or trainer
- Temporary Center for Talent Development teacher or assistant
- Temporary Kellogg mock interviewer
- Public Safety adjunct instructor
- SPAC group fitness or personal trainer
- Employed by an affiliate of the University that has not adopted the Retirement Plan
- Employee covered by a collective bargaining agreement that does not provide for participation in the Retirement Plan

When can I begin participating in the Retirement Plan?

If you are an eligible employee under the Retirement Plan, you will become a participant once you are least 21 years of age and have completed at least either two years of "continuous service" or two years of "eligibility service" (each described below). If the University makes automatic contributions to the Retirement Plan, you will automatically receive these contributions if you have met these age and service requirements.

Service is calculated using "eligibility computation periods." An "eligibility computation period" is a 12-month period beginning on your hire date, or on the anniversary of your hire date. For example, if you are hired by the University on July 1, 2020, your eligibility computation period would be July 1 – June 30.

Continuous Service*.* You will be credited with two years of continuous service if you are an eligible employee at all times during two consecutive eligibility computation periods (*i.e.*, 24 months).

Waiver Exception: Alternatively, you may be credited with two years of continuous service if:

- you were an employee of a tax-exempt educational or research organization or a state educational organization for a 24-month period;
- your employment with this organization ended no more than 60 days before your date of hire with the University; and
- you received employer contributions or accrued benefits under that organization's 403(b) or 401(a) plan (including 401(k) plan) at any time during the 60-day period before your date of hire with the University. (Note: if your contributions/accruals were suspended in 2020, contact the Benefits Division for more information.)

If you would like to receive credit for service with a prior organization, please contact benefits@northwestern.edu or 847-491-4700 to request a waiver form.

***Eligibility Service**.* A year of eligibility service means you worked at least 1,000 hours as an employee of the University during an eligibility computation period. You will receive credit for a paid leave of absence, for certain maternity and paternity leave, and for qualified military leave. You do not receive credit for any other unpaid leave of absence.

***Rehires*.** If you were previously employed by the University and were a participant in the Retirement Plan when your employment ended, you will be a participant in the Retirement Plan on your date of rehire if you are rehired by the University as an eligible employee.

If you were previously employed by the University and did not participate in the Retirement Plan, you will become a participant in the Retirement Plan if you are rehired as an eligible employee once you satisfy the age and service requirements described above. Your previous employment with the University will not count toward the service requirement when calculating your continuous service. When calculating your eligibility service, your prior service with the University will not be taken into account if you experience a "break in service," which is an eligibility computation period during which you are credited with fewer than 500 hours.

Example: Assume you are hired by the University on July 1, 2020 and that your employment with the University ends on August 8, 2021. You would not be credited with any "continuous service" for this period because you were not an eligible employee for 24 continuous months. Your first eligibility computation period was July 1, 2020 to June 30, 2021, but your second eligibility computation period was interrupted when your employment ended on August 8, 2021.

Assume you are then rehired by the University on September 1, 2023 on a permanent and full-time basis. Your new eligibility computation period will be September 1 – August 31, and you would not receive credit for your prior employment with the University because you had a "break in service" between August 8, 2021 and September 1, 2023. If you remain employed by the University for two consecutive years, you would be eligible for the Retirement Plan beginning September 1, 2025.

Employee Contributions

Can I make pre-tax contributions?

Voluntary Savings Plan: Eligible employees may contribute up to 75% of their eligible earnings to the Voluntary Savings Plan on a pre-tax basis.

Retirement Plan: Eligible employees may contribute up to 5% of their eligible earnings to the Retirement Plan on a pre-tax basis.

Your contribution made on a pre-tax basis is also known as an “elective deferral.” You will not pay federal (or state, where applicable) income tax on your elective deferrals until the amounts are distributed to you from the Plans. However, your elective deferrals are included in your income at the time you make the contribution for purposes of determining your Social Security and Medicare taxes.

If you do not elect to contribute to the Plans, no elective deferrals will be made to the Plans on your behalf from your earnings.

What are my “eligible earnings”?

"Eligible earnings” generally means your base salary (determined before any deductions are taken for contributions to University welfare benefits such as the health plan or FSAs). Eligible earnings are taken into account under the Plans when they are (or would have been) paid to you. Eligible earnings do not include: reimbursements or other expense allowance, vacation pay and other cash or non-cash fringe benefits, moving expenses, distributions from non-qualified deferred compensation plans, short term disability payments and other welfare plan payments, severance pay, bereavement pay, stipends for living or other expenses (including to graduate students), scholarships, earnings that are not subject to U.S. income tax, and amounts paid to you prior to the date you begin participating in the Plan. Eligible earnings include any military differential wages you receive from the University.

