

**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”).

Northwestern University (the “University”) will make safe harbor matching contributions to eligible Plan participants for the Plan year beginning January 1, 2021, unless the Plan is amended or terminated or except as described below.

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 that are intended to satisfy certain non-discrimination requirements under the Internal Revenue Code.

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”) located here www.northwestern.edu/hr/benefits/retirement.

Employee Deferral Contributions

Once you satisfy the eligibility requirements for the Retirement Plan, you may elect to contribute up to 5% of your Eligible Earnings into the Plan on a pre-tax basis. You can find out more information about the Plan's eligibility requirements in the SPD.

Your elective deferrals to all defined contribution plans, including the Retirement Plan, are limited to \$19,500 in 2021. If you are age 50 or older at any time in 2021, you may also elect to make catch-up contributions to the Plan (up to an additional \$6,500 for 2021).

Safe Harbor Matching Contributions

If you elect to contribute a portion of your Eligible Earnings to the Retirement Plan, the University will match one dollar for each dollar you contribute, up to a maximum of 5% of your Eligible Earnings, for the pay period. These matching contributions are called “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, when 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 University will provide a supplemental notice to eligible employees at least 30 days before the suspension or reduction of Safe Harbor Matching Contribution is effective.

Other Retirement Plan Contributions

The University, at its discretion, may also make Automatic Retirement Contributions to the Plan. Automatic Retirement Contributions, if any, are calculated as a percentage of your Eligible Earnings.

Eligible Earnings

Generally, Eligible Earnings means your base salary. Accordingly, Eligible Earnings does not include (1) reimbursements or other expense allowances, (2) fringe benefits (cash and noncash), (3) non-qualified deferred compensation, or (4) welfare benefits (including short-term disability payments or severance pay). If you are a highly compensated employee, your Eligible Earnings do not include supplemental pay and pay for temporary assignments or additional assignments.

Eligible Earnings are measured for the portion of the year during which you are a participant in the Plan. The Plan limits the amount of Eligible Earnings that will be taken into account under the Retirement Plan. For 2021, this limit is \$290,000.

How to Make or Change Your Elective Deferral

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 beginning with the payroll period after it is processed, and will apply to all pay periods thereafter until you change it.

You must elect to contribute to the Retirement Plan to receive Safe Harbor Matching Contributions.

Vesting

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

Distributions

You may only withdraw your employee contributions after you terminate University employment, attain age 59½, or incur a hardship, or in connection with your “phased retirement” (pursuant to a written agreement with the University 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 Plan 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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You can find out more information about the Plan in the SPD, which is located here www.northwestern.edu/hr/benefits/retirement. 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.