



NORTHWESTERN UNIVERSITY

Retirement Plan
403(b) Savings Plan

Summary Plan Description

2008

Plan Highlights

Plan Highlights

- The purpose of the Retirement Plan or 403(b) Savings Plan is to provide employees with the opportunity to accumulate a source of retirement income in addition to Social Security and personal savings.
- Participation in the Plan is available to regular status faculty and staff who:
 - are scheduled to work a minimum of 17.5 hours per week, or
 - are appointed on at least a half-time (50%) basic, and
 - are at least age 24 or older, and
 - have completed at least one year of continuous University service, or
 - are at least age 24 and was employed in a benefits eligible position at a tax-exempt or governmental employer for at least one year immediately prior to Northwestern University employment.
- Basic contributions which are matched by the University may be made beginning at age 24 and after accumulating at least one year of continuous service.
- The one year waiting period is waived if an individual provides documentation of employment in a benefits eligible position for at least one continuous year at a governmental or tax-exempt employer immediately prior to employment at Northwestern University.
- University matching contributions are twice that of employee basic contributions, up to 10% of an employee's annual salary depending upon an individual's age and employment status
- Supplemental or voluntary contributions which are not matched by the University may begin at anytime regardless of age or length of service.
- Contributions may be allocated to the majority of funds offered by two investment companies
 - Fidelity Investments
 - Teachers Insurance Annuity Association (TIAA) and College Retirement Equities Fund (CREF)
- An individual may increase or decrease the amount of contributions up to twice each calendar year.
- Participants may borrow against accumulated funds allocated to TIAA-CREF and Fidelity Investments.
- Participants may change the allocation of future contributions or transfer funds among Fidelity or TIAA-CREF funds at any time by calling 1-800 telephone numbers or on-line.
- Participants may withdraw accumulated funds subject to IRS regulations.

Plan Highlights.....	3
Purpose.....	6
IRS Regulations	7
Eligibility	10
Plan Options.....	14
Fidelity Investments.....	15
TIAA - CREF.....	17
Benefits	21
Contributions.....	22
Enrollment.....	28
Effective Dates.....	32
Claim Submittal Procedures and Deadlines.....	33
Withdrawal and Transferability Options	34
Changes in Employment of Family Status (Life Events)	46
ERISA Rights.....	48
Summary	49

Purpose

The purpose of the Northwestern University Retirement Plan is to:

- provide faculty and staff with the opportunity to accumulate a source of retirement income in addition to income from Social Security and personal savings.
- enable eligible employees to make **basic** contributions which are *matched* by the University on a two for one basis and to delay the payment of income taxes on the contributions.
- enable an individual to make **supplemental** or voluntary contributions which are *not matched* by the University up to Internal Revenue Service (IRS) limits and to delay the payment of income taxes on the contributions.
- enable an individual to make **age 50 catch up** voluntary contributions which are *not matched* by the University up to Internal Revenue Service (IRS) limits and to delay the payment of income taxes on the contributions.
- provide the opportunity to allocate contributions among any fund offered by University-sponsored investment companies.
- offer participants with a range of conservative to aggressive investment fund options.
- offer participants with some degree of flexibility for the transfer and withdrawal of accumulated funds.

Plan Administrator

The University is the Plan Administrator and has the responsibility for operating and interpreting the Plan.

For further information

The information contained in this Summary Plan Description is intended to summarize the major features of the Retirement Plan. It is not intended to be a complete explanation or list of benefits provided by the Retirement Plan. An individual should review the schedule of monthly contribution rates, enrollment materials and investment company web sites for additional information. Individuals may also contact a representative of the sponsoring investment company with any questions

TIAA-CREF

www.tiaa-cref.org/northwestern

Fidelity Investments

www.fidelity.com, or

<https://enrollonline.fidelity.com>, or

<https://www.mysavingsatwork.com/atwork.htm>

Continuation of the plan

The University intends to continue this Plan indefinitely, but reserves the right to modify or terminate the Plan at any time with or without notice.

Participation in this Plan is provided to eligible faculty and staff and does not constitute a guarantee of employment. Participation in the Plan also requires continued employment and eligibility and is subject to the terms and conditions of the Plan Document

IRS Regulations

The University's Retirement Plan is a defined contribution plan governed by Section 403(b) of the Internal Revenue Code.

This section summarizes a number of Internal Revenue Service (IRS) regulations which impact on the tax status of:

- contributions,
- contribution amounts or limits,
- changing the amount of contributions, and the
- withdrawal of accumulated funds.

Tax-deferred contributions

Contributions are tax-deferred at the time of payroll deduction. The term "tax-deferred" means that amounts deducted from a participant's paycheck are not subject to federal or state income taxes at the time of the payroll deduction. Earnings on money contributed are also tax-deferred. Money in the Plan is taxed only when it is withdrawn, possibly at a lower tax rate.

Advantages of Tax-Deferred Contributions		
Category	Without Tax Deferred	With Tax Deferred
Gross Income	\$19,000	\$19,000
Federal Tax	6,678	6,527
State Tax	569	558
Social Security Tax	1,178	1,178
Medicare Tax	276	276
Retirement Plan Contribution	0	380
Net Income	10,300	10,082
TAX SAVINGS		\$218

Restrictions on the withdrawal of contributions

The IRS places restrictions on the withdrawal of accumulated Retirement Plan funds to assure that monies deposited in the plan are used by employees as retirement income.

An individual can withdraw accumulated funds only on the basis of an IRS defined "triggering event" such as

- attaining age 59½, disability, death, or
- separation of employment, or
- on the basis of an IRS definition of financial hardship.

With few exceptions, distributions taken prior to age 59 1/2 are subject to a 10% penalty tax in addition to the withholding of the mandatory 20% ordinary income tax

Restriction on maximum contributions

The IRS places an annual limit on the maximum amount of income an individual can contribute to the Retirement Plan as tax-deferred contributions. Taxes are paid at the time the money is withdrawn.

**IRS Regulations,
continued**

Restriction on maximum
contributions, continued

Both basic (matched) and supplemental or voluntary (unmatched) employee contributions, in most cases, are generally capped at 100% of pay or \$15,500, whichever is lower.

15 or more years of accumulated full-time service It may be possible for an individual to exceed the \$15,500 limit for some years if he or she has completed 15 or more years of qualified service with Northwestern University.

The maximum amount that an individual may contribute under the 15 year special deferral election is up to an additional \$3,000 per year until these additional contributions reach \$15,000, usually 5 years.

The Benefits Division staff, TIAA-CREF or Fidelity Investments can assist in calculating an individual's contribution limits at other times of the year.

**IRS Regulations,
Continued**

Minimum
distribution
requirements

A participant may delay withdrawing Retirement Plan funds after retirement. However, IRS regulations specify that an individual who has left University service must begin receiving a specified minimum amount by the April 1st of the year after reaching age 70½ and by December 31st of every year thereafter.

Maximum salary

The maximum salary applicable to basic (matched) contributions beginning is established by the IRS and varies from year to year.