Other limits on eligible earnings: If you are a highly compensated employee, your eligible earnings do not include supplemental pay and pay for temporary assignments or additional assignments. Whether you are a highly compensated employee is determined by tax law. Generally, you are a highly compensated employee if, for the immediately preceding Plan year, your compensation exceeded the amount established by the IRS for that year ($130,000 in 2021).

For purposes of calculating employee and University contributions under the Retirement Plan, your eligible earnings do not include amounts that exceed the IRS compensation limit ($290,000 in 2021, which may be increased by the IRS in future years).

Can I make Roth contributions or after-tax contributions?

No. Roth contributions and after-tax contributions are not permitted under the Plans.

How do I make or change my contribution elections?

You set and make all changes to your elective deferrals by logging on to ***NetBenefits***, which can also be accessed through myHR, or by calling NetBenefits at 800-343-0860 to speak with a representative. You may make or change your election at any time; it will generally be effective beginning with the next payroll period after your election is processed. Your election will apply to all pay periods thereafter until you change it.

Currently you can choose from two Investment Companies: Fidelity Investments and Teachers Insurance and Annuity Association (TIAA). The Investment Company is the provider that issues or establishes the annuity contract or custodial account that holds your Plan account balances. You may choose your Investment Company on ***NetBenefits***, or by calling NetBenefits at 800-343-0860. If you do not choose a vendor, your account will be held by Fidelity.

All contribution elections are changed using NetBenefits, which is administered by Fidelity, whether your investments are held at Fidelity or TIAA.

What limits apply to my contributions?

Federal tax law limits the amount of your contributions in each calendar year. This dollar limit is a combined limit that applies to your contributions to the Voluntary Savings Plan, the Retirement Plan, and any other qualified retirement plan sponsored by another employer (including a 401(k) plan, 403(b) plan, SIMPLE plan, SIMPLE IRA, and SARSEP). For 2021, the contribution limit is $19,500, which may be increased by the IRS in future years.

If you are at least age 50 before the end of the calendar year, you may also make catch-up contributions for that year. For 2021, this increase is $6,500. For example, if you turn age 50 on August 1, 2021, you may make contributions up to $26,000 for 2021 ($19,500 plus an additional $6,500 in catch-up contributions). The maximum catch-up amount may be increased by the IRS in future years.

A dollar limit applies to the eligible earnings that are taken into account for calculating your elective deferrals to the Retirement Plan. That dollar limit for 2021 is $290,000, which may be increased by the IRS in future years for cost-of-living adjustments.

What happens if I contribute more than the federal tax law allows?

To the University Plans: If you contribute more to the Plans than the amount permitted under federal tax law, the Plans will return the excess amount and earnings to you. Any amounts returned will be adjusted for investment earnings and losses.

To plans not maintained by the University: You are responsible for notifying the Benefits Division or your Investment Company no later than the following March 1st if you have contributed more than the amount allowed under federal tax law for the calendar year. The Plans will return the excess amount and earnings to you by April 15th. Excess deferrals that are not distributed to you by April 15 will be taxed twice: once in the tax year that you contributed the excess deferrals, and later when the excess deferrals are distributed to you.

Example: If in 2021 you contributed $12,000 to a 401(k) plan at your last employer and also contributed $10,000 to the Voluntary Savings Plan (and you are younger than age 50), you would need to notify the Benefits Division or Investment Company by March 1, 2022 of the excess amount you contributed over the $19,500 limit that was allowed in 2021.

Can I make contributions during the following special situations?

Phased retirement: Yes, if your employment is subject to a written agreement with the University under which you agree to retire or terminate employment with the University as of a definite date.

Leave of absence: Yes, if you are on a paid leave of absence from the University.

No, if you are on an unpaid leave of absence from the University. When you return from unpaid leave, your contributions will begin again based on your prior election unless you changed it.

Military service: Yes, if you are on an approved leave of absence due to qualified military service and are entitled to full re-employment rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA). You may also make up any contributions you missed, which are in addition to any contributions you are making when you return to employment with the University. The amount of time you have to make these "make-up" contributions is three times your period of qualified military service, up to a maximum of five years.

