ANNUAL SAFE HARBOR PLAN NOTICE FOR THE NORTHWESTERN UNIVERSITY RETIREMENT PLAN

This notice is for employees who are eligible to participate in the Northwestern University Retirement Plan (the “Retirement Plan” or “Plan”).

If you are eligible to participate in the Retirement Plan, you are eligible to receive certain “safe harbor matching contributions” in accordance with the terms of the Plan and to satisfy certain non-discrimination requirements under the Internal Revenue Code.

Northwestern University (the “University”) will make safe harbor matching contributions to eligible Plan participants for the Plan year beginning January 1, 2020, unless the Plan is amended or terminated or except as described below. Please read this Notice because it contains important information regarding the Plan. More information about the Plan’s provisions, including information about eligibility for the Plan, can be found in the Plan’s summary plan description (“SPD”), which can be found at www.northwestern.edu/hr/benefits/retirement.

Safe Harbor Matching Contributions

If you elect to contribute a portion of your Eligible Earnings to the Retirement Plan for a pay period, the University will match one dollar for each dollar you contribute, up to a maximum of 5% of your Eligible Earnings. These matching contributions are treated as “Safe Harbor Matching Contributions.”

The University will “true up” your Safe Harbor Matching Contribution at the end of each Plan year to make sure you receive the maximum matching contribution under the Plan. Under the true-up feature, if your Safe Harbor Matching Contribution calculated on an annual basis exceeds the amount of matching contributions you received during the Plan year, you will receive an additional contribution equal to the difference.

Safe Harbor Matching Contributions are intended to be “safe harbor” matching contributions as described in Section 401(m)(11) of the Internal Revenue Code.

The University may amend the Plan, at any time during the Plan year, to reduce or suspend the Safe Harbor Matching Contribution. If the University amends the Plan to reduce or suspend the Safe Harbor Matching Contribution during the Plan Year, then the Plan Administrator will provide a supplemental notice to eligible employees and the suspension or reduction of Safe Harbor Matching Contribution will not apply until at least 30 days after that notice is provided.

Other Retirement Plan Contributions

Once you satisfy the eligibility requirements for the Retirement Plan, you will receive an Automatic Retirement Contribution equal to five percent (5%) of your “Eligible Earnings” for each pay period during which you are eligible to participate in the Retirement Plan. The University may amend the Plan to reduce, suspend, or eliminate the Automatic Retirement Contribution at any time.

Eligible Earnings

Generally, Eligible Earnings means your base salary. Accordingly, Eligible Earnings does not include, among other things, (1) reimbursements or other expense allowances, (2) fringe benefits (cash and noncash), or (3) welfare benefits (including short-term disability payments or severance pay). Eligible

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Earnings are measured for the portion of the year during which you are a participant in the Plan. The IRS limits the amount of Eligible Earnings that can be taken into account under the Retirement Plan. For 2020, this limit is $285,000.

**How to Make or Change Your Elective Deferral**

Once you satisfy the eligibility requirements for the Retirement Plan, you may elect to defer up to 5% of your Eligible Earnings into the Plan. You set and make changes to your elective deferrals through myHR (choose the Benefits tile and then select My Savings Plan Elections) or by calling (800) 343-0860. Your deferral election will be effective at the next possible payroll period and will apply to all pay periods thereafter until you change it.

You must elect to contribute to the Retirement Plan otherwise you will not receive Safe Harbor Matching Contributions. Elective deferrals must be entered as a whole percentage between 1% and 5% of your Eligible Earnings. Your elective deferrals to all defined contribution plans, including the Retirement Plan, are limited to $19,500 in 2020. If you are age 50 or older at any time in 2020, you may elect to make catch-up contributions (up to an additional $6,500 for 2020).

**Vesting**

You are always 100% fully vested in your elective deferrals, Safe Harbor Matching Contribution, and Automatic Retirement Contributions, and any earnings thereon.

**Distributions**

You may only withdraw your employee contributions after you terminate University employment, attain age 59½, or incur a hardship, or in connection with a “phased retirement” (pursuant to a written agreement with the University under which you agree to retire or terminate employment as of a definite date and the written agreement provides for withdrawals while you are an employee). Generally, you may only withdraw your Automatic Retirement Contributions and Safe Harbor Matching Contribution from the Retirement Plan after you terminate University employment or in connection with a phased retirement. Note that, if you are younger than age 59½ at the time of withdrawal, a 10% penalty may apply. Distributions are taxable in the year received unless you elect a direct rollover.

You can learn more about the Plans’ distribution rules by contacting Fidelity at (800) 642-7131 or TIAA at (800) 732-8353, as applicable. To learn more about taxation and the additional 10% penalty tax, you can refer to IRS Publication 575, Pension and Annuity Income.

**Plan Amendment and Termination**

The University has the right, at any time, to amend or terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the Safe Harbor Matching Contribution) with respect to any compensation you receive after the effective date of termination. Termination of the Plan will not affect your right to receive any contributions you have accrued as of the effective date of the termination.

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If you have any questions about the Plan or this Notice, please contact the Benefits Division, Office of Human Resources at (847) 491-7513 or benefits@northwestern.edu.

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