Hardship
Withdrawals

During University employment, a participant may withdraw accumulated basic (matched) and supplemental or voluntary (unmatched) funds in a lump sum payment provided the reason for the withdrawal meets an IRS definition of financial hardship including:

- the payment of tuition and related educational fees for the next 12 months of post-secondary education for a participant, his or her spouse, or dependent child, or
- costs directly related to the purchase of a primary residence, or
- payments necessary to prevent the eviction of a participant from his or her primary residence or foreclosure on the mortgage of the principal residence, or
- uninsured medical expenses exceeding 7.5% of Adjusted Gross Income, or
- total mental or physical disability

A participant may be subject to an IRS penalty of 10% if the money is withdrawn prior to age 59½.

Eligibility	This section summarizes eligibility requirements for participation in the University's 403(b) Retirement Plan.
Salary requirement	An individual must receive University compensation paid by the University's payroll system and his or her University salary must be sufficient to cover the amount of monthly premium deductions.

Employee classification	<p>Staff. Regular status staff must be scheduled to work at least 17.5 hours per week. Exempt staff must be appointment on at least a half-time (50%) basis.</p> <p>Bargaining unit employees should refer to union contracts.</p> <p>Faculty. Faculty must be appointed on a full-time or part-time (50%) basis for the entire academic year or on a full-time basis for half the academic year. The University defines half the academic year as either one semester or 2 consecutive quarters.</p> <p>Academic Full-Time and Half-Time Faculty. Such individuals must be compensated exclusively by one or more of the following affiliated McGaw Medical Center institutions including the University, Northwestern Memorial Hospital (NMH), Northwestern Medical Faculty Foundation (NMFF), Evanston Northwestern Healthcare (ENH), Children's Memorial Hospital and its related faculty practice plans, the Rehabilitation Institute of Chicago (RIC), and the VA Lakeside Medical Center.</p> <p>An individual's University salary must be sufficient to cover the amount of monthly contributions.</p> <p>Contributed Service Faculty. Medical School faculty who volunteer to participate in the academic activities of the Medical School without direct financial compensation. Such individuals are not eligible to participate in the Retirement Plan.</p> <p>ROTC Faculty. Employees who serve as full-time faculty for ROTC and NROTC programs on campus, are not eligible to participate in the Retirement Plan.</p> <p>Post Doctoral Fellows. Individuals classified as a Post Doctoral Fellow and appointed on at least a half-time (50%) basis are eligible to participate in the Retirement Plan.</p> <p>Post Doctoral Fellows – NRSA. Individuals classified as a Post Doctoral Fellow funded by a National Research Service Award (NRSA) from the National Institutes of Health (NIH) are not eligible to participate in the Retirement Plan. The period of service does not add to or subtract from qualifying years of eligible service toward the one year waiting period.</p>
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**Eligibility,
continued**

Visiting Scholars. Individuals classified as a Visiting Scholar are not eligible to participate in the Retirement Plan.

Visiting Personnel. Individuals with academic appointments of half time or greater at the rank of professor, associate professor and assistant professor and paid by the University are eligible to participate in the Retirement Plan.

**Eligibility,
continued**

Classification of
employee, continued

Disabled Employees. An employee who becomes permanently and totally disabled while working for Northwestern University and is receiving University-sponsored Long Term Disability benefits remains eligible to participate in the Retirement Plan.

Employees on a leave of absence. An employee on a paid leave of absence may continue participation in the Retirement Plan. An employee on a leave of absence without pay may not continue to make pre-tax contributions to the Retirement Plan.

Retired employees. Individuals who retire from University employment continue to receive quarterly investment company statements and may withdraw accumulated assets subject to IRS regulations.

Faculty on Phased Retirement. Faculty participating in the Phased Retirement Program are eligible to continue making contributions to the Retirement Plan. Contributions are based on one-half their regular academic year salary. To qualify for this program, faculty must be at least age 55 or older with 10 or more years of full time service.

Deceased Employees. A spouse or dependent child of a deceased employee should contact the applicable investment company to discuss survivor benefits.

Age and service
Eligibility requirements

Employees are eligible to participate in the Retirement Plan and receive matching University contributions if they satisfy the following appointment, service, and age requirements:

Appointment Requirements:

Eligible employees

- are regular status staff scheduled to work at least 17.5 hours per week or the equivalent of 936 hours per year, or
- hold a full-time faculty appointment for at least half the full academic year or for at least half-time for the entire academic year, or

Service Requirements:

Eligible employees must

- have completed at least twelve months of continuous regular status service in a position described above, or
- provide documentation of employment in a benefits eligible position for at least one continuous year at a governmental or tax-exempt employer immediately (31 days) prior to employment at Northwestern University.

Age Requirement: Eligible employees must be at least age 24.

**ELIGIBILITY,
continued**

Other
eligible
individual

Spouse. A spouse must be legally married to and have his or her principal residence with the eligible employee. Under the Employee Retirement Income Security Act (ERISA), a spouse has rights to receive a portion of an employee's accumulated assets unless the spouse waives such rights.

Surviving spouse and children of a deceased employee. A spouse or dependent child of a deceased retiree should contact the applicable investment company to discuss survivor benefits.

Domestic Partner. An employee's same-gender or opposite gender partner should contact the applicable investment company to determine possible survivor benefits.

Dependent child. An employee's dependent child is not eligible to participate in the University-sponsored Retirement Plan though may be designated by the employee to receive all or a portion of accumulated assets in the event of the employee's death.

Parents and grandparents. An employee's parents, grandparents and in-laws are not eligible to participate in the University-sponsored Retirement Plan though may be designated by the employee to receive all or a portion of accumulated assets in the event of the employee's death.

Duration
of eligibility

Contributions to the Plan may continue to be made by payroll deduction for as long as an individual remains an eligible employee and receives a University salary.

Plan Options This section highlights approved investment options for the receipt of Retirement plan contributions

Choice of contributions

An eligible employee may elect to participate or not to participate in the Retirement Plan including:

- Basic (matched) contributions,
- Supplemental (unmatched) contributions up to IRS limits,
- Age 50 Catch-up (unmatched) contributions up to IRS limits.

Contributions in lieu of or in addition to Basic contributions including Age 50 are considered Supplemental contributions

Automatic enrollment

If an employee does not elect or waive participation in the Basic Retirement Plan at the time of hire or initial eligibility, the Benefits Division will automatically enroll the employee the Basic Retirement Plan effective the month following the accrual of one year of University service and age 24.

Choice of investment companies and investment funds

A participant in the Plan may direct his or her contributions and any applicable matching University contributions to any fund offered by the investment companies selected by the University.

It is generally recommended that an individual diversify his or her choice of investment funds among conservative to aggressive funds.

Large Cap Value	Large Cap Blend	Large Cap Growth
Mid Cap Value	Mid Cap Blend	Mid Cap Growth
Small Cap Value	Small Cap Blend	Small Cap Growth

For additional information

Please see other sections of this document for further information on plan options.

Fidelity Investments

Summary

Fidelity Investments was founded in 1946 by Edward C. Johnson II, a Boston businessman who believed that individuals could be better served financially by pooling their investments under a professional investment manager.

It is a privately owned and Boston based investment management company offering participants with a wide range of conservative to aggressive mutual funds. Fidelity Investments provides participants with quarterly and annual statements of account transactions and fund balances.

Participants may allocate some or all of their own and or University matching contributions to one or more mutual funds offered by Fidelity Investments.