My employment status changes: No, if your employment status changes such that you are no longer in an eligible job classification. If you again become an eligible employee, you may again contribute to the Plans as of the date you become an eligible employee.

Can I make rollover contributions to the Plans?

You may roll over all or a portion of an "eligible rollover distribution" from another employer's retirement plan (generally, a 403(b) plan, 401(k) plan, or 401(a) plan) and certain IRAs if your Investment Company determines it is from an acceptable source. An eligible rollover distribution is typically any cash distribution other than an annuity payment, a required minimum distribution

(RMD), a distribution that is part of a fixed period payment of ten years or more, or a hardship withdrawal. You must be an employee of the University to make a rollover contribution to the Plans.

The Plans do not permit rollover contributions from a Roth account under an employer's retirement plan, a non-deductible IRA, an IRA containing after-tax employee contributions, or a Roth IRA.

Can my contributions to the Plans be forfeited?

No. Your elective and rollover contributions and any earnings on these contributions are always 100% vested.

University Contributions for Eligible Employees

Does the University contribute to the Plans?

The University does not make contributions to the Voluntary Savings Plan.

The University makes the following contributions to Retirement Plan participants' accounts:

Matching Contributions: The University will make a contribution to the Retirement Plan equal to 100% of your elective deferral to the Retirement Plan. For example, if your eligible earnings are $75,000 and you elect to contribute 5% to the Retirement Plan, or $3,750, the University will also contribute a matching contribution to your Plan account of $3,750. The amount of the University matching contribution for the plan year is capped at 5% of your eligible earnings. The University calculates the matching contributions based on your elective deferral and eligible earnings for each payroll period.

> ***True-Up Adjustment:*** After the close of each calendar year, a "true-up" calculation is performed to ensure you receive the maximum University matching contribution allowable to you for the plan year. As part of this process the University will recalculate your matching contributions based on your elective deferrals to the Plans and eligible earnings for the entire year. If this amount is greater than the amount of the matching contributions already contributed to your Retirement Plan account for the year, the University will make an additional "true-up" matching contribution equal to the difference.

Automatic Retirement Contributions: The University may, in its discretion, make an automatic retirement contribution to your Retirement Plan account based on a percentage of your eligible earnings.

Federal tax law limits the earnings that may be taken into account for determining any University contributions. That dollar limit for 2021 is $290,000, which may be increased by the IRS in future years for cost-of-living adjustments.

What happens if I receive more contributions than the federal tax law allows?

Federal tax law limits the amount that can be contributed on your behalf in a calendar year to qualified retirement plans, including the University's Plans and plans not maintained by the University. Qualified retirement plans include 401(k) plans, 403(a) plans, 403(b) plans and SEPs. This limit includes employee and employer contributions, but does not apply to your catch-up or rollover contributions. For the 2021 calendar year, the plan contribution limit (also called the annual addition or 415 limit) is $58,000 or, if less, 100% of your gross earnings. The dollar limit may be increased by the IRS for future years. Amounts that exceed this plan contribution limit will be treated as "excess contributions."

To the University Plans: Excess contributions attributable to your employee contributions will be returned to you, and attributable to University contributions may be forfeited. Any amounts returned or forfeited will be adjusted for investment earnings and losses.

If you also participate(d) in plans not maintained by the University during the calendar year: You are responsible for immediately notifying the Benefits Division or your Investment Company of excess contributions when you combine contributions on your behalf (for the calendar year) to the University and other employer plans.

> **<u>IMPORTANT</u>:** ***If you participated in another employer's qualified retirement plan during the calendar year AND you own or have owned more than 50% of that business*** **you must immediately notify the Benefits Division at 847-491-4700.** To accurately calculate your maximum amount contributable under the Plans, the University will need to collect information pertaining to plan contributions on your behalf from that business.

Excess contributions will not jeopardize the tax-deferred status of your account if you have provided timely notification and your Investment Company distributes or separately accounts for the excess amount. If your Plan account is invested in mutual funds, you may be subject to a 6% excise tax on Excess Contributions. For more information about this tax, see IRS Publication 571, which is available on the IRS web site at www.irs.gov.

Do I receive University contributions during the following special situations?

Phased retirement: Yes, if your employment is subject to a written agreement with the University under which you agree to retire or terminate employment with the University as of a definite date.