Mutual funds

There are five major types of mutual funds, each with different investment objectives. A summary of these mutual fund categories is presented on the below.

A mutual fund, by diversifying its portfolio or securities held by the fund, reduces the risk inherent in securities investments. The securities a mutual fund invests in are "mutually" owned by all of its shareholders in proportion to the size of their investments.

The price of a share is influenced by the value of the securities making up the fund. It is specifically determined by dividing the number of shares into the market value of the entire portfolio.

Unless otherwise stated, there are no requirements that participants pay a "front load" or investment charge to purchase shares in Fidelity funds.

Types of mutual funds

<p style="text-align: center;"><u>Growth Funds</u></p> <p>Invests principally in high risk stocks with the goal to achieve rapid capital (asset) accumulation. Such funds reflect the most aggressive investment strategy and therefore, have the most risk.</p>	<p style="text-align: center;"><u>Income Funds</u></p> <p>These funds seek higher current income than money market funds. Investments include bonds or high dividend-paying stocks.</p>
<p style="text-align: center;"><u>Growth and Income</u></p> <p>These funds seek to provide quarterly income and some potential for capital growth through investment in common stocks and bonds.</p>	<p style="text-align: center;"><u>Money Market Funds</u></p> <p>These funds are the most conservative investment vehicle with the goal to maintain a stable share price by investing in short-term bank certificates of deposit, commercial paper and governmental securities.</p>
<p style="text-align: center;"><u>Asset Allocation and Life Cycle Funds</u></p> <p>These funds are designed for investors who want to diversify investments among domestic and foreign stocks, bonds, short-term instruments and other types of securities, in one fund. The investment company, rather than a participant, makes the investment decisions.</p>	

**Fidelity Investments,
continued**

Allocating
Fidelity funds

Fidelity Investments requires that participants establish an account with Northwestern even if the individual has contributed to Fidelity while at another employer.

Participants may allocate a part of or all of their basic (matched) and supplemental or voluntary (unmatched) contributions to any fund offered by Fidelity Investments.

Individuals may specify different fund allocations for:

- employee Basic (matched) contributions,
- matching University contributions,
- employee Supplemental or voluntary (unmatched) contributions, and
- employee age 50 catch-up (unmatched) contributions.

For example, an individual may allocate basic (matched) contributions to "a, b, c" Fidelity funds; supplemental or voluntary (unmatched) contributions to "d, e, f" Fidelity funds and the University's matching contributions to "g, h, i" Fidelity funds.

Fidelity distributes quarterly statements of fund deposits and current balances to all participants.

Changing
Fund allocations

A participant may change the selection or allocation of funds at any time by contacting Fidelity Investments directly.

TIAA - CREF

TIAA-CREF Summary

TIAA and CREF are companion organizations that provide investment opportunities to employees of academic institutions and certain other tax-exempt educational and research organizations.

TIAA-CREF is based in New York City and provides participants with quarterly and annual statements of account transactions and fund balances. There is no "load" or annual fee charged to participants.

TIAA

Teachers Insurance and Annuity Association (TIAA). This investment option was founded as an insurance company in 1918 by the Carnegie Corporation and the Carnegie Foundation for the Advancement of Teaching. Its principal purpose was to provide teachers with a pension plan which would enable individuals with the ability to continue participation as they move from school to school. TIAA provides annuities and other services. An annuity provides for the withdrawal of accumulated retirement plan funds in fixed payment amounts for an individual's lifetime or for a specified number of years.

Employee and the University contributions which are allocated to TIAA purchase a contractual, or guaranteed, amount of future retirement income to participants. In this regard, the TIAA Traditional fund invests premiums received from participants in a broadly diversified group of bonds, mortgages and direct loans to business and industry.

TIAA generally holds its investments to maturity thereby riding out many interest-rate cycles. Accumulated funds in TIAA grow at a guaranteed rate of interest during employment years.

Upon retirement and until death, TIAA participants who choose to receive annuity income will be sent a monthly check consisting of a contractual, guaranteed amount of income plus dividends.

Dividends are declared each year and may increase or decrease, and are not guaranteed. Alternatively, participants may receive a cash distribution of matched TIAA funds upon separation. Payments will be over ten years.

Prior to retirement or commencement of annuity payments, accumulated matched TIAA Traditional funds (Regular Retirement Annuity contracts) may be transferred to CREF and Fidelity over a ten year period.

**TIAA – CREF,
continued**

CREF

College Retirement Equities Fund (CREF). This investment option was established in 1952 to provide the variable component of the fixed and variable annuity program offered by TIAA-CREF. Contributions to CREF purchase accumulation units, or shares of participation, in a broadly diversified common fund.

Dividends and other earnings are reinvested, buying additional accumulation units which are credited to an annuity contract.

At retirement, CREF will pay employees who choose periodic payments an annuity reflecting the current value of accumulated annuity units. The number of annuity units is determined actuarially when an employee retires and remains the same for as long as he or she lives. The dollar amount received changes from year to year, reflecting changes in market prices.

Accumulated CREF funds may be transferred to TIAA or to Fidelity or in any combination of both. Employees may receive a cash distribution of accumulated basic (matched) CREF funds upon separation of employment.

Individuals may receive basic (matched) funds while they are actively employed provided the purpose for the cash withdrawal meets an established IRS definition of financial hardship.

Voluntary (unmatched) TIAA funds (Supplemental Retirement Annuity contracts) may be immediately transferred at any time though certain minimums may apply.

Participants may allocate all of or a portion of their contributions to one or a combination of the CREF funds. These funds offer individuals a range of conservative to aggressive investment options.

**Regular Retirement
Annuity Contracts (RAs)
and Group Retirement
Annuity Contracts
(GRAs)**

RAs and GRAs are annuity contracts offered by TIAA-CREF designed for the investment of both basic (matched) and supplemental or voluntary (unmatched) contributions though individuals generally allocate voluntary contributions to GSRA contracts.

Monies directed to an GRA or RA contract may be allocated to TIAA or to any of the CREF accounts.

The allocation of future contributions may be changed at any time.

Employees enrolling in the Basic plan and selecting TIAA-CREF for the first time must allocate contributions to the GRA contract.

Upon separation or retirement, accumulated basic (matched) TIAA funds in a RA contract may be withdrawn over ten years and TIAA funds in a GRA contract over a five year period. CREF funds in either contract may be withdrawn in a lump sum.

**TIAA - CREF,
continued**

Group Supplemental
Retirement Annuity
Contracts (GSRAs)

GSRAs are annuity contracts offered by TIAA-CREF designed to supplement assets being set aside for retirement including Social Security and any applicable Basic (matched) Retirement plan contributions.

Monies directed to an GSRA may be allocated to TIAA or to any of the CREF accounts. GSRAs include:

- a loan provision enabling participants to borrow against a portion of accumulated funds
- the ability to immediately transfer accumulated funds from TIAA to CREF and/or Fidelity
- less restrictive provisions for withdrawing accumulated funds at separation or retirement subject to IRS regulations.

Employees enrolling in the Supplemental plan and selecting TIAA-CREF for the first time must allocate contributions to the GSRA contract, not the RA contract.

The allocation of future GSRA contributions may be changed at any time among TIAA and the CREF accounts.

An individual may also make partial or complete transfers from CREF accounts to TIAA or to Fidelity though certain minimum amounts may apply.

The allocation of employee and University contributions between TIAA and CREF must be in the same percentages. TIAA-CREF does not charge an annual fee.

Allocating
TIAA-CREF funds

Participants may generally allocate contributions to existing TIAA-CREF contracts and may allocate a part of or all of their basic (matched) and voluntary (unmatched) contributions to any fund offered by TIAA-CREF.

The allocation of University matching contributions must be in the same allocation percentages as a participant's contributions.

TIAA-CREF distributes quarterly statements of fund deposits and current balances to all participants.

**Plan Options,
Continued**

Making
investment decisions

Making investment decisions necessitates that an individual have an understanding of his or her investment philosophy, available fund choices and available options provided by the Retirement Plan.

Following are a number of resources available to faculty and staff to facilitate this understanding.

Prospectus. Fidelity Investments and CREF each issue a "prospectus" which is an official document describing the investment objectives and policies for each fund.

A prospectus is available by contacting either Fidelity Investments or TIAA-CREF directly. An individual may also electronically download many prospectus.

The prospectus of a fund should be read carefully to help determine if it suits an individual's investment goals.

Financial planning software. Both Fidelity Investments and TIAA-CREF offer financial planning software for users of IBM compatible personal computers. TIAA-CREF also makes software available for users of Macintosh computers. Copies of the software may be obtained electronically, by contacting either Fidelity Investments or TIAA-CREF or from the Benefits Division.

Individual counseling sessions. Representatives of the Chicago offices of Fidelity Investments and TIAA-CREF are available to meet with faculty and staff on an individual basis to answer specific questions an individual may have. Interested individuals should contact Fidelity Investments directly at (800) 654-2238 or TIAA-CREF at (800) 842-2005.

Financial planning workshops. The Benefits Division sponsors a series of financial planning workshops each Fall and Spring. They are designed to help individuals understand the major concepts of financial planning. Presentations are made by representatives of the Chicago offices of Fidelity Investments and TIAA-CREF.

As there is no simple answer in determining the selection of investment funds, an investment plan should at a minimum be:

- flexible, and
- match an individual's particular views on investment risk and investment objectives.

An individual must be comfortable with his or her investment choices.

Benefits

This section summarizes benefits offered by the Retirement Plan.

Benefits offered by the Northwestern University Retirement Plan include:

- **Tax savings.** Contributions to the plan are exempt from taxation at the time of payroll deduction. The payment of taxes is deferred until accumulated assets are withdrawn.
- **Two for one University match.** An employee participating in the Basic Plan receives a \$2 dollar University contribution for every \$1 the employee contributes.
- **Choice of investment companies.** An employee participating in the Retirement Plan may allocate contributions to either of two investment companies, Fidelity Investments and TIAA-CREF.
- **Choice of investment funds.** An employee participating in the Retirement Plan may allocate contributions to any fund offered by Fidelity Investments and TIAA-CREF representing conservative to aggressive fund options.
- **Contributions are fully and immediately vested.** The term "immediately vested" means that the participant owns all of the employee and University funds as contributions are made. Ownership of Retirement Plan funds is retained by the participant at termination of employment or retirement. The timing and amount of the distribution of accumulated assets are, however, subject to IRS and University regulations

Please refer to the sections on Fidelity Investments and TIAA-CREF as well as other sections of this document for further information.

Contributions	This section summarizes the contributions an individual may make to the Retirement Plan.
Contribution amounts	<p>Contribution amounts include Basic, Supplemental and Age 50 Catch-Up deductions.</p> <p>Basic (matching) contributions. Basic contributions are deducted each month from an employee's paycheck as a percentage of an eligible employee's eligible University earnings, job classification and age.</p> <p>Supplemental Contributions. An employee may elect to make contributions equal to 100% of monthly earnings over and above his or her Basic contributions up to IRS limits.</p> <p>Age 50 Catch-up Contributions. Employees over age 50 and those who will attain the age of 50 during a calendar year may make contributions above his or her Basic and Supplemental contributions up to IRS limits.</p>
Tax status of contributions	Contributions are not subject to federal or state income taxes at the time of payroll deduction. Participants may not make contributions to the Plan on an <i>after-tax</i> basis by payroll deduction.
Payroll deduction schedule	Contributions to the Retirement Plan are deducted from the first two paychecks of each month for employees paid on a bi-weekly basis and from the paycheck issued the last working day of each month for employees paid on monthly basis.
Contribution coverage period	Contributions deducted from an employee's paycheck in a month will be recorded as being deducted that month and the corresponding calendar year. The posting of contributions to an employee's investment company account will be dated the month the contributions are received and processed by an investment company and therefore will appear on quarterly statements issued by the investment company as such, not necessarily the month the contributions were deducted.
Contribution calculator	There are a variety of Internet based calculator tools available. Please refer to the Internet sites of Fidelity Investments and TIAA-CREF for further information.
Employees on leave	Employees on a paid leave of absence continue Retirement Plan contributions by payroll deduction. Employees on an unpaid leave of absence may not make contributions to the Plan.

**Contributions,
continued**

Contributions
for employees
receiving Short Term
Disability benefits

If an individual has been participating in the University's Retirement Plan becomes disabled and begins receiving Short Term Disability benefits, he or she may continue to make monthly Retirement Plan contributions during the period the individual receives a University paycheck for accumulated sick and vacation time. Afterward, the individual may not make contributions while he or she is receiving STD benefit payments.

Contributions for
employees receiving Long
Term Disability benefits

If an individual has been participating in the University's Retirement Plan becomes totally disabled and begins receiving long term disability benefits, the University will contribute 7% of his or her pre-disability monthly salary to the individual's Retirement Plan account.

The individual's contribution is voluntary.

Partial year
contributions

If an individual is participating in the Partial Year Program, he or she may not make contributions to the Retirement Plan.

Vesting status

Contributions are fully and immediately vested. The term "immediately vested" means that the participant owns all of the employee and University funds as contributions are made. Ownership of Retirement Plan funds is retained by the participant at termination of employment or retirement. The timing and amount of the distribution of accumulated assets are, however, subject to IRS and University regulations.

University
matching contributions

The University makes matching contributions that are twice the amount of Basic contributions made by Plan participants. In other words, for every one dollar an employee contributes, the University contributes two dollars according to the established contribution schedule. University matching contributions are allocated on a monthly basis to an employee's investment company account on behalf of the eligible employees on a monthly basis. The amount of the matching contribution is deducted as a percentage of an employee's eligible earnings and on an employee's job classification and age.

The University does not make matching contributions on Supplemental or Age 50 Catch-up contributions.

Contributions are directed to the applicable investment company as soon as is reasonably possible.

**Contributions,
continued**

Minimum contributions

Not applicable.

Maximum contributions

An employee may contribute 100% of University earnings up to specified IRS limits during a calendar year. Such contributions include Basic and Supplemental contributions.

Basic (matched) contributions. An employee may make Basic contributions and receive matching contributions from the University. Contributions are deducted from employee paychecks as a percentage of an employee's University salary based on his or her age and job classification. The maximum annual University earnings eligible for Basic contributions is \$230,000.