Leave of absence: Yes, if you are on a paid leave of absence from the University. Any University contributions will be determined based on your actual earnings during the leave of absence.

No, if you are on an unpaid leave of absence from the University. Any University contributions will begin again if you remain eligible when you return from your leave of absence.

Military service: Yes, if you are on an approved leave of absence due to qualified military service and are entitled to full re-employment rights under USERRA. Upon return to employment with the University, the University will make any retroactive contributions to the Retirement Plan for the period of your leave of absence due to military service on the same basis applied to other Retirement Plan participants for the period of your leave of qualified military absence.

Long-Term Disability: Generally no. However, if you are approved to receive disability payments under the University's self-funded long-term disability plan prior to September 1, 2012, the University will continue to make automatic retirement contributions to the Retirement Plan for each pay period you receive disability payments under this disability plan, until you attain age 65.

Can the University contributions to the Plans be forfeited?

No. Any University contributions made to the Retirement Plan on your behalf and the earnings on those contributions are always 100% vested.

Plan Investments

How are my Plan contributions invested?

You decide how your account balances are to be invested. You have a selection of two Investment Companies: Fidelity Investments and Teachers Insurance and Annuity Association (TIAA). You can allocate your contributions to one Investment Company or between the two Investment Companies. You are encouraged to contact the Investment Companies and explore their websites to find information on investment selections, retirement planning tools to help you make important decisions, and general investment education. You may also schedule an appointment with a Fidelity or TIAA representative.

Fidelity: ***Fidelity*** or 800-343-0860

TIAA: ***TIAA*** or 800-842-2776

The Plans are each intended to constitute a plan described in Section 404(c) of the Employee Retirement Income Security Act of 1974 ("ERISA"). Accordingly, you are responsible for any investment gains or losses that result from your investment decisions because you are permitted to choose your own investments. This means that the fiduciaries of the Plans, including the University, are not liable if the value of your Plan account declines because of investment losses or fails to increase because of lack of gains based on your investment decisions. It is important that you review all available materials to ensure that your investment decisions meet your personal investment objectives. You also may want to consult your investment or financial advisor to assist you in making your investment decisions.

What are my investment options under the Plans?

The Investment Companies and options offered by the Plans have been chosen by the Northwestern University Retirement Investment Committee (the "Committee") with the assistance of an independent investment advisor. The Committee may cease future contributions to an Investment Company or add a new Investment Company at any time.

The Committee monitors the investment options on a regular basis and may make changes to investment options from time to time. The Committee may close or cease future contributions to an investment fund or investment vehicle or add a new investment fund or investment vehicle.

The Plans' investment options are intended to provide a range of risk, liquidity, and investment return opportunities. No one, including the University, the Committee, or the Investment Companies, recommends any investment over another. You will need to assess which investments meet your objectives. Your selection of options should take into account your personal financial situation including your total assets and investments both inside and outside the Plans and how long you intend to have the funds invested. If you need more information, please visit the University's ***Benefits website.*** Please note that Plan investments are not insured by the Federal Deposit Insurance Corporation (FDIC) or the Pension Benefit Guarantee Corporation (PBGC).

How do I make or change my investment elections?

You may choose and change investments through the Investment Companies:

Fidelity: ***Fidelity*** or 800-343-0860

TIAA: ***TIAA*** or 800-842-2776

Even if you choose not to contribute to the Plans, if you are eligible for the Retirement Plan you must still select the Investment Company you want to use for the investment of any University automatic contributions made to your Plan account.

What happens if I do not make an investment election?

Your Plan contributions will be deposited with Fidelity and held in the Plans' default investment fund selected by the Committee, and will remain invested in the default fund until you transfer your balance to a different investment.

The default investment fund is intended to be a "qualified default investment alternative" as described in Section 404(c)(5) of ERISA. If you wish to obtain further information regarding the Plans' default investment fund, please contact Fidelity.

Withdrawals While You Are Employed by the University

Can I make a withdrawal from the Plans while I am employed by the University?

Generally, withdrawals from the Plans are not permitted while you are employed by the University. However, withdrawals from the Plans during employment (also known as "in-service distributions") are permitted under the following circumstances:

Rollover Contributions*.* You may withdraw all or a portion of your rollover contributions to the Plans at any time.

Age 59½. You may withdraw all or a portion of your own employee contributions to the Plans at any time after you attain age 59½.