Supplemental (unmatched) contributions. An employee may make supplemental contributions in combination with Basic contributions up to IRS limits. Contributions are deducted from employee paychecks as either a specified dollar amount or as a percentage of an employee's University salary.

Combined Basic and Supplemental contributions may not exceed established IRS limits.

Age 50 Catch-up Contributions. An employee who will be at least age 50 during a calendar year may make Age 50 Catch-up contributions up to IRS limits. Such contributions are included as Supplemental contributions.

Calendar Year	Basic & Supplemental	Additional Age 50 Catch-Up	Combined Total
2002	100% of earnings up to \$11,000	\$1,000	\$12,000
2003	100% of earnings up to \$12,000	\$2,000	\$14,000
2004	100% of earnings up to \$13,000	\$3,000	\$16,000
2005	100% of earnings up to \$14,000	\$4,000	\$18,000
2006	100% of earnings up to \$15,000	\$5,000	\$20,000
2007	100% of earnings up to \$15,500	\$5,000	\$20,500
2008	100% of earnings up to \$15,500	\$5,000	\$20,500

Account Information

TIAA-CREF and Fidelity Investments will issue quarterly statements to plan participants, summarizing 403(b) account balances, transactions, and other account information for the quarter just ended. Statements are mailed to the address provided by the participant. It is the participant's responsibility to communicate address changes to the applicable investment company. Participants may also view account information and receive quarterly statement information on line at the investment company Web sites.

**Contributions,
continued**

Contribution schedule
for full-time faculty

Plan A. A full time faculty member may contribute 5% of his or her academic year salary and the University contributes 10%. Eligible faculty include the following job classification titles:

- Professor,
- Associate Professor,
- Assistant Professor,
- Research Scientist with academic rank,
- Professional Librarians (MLS Degree),
- Instructor,
- Visiting faculty with academic rank, and
- Senior Lecturer.

A total amount of 15% (5% by the faculty member and 10% by the University) of an individual's base salary is therefore allocated to Retirement Plan accounts. Contributions are subject to IRS limits and are made at least monthly during years of participation except for months when no salary is paid.

Contribution
schedule for staff
and part-time faculty

Plan B. Employee and matching University contributions are based on age brackets as described below for the following groups of employees:

- Part-time faculty members who serve half-time or more,
- Full-time or Part-time faculty members who hold the rank of Lecturer,
- Full-time and part-time staff and Post doctoral Fellows

Contributions increase to the next higher level the first of the month following the month in which an employee attains age 40 or 50.

Plan B Contribution Schedule			
Age	Employee	University (*)	Total
Under 24	Employees may make contributions on a voluntary basis, such contributions are not matched by the University		
Alternative 1% plan for all ages	1.0%	2.0%	3.0%
OR			
24 - 39	2.0%	4.0%	6.0%
40 - 49	3.5%	7.0%	10.5%
50 and older	5.0%	10.0%	15.0%
(*) To receive the University's matching contributions, an employee must be at least age 24 and have accumulated at least one year of service.			

**Contributions,
continued**

Automatic enrollment of eligible but not participating employees.

If an employee does not waive or elect participation at initial hire or benefits eligibility, the Benefits Division will automatically enroll the employee in the Basic Plan. Contributions to the Plan will be made by payroll deduction in the amount of 1% of his or her base University salary. In addition, the University will contribute a matching amount equal to 2% of the employee's base salary.

Both contributions will be deposited to the age applicable TIAA-CREF Life Cycle Account in the employee's name. Neither his or her contributions nor the University's contributions are subject to federal and state income taxes at the time of payroll deduction, although contributions are subject to the usual Medicare and Social Security taxes at that time. Participants pay income taxes when money is withdrawn, normally at retirement.

Both the employee's contributions and the University's matching contribution are owned by the employee at the time of payroll deduction. An employee also continues to own all of these contributions after any separation from University employment or at retirement.

An employee may elect to contribute more than 1% of his or her base salary according to his or her age and University position. If an employee wishes to contribute at the applicable higher rate, he or she must complete the enrollment process including establishing an investment company account.

An employee may also change the fund receiving the 1% contributions from a CREF Life Cycle fund to other TIAA-CREF funds online or by contacting TIAA-CREF directly (800: 842-2776).

An employee may also elect to not participate in the Basic Retirement Plan by notifying the Benefits Division in writing.

**Contributions,
continued**

Age 50 Catch-up
contributions

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) makes a "Catch-up Elective Deferral" option available to 403(b) retirement plan participants who reach age 50 or are older during a calendar year.

Northwestern University's Retirement Plan qualifies for eligible plan participants to make this additional tax-deferred contribution.

The amount of earnings that can be contributed on a tax-deferred basis to an individual's retirement plan account(s) in calendar year 2008 is \$5,000.

This amount is in addition to the individual's basic and supplemental contribution limit of 100% of earnings up to \$15,500 for calendar year 2008. An employee must contribute the maximum supplemental contributions in order to be eligible to make Age 50 Catch-up contributions.

Year	Limit Amount
2002	\$1,000
2003	\$2,000
2004	\$3,000
2005	\$4,000
2006	\$5,000
2007	\$5,000
2008	\$5,000

Enrollment This section summarizes enrollment procedures for participation in the University's Retirement Plan.

Enrollment options An individual may elect to enroll in or to waive retirement plan participation. If an employee does not elect or waive participation, he or she will be automatically enrolled in the Basic Retirement Plan.

General requirements Retirement Plan contributions will not start until the employee completes the enrollment process and activates an investment company account

To assure prompt processing of an application by Fidelity Investments and TIAA-CREF, the following information must be provided:

- Name,
 - Social Security Number,
 - Date of Birth,
 - Beneficiary designation.
 - Percent of contributions to be allocated to each fund.
-

**Enrollment
Continued**

Supplemental or voluntary
(unmatched) contributions

To enroll in the Retirement Plan and start Supplemental or voluntary *(unmatched) contributions* to Fidelity Investments or to TIAA-CREF, an individual must complete the enrollment process including establishing an investment company account.

**Enrollment
continued**

Age 50 Catch-up
contributions

To begin Age 50 Catch-up contributions, an individual should specify the Supplemental contribution amount inclusive of Age 50 Catch-up contributions.

Investment
company receipt
of contributions

Fidelity Investments will open a separate account and TIAA-CREF will establish a contract for each participant. Each company will allocate contributed monies to the investment funds that a participant has specified on the application.

Designating
a beneficiary

An individual should specify on either the Fidelity Investments or TIAA-CREF, or both, applications who should receive accumulated Retirement Plan funds in the event of his or her death.

Sole beneficiary. If an individual specifies one individual as his or her beneficiary, this individual will be the sole beneficiary.

Primary beneficiary. If an individual specifies more than one beneficiary, these individuals will be primary beneficiaries.

Contingent beneficiary. If a primary beneficiary is not living at the time of the participant's death, the value of retirement plan funds will be distributed to the named contingent beneficiaries.

Changing
a beneficiary

An employee may change the designation of beneficiaries at anytime by contacting the applicable investment company directly.

Changing the *allocation*
of future contributions

Contributions will continue to be invested in the funds selected by a participant. An individual may change the allocation of future contributions between TIAA-CREF and Fidelity Investments by obtaining a Retirement Plan enrollment form available online or from the Benefits Division and returning the completed form to the Benefits Division or to the Chicago Campus Human Resources Office.