Phased Retirement. You may withdraw all or a portion of your Plan account if your employment is subject to a written agreement with the University under which you agree to retire or terminate employment with the University as of a definite date and the agreement and applicable law allows for withdrawals during active employment with the University.

Hardship Withdrawal*.* You may withdraw all or a portion of your employee contributions in the event of a hardship that is authorized by your Investment Company (see below).

If you withdraw any portion of your accounts prior to age 59½, your withdrawal may be subject to tax penalties.

How do I take a hardship withdrawal from the Plans?

You can take a hardship withdrawal of your own employee contributions if authorized by your Investment Company for immediate and heavy financial need on account of:

- medical expenses incurred by you, your spouse, dependent, or primary beneficiary,
- the purchase of your principal residence,
- payment of tuition, related fees, and room and board for the next 12 months of post-secondary education for you, your spouse, dependent, or primary beneficiary,
- the need to avoid your eviction from your principal residence or foreclosure on the mortgage of your principal residence,
- burial or funeral expenses for your parent, spouse, child, dependent, or primary beneficiary,
- damage to your principal residence that would qualify for the casualty deduction under Section 165 of the Internal Revenue Code,
- expenses or losses (including loss of income) incurred on account of a federally declared disaster if your principal residence or principal place of employment is located in the area

designated by the Federal Emergency Medical Agency for individual assistance at the time of the disaster, and

- any other situation permitted by the Internal Revenue Service.

The amount of the hardship withdrawal cannot exceed the amount of the immediate and heavy financial need (including amounts necessary to pay taxes and penalties that result from the withdrawal). You must first obtain all available distributions under any other University retirement and deferred compensation plans, unless it would result in an increase in the amount of your hardship. You must also provide a written representation that you have insufficient cash to satisfy the financial need.

Plan Distributions

Can I take a distribution from the Plans when my employment with the University ends?

Yes, when your employment with the University ends (for any reason), you may take a distribution from the Plans at any time by contacting your Investment Company.

Distributions before age 59½ that are not rolled over into an IRA or other eligible retirement plan are subject to an additional tax equal to 10%. A few limited exceptions apply to this rule. The Federal income tax aspects of distributions from the Plans are complex and subject to change. Furthermore, applicable tax treatment under state and local law may differ. Consult your tax or financial advisor regarding the impact of any distributions you are considering from the Plans.

If you have amounts invested in different types of investment funds (for example, annuities offered through TIAA or mutual funds available on the Fidelity and TIAA menus), the timing and forms of payment may be different. For example, you can elect immediate distribution from your mutual funds and defer distribution of amounts invested in an annuity. *See below for additional information on distribution options.*

Can I keep my account balances in the Plans after my employment with the University ends or after I retire?

Yes, the Plans are intended to allow you to save for your future, including during retirement. If you maintain an account under the Plans, you will continue to receive quarterly statements, you may direct your own investments, and you remain subject to all Plan rules. You will be required to take distributions from the Plans once you reach a certain age (see "Do I Have to Take a Required Minimum Distribution (RMD) from the Plans?" below).

Your participation in the Plans will terminate upon death, when your account balances are payable to your spouse or designated beneficiary(s), subject to the terms of any annuity contracts you may have selected as an investment option (see below).

What are the distribution options from the Plans?

You can request a distribution from your accounts by contacting your Investment Company.

The default form of participant distribution from the Plans is a qualified joint and survivor annuity for married participants and a single life annuity for unmarried participants, although the Plans offer optional forms of payment.

You (and your spouse, if applicable) can choose from different distribution options that may be permitted by your Investment Company:

- **Lump Sum**. Full or partial account balance is received in a single payment, subject to the restrictions of any annuity contracts you may have selected as an investment option.
- **75% Joint and Survivor Annuity**. Monthly payments for your lifetime, and, upon your death, your surviving beneficiary will receive lifetime payments equal to 75% of your lifetime payments.
- **Annuity.** Monthly payments for your lifetime and, upon your death and if you elect, your surviving beneficiary may also receive lifetime payments.
- **Automatic or Systematic Withdrawals**. Installment payments typically based on a pre-defined withdrawal method over a specified number of years.
- **Other Distribution Options.** Other forms of distribution may be available under the contract or account issued by your Investment Company. Contact your Investment Company for more information.

Your Investment Company may require a transfer to a different investment contract or account to make a distribution from the Plans.

Can I rollover my Plan account balances?

Yes. While payments that you receive from the Plans generally are subject to Federal income tax at the time of payment, there is an exception for distributions that are rolled over to an IRA or another eligible retirement plan. A rollover can be accomplished in either of two ways: (1) you can take a distribution from the Plan and deposit it in an individual retirement account ("IRA") or another eligible retirement plan within 60 days of distribution; or (2) you can request from your Investment Company a direct rollover to an IRA or another eligible retirement plan. The tax consequences are different and should be carefully considered. Contact your Investment Company and consult with your tax or financial advisor for more information regarding rollovers.

Do I have to take a Required Minimum Distribution (RMD) from the Plans?

Federal tax laws require that you take a minimum distribution from your 403(b) plans beginning the April 1st following the calendar year in which you reach age 72 or when you retire, whichever is later. If you do not begin distributions by this date, the IRS imposes a 50% excise tax on the amount that was required to be distributed but was not. More information is available, including RMD worksheets to calculate your required distributions, on the IRS web site at www.irs.gov.

If you are employed by the University at or after age 72 you may delay taking an RMD from the University's Plan accounts until the April 1 of the year after you retire. Keep in mind this does not apply to IRAs or other retirement plans from former employers.

(**Note**: If you were born before July 1, 1949, you may delay payment of your Plan account until the April 1st following the calendar year in which you reach age 70½ or retire, whichever is later.)

What happens to my account balances if I die?

A surviving spouse or beneficiary initiates a distribution from the Plans by requesting distribution forms from the applicable Investment Company and returning them along with any other documentation the Investment Company deems necessary. Your Investment Company will notify your spouse/beneficiary of the applicable distribution requirements.

If you have begun receiving annuity payments from the Plan, the amount payable to your beneficiary or, if applicable, your co-annuitant will depend on the type of annuity you selected. For example, if you are receiving a 50% joint and survivor annuity, then your beneficiary will receive a monthly benefit of 50% of the monthly benefit you received prior to your death. Alternatively, if you elected a single life annuity, your surviving spouse or other beneficiary will receive nothing.

If you are not receiving annuity payments from the Plan, your account will be distributed as follows:

> ***If you are not married*** at the time of death and all required documentation has been accepted by the Investment Company, the balance of your account will be distributed to your designated beneficiary(ies).
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> ***If you are married*** at the time of your death and all required documentation has been accepted by the Investment Company, the balance of your account will be distributed according to your distribution election on file, which may be to your spouse and/or designated beneficiary(ies). If you are subject to the default distribution option because you haven't made another election, 50% of the value of your account is payable to your spouse in the form of a qualified pre-retirement survivor annuity (your spouse may choose the form of distribution), and the remaining portion of your account is payable to your designated beneficiary(ies).
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> A qualified pre-retirement survivor annuity or QPSA is an annuity that provides for periodic payments for the life of your spouse. You may waive the qualified pre-retirement survivor annuity and designate a non-spouse beneficiary at any time between the date you begin participating in the Plan and the date of your death. Note that if you waive the qualified pre-retirement survivor annuity prior to age 35, you must re-designate the non-spouse beneficiary when you turn 35. Your spouse must consent to this waiver.

Distributions upon death must be made to your beneficiary within the time limits set by Federal tax law.

No Designated Beneficiary. If you do not have a designated beneficiary at the time of your death, your account balances will be paid to your spouse if you are married, or to your estate if you are not married (or to your heirs as determined under Illinois law and in the discretion of the Plan Administrator and Investment Company).

You should review your beneficiary designation periodically. For example, if your marital status changes, you should review your beneficiary designation. If you marry, your new spouse is automatically the beneficiary with respect to 50% of your death benefits. You can change your beneficiary at any time by contacting your Investment Company subject to the spousal consent requirement.

***Notification of Death**.* If you were receiving payments form the Plans and your beneficiary fails to notify an Investment Company of your death on a timely basis, the Plans reserve the right to recover any excess annuity or other payments made after your death.

Plan Loans

Are loans allowed from the Plans?

Yes. Participants may have a maximum of three loans outstanding at any time across all Plans and Investment Companies.

If you are married at the time you apply for a Plan loan, your spouse must consent to the loan. Your spouse's consent must be in writing and witnessed by a notary public.

What are the general terms applicable to loans?

The applicable terms of your Plan loans are determined by the Investment Company. To inquire about terms or apply for a loan, contact your Investment Company.