The transfer of monies contributed prior to 1989 from one investment company to another lose exemption from the requirement that a "triggering event" occur to receive accumulated funds in a lump sum payment.

**Enrollment,
continued**

Enrollment checklist The following checklist serves as guide for beginning participation in the University's Retirement Plan.

- Review information.** Individuals should review Summary Plan Description and literature available from Fidelity Investments and TIAA-CREF including Fund Prospectus for any fund of interest.
 - Ask questions.** Contact the University's Benefits Division as well as either Fidelity Investments or TIAA-CREF with any questions.
 - Determine retirement income goals.** How much do you feel you will need as income once you retire. Translate this figure into the amount you will need to contribute today in order to accumulate the necessary funds for the future. Both Fidelity Investments and TIAA-CREF offer financial planning software.
 - Determine your investment philosophy.** Are you an aggressive or conservative investor? This will assist you in determining which investment funds or category of funds you will select for your contributions.
 - Determine contribution amount.** You can alternatively determine how much you feel you can realistically afford to allocate to the Retirement Plan. Such an amount may not provide the accumulated funds you will need for retirement.
 - Complete the enrollment process.** This authorizes the University to deduct the amount you specify from your bi-weekly or monthly paycheck and to direct such monies to Fidelity Investments or TIAA-CREF.
 - Establish an investment company.** This authorizes the investment companies to direct your contributions to the investment funds you select. Remember to specify the name of a beneficiary to receive your accumulated funds in the event of your death.
-

Effective Dates

Initial hire
or benefits eligibility

Basic (matched) contributions. Deductions for basic (matched) contributions may begin the first of the month following the month an employee reaches age 24 and has accumulated one year of service.

For example, an employee becomes eligible on June 4th, the effective date will be July 1st with payroll deductions taken from July paycheck(s). Contributions increase to the next higher level in the month following the month in which an employee attains age 40 or 50.

In the event the one year waiting period is waived, deductions commence the first of the next month from the month the enrollment process is completed.

Supplemental or voluntary (unmatched) contributions Deductions for supplemental or voluntary (unmatched) contributions begin the month following the month an enrollment form is received.

Age 50 Catch-up contributions. Deductions for Age 50 Catch-up contributions begin the month following the month an enrollment form is received.

After initial
benefits eligibility

An employee may submit completed enrollment forms at any time after initial hire or benefits eligibility. The effective date of participation is based on when the enrollment forms are received and processed by the Benefits Division, generally the first of the next month.

Open Enrollment

The effective date of participation is January 1st.

Dropping Retirement
Plan Coverage

An employee may waive Retirement Plan contribution at any time. The effective date is the first of the month following the month the Benefits Division receives the drop form.

**Claim Submittal
Procedures and
Deadlines**

Please refer to the next section, *Withdrawal and Transferability Options for Retirement Plan Assets*.

**Withdrawal and
Transferability Options**

This section summarizes Plan provisions which enable accumulated funds to be transferred, distributed in cash or used for loans.

Spousal Rights

Summary

This section highlights rights an individual's spouse has to accumulated Retirement Plan funds

General
provisions

If an individual is married, federal law generally requires that his or her spouse must receive an amount actuarially equivalent to one-half (50%) of the value of any part of accumulated funds. An individual's spouse, however, may consent in writing to waive such rights.

Further
information

Further information on these requirements may be obtained directly from Fidelity Investments or TIAA-CREF.

**Withdrawal and
Transferability
Options,
continued**

Fund Transfers

Summary

Participants may transfer accumulated monies among TIAA-CREF investment funds, among Fidelity investment funds and between TIAA-CREF and Fidelity. This section highlights transfer provisions.

Transfer of
basic (matched)
TIAA-CREF funds

An individual may, at any time, transfer accumulated RA contract funds among certain CREF accounts or transfer certain CREF funds to TIAA by telephone (1-800-842-2252). When making a call, an individual must have his or her Personal Identification Number (PIN) and contract numbers available.

Transfer requests will be effective at the close of the day they are received by TIAA-CREF assuming such a request is received prior to the close of the market. An individual can specify a future effective date.

Transfer of
basic (matched)
Fidelity funds

Participants may at any time transfer accumulated funds from one Fidelity fund to another though certain minimums requirements may apply. Such transfers may be initiated by contacting Fidelity directly (800) 343-0860. There is no charge for such transfers.

When requesting a transfer from any fund, a participant is in effect selling accumulated units at the current market price. The individual then uses the proceeds to buy accumulation units in the fund being transferred.

Fidelity funds may also be transferred to TIAA-CREF.

Transfer of GSRA
and supplemental or
voluntary
Fidelity funds

Supplemental or voluntary (unmatched) contributions allocated to a TIAA account in a GSRA or SRA contracts may be transferred at any time to certain CREF accounts. Additionally, CREF accumulations may be transferred at any time among certain CREF funds or to TIAA.

Contributions to Fidelity may be transferred at any time among the Fidelity funds or to TIAA-CREF Regular and/or SRA contracts.

Transfer of
funds after
leaving
Northwestern
University

Participants who leave Northwestern University employment may transfer accumulated Retirement Plan funds to any investment company approved by their current employer. In contrast to cash withdrawal policies, transfer applications do not require Northwestern University approval.

Applications may be obtained directly from the investment company to which they want their funds transferred.

**Withdrawal and
Transferability
Options, continued**

IRA Rollover
IRA Rollover
Summary

This section highlights a participant's option to receive a distribution of all or a portion of accumulated funds and rollover such funds to another Section 403(b) retirement plan or into an IRA.

General
provisions

A participant is entitled to receive a distribution of accumulated funds and rollover such funds into another Section 403(b) retirement plan or into an IRA. An eligible rollover distribution, in general, is any cash distribution other than a periodic payment, and is subject to a 20 percent federal withholding tax unless it is rolled over directly into another retirement plan or into an IRA.

If the rollover is made payable to the participant, the 20 percent withholding must be withheld. Taxes are not withheld if the investment company rolls over the funds directly to another investment company. To qualify, any rollover must be made within 60 days after withdrawn.

Further
information

Additional information on rollovers may be obtained by contacting Fidelity Investments or TIAA-CREF.

**Withdrawal and
Transferability
Options,
continued**

Cash Distributions

Summary

The receipt of funds contributed to the University's Retirement Plan in a lump sum or cash is subject to IRS and University regulations.

This section highlights distribution protocols which vary for basic (matched) and supplemental or voluntary (unmatched) contributions and whether a participant is actively employed or has separated employment. Other factors include the date contributions are made to a participant's account the category of accumulated assets such as contributions and earnings

Withdrawal of
basic (matched)
contributions

TIAA Traditional fund. Basic (matched) contributions allocated to the TIAA Traditional RA Annuity Account may be withdrawn (inclusive of investment earnings) only at separation of employment. Payments will be over a ten year period. Payments for a GRA contract will be over a 5 year period.

CREF, TIAA Real Estate, and Fidelity funds. These funds may be withdrawn by an individual who is:

- *actively employed* provided the purpose for the cash withdrawal meets an established IRS definition of financial hardship and excludes investment earnings, or
- *no longer employed* by the University. Payments may be in a lump sum payment or in the form of annuity payments or other systematic withdrawal.