Maximum/minimum loan amounts. All of your outstanding loans under all Plans and Investment Companies cannot exceed $50,000 or, if less, 50% of your vested account balance.

The minimum loan amount is $1,000 (unless the Investment Company has established a different minimum).

Interest rate. The interest rate for the loan varies and is determined by the Investment Company.

Loan fees. You may be required to pay set-up, maintenance, or other fees for your loan, which may vary by Investment Company.

Repayment period. You can take up to five years to repay your Plan loan, except if the loan was for the purchase of your principal residence you can take up to 10 years to repay your Plan loan.

Prepayment*.* You can make additional loan payments or pay off loans at any time.

What happens to my loan(s) if my employment terminates or I am on a leave of absence?

You may either prepay the loan in full or continue to make regular installment payments as they become due.

During a qualified military leave of absence, repayment is suspended although interest will continue to accrue.

What happens if I don’t repay my loan(s)?

If you don’t make timely payment on your Plan loan, your loan will be declared in default. Upon default, the entire amount will be immediately due. If you do not pay the full amount, the outstanding balance of the loan is to be offset by your remaining Plan account balance.

A defaulted loan will result in the outstanding balance of the loan being included in your taxable income. In January of the calendar year following the default, an IRS form 1099-R will be issued to you reporting the amount of taxable income and the IRS will be provided this information. If you are under age 59½ on the date of the default, the IRS 10% early distribution penalty may apply.

You may not apply for any additional loans until all defaulted loans have been paid off or offset.

Other Information

When is spousal consent required under the Plans?

If you are married, you are required to obtain spousal consent for the following actions under the Plans. Spousal consent is not required if you do not have a spouse, if your spouse cannot be located, or under other circumstances permitted by applicable law.

All spousal consents must be witnessed by a notary public and are only effective with respect to the consenting spouse.

Alternative Distribution Option. The Plans have a designated default annuity option (a qualified joint and survivor annuity (QJSA)), and your spouse must consent to any alternative distribution option. With spousal consent, you may change your distribution option before Plan distributions commence.

Non-Spouse Beneficiary. Your spouse is automatically your beneficiary under the Plans for purposes of the qualified preretirement survivor annuity (QPSA) and must consent to any change to a different beneficiary.

Required Minimum Distributions (RMD). If you are receiving an RMD in a form other than a QJSA, your spouse must consent to the alternative distribution option.

Plan Loans. Spousal consent is required for any Plan loan.

Can my Plan benefits be reduced or eliminated?

There are a few situations that will cause you to lose your account balance or to have your Plan balance reduced. These are as follows:

- No contributions can be made to your Plan account that exceed the limits specified by Federal tax law or the Plan for any year, as described under the "Employee Contributions" and "University Contributions" sections of this SPD.
- Your account balances will share in losses, as well as gains and income, of the investment funds in which you elected to invest, as described under "Investments."
- If you are subject to a QDRO, then a part or all of your account balance could be assigned to another party.

How do I make a claim for Plan benefits?

If you believe you are being denied rights or benefits under the Plans, you may file a claim in writing with the Plan Administrator. The Plan Administrator will notify you of its decision in writing within 90 days after the claim is received (within 180 days if special circumstances require an extension—you will be notified of any extension within the initial 90-day period). If your claim for benefits is denied, the Plan Administrator will give you, in writing:

- the specific reasons your claim was denied;
- specific reference to the Plan provisions on which the denial was based;
- a description of any additional material or information necessary for you to perfect the claim and an explanation of why the material or information is necessary;
- a statement you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- information regarding what steps you should take if you want to submit a request for review and the time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

Requesting a Review. If you do not agree with the decision of the Plan Administrator, you can request that the decision be reviewed by filing a written request for review no later than 60 days after receiving notice that your claim has been denied. You or your representative may present written statements that explain why you believe the benefit claim should be paid, including documents, records, and other information relevant to your claim for benefits. The Plan Administrator will provide to you or your representative, upon request and free of charge, copies of all documents, records, and other information relevant to your claim.

Generally, the Plan Administrator will review its decision within 60 days after receiving a request for review (or within 120 days if special circumstances warrant an extension—you will be notified of the extension within the initial 60-day period) and will give you written notice. If your claim for benefits is denied, the Plan Administrator will give you, in writing:

- the specific reasons your claim was denied;
- specific reference to the Plan provisions on which the denial was based;
- a statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim; and
- a statement regarding your right to bring an action under Section 502(a) of ERISA.

Exhausting Administrative Review. If you do not file a claim, follow the claims procedures, or appeal on time, you will give up legal rights, including your right to file a suit in federal court, as you will not have exhausted your internal administrative appeal rights. You must follow these claims procedures before you can bring a legal action. This exhaustion requirement applies to all types of claims under the Plans, including without limitation: (i) claims for and recovery of benefits under the Plans, (ii) enforcement of rights under the terms of the Plans, and (iii) clarification of rights to future benefits under the terms of the Plans.

Time Limit on Legal Actions. You (or your beneficiary or your alternate payee under a QDRO) may not bring any lawsuit against the Plans or relating to a claim under the Plans more than one year after a claim appeal is denied.

Plan Administrator Decision is Final. All decisions of the Plan Administrator or its authorized delegate are final, conclusive, and binding on all parties.

Amendment or Termination of the Plans

Although the University intends to continue the Plans indefinitely, the University reserves the right to amend or terminate the Plans, or discontinue contributions to the Plans, at any time and for any reason. If any of these actions is taken, you will be notified. No amendment can deprive you or your beneficiaries of any rights to which you are entitled under the Plans with respect to your vested account balances, nor can it provide for the use of funds or assets other than for the benefit of participants and beneficiaries except as may be allowed by law or regulations. This does not mean, however, that your account balances will not decrease due to investment losses.

No PBGC Insurance

The Plans are not insured by the Pension Benefit Guaranty Corporation (“PBGC”).

Assignment of Benefits

Your benefits under the Plans cannot be assigned and, to the extent permitted by law, are not subject to garnishment, attachment, or the claims of creditors. The Plans may, however, be required to divide your account balance in connection with a divorce pursuant to a qualified domestic relations order (QDRO). Your account balances may be charged reasonable fees and expenses related to your QDRO determination. If you contemplate dividing your benefits under a QDRO, contact your Investment Company for a copy of the Plan's QDRO procedures.

No Contract of Employment

The Plans do not constitute a contract of employment between you and the University. Your participation in the Plans does not give you any rights to continue as an employee of the University. All employees remain subject to termination, layoff, or discipline as if the Plans had not been put into effect.

Plan Expenses

The cost of administering the Plans may be charged to the Plans to the extent not paid by the University.

Provision of Information

It is your responsibility to provide updated contact and other information to the Plan Administrator and your Investment Company to ensure you receive account and Plan communications, and to allow the Plans and Investment Companies to administer the Plans.

ERISA Rights Statement

ERISA provides that all Plan participants shall be entitled to:

Receive Information about Your Plan and Benefits

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.

Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of the summary annual report.

Obtain a statement telling you whether you have a right to receive benefits at normal retirement age (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. This statement must be requested in writing and is not required to be given more than once every 12 months. The Plan must provide the statement free of charge.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

Protect Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules, under the Plan's claims procedures.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court after exhausting the Plan’s claims procedures. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 per day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits that is denied or ignored, in whole or in part, and if you have exhausted the claims procedures available to you under the Plan, you may file suit in a state or federal court. In addition, if you disagree with the Plan's decision or lack of decision concerning the qualified status of a domestic relations order, you may file suit in federal court.

If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with Your Questions. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Plan Information

Plan Name:	Northwestern University Voluntary Savings Plan Northwestern University Retirement Plan
Plan Sponsor:	Northwestern University c/o Benefits Division, Office of Human Resources 720 University Place Evanston, Illinois 60208-1143 (847) 491-4700
EIN:	36-2167817
Plan Administrator:	Northwestern University c/o Benefits Division, Office of Human Resources 720 University Place Evanston, Illinois 60208-1143 (847) 491-4700
Agent for Legal Process:	Northwestern University c/o The Office of the General Counsel 633 Clark Street Evanston, IL 60208 (847) 491-5605 Legal process may also be served on the Investment Companies.
Investment Companies:	Fidelity Investments, Inc. P.O. Box 770001 Cincinnati, OH 45277-0003 (800) 343-0860 Teachers Insurance and Annuity Association (TIAA) 730 Third Avenue New York, NY 10017 (800) 842-2776
Plan Number:	Retirement Plan: 001 Voluntary Savings Plan: 003
Type of Plan:	Defined contribution 403(b) plan
Plan Year:	January 1 through December 31