Cash withdrawals are subject to University approval and any funds received before age 59½ may be subject to a 10% IRS penalty. Applications for cash withdrawals may be obtained directly from either TIAA-CREF or Fidelity.

Withdrawal of
*voluntary
(unmatched)*
funds

IRS regulations permit the distribution of supplemental or voluntary (unmatched) contributions before age 59½ only if an individual:

- separates employment from the University,
- encounters financial hardship,
- dies, or
- becomes disabled.

A 10% penalty tax applies to distributions received before age 59 ½ unless certain conditions are met.

**Withdrawal and
Transferability
Options ,
continued**

Cash distributions,
continued

Active employees

Supplemental or voluntary (unmatched) contributions made prior to 1989. Employees may receive a cash distribution of supplemental or voluntary (unmatched) contributions made before 1989 and investment earnings (interest) at any time by contacting either TIAA-CREF or Fidelity directly.

Supplemental or voluntary (unmatched) contributions received prior to age 59½ will be subject to a 10% IRS penalty in addition to ordinary income tax.

Monies received **after** age 59½ will be subject only to ordinary income tax.

Supplemental or voluntary (voluntary) contributions made after 1989. Employees may receive a cash distribution of supplemental or voluntary (unmatched) contributions made after 1989 only on the basis of an IRS defined "triggering event." Such events are:

- attaining age 59½,
- disability,
- death,
- separation of employment,
- financial hardship (see page 95).

Basic (matched) contributions. An individual who is actively employed by the University may withdraw basic (matched) contributions provided the reason for the withdrawal

- meets an established IRS definition of financial hardship,
 - phased retirement, or
 - total disability.
-

**Withdrawal and
Transferability
Options,
Continued**

Cash distributions,
continued

Separated
employees

Prior to age 55. Employees who separate from the University prior to age 55 or older and request a cash withdrawal will be assessed a 10% penalty by the IRS in addition to ordinary income tax.

After age 55 and prior to age 59½. Employees who separate from the University at age 55 or older and request a cash withdrawal prior to age 59½ will not be assessed a 10% penalty by the IRS. The mandatory 20% ordinary income tax withholding still applies.

After age 59½. The 10% penalty will not be assessed when monies are withdrawn after age 59 ½ though will be subject to the mandatory 20% ordinary income tax withholding.

Basic (matched) contributions. An individual may withdraw accumulated basic (matched) contributions following termination of employment. Assets accumulated in the TIAA Traditional Funds will be paid over a 10 year period.

Supplemental or voluntary (unmatched) contributions. An individual may withdraw accumulated funds following termination of employment and prior to age 59½ provided the reason for the withdrawal meets an IRS definition of financial hardship.

Small balance withdrawals (Repurchase). Participants with small accumulations may receive such funds in cash. While this transaction or the receipt of cash is called a "repurchase" of an annuity contract, there are actually no costs charged to participants by to obtain the available funds.

TIAA-CREF contracts issued on or after January 1, 1992. Employees whose TIAA-CREF Regular Retirement Annuity (RA) contracts or Fidelity accounts were established on or after January 1, 1992, may be able to withdraw accumulated funds if:

- the participant is terminating employment, and
 - the participant's total accumulated TIAA Traditional Annuity funds in all Regular Annuity (RA) contracts is \$2,000 or less, and
 - the participant does not have a TIAA Transfer Payout Annuity (TPA) in force, and
 - the total accumulated funds in all TIAA and CREF RA contracts is not more than \$4,000
-

**Withdrawal and
Transferability
Options,
Continued**

Cash distributions,
continued

Separated employees,
continued

Contracts Issued Before January 1, 1992. For eligible employees whose TIAA-CREF contracts or Fidelity accounts were established before January 1, 1992, repurchase is available

- the total value of TIAA and CREF RA contracts is \$2,000 or less or the oldest TIAA-CREF Retirement Annuity Contract or Fidelity account is not more than 5 years old, or
 - the participant is not moving to an institution where TIAA-CREF will be made available.
-

**Withdrawal and
Transferability
Options, continued**

Financial hardship

An individual may, during active employment or after termination of employment, withdraw either basic (matched) or voluntary (unmatched) contributions, or both, on the basis of financial hardship. The definition of financial hardship is specified by the IRS and includes:

- costs directly related to the purchase of a primary residence, excluding mortgage payments, or
- payments necessary to prevent the eviction or foreclosure notice, or
- the payment of tuition and related educational fees of post secondary education for an employee, his or her spouse or dependent children, or
- uninsured medical expenses as described in IRS publication 502, *Medical and Dental Expenses*

Other factors which determine eligibility for a hardship withdrawal include exhausting all other sources of funds including

- borrowing against voluntary retirement plan contributions, or
- borrowing against commercial sources, or
- the reasonable liquidation of other assets.

Monies received on the basis of financial hardship must not exceed the financial need and exclude investment earnings. A 10% IRS penalty in addition to ordinary income tax may be assessed.

How to apply for a financial hardship withdrawal. An individual must submit a completed Application for *Approval of Distribution of Retirement Plan Funds* available by downloading the form electronically at:

<http://www.northwestern.edu/hr/benefits/plans/retirement/forms.html>

or from the Benefits Division (benefits@northwestern.edu) and return the completed form to the Benefits Division.

Investment company applications may also be obtained directly from either TIAA-CREF or Fidelity

University approval. Cash withdrawals require Northwestern University approval. If an employee receives a withdrawal of funds on the basis of financial hardship, contributions to the Plan will be suspended for 6 consecutive months.

Consulting a tax adviser. Employees considering cash distributions of accumulated Retirement Plan funds should consult a tax adviser to determine the tax ramifications of the withdrawal including any IRS imposed penalties.

**Withdrawal and
Transferability
Options ,
Continued**

Loan Provisions

Summary

Both TIAA-CREF and Fidelity offer the ability for participants to borrow accumulated basic (matched) and voluntary (unmatched) contributions. An individual may have up to two loans at any given time.

TIAA-CREF
RA and GSRA
loan option

TIAA-CREF offers a loan option through RA and GSRA contracts which give employees access to their SRA savings before retirement and, provided all repayments are made on time, without tax penalty.

- The maximum loan amount is 45% of SRA TIAA-CREF accumulated assets or \$50,000 whichever is lower,
- The minimum loan amount is \$1,000.

Fidelity
Loan Option

Fidelity Investments offers a loan feature that gives employees access to their savings before retirement and, provided all repayments are made on time, without tax penalty.

- The maximum loan amount is 40% of voluntary (unmatched) contributions or \$50,000, whichever is lower.
- The minimum loan amount is \$1,000.

Further
Information

Further details are available by:

- contacting TIAA-CREF directly at (800) 842-2776 and asking for a copy of Group Supplemental Annuities - *The Loan Guide* , or by
 - contacting Fidelity Investments directly at (800) 343-0860.
-

**Withdrawal and
Transferability
Options ,
Continued**

**Termination of
Employment**

Summary

This section describes what options an employees has relative to Retirement Plan assets at termination of University employment.

Options

Employees who leave the University for reasons other than retirement and have contributed retirement monies to either TIAA-CREF or Fidelity may:

- **Maintain existing accounts.** Accumulated funds will continue to be credited with the same interest and dividends as they would have had a participant continued contributions. Funds and earnings will not be subject to taxes until withdrawn. Subject to IRS rules, an individual may make *after-tax* contributions to existing contracts.
 - **Request the commencement of annuity or periodic payments.** An individual may request the withdrawal of all or a part of accumulated funds in monthly annuity or other forms of periodic payments.
 - **Transfer accumulated funds to a new employer plan.** An individual may transfer accumulated funds to an investment company sponsored by his or her new employer.
 - **Initiate a rollover directly to an IRA.** An individual may rollover funds directly to an IRA managed by TIAA-CREF or other investment companies.
 - **Request accumulated funds in cash.** Accumulated funds may be withdrawn over a specified period of time. Supplemental or voluntary (unmatched) funds may be withdrawn subject to IRS regulations. The applicable investment company and a tax adviser should be consulted for possible tax consequences of the withdrawal.
-

Further
information

An individual should contact Fidelity Investments or TIAA-CREF with any questions.

**Withdrawal and
Transferability
Options,
Continued**

Retirement

Summary

This section highlights what options a participant has with accumulated funds at retirement.

General provisions

Normally, employees begin to withdraw accumulated Retirement Plan funds or initiate periodic payments the month following their retirement. A participant may defer beginning annuity income until a future date.

- **Maintain existing accounts.** Accumulated funds will continue to be credited with the same interest and dividends as they would have had a participant continued contributions. Funds and earnings will not be subject to taxes until withdrawn. Subject to IRS rules, an individual may make *after-tax* contributions to existing contracts.
- **Request the commencement of annuity or periodic payments.** An individual may request the withdrawal of all or a part of accumulated funds in monthly annuity or other forms of periodic payments.
- **Transfer accumulated funds to a new employer plan.** An individual may transfer accumulated funds to an investment company sponsored by his or her new employer.
- **Initiate a rollover directly to an IRA.** An individual may rollover funds directly to an IRA managed by TIAA-CREF or other investment companies.
- **Request accumulated funds in cash.** Accumulated funds may be withdrawn over a specified period of time. Supplemental or voluntary (unmatched) funds may be withdrawn subject to IRS regulations. The applicable investment company and a tax adviser should be consulted for possible tax consequences of the withdrawal.

Further information

An individual should contact Fidelity Investments or TIAA-CREF with any questions.

**Withdrawal and
Transferability
Options,
continued**

**In the event of an
employee's death**

Summary

This section describes the status of Retirement plan assets at the time of an employee's death.

General
provisions

At the time of the death of a participant who was actively contributing to Fidelity Investments or to TIAA-CREF and had not begun the withdrawal of accumulated funds, such funds are payable to the named beneficiary.

If a participant had begun the process of transferring or withdrawing accumulated funds in cash, remaining monies will generally be paid in accordance with how the transfer or cashout was initiated.

Further
information

Individuals should contact Fidelity Investments or TIAA-CREF with any questions.

**Changes in
Employment of Family
Status (Life Events)**

This section summarizes the impact of changes in employment or family status on Retirement Plan participation.

Changes in
family status

An individual may elect to enroll or to waive participation in the Retirement Plan, change the allocation of contributions among investment companies, change beneficiary designations, or increase or decrease the amount of supplemental contributions.

Changes in
employment status

An individual may elect to enroll or to waive participation in the Retirement, change the allocation of contributions among investment companies, change beneficiary designations, or increase or decrease the amount of supplemental contributions.

Change in spouse
Employment status

An individual may elect to enroll or to waive participation in the Retirement, change the allocation of contributions among investment companies, change beneficiary designations, or increase or decrease the amount of supplemental contributions.

Leaves
of Absence

A leave of absence is a continuation of an employment relationship and is not a separation from University employment, whether the leave includes paid sick time, short-term or long-term disability insurance benefits, or no paid benefits at all.

Employees may continue participation in the Retirement Plan and make contributions to the Plan by payroll deduction during a paid leave of absence.

Leaves of absence for health or medical reasons. Employees may continue contributions during the period they receive accumulated sick or vacation time.

Leaves of absence for personal reasons. During the period an employee is not receiving a University paycheck, contributions may not be made to the Retirement Plan.

Return from leave. Upon return from a leave of absence, an individual may resume Retirement Plan contribution not continued during the leave.

An individual who decides not to return from a leave of absence has the choice of retaining accumulated assets or a number of distribution options subject to IRS regulations.

**Changes in
Employment or Family
Status, continued**

This section summarizes the impact of changes in employment or family status on Retirement Plan participation.

Termination
of employment

An individual who terminates University employment has the choice of retaining accumulated assets or a number of distribution options subject to IRS regulations.

Retirement

An individual who retires has the choice of retaining accumulated assets or a number of distribution options subject to IRS regulations.

ERISA Rights

Each participant in University sponsored benefit plans is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all Plan participants will be entitled to:

Examine, without charge, at the Plan Administrator's office, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports (if any) and Plan descriptions.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may impose a reasonable charge for the copies.

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans.

The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the employer or other person, may terminate an individual's employment or otherwise discriminate against the individual in any way to prevent him or her from obtaining a benefit or exercising his or her rights under ERISA.

If a claim is denied in whole or in part, an individual must receive a written explanation of the reason for the denial. He or she has the right to have the Plan Administrator review and reconsider the claim. Under ERISA, there are steps an individual can take to enforce these rights. For instance, if an individual requests certain materials from the Plan and does not receive them within 30 days, he or she may file suit. In such a case, the court may require the Plan Administrator to provide the materials and pay the individual up to \$100 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If an individual has a claim for a benefit plan which is denied or ignored, in whole or in part, he or she may file suit. If it should happen that Plan fiduciaries misuse the Plan's money (if benefits ever become funded), or if an individual is discriminated against for asserting his or her rights, he or she may seek assistance from the U.S. Department of Labor, or he or she may file suit. The court will decide who should pay court costs and legal fees. If the individual is successful, the court may order the person sued to pay these costs and fees. If an individual loses, the court may order him or her to pay these costs and fees if, for example, it finds the claim frivolous. If an individual has questions about this Plan, he or she should contact the Plan Administrator. If there are any questions about this statement or about an individual's rights under ERISA, he or she should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor. The Plan Administrator shall have the maximum authority permitted by law to construe and apply the provisions of the Plan.

Summary

Type of Plan	Defined contribution pension plan
Plan Year	January 1 through December 31

Plan Sponsor – Employer	Northwestern University 720 University Place Evanston, IL 60208-1143 847 491-7513
Employer Identification Number	36-2167817

Plan Administrator	Northwestern University 720 University Place Evanston, IL 60208-1143 847 491-7513
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Agent for Service of Legal Process	Office of General Counsel 633 Clark Street Evanston, IL 60208-1143
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Contributions	Employer and employee paid
Investment Options	Fidelity Investments, TIAA-CREF

Contributory Plan A	
Plan Number	001
Date Established	September 1, 1976

Contributory Plan B	
Plan Number	004
Date Established	September 1, 1974

Supplemental Retirement Plan	
Plan Number	003
Date Established	September 1, 1974